

# SUNTORY

PDF

2019 Suntory Group Sustainability Site



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## Suntory Group will Continue to Innovate and Challenge toward the Coming 100 Years

### Takeshi Niinami

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



This year marks the 120th anniversary of the Suntory Group. As stated in our corporate philosophy "To Create Harmony with People and Nature," the Suntory Group carries out business activities with its mission to create more fulfilling lifestyles while simultaneously giving gratitude toward the blessings of water and nature and realizing constant harmony with society and the precious global environment by delivering the highest quality products and services to people around the world.

The driving force behind this is our "Yatte Minahare" spirit which is still passed down today to each and every Suntory employee. We continue to challenge creating new value that enhances customers' lives and continue to grow globally in the alcoholic beverage and soft drink businesses. In addition, the Suntory Group addresses current social issues and contributes to solving them through cultural activities, social contribution activities, and other efforts due to our will to help society with our spirit of "Giving Back to Society" which has existed since our founding. This year, the Suntory Foundation for the Arts (originally Torii Music Foundation), established in recognition of Japan's period of rapid growth and the importance of spiritual wealth, celebrates its 50th anniversary with the Suntory Foundation for Culture celebrating its 40th anniversary. We still intend to grow as a one-of-a-kind multi-faceted food and beverage company group that is trusted and loved by customers all over the world through the unique challenges that we take on and activities based on our spirit of "Giving Back to Society."

### ■ Aiming to Realize Sustainability Management on a Global Level

The challenges we need to confront are serious and wide ranging. These challenges include global climate change and water shortages, stress on resources due to population growth, widening wealth gap, increasing amount of waste, and destruction of the natural environment. The world is actively moving to find solutions to these problems as shown by the Sustainable Development Goals (SDGs) adopted at the 2015 United Nations Summit as well as Paris Accord established at the COP21 (United Nations Framework Convention on Climate Change). The Suntory Group sincerely confronts these same problems as it expands businesses globally and knows it must further accelerate initiatives able to contribute to resolving each issue. In order for the entire Group to contribute to solving these issues, in July 2019 we formulated the Sustainability Vision in June which defines the type of sustainable society that the Suntory Group strives to realize and sets seven important sustainability themes that we must focus on. In addition to environmental initiatives, including those focusing on water and CO<sub>2</sub>, contributing to a recycling-oriented society, and contributing to healthy lifestyles that enrich the spirit, we intend to contribute to the realization of a sustainable and prosperous society based on our vision of "Growing for Good" while continuing to work on supply chain based human rights issues.

As part of these efforts, we formulated the Suntory Group Plastic Policy in response to the urgent plastic issue, which needs to be quickly addressed, and strongly intend to replace all plastic bottle materials used globally with recycled and plant-derived materials by 2030 to achieve zero use of virgin petroleum-based materials. Aiming toward the realization of a sustainable society, we will continue to take on challenges, providing strong leadership for transforming our current society into a recycling-oriented society and zero carbon society.



## ■ In Pursuit Water Sustainability, Our Most Important Issue

Water is in particular one of the most important issues as it is a valuable resource for supporting people's lives, and the source of Suntory Group's corporate activities. In order to become a global top runner, we are working to give priority to water sustainability as a "Mizu To Ikiru" company. In Japan, the water resource cultivation activity Suntory Natural Water Sanctuary, which started in 2003, has set the 2020 environmental target of expand the area of Natural Water Sanctuaries so as to make them twice the size of the territory where Suntory withdraws water for its plants in Japan. There are now 21 Suntory Natural Water Sanctuaries in 15 prefectures which comprise a total area of approximately 12,000ha, an expansion achieved a year ahead of schedule. In January 2019, the Suntory Okudaisen Bunanomori Water Plant was the first plant in Japan to receive the Alliance for Water Stewardship (hereinafter AWS) certificate, which is related to sustainable water use in areas near plants. For the certification, the following were highly appraised: Our company's understanding of the water balance in the area surrounding the plant, water resource cultivation based on scientific data, water conservation and water quality management initiatives at the plant, our work with stakeholders in drainage areas, and appropriate information disclosure. Suntory continues implementation of Natural Water Sanctuary activities in order to provide the blessing of nature, something that cannot be replaced, to our children and future generations to come. We will also expand these activities on a global level by formulating our "Sustainable Water Philosophy" so that we can spread this philosophy cultivated over many years through our activities in Japan throughout the world. Suntory Mizuiku - Natural Water Education Program, which started in 2015 in Vietnam, was expanded to include water education classes for approximately 18,000 elementary school students that were carried out by 2018. The program provides access to safe water through toilet, sink, and other repairs as well as water purification equipment installation. We plan to continue developing this program on a global level focusing on regions in Asia including Indonesia. In addition, we entered a five-year contract from January 2019 with Bernheim Arboretum and Research Forest, the foundation which owns the water source of our Jim Beam distillery in the United States, started new environmental conservation activities, and are expanding activities based on our "Sustainable Water Philosophy" on a global level.

We at the Suntory Group will continue to listen to the voices of our customers and other stakeholders, and, as a multi-faceted food and beverage company, look ahead 100 years into the future to continue to innovate and step up to challenges in order to pass down a sustainable society to future generations.

July 2019

Takeshi Niinami

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



# Suntory Group's Founder's Spirit and Sustainability

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

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

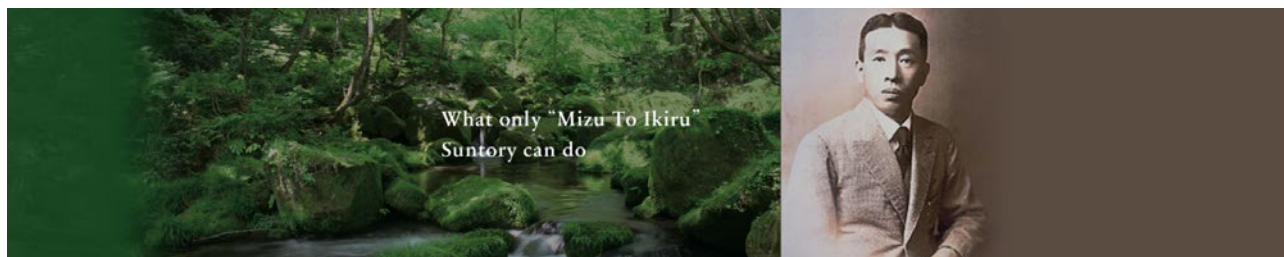
The mission of the Suntory Group is to contribute to building society sustainable over the long term by working toward relationships in which both parties benefit without sacrificing the prosperous life culture of people or preservation of the natural environment.

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

The foundation for our philosophy to value these social contribution activities is rooted in the "Giving Back to Society" spirit actively passed down since our founding.

Founder Shinjiro Torii was almost religious in advocating this management philosophy. His words taught us not only to reinvest in our businesses from our earnings but also ensure this revenue contributes to providing services to clients and business partners as well as to society.

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



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

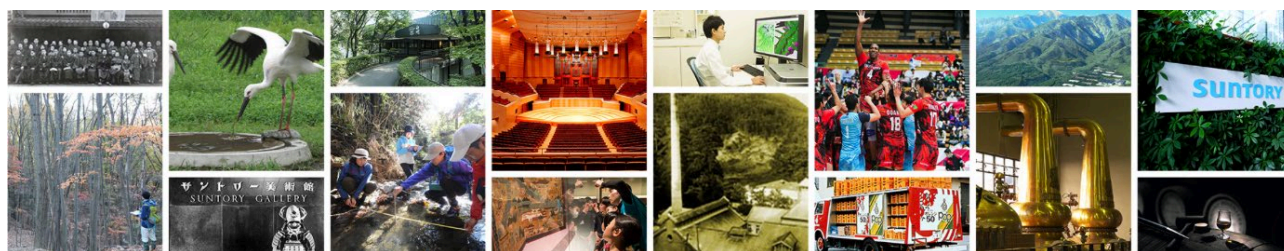
As part of these efforts, we are especially active in water sustainability incorporated into our environmental activities conducted under Suntory Follower Your Nature.

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

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

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

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



# Suntory Group Philosophy

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

Suntory Group's Promise

## Mizu To Ikiru

Suntory Group's Philosophy



### Our Mission

#### To Create Harmony with People and Nature

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

## Our Vision

### Growing for Good

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

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

### "Yatte Minahare"

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

## Suntory Group Way

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

## Suntory Group Code of Business Ethics

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



# Mizu To Ikiru

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

## Renew the world like water

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

## Satisfy people like water

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

## Move freely like water

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

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

Dialogue with Society

# Discovering Suntory's True Value From the Formulation of the Sustainability Vision

Aiming "To Create Harmony with People and Nature" as stated in our corporate philosophy, our dialogue with society introduces the Suntory Group Sustainability Vision, Plastic Policy, and the Suntory Group Human Rights Policy, which were newly formulated in the course of promoting sustainability management globally, to a panel of experts for review and to hear their opinions.

●Date: July 22, 2019

●Location: Suntory World Headquarters

## ■ Experts



Scott T. Davis  
Professor, College of Business, Rikkyo University



Hidemi Tomita  
Director, Lloyd's Register Japan K.K.



Kaori Kuroda  
Executive Director, CSO Network Japan

## ■ Suntory



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



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



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

## ■ Moderator

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

## In Pursuit of a Vision Which Represents Suntory's Non-Passive Nature

**Moderator** | Today, I would like to hear opinions from various perspectives regarding the sustainability management that the Suntory Group is working on globally based on its vision of "Growing for Good". First, I would like to ask for your frank impressions and critiques about the Sustainability Vision formulated based on the seven themes that are important to the Suntory Group.

**Kuroda** | I can evaluate the selection of the four goals of "Water and Sanitation", "Health and Welfare", "Responsible Production and Consumption", and "Measures to Combat Climate Change" which have been identified as SDGs to be addressed. Early on, there was an idea that it would be good to work on the 17 SDGs giving equal priority to each. However, as the SDGs are also becoming known by general society, I felt that giving an inside and outside view of what we are giving priority to is very important and provides for easy understanding. I don't think it is necessary to make forced connections with each of the SDGs when considering sustainability. Suntory has been firmly establishing environmental goals before the SDGs even came into existence. However, since the SDGs have already become a common language throughout the world, I think it is important to use them as communication tools. Although "Health and Welfare" is mentioned, the part translated as "welfare" in Japanese is "well-being" in English. When I read overseas reports, I often see the word "well-being" being used recently. It is a word that is difficult to translate into Japanese and means "happy state of being" or "purpose in life." I think that it is connected to preserving the mental and physical health of people, in other words, a part of the culture of life where contributions are made for the realization of an enriched society where people are healthy both mentally and physically, something that Suntory has been doing for a long time.

**Tomita** | I think that Suntory's Sustainability Vision covers themes comprehensively and strongly reflects Suntory's business activities. In particular, life culture represents a characteristic part of Suntory, and it makes me feel that enhancing both society and business at the same time is important. However, although Suntory is a company that communicates well and has a different level of message quality than other companies, the title "Sustainability Vision" seems to be too simple. Since the words "To Create Harmony with People and Nature" are a vision on their own, I would like to see such Suntory-esque expression used here as well. Also, from an ESG perspective, Suntory is highly regarded as a company that earns profits while maintaining a good relationship with society. Suntory's businesses must use a great amount of water and agricultural products. As a result, I think it's better to clearly indicate that we are not only doing good things for climate change but also working on business continuity as well.

**Fukumoto** | Although you mentioned "Enriching life," when formulating the Sustainability Vision we were mostly concerned with Suntory's unique initiatives. With that, we reconfirmed that the sustainable society we are aiming for is a society where harmony is created with people and nature, which is actually our mission at Suntory. In addition to now being required to respond to SDGs and sustainability in global society, it is imperative for us to implement and pursue the philosophy that we have cherished since our founding to advance sustainability management. As a result, the Sustainability Vision has been firmly rooted in our philosophy. People demand to live fulfilled lives with quality time and purpose rather than completely devoting themselves to productivity and efficiency. When Suntory delivers soft drinks to the hands of consumers, we want to provide them with an enriched time during which they can relax and become refreshed, not just quench their thirst. During the Great East Japan Earthquake, we carried out activities to put smiles on the faces of people in disaster affected areas, such as sending musicians from Suntory Hall together with providing life support by delivering water and other needed items to disaster affected areas. "Enriching life" is a mission of ours and expresses the significance of our existence, something that we want to surely realize in our sustainability efforts.



**Davis** Once again, I think that Suntory is blessed. Suntory has a great heritage. Although the message "Mizu To Ikiru" appears to be something to be expected, the more you read about it the more you are able to understand it. With the stance and awareness of "Mizu To Ikiru," I thought that it was a promise that could lead to a better future thought about together with us ordinary citizen regarding how we should interact with water. On the other hand, whether such a great heritage will become a larger asset or a burden depends on what actions Suntory takes. The key to this is "Growing for Good". From here on, I think there is a need to create an active cycle between "growing" and "good." At first, to shift from "growing" to "good," it is necessary to build a business model and necessary to make a unique contribution that only Suntory is capable of. Furthermore, moving from "good" to "growing" requires "social sensitivity," in other words, efforts like this dialogue. At Suntory, however, "growing" and "good" already seem to overlap. I think that maintaining this overlap is a growth story for the future.

**Tomita** I'm happy to hear that Mr. Davis thinks that that the Sustainability Vision is a good creation. However, it's a shame that it seems to be more of a passive stance for responding to the SDGs rather than a vision. It means that initiatives related to growth and goodness are present while conducting business activities, but in some areas this vision looks like a "good" initiatives list. I don't feel that the "innovation" that is the driving force of growth moves in tandem. Here I would like to see another step taken in a manner unique to Suntory. Recently, the "value creation model" business model is often talked about. It would be nice to see the relevance to business and integrated image as in a "value creation model."

**Davis** Why do consumers purchase (Mineral Water) Suntory Tennensui In Japan, consumption is based on values rather than on needs, so there is added value found in circumstances instead of things. For consumers, in addition to serving their well-being, consumption serves as a small tool for realizing expression, style, and who they want to be. There are many people who like the story of water that Suntory tells, and there is an expectation for what will be coming next. I think that part must be included in the business model and told as a main business story. Therefore, the main point of focus is the PET Sustainability Concept (described later) which is related to the recycling of PET bottles as addressed in the Plastic Policy. This is absolutely your true innovation.

**Tomita** Originally, a vision should not focus on what can be done at the present but what is aimed for. It should have been designed as a drastic concept that deals with uncertainty and recognizes that failure to achieve goals is undesirable. As you can see as a detail, this is not a negation of the Sustainability Vision or Plastic Policy, but I would like to see more of an effort to see more of the whole story conveyed or more persuasiveness. This is because I know that Suntory can do it.

**Naito** We have looked at very big themes which extend into the future such as the vision and business model. However, at our manufacturing sites, awareness for reducing water use and for reducing the amount of CO<sub>2</sub> created has already been dropped. I think that we have to take a step further from here, requiring initiatives for determining how much, to what extent, and in what way reductions should be carried out. One big challenge is how to get team members to look at this. From the start, Suntory has been a company that is fond of revelry and has a long-standing corporate culture where it was established and developing before anyone knew it. I think this issue must be worked on continuously with a certain amount of tension until 2030.

**Fukumoto** In regard to initiatives for Water Sustainability, which is one of the seven priority themes established in the Sustainability Vision, since Suntory is a company that cannot produce anything without using water, I think that there is one "Growing and Good cycle" in which resource improvement activities are carried out to sustain business in order to create wonderful water 30 years later and deliver it to consumers. In response to plastic related issues, we are also trying to innovate and take on the challenge of moving over to a completely recycling-oriented society and a decarbonized society. Despite these individual visions and initiatives, it has been pointed out that it was difficult to see the story about how to use good as a driver for growth and how to connect it to corporate value. Since seven key themes have been shared in relation to the business value chain, the next challenge is to create a story that connects with corporate value.

Kitamura

I think that the SDGs that have spread rapidly throughout society must be addressed as communication tools, as previously indicated. However, without entering that framework, I think that the important thing is to create a business model and story as mentioned earlier. From here on, how will Suntory operate based on the Sustainability Vision? Among various issues, there are areas where we are still in a stalemate. Therefore, we are currently searching for an attractive story in cooperation with various departments regarding how to "catch" innovation and channel it into business. We are scared that if we do not actively carry out initiatives in this way that we will not be able to establish business that connects both "growing" and "good."



# Announcement of the Plastic Policy for Changing and Exciting the World

- Moderator** | Can you provide us with a critique of the Plastic Policy which was announced in May 2019? The goal for this is to be reached by 2030, and it is an ambitious effort for the entire world to achieve it in just another 10 years. Also, Suntory has already taken the initiative in Vietnam, and together with Nestlé and Coca-Cola, a corporate alliance has been created to encourage the Vietnamese government to establish a plastic recycling system.
- Tomita** | To be honest, I thought it was amazing. I knew about it as a theory, but I couldn't say anything so far because I wasn't able to visualize it. I was able to see a path that can be realized through recycling and the use of bio-derived materials. However, in this PET Sustainability Concept (conceptual diagram) prepared today, I felt that it was a shame that I could only see that only Suntory will be working on it. I would like to see other companies and local governments in Japan and overseas also involved to show the momentum behind the initiative of changing the world. Perhaps this innovation will not be realized without such momentum. For example, we need to "resonate" in cooperation with downstream companies in recycling, and we need to resonate with consumers to create a collection system. In the end, I would like to see not only how much Suntory can contribute but also how much impact it can have on the sustainability of society as a whole involving various organizations.
- Kuroda** | I think that this Plastic Policy is wonderful. When thinking about what a sustainable society is, I think that it is to circulate what is already at the Earth's surface. Since it is not practical to solve all the plastic issues in-house, I think it is important to get people and organizations with the technology, ideas, and policies necessary to solve each problem. By disseminating information throughout the world, we can expect the expansion of a network of people and organizations wanting to contribute to solving problems together.
- Davis** | As a single consumer, I think the efforts in Vietnam make a very good story. Furthermore, I think that buying and drinking my favorite Suntory products is an activity that I am also participating in to provide capital for the company, and I do this because Suntory is a company that I want to support. Talking to society about Plastic Policy initiatives means that it become a business model.
- Kuroda** | On the other hand, access to safe water, which Suntory has set as a goal, is still a major issue worldwide. Under such circumstances, if the world defined in this Plastic Policy is realized, access to drinking water will be greatly expanded and that basic human right will be realized.
- Davis** | I absolutely agree. Therefore, it is again necessary to reconfirm the value-added strategy for PET bottles. Since PET bottles are lightweight and durable, the right to water access has grown dramatically. Then, "Recycle" and "Reduce" are presented in the Plastic Policy first followed by "Innovation", and an important thing is written in the final part. This is "New Behavior", which means that it is intended for exercising rights. It means that Suntory will realize the right of people to access water, which is unimaginable. Although the Plastic Policy is a policy, it looks more like a plan in its current configuration. Since it is quite a good policy, humility, which is a Japanese virtue, is unnecessary in this case. This "New Behavior" should be the first part of the policy, followed by "Innovation."
- Fukumoto** | Although the Target towards 2030 presented in the Plastic Policy is very ambitious, nevertheless, it was unveiled that Suntory alone would never be able to achieve it, and it was recognized that it is something that we need help with. That is why I would like to involve people who move together when given a little stimulation by making them well aware of the issue.



Naito

When we attempt to create lighter, thinner containers at plants, just making them lighter and thinner will cause problems such as bending while in the line and failure to be filled well. Issues like these must be dealt with. When I walk around inside plants, I continue to say that we need to care not only about saving energy and water but to sufficiently contribute to recycling and sustainability by having our designers deliver to the world what they create in the form of products. In that sense, I have reaffirmed that it is necessary to find meaning and cause in the value chain since staff at manufacturing sites are working very hard.



## Expressing Suntory's Vision Also for Human Rights

- Moderator | Lastly, I would like to hear your ideas and opinions on the Suntory Group Human Rights Policy formulated in conjunction with the Sustainability Vision.
- Kuroda | Today when human rights are discussed in the world, the food industry will definitely join the discussion. Particularly in Latin America, Asia, Africa, etc., the high risk of human rights violations occurring in the food supply chain is taken into account. Since the Suntory Group Human Rights Policy has been formulated, I think that Suntory can move forward with momentum. However, as an area of focus, human rights violations are likely to occur in the supply chain and production process. Therefore, I would like you give priority to initiatives that deal with this issue.
- Tomita | For example, last year more than 50 companies issued human rights policies in Japan, and many companies have revised their human rights policies in recent years. Looking at the current situation, for example, although relief is written about, it does not extend to addressing the creation of an active problem solving mechanism. Since Suntory also manufactures coffee-based beverages, I think we have to talk about issues that coffee bean cultivation sites face. It's a shame if we do not think about how they relate to business or ideas. In addition, there is no mention about the right for access to water. This may be because there are no issues occurring now, but isn't it the most important issue for Suntory "Mizu To Ikiru"
- Fukumoto | At this time, we still do not grasp secondary and tertiary supply chain risks, so we did not incorporate specific risks into the Suntory Group Human Rights Policy. However, from here on I would like to see us perform assessments at a higher level of priority.
- Davis | I think this human rights policy is well formulated. Since such a policy was made, I would like to make one suggestion. We discussed whether this is a policy or a plan earlier, but what about creating something separately called the Suntory Human Rights Vision? For example, we have a visions for water accessibility and women's social advancement as indicated. Also, it is said that young musicians are rarely nurtured in Japan. However, Suntory has the infrastructure to nurture young musicians that no one can beat, so this is something that should also addressed through policy. I think that it is good idea to limit the human rights policy to this and to separately set out a vision of the unconventional fighting spirit that is unique to Suntory.
- Naito | I already thought that human rights are wide ranging, including the nurturing of musicians as Mr. Davis indicated. There are also considerations at productions sites regarding working hours, what to do with holidays, and making it so that even elderly people can work. I came up with the idea that it is necessary to have a strong connection with human rights when taking action.
- Kitamura | Thank you for your frank opinions about the Suntory Group Human Rights Policy. We are still at the stage of narrowing down content, so I would like to hear more about what you really think about it. There are various human rights related departments within the company. However, to connect human rights with the supply chain in the future, there is also the feeling as if we are headed out to new waters. Therefore, I again thought that I would like to hear opinions from various people, plan, and move forward with a fixed order of priority.
- Moderator | In closing, I would like to find out about your expectations for Suntory.
- Tomita | I would like to see Suntory perform top-level activities. I want to see the company actually act rather than aim and see this communicated globally. I want Suntory to aim to surprise the world audience at international conferences.
- Kuroda | Although I think that humility is a virtue, humility is sometimes seen in the world as the same thing as not taking action. Especially in the case joint development with global companies, such companies are held to the same standards, including strict indications by international NGOs. I would like to see Suntory communicate to the world about water, the environment, and plastics more than ever before. Since human rights are also related to overall business activities, I would like Suntory to work harder in this area as well.

Davis

Suntory is attempting to do wonderful things, so the more I hear about, the more I expect it. I hope that the Suntory Group's promise of "Mizu To Ikiru" will include us, meaning ordinary citizens. I don't think of Suntory products as "things" but rather as indispensable resources for realizing how I want to be. I would like consumers, Suntory fans that are too humble, to express themselves more so that they do not feel unhappy. In that sense, I hope that Suntory will be able to strongly demonstrate its role as our "pilot."

Naito

During today's dialogue, I found out that there are still things I haven't noticed, including perspectives and how to look at matters. I would like to move forward thinking about partnerships and what we should do when we turn awareness into action at actual manufacturing sites.

Kitamura

Suntory's "Mizu To Ikiru", "In Harmony with People and Nature", and "Growing for Good" initiatives are going to penetrate work to a considerable degree. Today, however, after listening to everyone, I think we have to quickly reach the level where we can make these initiatives move from the independent level to the work level or workplace level. It's not about not knowing the content of words anymore but about how they will be realized. I felt strongly that in order to achieve this at the employee level we had to set goals and be aware of the time required to reach them. Once again, I was reminded that SDG No. 17 "Partnerships for the Goals" is very important and that it is something very Suntory. I really want to take action now. Thank you very much.

Fukumoto

Thank you very much everyone for sharing your frank opinions. Again I felt that I had to think about what value the company Suntory essentially provides to society and what it is trying to provide. A company is essentially something that grows, that is, grows by providing things that society is lacking or for solving problems. Whether it is "things" or "matters", we will make an effort to make them sustainable after careful identification. I believe that communicating these actions properly will lead to joint development, including the general public. I felt that realizing the sustainability of the Suntory Group would also lead to realizing the sustainability of the world. Above all, I was able to sense everyone's strong expectations. If you learn about global trends and frameworks, such as sustainability and CSR, and build them yourself, you will definitely behave in a good manner. However, listening to what you have all said today, I felt that we should make full use of what we have. I would like to work towards the realization of the points to be improved and issues that were addressed today. In contrast, I want to move forward with initiatives without worry. Thank you very much for your time today.





# Suntory Group's Philosophy on Sustainability

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

## Suntory Group Sustainability Vision

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

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

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

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

Suntory Group's Promise

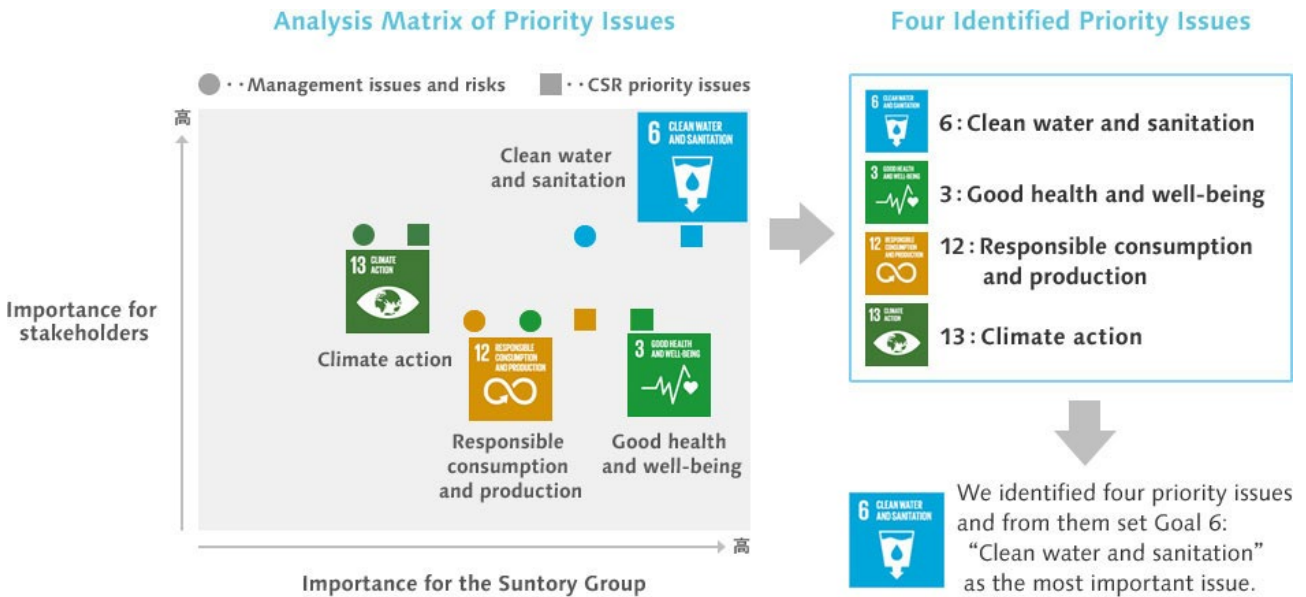
## Mizu To Ikiru

Suntory Group's Philosophy













## ■ Important sustainability themes for the Suntory Group

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



## The Suntory Group's 7 sustainability themes

Theme	Commitment	Related SDGs
<p>Water</p> 	<p>Based on Suntory's "Sustainable Water Philosophy," we as a group promote activities to preserve water including understanding of the water cycle, reduction, recycling and wastewater management, watershed conservation, and work with external stakeholders to achieve water sustainability.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Suntory Group's Sustainable Water Philosophy</li> <li>● Target towards 2030, Environmental Vision toward 2050</li> </ul>	
<p>CO<sub>2</sub></p> 	<p>In order to promote a decarbonized society and to address climate change, we reduce carbon emissions through the introduction of the latest energy-saving technologies and the use of renewable energy at our facilities as well as in our operations throughout the value chain.</p> <p>[Initiative]</p> <p>Target towards 2030, Environmental Vision toward 2050</p>	

Theme	Commitment	Related SDGs
<p>Raw ingredients</p> 	<p>With regard to agricultural products and other raw ingredients that are essential to our products, we cooperate with business partners across the supply chain, identify social and environmental issues, and promote sustainability initiatives that enable us to grow together, thereby enriching our communities.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Sustainable Procurement</li> </ul>	
<p>Containers and packaging</p> 	<p>We consider the environment throughout the product life cycle—from product design, packaging materials, and containers, to transportation and recycling after consumption—and work to achieve a circular economy.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Suntory Group Plastic Policy</li> <li>● 3R in Containers and Packaging</li> </ul>	
<p>Health</p> 	<p>To enrich society, the Suntory Group promotes activities under the following three themes:</p> <p><b>Alcohol products</b></p> <p>We contribute to a richer society through beer, wine and spirits, and other alcohol products that bring enjoyment to people, inspire human connections, and play a role in the celebrations and events that mark the milestones of their lives. We are committed to promoting the moderate consumption of our products and encouraging responsible choices about alcohol. We are a leader in working individually and in partnership with industry peers and other partners to reduce harmful consumption of alcohol, including overconsumption, drunk driving, underage drinking, and drinking during and after pregnancy, based on our Drink Smart alcohol responsibility program. We also offer non-alcoholic and low-alcohol products to meet customer preferences.</p> <p><b>Soft drinks</b></p> <p>In addition to leveraging "natural and healthy" beverage development technologies cultivated in Japan, we address health and wellness concerns through our beverages and make our consumers' lives more natural, healthy, convenient, and rich.</p> <p><b>Health foods</b></p> <p>In order to contribute to a longer active life, we research the relationship between "the power of nature" and health to support people's health, beauty, and wellness through daily dietary habits.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Reducing Harmful Drinking</li> <li>● Measures for Healthy and Comfortable Lifestyles</li> </ul>	

## Theme

## Commitment

## Related SDGs

Human Rights



### Group Employees

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

### Value chain

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

[Initiative]

- To Create Harmony with Employees
- Sustainable Procurement
- Respect for Human Rights



Enriching life



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

[Initiative]

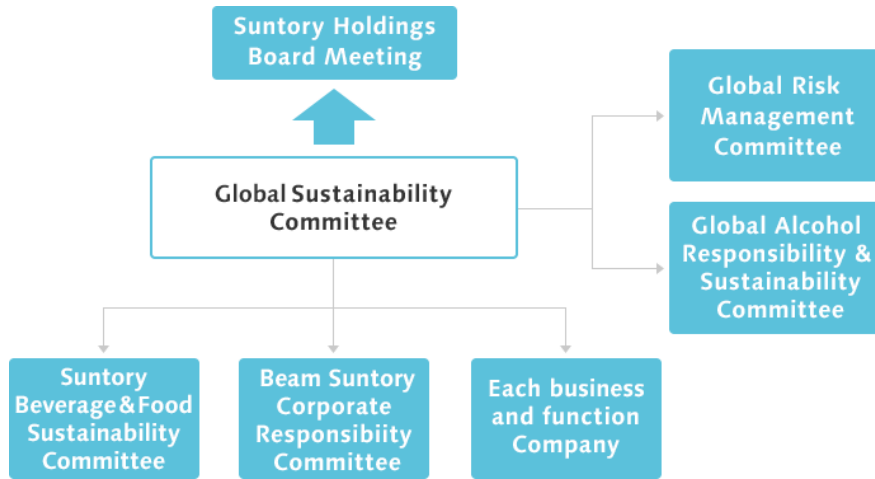
- To Create Harmony with Society Cultural and Social Contribution



## Promotion Organization

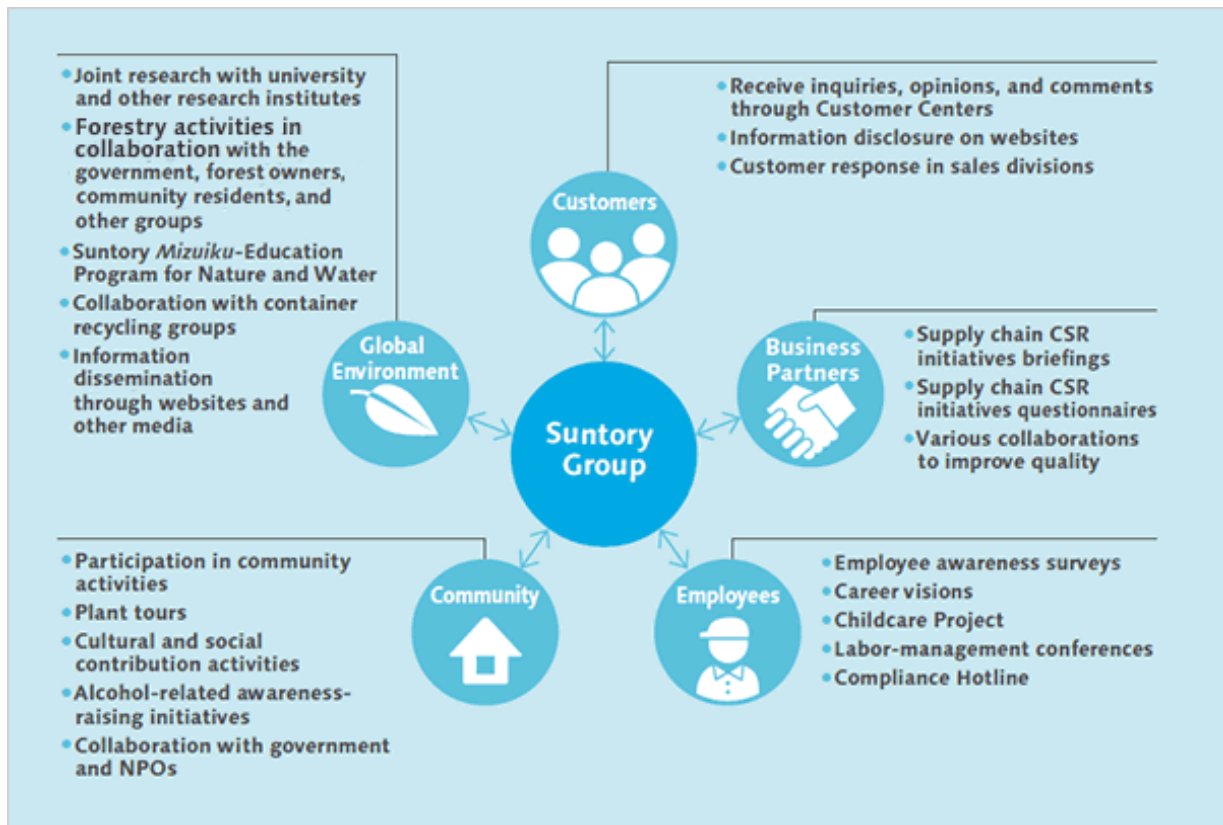
With regard to the above sustainability themes and led by the Global Sustainability Committee, we promote global activities, formulate sustainability strategies, and monitor the progress on each project in coordination with the Board of Directors.

### Suntory Group's Environmental Management Promotion Organization



## Relations with Stakeholders

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



Opportunities for Communication with Stakeholders



## Four Sustainability Initiatives

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

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

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

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

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

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

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

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

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

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

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

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

#### To nurture employees with bigger global dreams

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

## Joining the United Nations Global Compact

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

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

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

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

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

5. the effective abolition of child labour; and

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

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

8. undertake initiatives to promote greater environmental responsibility; and

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

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



Network Japan  
**WE SUPPORT**

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

# Enhancing CSR Activities using ISO26000

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

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

## Process of CSR Activity Promotion



## Understanding the Current State of CSR Activities

### ■ General CSR Committee

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



General CSR Committee

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

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

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



ISO26000 self-check sheet

## Sharing Experience of Challenges at the Suntory Group

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

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

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



Human rights and labor practice themed debate

## Confirming Key Figures and Priority Issues

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

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

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

## Identification of Priority Initiatives

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

### Six Prioritized CSR Initiatives

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

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

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

Under the Suntory Group Quality Policy, "All for the Quality," we have established the Suntory Group Quality Assurance Code. Through this code, we have engaged in the maintenance and improvement of quality in all processes, from development and planning of products and services, to procurement of water, crops, packaging materials, and other 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 Voice of Customer (VOC) activities that incorporate customer feedback into management policies, with "Improving food and beverage quality at the point of consumption" as our motto.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Editorial Policy on Sustainability Information

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

## Suntory Group's Sustainability website 2019

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

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

### ■ Scope of Subjects Covered

#### Organizations

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

- Environmental data covers 25 production plants in Japan and 56 production plants overseas owned by companies that collectively account for more than 90% of the Suntory Group's sales
- Personnel data focuses on employees who have employment contracts with Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

#### Time Frame

The data covers performance from January 1 to December 31, 2018. The activities covered include some of the most up-to-date events.

#### Guidelines Referenced

- GRI (Global Reporting Initiative), "Sustainability Reporting Standard"
- ISO26000 ("Guidance on social responsibility")

### ■ Published

September 2019 (next edition scheduled for June 2020)



Sustainability Initiatives

# To Create Harmony with Customers and Partners

## Products and Services

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



Quality



Customer relations



Procurement



ARP



### Voluntary Declaration of Consumer Orientation

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



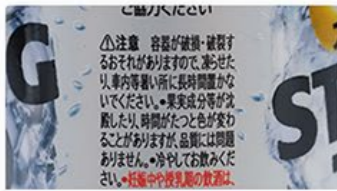
### Promotion of Group Quality Management

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



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

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



### Appropriate Information Disclosure

We provide information on quality assurance and its activities in accurate and easy to understand way for the consumers to ensure their peace of mind and trust.



### Communicating with Customers

Since our founding, we have given top priority to customer satisfaction. We reflect their feedback in our corporate activities.



### Nurturing Employees that are Consumer Oriented

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



### Sustainable Procurement

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



### Just and Fair Transactions

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



### Promoting Distribution Considering Safety

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



### Reducing Harmful Drinking

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



### Measures for Healthy and Comfortable Lifestyles

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

To Create Harmony with Customers and Partners: Products and Services

# Voluntary Declaration toward Consumer Orientation

April 2017

Takeshi Niinami

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

## ■ Philosophy

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

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

## ■ Initiative Policies

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

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

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

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

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

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

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

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

### (5) We will nurture corporate culture and awareness take action from the viewpoint of customers

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



To Create Harmony with Customers and Partners: Products and Services

# Voluntary Declaration toward Consumer Orientation Activity Report (FY2018)

## Top Commitment

This year marks the 120th anniversary of the Suntory Group. As stated in our corporate philosophy "To Create Harmony with People and Nature," the Suntory Group carries out business activities with its mission to create more affluent lifestyles while simultaneously giving gratitude toward the blessings of water and nature and realizing constant harmony with society and the beautiful global environment by delivering the highest quality products and services to people around the world.



September 2019  
Takeshi Niinami  
President and Chief Executive  
Officer, Member of the Board,  
Representative Director,  
Suntory Holdings Limited

### ■ Aiming to Realize Sustainability Management on a Global Level

The challenges we need to confront are serious and wide ranging. These challenges include global climate change and water shortages, stress on resources due to population growth, widening wealth gap, increasing amount of waste, and destruction of the natural environment.

The world is actively moving to find solutions to these problems as shown by the Sustainable Development Goals (SDGs) adopted at the 2015 United Nations Summit as well as Paris Accord established at the COP21 (United Nations Framework Convention on Climate Change). The Suntory Group sincerely confronts these same problems as it expands businesses globally and knows it must further accelerate initiatives able to contribute to resolving each issue.

In order for the entire Group to contribute to solving these issues, in June 2019 we formulated the Sustainability Vision in June which defines the type of sustainable society that the Suntory Group strives to realize and sets seven important sustainability themes that we must focus on.

In addition to environmental initiatives, including those focusing on water and CO<sub>2</sub>, contributing to a recycling-oriented society, and contributing to healthy lifestyles that enrich the spirit, we intend to contribute to the realization of a sustainable and prosperous society based on our vision of "Growing for Good" while continuing to work on supply chain based human rights issues.

### ■ In Pursuit Water Sustainability, Our Most Important Issue

Comparatively speaking, water is one of the most important issues as it is a valuable resource for supporting people's lives and lives, and the source of Suntory Group's corporate activities. In order to become a global top runner, we are working to give priority to water sustainability as a "Mizu To Ikiru" company.

We at the Suntory Group will continue to listen to the voices of our customers and other stakeholders, and, as a multi-faceted food and beverage company, look ahead 100 years into the future to continue to innovate and step up to challenges in order to pass down a sustainable society to future generations.

## Voluntary Declaration toward Consumer Orientation

### Philosophy

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

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

### Initiative Policies

1. We will offer products and services that create harmony with the customers
2. We will pursue safety and reliability from consumers' standpoint
3. We will utilize consumer feedback in our business activities
4. We will strive to provide information to the consumers
5. We will nurture corporate culture and awareness take action from the viewpoint of consumers

## Founder's Spirit and Sustainability

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

We aim "To Create Harmony with People and Nature" society. The mission of the Suntory Group is to contribute to building society sustainable over the long term by working toward relationships in which both parties benefit without sacrificing the prosperous life culture of people or preservation of the natural environment. The Suntory Group is pouring its strength into **a wide range of social contribution activities**. The foundation for our philosophy to value these social contribution activities is rooted in the "Giving back to society" spirit actively passed down since our founding. This founding spirit has been cherished in Suntory to this day. During the early days, we have built free clinics and orphanage for the under privileged and war orphans. During the time of rapid economic growth, we engaged in activities related to cultural and art such as the Suntory Museum of Art and Suntory Hall to enrich people's hearts. Since 1973, we have been engaging in environmental activities such as Save the Birds activities. As illustrated by these examples, we have been proactive in activities that contribute to solving issues the customers and society face in each era.

As our customers spread across the world, we engage sustainability, an issues faced by the international society. As part of these efforts, we are especially active in water sustainability incorporated into our environmental activities conducted under Mizu To Ikiru. Water is the most important management resource for the Suntory Group as well as a **vital resource** shared by everyone around the world. That is why we are grateful for the bounty nature has given us as a source for our products. To ensure a **healthy natural ecosystem** giving us these blessings from nature, we will always endeavor in a variety of initiatives, including the Natural Water Sanctuary projects, Mizuiku - Natural Water Education Program and our bird conservation activities. As a "Mizu To Ikiru" company, we will aim to stand as a corporate group which protects the forests that cultivate water and **quenches the needs of society** as water quenches the thirst of all living things. Our hope to realize a society sustainable over the long term is the same as the passion shown by our founder.



Shinjiro Torii,  
Suntory founder



## Suntory Group Plastic Policy

Based on this Plastic Policy, Suntory will aim for fully sustainable plastic bottles in all the PET bottles used globally by 2030.

### 1. Recycle & Renewable:

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

### 2. Reduce & Replacement:

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

### 3. Innovation:

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

### 4. New Behavior:

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



## Four Initiatives in Social Responsibility

Identified issues that are especially important for the Suntory Group from global social issues and business challenges that are expected from and have high level of interest from stakeholders. We then organized these issues in to four initiatives in order to realize the "To Create Harmony with People and Nature" corporate philosophy.



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

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

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

■(2) To Create Harmony with Nature: Environment

To preserve limited water and resources for future generation

It is our responsibility to engage in sustainable business practices through the promotion of environmental management in accordance with our mission — To Create Harmony with People and Nature — so that we may pass down a rich global environment to future generations. We have established our Environmental Vision toward 2050 and set Environmental Targets toward 2030 in 2018 based on corporate tagline "Mizu To Ikiru." Suntory Group commits to the promotion of environmental management based on two axes: preservation and regeneration of natural environment and reduction of environmental impact. The entire Group promotes environmental management.

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

To build a bright future with initiatives rooted in the region

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

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

To nurture employees with bigger global dreams

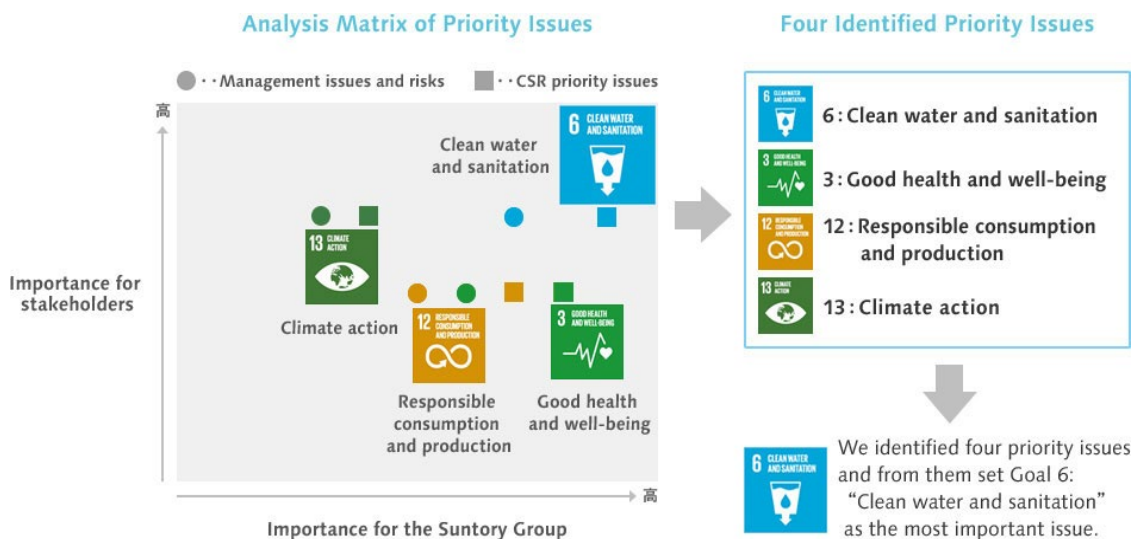
Suntory Group aims for human resource development rising to the challenge to create new values with diversity management as its basic policy and to create a working environment filled with creativity where all employees can exert their full potential.

**Suntory Group's Sustainability**

The Sustainable Development Goals (SDGs) adopted at the 2015 UN Summit call on businesses to address social issues and to promote a sustainable society. While the world works to solve these problems together, we will continue to tackle these issues as we expand our global business based on our vision "Growing for Good".









■Important sustainability themes for the Suntory Group

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





# The Suntory Group's 7 sustainability themes

Theme	Commitment	Related SDGs
<p>Water</p> 	<p>Based on Suntory's "Sustainable Water Philosophy," we as a group promote activities to preserve water including understanding of the water cycle, reduction, recycling and wastewater management, watershed conservation, and work with external stakeholders to achieve water sustainability.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Sustainable Water Philosophy</li> <li>● Target towards 2030, Environmental Vision toward 2050</li> </ul>	
<p>CO<sub>2</sub></p> 	<p>In order to promote a decarbonized society and to address climate change, we reduce carbon emissions through the introduction of the latest energy-saving technologies and the use of renewable energy at our facilities as well as in our operations throughout the value chain.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Target towards 2030, Environmental Vision toward 2050</li> </ul>	
<p>Raw ingredients</p> 	<p>With regard to agricultural products and other raw ingredients that are essential to our products, we cooperate with business partners across the supply chain, identify social and environmental issues, and promote sustainability initiatives that enable us to grow together, thereby enriching our communities.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Sustainable Procurement</li> </ul>	
<p>Containers and packaging</p> 	<p>We consider the environment throughout the product life cycle—from product design, packaging materials, and containers, to transportation and recycling after consumption—and work to achieve a circular economy.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Suntory Group Plastic Policy</li> <li>● 3R in Containers and Packaging</li> </ul>	

Theme

Commitment

Related SDGs

Health



To enrich society, the Suntory Group promotes activities under the following three themes:

Alcohol products

We contribute to a richer society through beer, wine and spirits, and other alcohol products that bring enjoyment to people, inspire human connections, and play a role in the celebrations and events that mark the milestones of their lives. We are committed to promoting the moderate consumption of our products and encouraging responsible choices about alcohol. We are a leader in working individually and in partnership with industry peers and other partners to reduce harmful consumption of alcohol, including overconsumption, drunk driving, underage drinking, and drinking during and after pregnancy, based on our Drink Smart alcohol responsibility program. We also offer non-alcoholic and low-alcohol products to meet consumer preferences.

Soft drinkst

In addition to leveraging "natural and healthy" beverage development technologies cultivated in Japan, we address health and wellness concerns through our beverages and make our consumers' lives more natural, healthy, convenient, and rich.

Health foods

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

[Initiative]

- Reducing Harmful Drinking
- Measures for Healthy and Comfortable Lifestyles



Human Rights



Group Employees

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

Value chain

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

[Initiative]

- To Create Harmony with Employees
- Sustainable Procurement
- Respect for Human Rights



## Theme

Enriching  
life



## Commitment

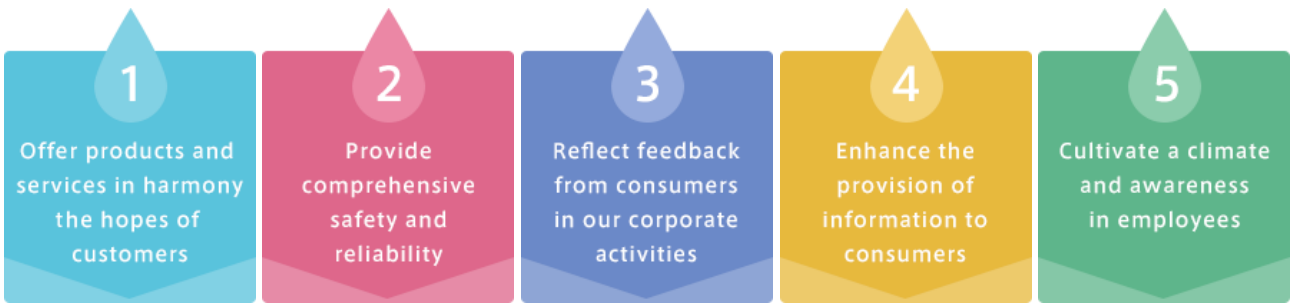
We provide products and services that enrich peoples' minds and bodies, promote innovation and create new value, and contribute to the creation of a more "human" society. Based on our founding spirit "Giving Back to Society," we address social issues and contribute to enhancing social welfare, including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

[Initiative]

- To Create Harmony with Society: Social Contribution

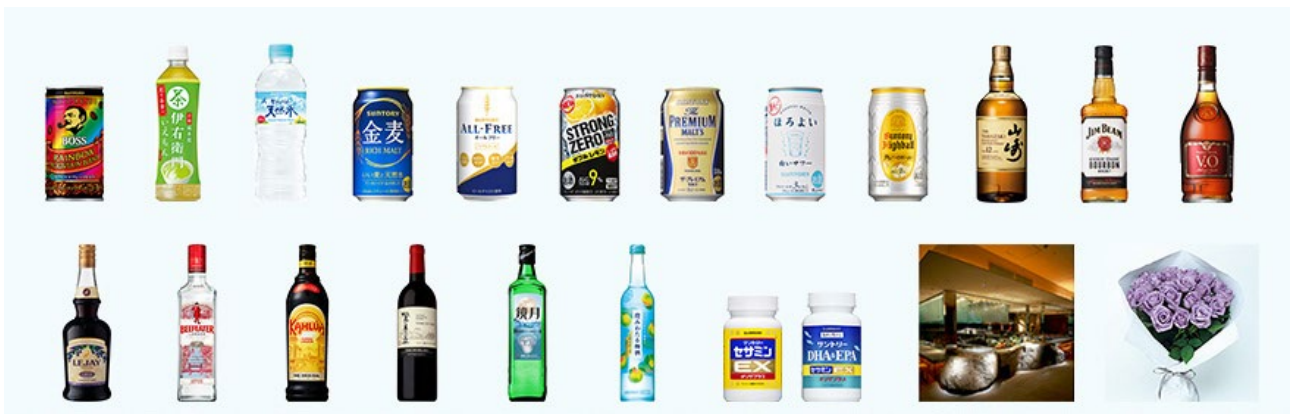
## Related SDGs





■ Offer products and services in harmony the hopes of customers

Suntory Group offers products such as soft drinks, beers, spirits and liquors (whiskey, chu-Hi, cocktails, shochu, etc.), wines, health foods, and flowers as well as restaurants and other services considering customer perspective. Furthermore, we also engage in art, sports, and social welfare to realize a truly enriched society.



## Provide comprehensive safety and reliability

### ■Our Philosophy Underpins Quality Assurance

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

### ■Promotion of Quality Management

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

We installed the Quality Assurance Committee at Suntory Holdings Limited to promote quality management throughout the entire Group. This committee identifies quality risks and prevents trouble before it occurs in priority issues across the organization based on the Group quality strategy. The Chief Quality Officer (CQO) of Suntory Holdings Ltd. plays a vital role in this process by strengthening the quality management capacities through holding meetings on product quality with each Group company.

# Suntory Quality Policy All for the Quality\*

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

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

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

# SUNTORY

2018



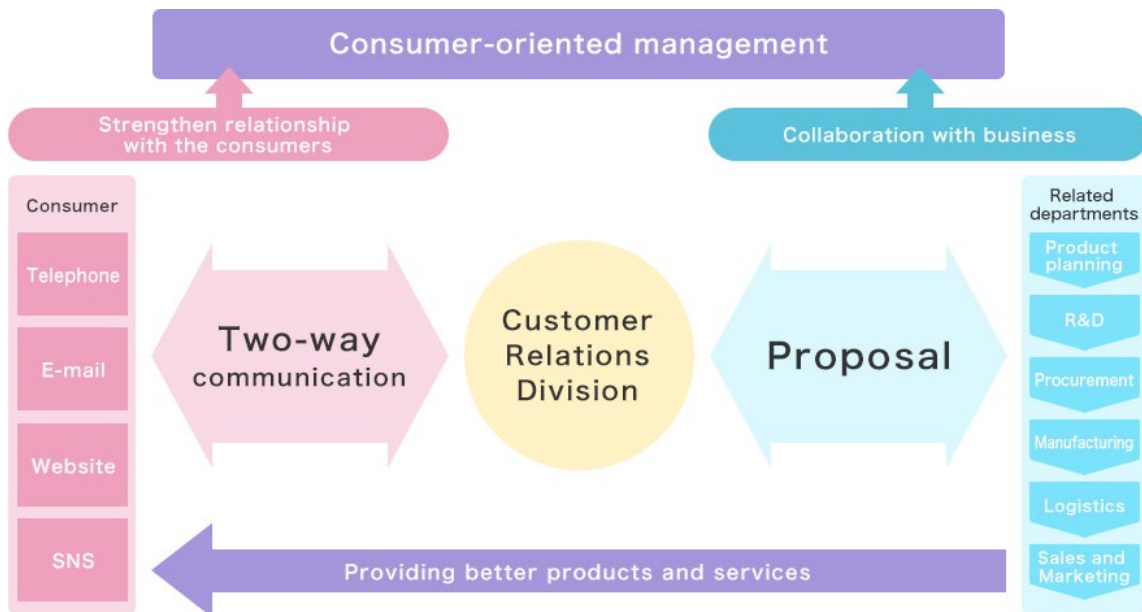
## Utilizing feedback in corporate activities

### ■ Responding, Sharing and Utilizing Consumer Feedback

The Suntory Group values two-way communication with the consumers in the belief it has held since its founding that consumer satisfaction should be given top priority. We respond sincerely to the opinions and requests that we receive from the consumers based on the Voluntary Declaration of Consumer Orientation. We are strengthening initiatives to more widely reflect this feedback in our corporate activities, including improvement and development of better products and services.

Our Customer Center uses a proprietary information search system to respond quickly and accurately to consumers so that those who make inquiries, etc. are not left waiting. By recording the result of the responses when inquiries are received thought inputting the information in our core information management system, valuable information from the consumers is shared immediately with relevant departments to enhance quality, improve risk management, etc. We periodically share the feedback we receive from the consumers with relevant departments to strengthen our VOC activities\*1 that reflect this feedback in our corporate activities and employees course for action, which includes improving our products and services and enhancing our provision of information.

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



### VOC Meeting

We regularly hold VOC meetings to share information and engage in discussion with each business department based on the feedback received from consumers. Both management and employees attend this meeting to broadly examine consumer-oriented efforts, such as improving products and services based on consumer feedback, preventing risk before it happens and creating new business activities. (2018: Approx. 70 meetings)



VOC Meeting



## Enhance the provision of information to consumers

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

### ■Realizing Easy to Understand and Accurate Product Labeling

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

#### Example of display to prevent drinking alcohol by mistake

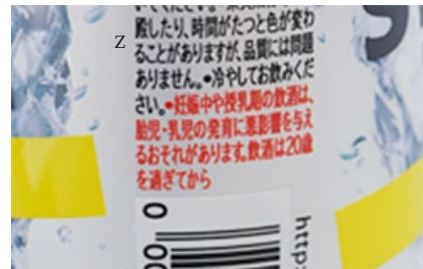
We display the alcohol logo on products so that low alcohol drinks such as Chu-Hi are not mistaken for soft drinks. In addition, "Contains Alcohol" is written on the lid of the can with "Alcohol" written in braille on our main products.



Labeling examples for canned chu-hi product

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

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



Labeling to warn pregnant and nursing mothers

### ■Expanding communication outlets: Use of online and SNS tools

We work to enhance information on the Customer Center homepage leveraging videos and illustrations for consumers who prefer to search for information online, in addition to the communication via telephone calls, letters, and e-mails. We have set up an inquire form in English due to the growing number of inquiries in foreign languages as a way to respond to an even greater number of consumers. In addition, we have also established a dedicated SNS account to actively support feedback from the consumers.



Suntory Customer Center homepage



Suntory Customer Support Account

## ■ Spreading the Word About Our Consumer Oriented Initiatives Throughout Society

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

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

In April 2017, we revised our consumer-oriented philosophy and initiative policies passed down since the founding of Suntory to draw up and release Voluntary Declaration of Consumer-orientation. The specific activities that we have undertaken based on the declaration are reported to society in the Voluntary Declaration of Consumer Orientation Activity Report. As a company that discloses its Voluntary Declaration of Consumer Orientation, we have provided the declaration and content of activities on the Consumer Affairs Agency website.

5

**Cultivate a climate and awareness in employees to take action based on the consumers perspective**

## ■ Continuing to Meet Consumers Expectations

Each of our employees is putting their strength into internal enlightenment activities while nurturing work ethics for the purpose of becoming a company employee able to deliver products and services that surpass customer expectations by deepening our grasp of the changing awareness and interests of consumers.

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

### Consumers Oriented Brush-up Seminar

We hold the Consumers Oriented Brush-up Seminar annually for all employees. Each employee listens to complaints and words of encouragement from consumers and is presented with examples of consumers oriented activities performed in various actual work environments internally to deepen a consumer-oriented mentality and encourage action. In addition, seminars at each Group company nurture a consumer-oriented mindset and action in all of the activities at the Suntory Group.



Consumers Oriented Brush-up Seminar

## Month for Enhancing Suntory's Consumer Oriented Spirit

Since 2018, we have designated May as the Month for Enhancing Suntory's Consumer Oriented Spirit, emulating Consumer Month established by the Consumer Affairs Agency. To provide opportunities to again think about what all employees can do for our consumers, in 2019 we sent messages from management throughout the company, put up awareness raising posters at all our location, and held internal lectures by inviting external lecturers. In addition, we held discussions at the department level about being oriented with consumers with approximately 850 departments and 8,500 employees participating.



In-house lecture given by outside lecturer



Awareness raising poster

## Assigning Person in Charge of Promoting Consumer Orientation at Sites

In 2018, Suntory began appointing Consumers Service Leaders entrusted with the main role to further penetrate and grasp consumer-oriented business practices around the many sales sites.

In 2019, we have been promoting consumer oriented behavior in each department through efforts including starting to place some Consumer Oriented Ambassadors also in locations other than sales officers.



Customer Service Leader meeting



Consumer Oriented Ambassador meeting

## Human Resource Development Program "Suntory University"

As a part of our human resources development program Suntory University, we carry out training in line with the career path of each employee. At first, during new employee training, participants will learn about the Suntory Group's consumer oriented spirit that has been continuously passed down since its foundation. Mid-level employees spend a day answering phones at our customer center to discover first-hand specific things they can use in their own work to become more consumer oriented by directly interacting with consumers. Employees who are being promoted to manager are practically taught important consumer-oriented decision-making techniques such as through group discussions based on case studies.

	<p>● New managers</p>	<p>Learn about decision making in consumers-oriented spirit  <b>Lecture on nurturing consumer oriented spirit</b></p>	
	<p>● 4th year</p>	<p>Learn customer perspective with five senses  <b>Customer experience program</b></p>	
	<p>● New employee</p>	<p>Learn the basics of consumers-oriented spirit  <b>Lecture on basics of consumer oriented spirit</b></p>	

### ■ Strengthening Point of Contact Between VOC and Employees

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

### Transmission of Information via Intranet and Email

We share, via intranet and email, opinions and requests received from customers who are sent out on a weekly, monthly, or yearly basis so that all employees will look at customer feedback on our products and corporate activities to influence their own work and actions.

**Harmonics report 2019年5月号**  
VOC月報「ハーモニクスレポート」は、お客様の声を全社で共有し、業務に役立てていただくとともに、一層お客様志向を高めていかながための月次レポートです。(VOC=voice of customer お客様の声) × 掲載内容は社外への開示を禁じます。






全ページを通して閲覧する

- 改元(平成・令和)に伴う広告の反響**  
 「平成最後に宇宙人ジョーンズを見られて良かった。令和もBOSS一筋。」
- SUNTORY WORLD WHISKY『碧Ao.』数量限定新発売の反響**  
 「ウイスキーの新しい世界が広がったのは確か。次回はいつ販売しますか？」
- 「社員の行動への嬉しい声」**  
 「なかなか車が停まってくれない横断歩道。ペプシのトラックが停まってくれました。」
- ハーモニクスレポート サントリアンの反響**  
 「新入社員です。お客様の声を読んでモチベーションが上がりました。これからも毎回チェックします。」

新製品・他反響

サントリアンの声

Information through the "Monthly Report" on the intranet

## ■FY2018 Results of Consumer Oriented Spirit Awareness Raising Activities and Nurturing Culture

### Overall Consumer Oriented Spirit Awareness Raising Activities

Activity	Target	FY2018 Results
Top Management Message (intranet, videos)	All employees	
Consumers Oriented Brush-up Seminar	All employees	126 times, 5,500 participants
Consumer Month for Enhancing Consumer Oriented Spirit Lectures		200 participantst
Consumer Month for Enhancing Consumer Oriented Spirit Discussion (2019)		850 departments, 8,500 participants
Customer Service Leader meeting		Activities held throughout the year
Consumer Oriented Ambassador meeting		Starting from 2019

### Human resource development

Activity (Suntory University)	Target	FY2018 Results
New Manager Training Lecture on Nurturing Consumer Oriented Spirit	New managers	120 participants
Fourth Year Training Customer Experience Program	Fourth year employees	150 participants
New Employee Training Lecture on Basics of Consumer Oriented Spirit	New employees	180 participants

### Strengthening VOC\* contact point

Activity	Target	
Monthly Report (intranet)	All employees	
Weekly Report (mail)	Management level	

\*VOC:Voice of Customer





To Create Harmony with Customers and Partners: Products and Services

## Promotion of Group Quality Management

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

### Our Philosophy Underpins Quality Assurance

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

### Suntory Quality Policy

# All for the Quality\*

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**SUNTORY**2018

### Promotion of Quality Management

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

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

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



## Comprehensively Identifying and Minimizing Potential Risks

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

## Quality Assurance Activities at Group Restaurants

Under the Group Quality Assurance Committee, the Suntory Group has established a Restaurant Quality Assurance Committee, which shares and promotes activities that guard against major issues at any Group restaurants, as well as identifies the cause of any quality-related issue that has already occurred. Suntory strives to always earn greater trust from our customers. The Restaurant Quality Assurance Committee enables us to do so by strengthening quality assurance activities across all Group restaurants.



Inspection of kitchen equipment

## ■ Topics

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

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

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



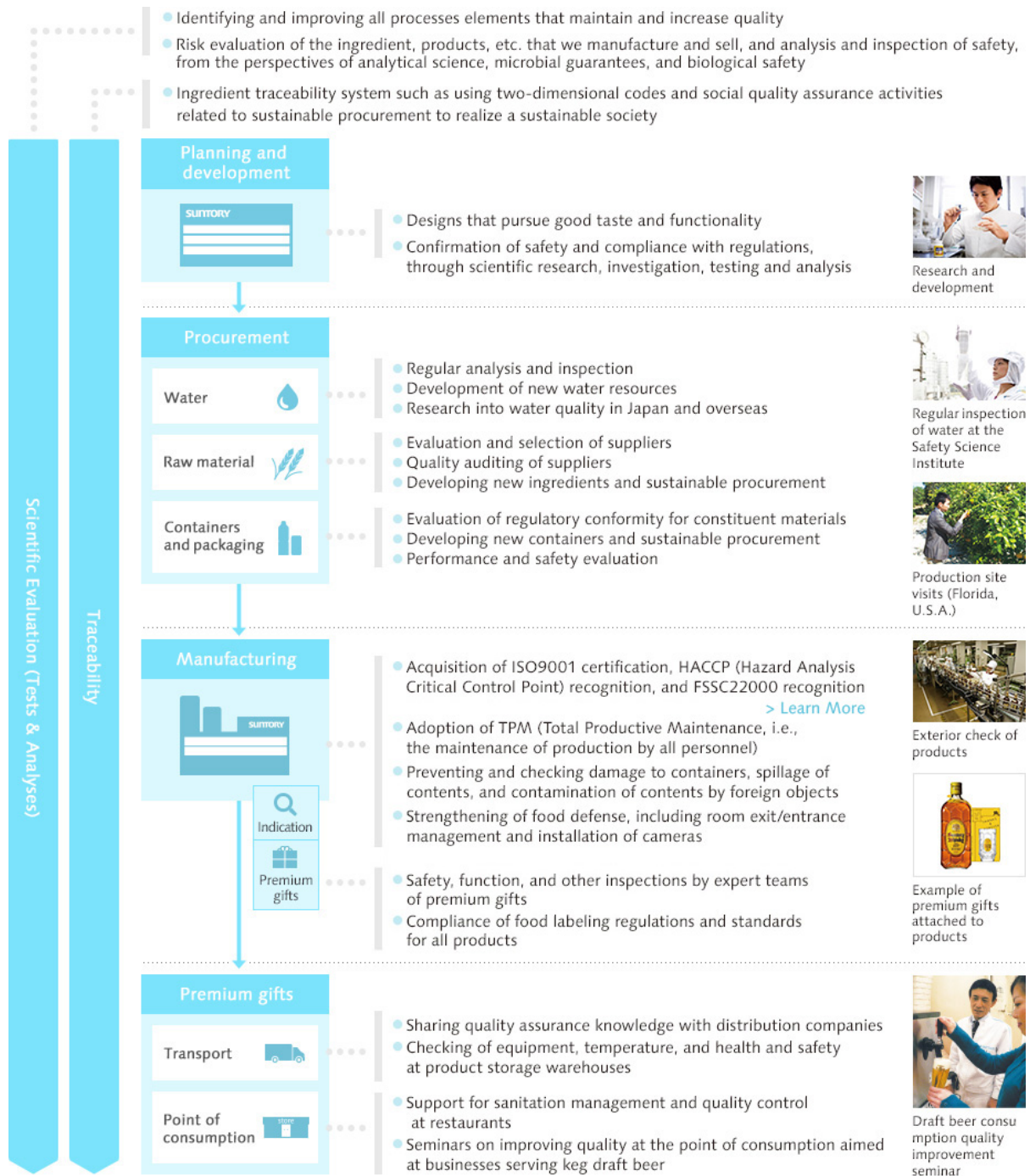
Sharing and expanding SMV in New Zealand

To Create Harmony with Customers and Partners: Products and Services

# Quality Assurance from a Customer Perspective in All Processes

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

## Assuring Quality in All Processes



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

To Create Harmony with Customers and Partners: Products and Services

## Appropriate Information Disclosure

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

### Realizing Easy to Understand and Accurate Product Labeling

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

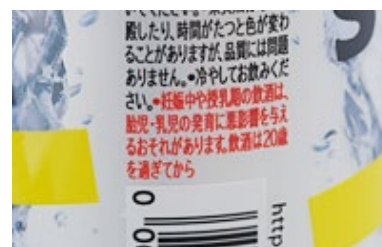
#### ■ Examples of Labeling on Products

##### Example of display to prevent drinking alcohol by mistake

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

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

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



Labeling to warn pregnant and nursing mothers

##### Allergenic Labeling

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

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

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

## Introduction of Safety and Reliability Initiatives

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



Suntory Group's Quality Initiatives Website

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

## Voluntary Recalls

While we do our best to assure quality, we also disclose information appropriately and promptly when problems do arise. Voluntary product recalls are announced by posting notices in newspapers. No recalls were announced between January 2018 and December 2018.

There were also no incidents that violated regulations or our independent rules in the informational labeling for products and services during the same period.

To Create Harmony with Customers and Partners: Products and Services

## Communicating with Customers

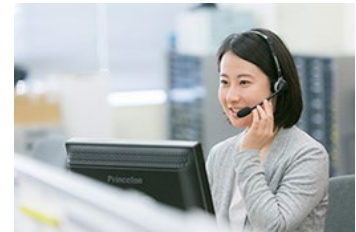
Since our founding, we have been prioritizing customer satisfaction. We value regular communication with the customers and reflect their feedback in our corporate activities.

### Realizing Customer Satisfaction

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

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

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



Customer Center

#### Basic Policy on Customer Satisfaction

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

#### Course of Action for Customer Center

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



## ■ Customer Response Standard

Suntory Holdings Ltd. and 17 Group companies\* have formulated a Course of Action that follow ISO10002 (JIS Q 10002) as a working mindset for acting according to the basic policy and course of action. We recognize the right of customers to make inquiries and complaints in these regulations, which are clarifying the active efforts and responsibility to respond to customers with the objective of maintaining and improving customer satisfaction through our corporate activities. In addition, we will formulate and thoroughly familiarize employees with standards and procedures based on this course of action.

\*Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Foods Okinawa Ltd., Suntory Products Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Liquors Ltd., Okinawa Suntory Ltd., Suntory Wine International Ltd., Suntory MONOZUKURI Expert Ltd., Suntory Communications Limited, Suntory Business System Limited, Suntory Business Expert Ltd., Suntory Global Innovation Center Ltd., Suntory Corporate Business Ltd. and Sunlive Co., Ltd., Suntory Beer, Wine & Spirits Japan Limited

## ■ CREDO (SUNTORY MIND for Customer Service)

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

## Responding, Sharing and Utilizing Customer Feedback

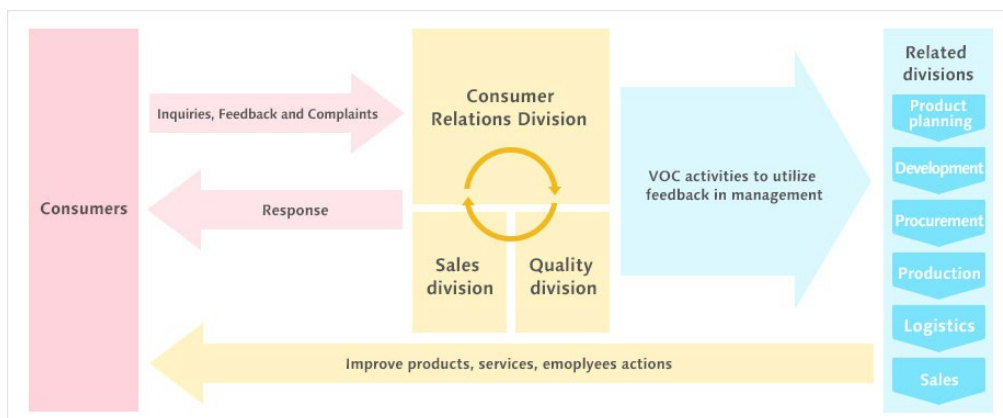
Our Customer Center uses a proprietary information search system to respond quickly and accurately to customers so that those who make inquiries, etc. are not left waiting.

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

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

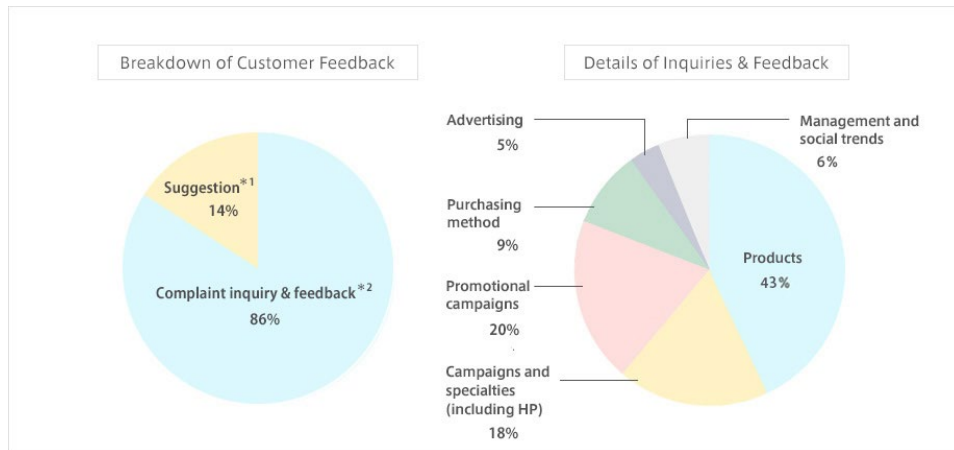
\*1 VOC (Voice of Customer) activities: Activity to reflect customer feedback in management policy.

## ■ Flow of Consumer information





## ■Details on customer inquiries, feedback, and complaints (Results of 2018: 80,593)



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

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

### Utilizing the "Voice Card"

We send a "Voice Card (survey about services)" to inquire about the satisfaction of the customers who sent us complaints, after the matters of complaint were resolved. The received opinions are directed to the actual person that addressed the issue in question and also shared to the entire company through the Intranet for further improving the response to similar cases in the future. 93% of the customers who filled out the Voice Card told us they will continue to use our products in the future (2018 results).

## ■Making Use of Customer Opinions

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

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

### <Examples Utilizing Feedback in Products>

#### Improving the Labeling on Our Mixer "Kotowari Sakaba Lemon Sour no Moto"

Since its initial release in February 2018, we have received inquiries from customers about how to consume the product who had a difficult time understanding what "soda" in "soda mixer" meant. Therefore, during product redesign from December of the same year, we changed the labeling from "Soda" to "Carbonated Water" (the Japanese equivalent of carbonated water is to understand than soda in Japanese) so that customers who purchase it for the first time can better understand the recommended way to consume it.

#### Improved the Removal Indication on Labels Found on Plastic Wine Bottle Produced in Japan to Make it Easier to Identify

We received feedback from customers who said that it was difficult to find where to peel the label found on our plastic wine bottles produced in Japan. Therefore, from September 2018 we made it so that the indication that marks where to peel the label is easy to identify, first making changes to labels on products including "Delicious Wine without Anti-oxidation Agents" and "Delica Maison."

## Expanding communication outlets: Use of online and SNS tools

We work to enhance information on the Customer Center homepage leveraging videos and illustrations for customers who prefer to search for information online, in addition to the communication via telephone calls, letters, and e-mails. We have set up an inquire form in English due to the growing number of inquiries in foreign languages as a way to respond to an even greater number of customers. In addition, we have also established a dedicated SNS account to actively support feedback from the customers.



Suntory Customer Center homepage



Suntory Customer Support Account

## Spreading the Word About Our Consumer Oriented Initiatives Throughout Society

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

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

In April 2017, we revised our customer oriented philosophy and initiative policies passed down since the founding of Suntory to draw up and release Voluntary Declaration of Consumer orientation. The specific activities that we have undertaken based on the declaration are reported to society in the Voluntary Declaration of Consumer Orientation Activity Report.

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

### ■ Workshops for University Students

A workshop for learning about Consumer orientation is held annually for approximately 150 university students who will be working in the near future. Through the work of learning about Suntory's Consumer oriented spirit and experiencing product development from a Consumer perspective, we are creating opportunities for each individual to think about being customer orientation and incorporating this mindset in work activities.



### ■ Spreading Information About Our Activities to Consumer Through Quiz Campaign

We are introducing ideas and initiatives for being Consumer oriented to our Consumers through a quiz campaign which is used to introduce activities of the Suntory Group in a quiz format. Approximately 110,000 Consumers participated in the quiz in June 2018.



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

# Nurturing Employees that are Consumer Oriented

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

## Continuing to Meet Consumers Expectations

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

### ■ Overview of Internal Enlightenment Activities

#### Cultivating Climate

Initiative	Target	FY2018 results
Top Commitment (Homepage/Video)	All employees	All year
Consumer oriented spirit development seminar	All employees	126 seminars a year
Consumer oriented spirit enhancement month	All employees	May
Consumer oriented spirit promotion leader program	All sales sites	Held year-round
Consumer oriented spirit ambassador program	Department with ambassadors	Held year-round

#### Human resource development

Initiative	Target	FY2018 results	
Suntory University	New manager training Lecture on nurturing consumer oriented spirit	New managers	Twice a year
	4th year training Customer experience program	4th year employees	15 times a year
	New employee training Lecture on basics of consumer oriented spirit	New employees	Twice a year

#### Enhancing VOC\* contact point

Initiative	Target	FY2018 results
Monthly and yearly reports (Homepage)	All employees	Once a month
Weekly report (e-mail)	Management level	Once a week

\* VOC : Voice of Customer

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

### Enlightenment Seminars for Suntory Group Employees

We hold the Consumer Oriented Brush-up Seminar annually for all employees. Each employee listens to complaints and words of encouragement from Consumers and is presented with examples of Consumers oriented activities performed in various actual work environments internally to deepen a Consumer oriented mentality and encourage action. In addition, seminars at each Group company nurture a Consumer oriented mindset and action in all of the activities at the Suntory Group.



Consumer Oriented Brush-up Seminar

### Consumer Month - For Enhancing Suntory's Consumer Oriented Spirit

Since 2018, we have designated May as the Month for Enhancing Suntory's Consumer Oriented Spirit, emulating Consumer Month established by the Consumer Affairs Agency. To provide opportunities to again think about what all employees can do for our customers, in 2019 we sent messages from management throughout the company, put up awareness raising posters at all our location (approximately 50 locations), and held internal lectures by inviting external lecturers. In addition, we held discussions at the department level about being oriented with Consumers with approximately 700 departments and 5,500 employees participating.



In-house lecture given by outside lecturer



Poster designed to encourage employees to possess a Consumer oriented spirit

### Placing Employees in Charge of Consumer Oriented Spirit Promotion in Locations Where Business Takes Place

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



Customer Service Leader meeting



Consumer Oriented Ambassador meeting



## ■ Human Resources Development at Every Level



As a part of our human resources development program Suntry University, we carry out training in line with the career path of each employee. At first, during new employee training, participants will learn about the Suntory Group's Consumer oriented spirit that has been continuously passed down since its foundation. Mid-level employees spend a day answering phones at our customer center to discover first-hand specific things they can use in their own work to become more Consumer oriented by directly interacting with customers. Employees who are being promoted to manager are practically taught important Consumer oriented decision-making techniques such as through group discussions based on case studies.

## ■ Improving Opportunities for Employees to Listen to Customers

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

### Transmission of Information via Intranet and Email

We share, via intranet and email, opinions and requests received from customers which are sent out on a weekly, monthly, or yearly basis so that all employees will look at customer feedback on our products and corporate activities to influence their own work and actions.

### Harmonics report 2019年4月号






新製品・他  
反響

- 「ザ・プレミアム・モルツ」"神泡"と電動サーバーの反響  
「ビールの泡うまいよね。神泡うまいよ。居酒屋で生ビール飲みたくなった」
- 「クラフトボスTEA ノンシュガー」新発売の反響  
「紅茶の香りがしっかり感じられる。無糖紅茶好きには一度試して欲しい味」
- 「マグナムドライ<本辛口>」新発売の反響  
「昔のマグナムドライと同じですか、それとも違うのですか？」

全ページを通して閲覧する

Harmonics Report provided to employees via our intranet

To Create Harmony with Customers and Partners: Products and Services

## Sustainable Procurement

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

### Basic policy on sustainable procurement

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

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

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

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

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

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

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

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

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

#### 3. Guaranteeing Quality and Safety

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

#### 4. Consideration for the Global Environment

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

#### 5. Preservation of Information Security

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

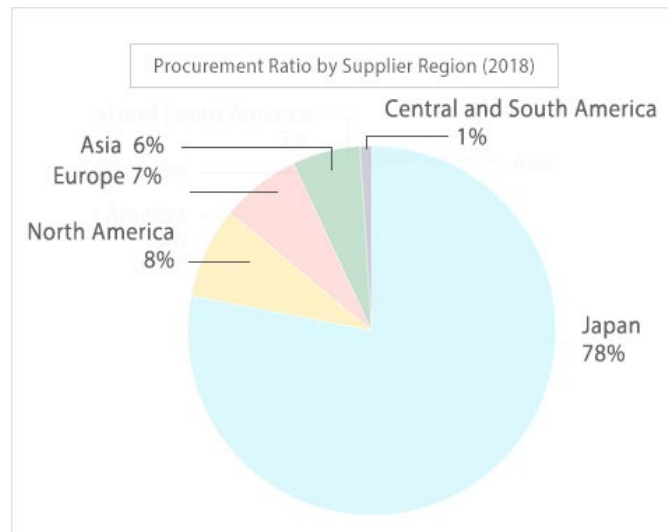
#### 6. Coexistence with Society

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



## ■ Procurement Ratio by Supplier Region

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



## ■ Promoting Sustainability Activities Throughout the Entire Supply Chain

The Suntory Group is working to promote sustainability activities throughout the entire supply chain while linking to business partners by enacting the Basic Policy on Supply Chain Sustainability. We first conduct a screening based on the Basic Policy on the Supply Chain Sustainability for all new suppliers.

We also conduct self-assessment questionnaires related to policy briefings and sustainability activities every year targeting the main partners of the Purchasing Department, Packaging Department, and Distribution Department. In the 2019 questionnaire (19 items/each rated on the scale from zero to three), we were able to confirm the diligent efforts in sustainability of each company with the Purchasing Department at a 2.88 rating, the Packaging Department at a 2.93 rating, and the Distribution Department at a 2.75 rating in the average company answers.



### Establishing Supplier Guidelines

We established the Suntory Group Supplier Guidelines in June 2017 to contribute to the realization of a sustainable society while also accelerating sustainable procurement within the Suntory Group. These guidelines put in place specific compliance items required in each field from human rights and legal compliance to the environment for suppliers of Suntory in Japan and overseas to confirm the same ethical values are shared between the Suntory Group and its suppliers.

### Collaboration with Overseas Group Companies

We share the Suntory Group Supplier Guidelines with our overseas Group companies and verify initiatives toward sustainability at each company at the Global Procurement Conference in which our overseas Group companies participate.



Global Procurement Conference

### Monitoring of Suppliers

The Suntory Group has been inviting and received briefings from overseas suppliers in Japan about human rights, such as child labor and forced labor, since 2014. We also held briefings with producers of malt and hops, which are the main ingredients for beer, in 2014 as well as with Chinese oolong tea production factories in 2015 and monitored five oolong tea leaf companies in 2016. No issues were found on these assessments.

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

The Suntory Group procures a portion of its coffee beans, which are a vital ingredient for coffee, from the "Fazenda Bau" Farm, which is a specialty coffee farm in Minas Gerais, Brazil, as we aim for the highest quality and stable supply of coffee beans. Fazenda Bau has acquired international certifications from organizations that include the Rainforest Alliance\*<sup>1</sup> and UTZ\*<sup>2</sup>, and they are highly praised for their thorough quality management and workplace environment. The Suntory Group promotes sustainability throughout the supply chain in order to bring safe and reliable products to customers now and into the future.



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



Radio exercises



Separating Trash



Education at School

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

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

## Improving Cooperation with Business Partners

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

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

## Promoting Green Procurement

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

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

To Create Harmony with Customers and Partners: Products and Services

## Just and Fair Transactions

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

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

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

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

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

Suntory Group operates a bookkeeping system that corresponds to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act), enforced by the government of Japan. The system prevents troubles such as payments delay through displaying warning on the administrator screen when payment process is not carried out according to the information such as payment conditions entered at the ordering of raw materials or packaging. There was no transaction of raw material or packaging that violated the Subcontract Act in 2018.\*

\*The number of business partners targeted by the subcontract Act is 46 for the Purchasing Department (about 11% of the transaction fee) as of May 2018 and 115 companies for the Packaging Material Development Department (about 10% of the transaction fee) as of December 2018.

To Create Harmony with Customers and Partners: Products and Services

## Promoting Distribution Considering Safety

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

### Cooperating with Distribution Affiliates

As of the end of 2018, the Safety Committee, which grew out of our connection to our distribution affiliates, to which we outsource the distribution of our products had 290 members from 79 companies. The Committee promotes initiatives in such areas as safety assurance, environmental concerns, and risk management.

#### ■Enhancing Safety at Partner Companies

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

#### Five Principles for Distribution Safety

- Principle 1: Compliance with legal speed limits and defensive driving
- 2. Proper packaging of transported goods and prohibition of careless driving (sudden stopping, sudden acceleration)
- 3. Idling stop and use of tire stoppers
- 4. Wearing helmets and safety shoes, implementation of 5S (Sort, Straighten, Shine, Standardize, Sustain)
- 5. Observing signing, pointing and calling checks and safety check

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



Safety Committee poster

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

Each year, we hold a Safety Promotion conference attended by representatives from 150 sites nationwide including storage facilities and transportation-related offices of distribution affiliates as well as the Suntory Group's distribution centers. The conference is used to promote safety at each company by sharing information on outstanding initiatives, providing thorough safety education through study groups and contests, and by presenting awards to safe drivers and sites.



Safety Promotion conference



Receiving an award at the Safety Promotion conference

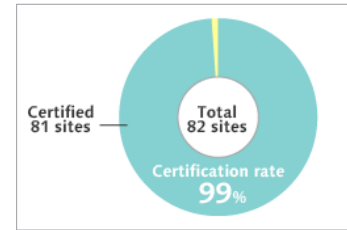


Discussion at the Safety Promotion Conference

## Promoting Safety Management

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

Certifications have been obtained by 81 out of the 82 dispatching and shipping sites operated by the Suntory Group's distribution affiliates (as of the end of 2018), for a certification rate of 99%. This greatly exceeds the average certification rate of 29.6% (according to a December 2018 Japan Trucking Association survey) for the trucking industry as a whole. In 2008, we expanded the scope of certification from direct contractors to include secondary affiliates, and we strive to enhance safety management in dispatching and transport.



Status of Certification by Top Safety Site Program (as of Monday, December 31, 2018)

## Preparing for Disasters and Emergencies

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



To Create Harmony with Customers and Partners: Products and Services

## Reducing Harmful Drinking

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

### Ideal DRINK SMART Approach of the Suntory Group

Alcohol has been brewed in variety of regional cultures and climates around the world since long ago. It has played a large role in a variety of celebrations and auspicious events while bringing joy and cheer to daily life. However, alcohol can lead to various negative consequences when consumed inappropriately.

Having the correct knowledge about alcohol and enjoying it appropriately brings people healthier and richer lifestyles. This is our DRINK SMART ideal.

#### For Responsible Drinking — Suntory Group's Basic Principle and Course of Action (established 2002)

##### Basic Principle

Suntory Group recognizes the characteristics of alcohol beverages and strives to prevent alcohol-related issues and raise awareness of responsible drinking thus contributing to a healthier living.

1. We recognize the intoxicating effects of alcohol and its tendency to cause dependency that leads to various physical, mental and social issues, and we strive to prevent alcohol-related problems.
2. We strive to create a better drinking environment in which differences in physical constitution and conditions, as well as drinking styles or attitudes towards alcohol are respected.
3. We recognize that responsible drinking is beneficial for physical and mental health and that it plays a positive role in social occasions; we strive to promote scientific research on alcohol and disseminate knowledge on responsible ways to enjoy drinking.

##### Course of Action

1. We strive to disseminate accurate knowledge of drinking.
2. We actively cooperate in social activities.
  - Preventing underage drinking
  - Preventing binge drinking
  - Preventing drunk driving, etc.
3. We will comply with laws and voluntary industry standards.
4. We will engage in and support medical research related to alcohol and health.

### A Dedicated Body for Addressing Issues

In 1976, the Suntory Group formulated the Suntory Advertising Code, making it an industry leader in exercising self-regulation in its promotions and advertising related to alcoholic beverages. We subsequently established the ARS\* Committee dedicated to addressing alcohol-related issues and the ARS Department. We (1) practice responsible marketing, (2) raise awareness about responsible drinking both within and outside the company, and (3) participate in, cooperate with, and support research institutions.

\*ARS: Alcohol Responsibility and Sustainability

## ■ 1. Practice responsible marketing

### Practice responsible marketing

The ARS Department runs a prior internal review on every marketing activity for alcoholic products to check its legality and validity. Inappropriate marketing activities are prevented beforehand through this review.

In 2006, we have systemized a prior review for product labeling and in 2007, marketing code for ads and commercials was revised to further enhance the initiative. We keep revising these voluntary standards through involvement with industry associations even after 2007 to continue the promotion of responsible marketing activities.

#### Revision of Voluntary Standards In-line with the Social Demands (Industry-wide/Internally)

We support and continuously revise voluntary standards of the alcohol industry formulated by the Liaison Council On Alcohol Consumption, as well as follow our own internal voluntary standards so that they are in-line with the social demands. We introduced captions to warn pregnant and nursing mothers in commercials in 2010. We are also conducting self-censorship of television advertisements between 5:00 am and 6:00 pm by expanding our self-censorship of television commercials on weekends and holidays from 5:00 am to 12:00 pm to 5:00 am to 6:00 pm around the year.

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

### Promoting Non-alcoholic Drinks

The Suntory Group is striving to promote low-alcohol and non-alcoholic drinks for a broad range of customers to enjoy without worrying about the effects of alcohol.

At the same time, we have put in place and adhere to internal standards that assume only adults of the appropriate drinking age according to the laws in each region drink these non-alcoholic beverages because of their similar taste to alcoholic drinks.

In the future, we will continue to expand these products in addition to meeting the needs of health-conscious consumers, including further sales of zero-calorie, sugar-free, purine-free products.

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

### Raising Awareness of Responsible Drinking among Employees

As a member of a company that manufactures and sells alcoholic beverages, it is important to raise awareness of responsible drinking. We are raising awareness among employees of Group companies in Japan through establishing a webpage "What each employee in the Group can do to avoid making alcohol a villain" made by the ARS Department on our Intranet. We also state in our employment regulation that employee who drinks and drives during work or outside of working hours will be dismissed under instruction.

In addition, from 2015 we have been holding seminars and alcohol tolerance tests on responsible drinking for employees. These seminars and tests are designed to raise the consideration towards others and understanding of responsible drinking, as well as to let the employees know about their own alcohol metabolism and tolerance.

### Raising Awareness of Responsible Drinking Among customers

#### Initiatives Unique to Suntory

As a company that manufactures alcoholic beverages, we engage in initiatives to make our customers to have proper understanding of the characteristics of alcohol and appropriate way of drinking.

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

Our activities to raise awareness of responsible drinking are highly praised from every perspective. In 2002 we received the the Award for Excellence in Independent Advertising in the 22nd Newspaper Advertising Prize event sponsored by the Japan Newspaper Publishers and Editors Association for our moderation advertising campaign which communicates the message "Drink in Moderation." Last year in 2018 we received the Company BtoC Website Award for Excellence in the 6th Web Grand Prix sponsored by the Web Advertising Bureau of the Japan Advertisers Association, Inc. for our DRINK SMART advertising on our website. In addition, we received the Newspaper Advertisement Award in the 38th Newspaper Advertising Prize event for our poster with fantastic ways to decline invitations to drink on non-drinking days using soccer vocabulary and humorous illustrations. Please see the section below for more details.




Initiative	Year of start	Overview	
Raising awareness about drinking in moderation through the moderation campaign (advertising about responsible drinking)	1986	"Drink in Moderation." We published nearly 200 moderation ads to communicate this message in national newspapers through the end of 2018. (Presented the Award for Excellence in the Independent Advertising in the 22nd Newspaper Advertising Prize in 2002)	
Renewing the Drink in Moderation Enlightenment Homepage	2017 Renewal	Live an even healthier, richer life by understanding alcohol correctly and enjoying it properly. We positioned this philosophy as DRINK SMART in the renewal of our homepage. We also now support SNS. In 2018 we received the Company BtoC Website Award for Excellence in the 6th Web Grand Prix sponsored by the Web Advertising Bureau of the Japan Advertisers Association, Inc. for this website. DRINK SMART	
Raising awareness about drinking in moderation with our ways to decline invitations to drink on non-drinking days advertisement	2018	We received the Newspaper Advertisement Award in the 38th Newspaper Advertising Prize event sponsored by the Japan Newspaper Publishers and Editors Association for our poster with fantastic ways to decline invitations to drink on non-drinking days using soccer vocabulary and humorous illustrations which was part of our sustainability activities and praised for its witty and humorous approach to raising awareness. This poster is used to raise awareness about drinking inside and outside the Suntory Group.	
Cooperation with the No Binge Drinking! Campaign (Host: Council for the Prevention of Binge Drinking)	1993	We continue our cooperation with the design and novelty planning with our sponsorship from the first campaign held by the Council for the Prevention of Binge Drinking. This council was formed in October 1992 by the families of those who have died of binge drinking.	

Published a Family Guide to Preventing Underage Drinking	2005	We publish a Family Guide to Preventing Underage Drinking education materials in cooperation with Gakken Plus Co., Ltd. for children and their guardians and freely distribute these educational materials with focus on elementary schools throughout Japan. In 2017, we also created educational videos to prevent underage drinking in response to the need for an educational site. We are also conducting school visits during which we use these educational materials. We made it possible to view pamphlets and videos on our DRINK SMART site.	
Published a Guide to Raise Awareness About Drinking in Moderation Among University Students	2018	In response to the needs of educational sites, in collaboration with Gakken Plus Co., Ltd. and Tezuka Productions, we produced comic booklet for university students who are at least 20 years old to learn how to drink responsibly which is distributed free of charge to educational institutions. We are also conducting visits to universities, etc. during which we use these educational materials. We made it possible to view this comic on our DRINK SMART site.	
Raising Awareness to Prevent Drinking and Driving	2006	At our overseas companies, we introduced a "Designated Driver Program" - a system wherein at least one person per vehicle is designated as a sober driver at restaurants, etc. which we implement when we hold tours at our plants. Upon the arrival of visitors, we confirm the names of people who will be driving, and double-check them in the tasting room, so that the drivers are given only non-alcoholic drinks. Furthermore, Dynac Corporation which operates restaurants posts "No underage drinking" and "No drunk driving" sticker in every store.	

**Initiatives Linked to the Industry**

We actively participate in and serve as a member of the industry initiatives, such as the Brewer's Association of Japan and the Japan Spirits & Liqueurs Makers Association.

Initiative	Year of start	Overview	
Initiatives to prevent underage drinking	2005	We engage in the STOP! Underage Drinking project twice a year (spring/winter) primarily on transportation advertisements (train stations/stickers).	
Initiatives to prevent underage drinking	2002	We are putting out posters, slogans, and school nomination campaigns since 2002. In 2017, this program was renamed the School Competition to Prevent Underage Drinking. This competition solicits and commemorates school efforts to prevent underage drinking.	

<p>Initiatives to prevent underage drinking</p>	<p>2015</p>	<p>We have been establishing age verification gates to confirm people entering alcohol brand homepages and websites are at least 20 years of age starting in 2015.</p>	
<p>Initiatives to prevent drinking by pregnant and nursing mothers</p>	<p>2008-</p>	<p>We have been adding warning messages on media such as the labeling of product containers, materials to promote alcohol like POP as well as television commercials.</p>	
<p>Activities to raise awareness of responsible drinking for women</p>	<p>2017</p>	<p>We are promoting the correct knowledge on homepages and introducing alcohol tolerance tests to prevent at-risk women from using alcohol inappropriately as the number of at-risk women grows with the increasing number of professional women and the changes in their lifestyles.</p>	

## Global Initiatives to Reduce Alcohol Issues

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

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

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

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

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



## About the IARD

The IARD (International Alliance for Responsible Drinking) is a non-profit organization headquartered in Washington D.C. in which 11 of the major alcoholic beverage manufacturers from around the world participate. Suntory Group has participated in the IARD since its establishment as Beam Suntory and has also been deeply involved in the formulation of the Industry Commitment for Reducing Harmful Use of Alcohol, an effort by the alcoholic beverage industry in response to the World Health Organization's Global Strategy to Reduce Harmful Use of Alcohol (adopted in 2010).

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

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

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

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



Progress Report



IARD-CEO meeting  
(September 2018)



IARD-CEO meeting  
(September 2018)



Consultations with  
Beam Suntory

To Create Harmony with Customers and Partners: Products and Services

## Measures for Healthy and Comfortable Lifestyles

The Suntory Group provides a range of products and services to support healthy and comfortable lifestyles.

### Contributing to Healthy Lifestyle through Products and Services

The Suntory Group is helping our customers lead healthier and richer lives by offering products and services matched to their needs and preferences, ever mindful of their health.

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

Suntory is selling the food for specified health uses (FOSHU) that has a broad range of positive effects; Kuro Oolong Tea OTPP, which was developed based on research results to apply prevention of fat absorption in polymerized polyphenols of oolong tea characteristics, Sesame Barley Tea, which is suitable for people with high blood pressure, Pepsi Special, which prevents fat absorption, and Tokucha (FOSHU Iyemon), which is the world's first drink to clarify the lipolytic action of quercetin glycoside. In addition to contributing to the health of our customers with a variety of lineups such as Iyemon Plus, a ready-to-drink (RTD) product which has the ability to lower bad cholesterol (LDL), we place special emphasis on deliciousness and are researching how to make products both healthy and delicious.



#### Expanding our Lineup of Natural and Healthy Products

For decades the expansion of the world beverage market has been driven by consumer demand for drinks, especially carbonated products, which contain large amounts of sugar. In recent years, there has been an accelerating shift in demand toward healthier and more natural drinks.

Utilizing knowledge for developing sugar-free beverages such as tea and water and low-sugar beverages, knowledge cultivated for many years in Japan, we are developing new beverages such as goodmood in Indonesia and MayTea in France. Originally developed for the Indonesian market, we also launched goodmood in Thailand in 2019. In Europe, we are actively reducing the amount of sugar in our products, especially in Lucozade and Ribena.

#### ■Functional Analysis of Sesamin to Health Food Sales

We took on the challenge of analyzing the functionality of sesame that has been praised for its health benefits and scientifically investigating the health effectiveness of sesamin, which is one minor component of sesame lignan that is part of sesame. This was commercialized as our first health food in 1993.

Thereafter, we released Sesamin EX, a more powerful version of the product, based on a combination with vitamin E, tocotrienol, Oriza Plus, which is a component derived from brown rice.

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

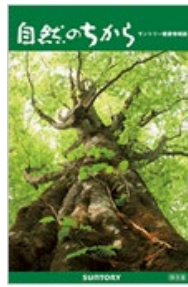


# Promoting Communication with Customers

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



Suntory Global Innovation Center website



Health information booklet



Healthy Drink NAVI website



Suntory Wellness Online website

Sustainability Initiatives

# To Create Harmony with Nature Environment

Suntory Group business is supported by precious global resources such as water and agricultural products. It is our responsibility to engage in sustainable business practices through the promotion of environmental management in accordance with our mission To Create Harmony with People and Nature so that we may pass down a rich global environment to future generations. We have established our Environmental Vision toward 2050 and set Environmental Targets toward 2030 in 2018 based on corporate tagline "Mizu To Ikiru." Suntory Group commits to the promotion of environmental management based on two axes: preservation and regeneration of natural environment and reduction of environmental impact. That is the reason why the entire Group promotes environmental management.



**Environmental Management Promotion**



**Preserving and Regenerating the Natural Environment**



**Reducing Environmental Impact**



**Environmental Communication**

**環境ビジョン2050**

自然保護のグローバルトップランナー  
主要な事業活動における自然環境保全・再生への積極的な取組を推進

グローバルでの環境負荷平準  
事業活動における環境負荷（温室効果ガス削減、プラスチック・フロン・有害化学物質削減）を2030年までに平準化

**2030年目標**

自然環境の保全・再生  
主要な事業活動における自然環境保全・再生への積極的な取組を推進

環境負荷削減  
温室効果ガス削減率を2018年比で削減

**Environmental Management**

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



**Water Sustainability**

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



**Measures Against Climate Change**

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

**Environmental Communication**

Suntory Group values communication with its stakeholders and communicates information related to the environment.

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

Prioritized items	Mid-Term Targets	Results in FY2018	FY2019 Action Plan	Evaluation
Preserving and Regenerating the Natural Environment	Global expansion of conservation activities to protect wild birds that are the symbol of biodiversity	Surveys of birds focusing on birds of prey at Natural Water Sanctuaries are conducted at 16 locations, and maintenance is conducted in forests of focus giving consideration to their breeding and nesting environments.	We will continue surveying birds focusing on birds of prey, which are the top of the ecological pyramid, at Natural Water Sanctuaries and promote comprehensive forest maintenance giving consideration to their breeding and nesting environments. Suntory Fund for Bird Preservation will continue to promote the support for wild bird conservation activities through aiding various organizations in and outside Japan.	●●
	Nest building and rearing of chicks by eagles and hawks at all the Natural Water Sanctuaries in Japan	<ul style="list-style-type: none"> <li>Supported wild bird protection activities in Japan and overseas through grants from the Suntory Fund for Bird Preservation.</li> <li>Expanded informational communication through updates to the Save the Birds website.</li> </ul>		
	Expand the area of Natural Water Sanctuary so as to make it twice the size of the territory where Suntory withdraws water for its plants in Japan. (12,000ha)	In addition to implementing various activities such as tree thinning and transport of trimmings, building roadways and walkways, installing protective fences around vegetation, planting and nurturing seedling of local trees based on the mid- to long-term vision, Natural Water Sanctuary Project has also been used to provide forestry engineer training and help restore mountain forests damaged from typhoons. There are more and more case examples of Ikurinzaï - Timber from cultivated forests *1 inside and outside of the company, and we are continuing to establish a system for strengthening and intensifying its utilization in the future. 2019 is the year during which we built a bridgehead for the expansion of Natural Water Sanctuary contract areas.	In addition to continuing to implement activities such as tree thinning and transport of trimmings, building roadways and walkways, installing protective fences around vegetation, planting and nurturing seedling of local trees based on the mid- to long-term vision, Natural Water Sanctuary Project will continue to be used to help restore mountain forests damaged from typhoons. Through the project, a system is being created for the practical use of Ikurinzaï - Timber from cultivated forests *1 in the future. In regards to Natural Water Sanctuary contract area expansion, realize land sizes of approximately 10,000ha, and establish Natural Water Sanctuaries so as to make them twice the size of the territory where Suntory withdraws water for its plants.	●●



Prioritized items	Mid-Term Targets	Results in FY2018	FY2019 Action Plan	Evaluation
Preserving and Regenerating the Natural Environment	Sharing our values and raising awareness on the importance of water	Expanded content of Suntory Mizuiku activities and enhanced awareness raising and dissemination of value of water and importance of nature that nurtures water	Expand content of Suntory Mizuiku activities, which have been implemented for 15 years, and enhance awareness raising and dissemination of value of water and importance of nature that nurtures water.	●●
		<ul style="list-style-type: none"> <li>Outdoor School of Forest and Water held a total of 53 times and 1,753 people participated</li> <li>Teaching about Water at Schools held at total of 206 schools and 15,971 people participated</li> </ul>	Outdoor School of Forest and Water held a total of 57 times and 1,960 people participated Teaching about Water at Schools held at total of 200 schools and 16,000 people participated	
		3,300 participants in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Vietnam and Teaching about Water at Schools with roughly 14,000 people in total taking part in activities such as factory tours and outdoor activities	Expand <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Vietnam 5,600 people expected to participate	
Reducing Environmental Impact	Reduce water consumption at the Suntory Group* <sup>2</sup> plants by 15%* <sup>3</sup>	Further reduce water usage at Group plants (reduction of water use intensity by 5.8% compared to 2015)	Reduce the use of water for washing and cooling manufacturing equipment and containers	●●●
	Reduce CO <sub>2</sub> emission in the entire value chain of Suntory Group* <sup>2</sup> by 20%* <sup>3</sup>	Further reduce CO <sub>2</sub> emissions throughout the entire value chain (reduction of CO <sub>2</sub> emissions intensity by 2.8% compared to 2015)	Reduce the weight of containers, use of renewable resources and energy conservation at plants, proactively introduce vending machines that consume the least amount of electricity in Japan, etc.	●

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

\*2 Group companies that collectively account for more than 80% of the Suntory Group's sales in 2012 (including overseas companies)

\*3 Reduction per unit production based on the business fields in 2007

To Create Harmony with Nature: Environment

# Environmental Management

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

## Environmental Vision



## Business Activities and Environmental Impact



## Environmental Management



## FY2018 Targets, Results and Evaluation



## Environmental Education for Employees



## Environmental Management

# Environmental Vision

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

## Basic Policy on Group's Environmental Activity

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

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

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

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

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

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

##### 1. Achieving water sustainability

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

##### 2. Taking initiative in conserving biodiversity

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

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

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

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

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

##### 5. Communication with the Society

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

## ■ Formulation of the Suntory Environmental Vision toward 2050 and setting Environmental Targets toward 2030

In 2014, the Suntory Group established the Environmental Vision Toward 2050 and revised targets toward 2018 to provide clear direction to its environmental management. In addition, we established Environmental Targets toward 2030.

### Suntory Environmental Vision toward 2050

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

#### 1. Water Sustainability

- Reduce water consumption at our plants worldwide\*
- Preserve water resources and the ecosystem to cultivate more water than is used by our plants worldwide
- Realize sustainable water use at primary raw material farms
- Share the Sustainable Water Philosophy broadly in communities where we are expanding our primary businesses

#### 2. Climate Change Measures

- Contribute to realizing a decarbonized society to prevent global warming

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

### Environmental Targets toward 2030

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

#### 1. Water

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

#### 2. CO<sub>2</sub>

- Reduce CO<sub>2</sub> emissions 25% at our bases globally through efforts such as the adoption of that latest energy-saving technologies and the use of renewable energy\*<sup>2</sup>
- Reduce CO<sub>2</sub> emissions 20% in the value chain outside our bases\*<sup>2</sup>

\*<sup>1</sup> Reduction per unit production based on the business fields in 2015

\*<sup>2</sup> Total reduction based on the business fields in 2015

## ■ Greenhouse Gas Reduction Goals (Environmental Targets toward 2030) Certified by SBT Initiative

The Science Based Targets (SBT) international initiative\* has certified the CO<sub>2</sub> and other greenhouse gas reduction goals for 2030 of the Suntory Group as fulfilling science-based standards to achieve the 2°C target in the Paris Accord.

\* Science Based Targets (SBT) Initiative:

Science Based Targets is an initiative established by the CDP, United Nations Global Compact, World Resources Institute (WRI) and the World Wildlife Fund (WWF) in 2015. This initiative encourages companies to work toward science-based greenhouse gas reduction targets (SBT) to limit the rising temperature to less than 2°C above pre-industrial levels



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

The Suntory Group has declared its approval of Task Force on Climate-related Financial Disclosures (TCFD\*<sup>1</sup>) recommendations. The TCFD was established by the Financial Stability Board (FSB).



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

\*1 The Task Force on Climate-related Financial Disclosures



Environmental Management

# Business Activities and Environmental Impact

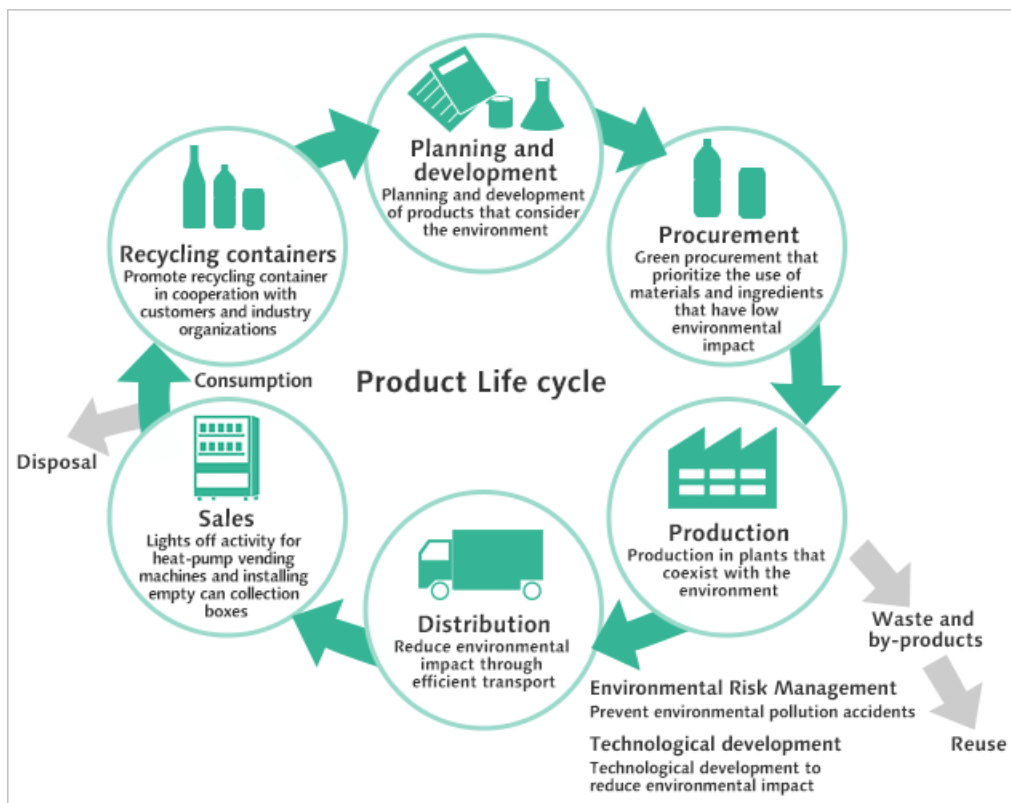
We are engaging in activities to reduce environmental impact in the entire product life cycle.

## Reducing Environmental Impact in the Entire Product Life Cycle

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

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

### ■ Product Life cycle



## ■ Assessing Water Risk

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

### Water Risk Assessment by Location of Suntory Group Plants

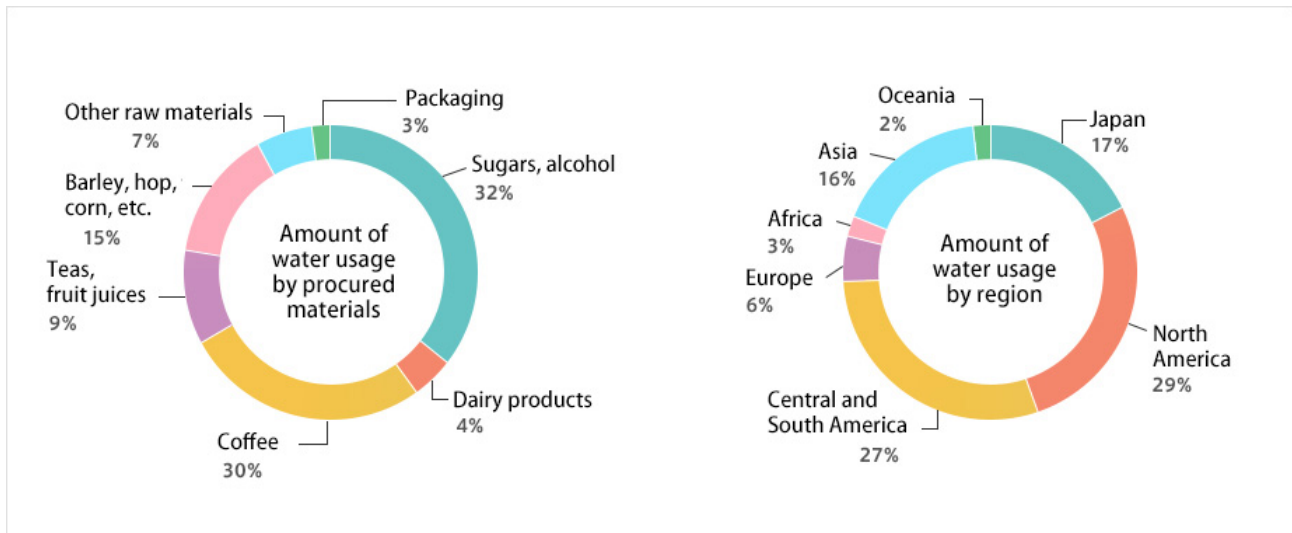
Baseline Water Stress	
Extremely high	None
High	Japan, Mexico, Spain, Indonesia, the Philippines, India, and Australia
Medium-high	America, England, Ireland, and Malaysia
Low-medium	Canada, France, Thailand, Vietnam, and New Zealand
Low	Taiwan, Nigeria

Created based on the Baseline Water Stress score for each country adopted in the Aqueduct by the World Resources Institute. Covers 25 production plants in Japan and 56 production plants overseas owned by companies that collectively account for more than 90% of the Suntory Group's sales

Gassert, F., P. Reig, T. Luo, and A. Maddocks. 2013. "Aqueduct country and river basin rankings: a weighted aggregation of spatially distinct hydrological indicators." Working paper. Washington, DC: World Resources Institute, November 2013. Available online at [wri.org/publication/aqueduct-country-river-basin-rankings](http://wri.org/publication/aqueduct-country-river-basin-rankings).

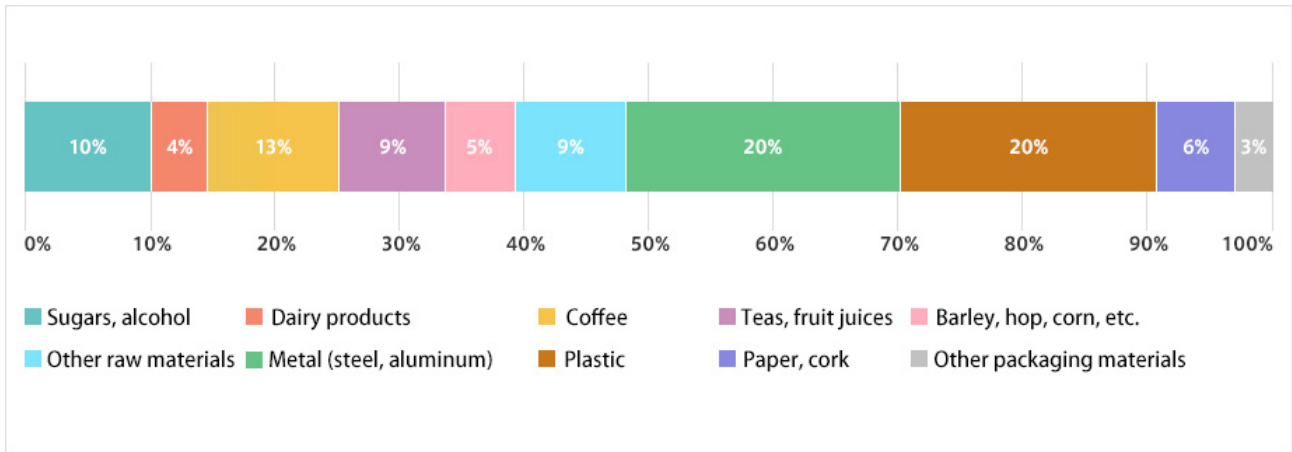
## ■ Quantitative Evaluation Through Natural Capital

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



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

- \* The ratio is for raw materials used by production sites in Japan
- \* The calculation is based on data from the Water Footprint Network (WFN)
- \* Total of green water (rain water, etc.) and blue water (irrigation water, etc.)

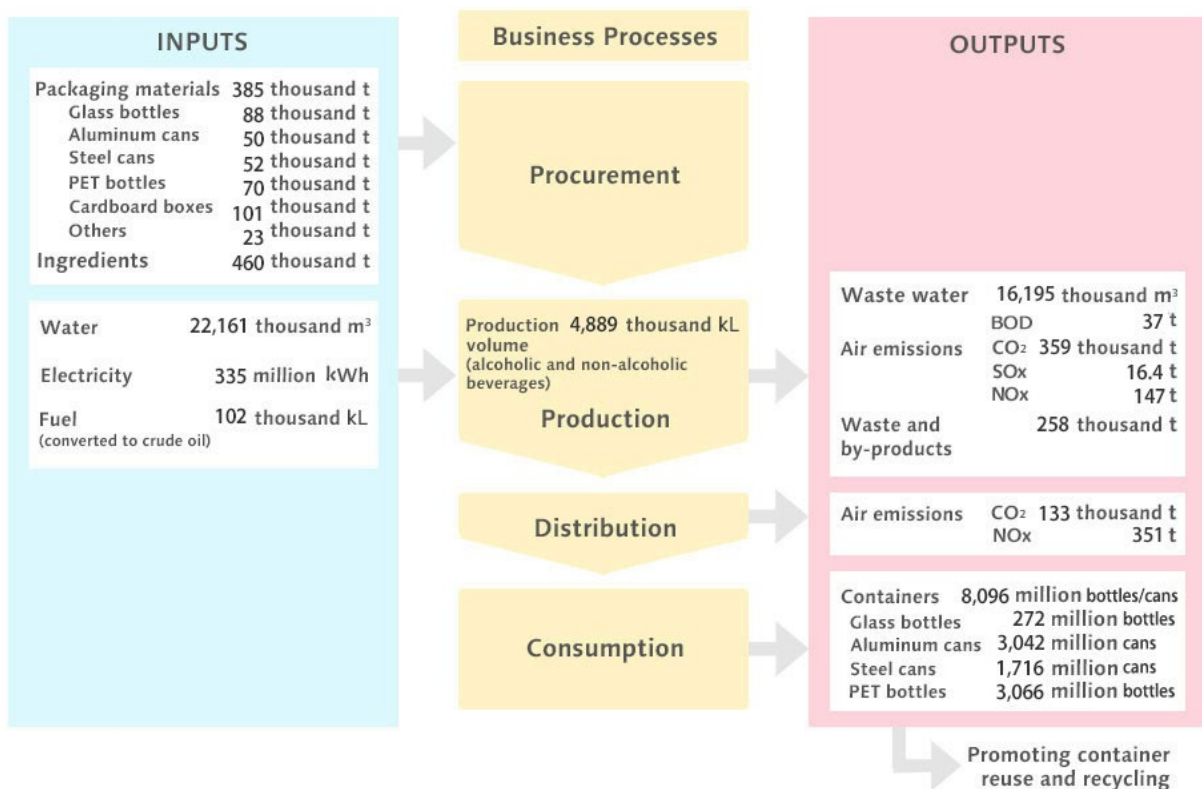


Ratio of GHG Emissions by Procurement Item in the Upstream Supply Chain (2015)

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

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

**Overview of business activities and environmental impact (from January 1 to December 31 in 2018; manufacturing facilities in Japan, excluding outsourcing contractors)**



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

\*2 Emission factors for GHG calculation are as follows:

Fuel: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. CO<sub>2</sub> from Electricity consumption: The adjusted emission factors for each electric company specified by the Act on Promotion of Global Warming Countermeasures.

GHG other than CO<sub>2</sub>: Factors specified by the Act on Promotion of Global Warming Countermeasures.

## Suntory Beverage & Food Ltd. was named as a CDP Water Security 2018 A List Company

In the CDP\*<sup>1</sup> Water Security 2018 environmental activity survey conducted for public companies worldwide by the CDP\*<sup>1</sup>, Suntory Beverage & Food Ltd. received high praise for its water conservation activities including water replenishment and the reduction of water use at its plants. It was also selected for the Climate A-List.

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



## Suntory Okudaisen Bunanomori Water Plant is the first in Japan to receive Alliance for Water Stewardship (AWS) certificate

The Suntory Okudaisen Bunanomori Water Plant received the Alliance for Water Stewardship (hereinafter AWS)\*<sup>1</sup> certificate, which is related to sustainable water use in areas near plants. It is the first plant in Japan to receive the certificate.

The Okudaisen Bunanomori Water Plant aims to conserve forests that comprise an area that can recharge groundwater at an amount larger than the amount of water collected at the factory, and is expanding water resource cultivation activities to make Natural Water Sanctuary Okudaisen a 495ha water source. For the certification, the following were highly appraised: Our company's understanding of the water balance in the area surrounding the plant, in line with the Suntory Group's "Sustainable Water Philosophy," water resource cultivation based on scientific data, plant based water conservation and water quality management initiatives, our work with stakeholders in drainage areas, and appropriate information disclosure.

\*1 An organization for promoting water sustainability globally established by both NGOs, such as the World Wildlife Fund (WWF) and The Nature Conservancy (TNC), and companies.



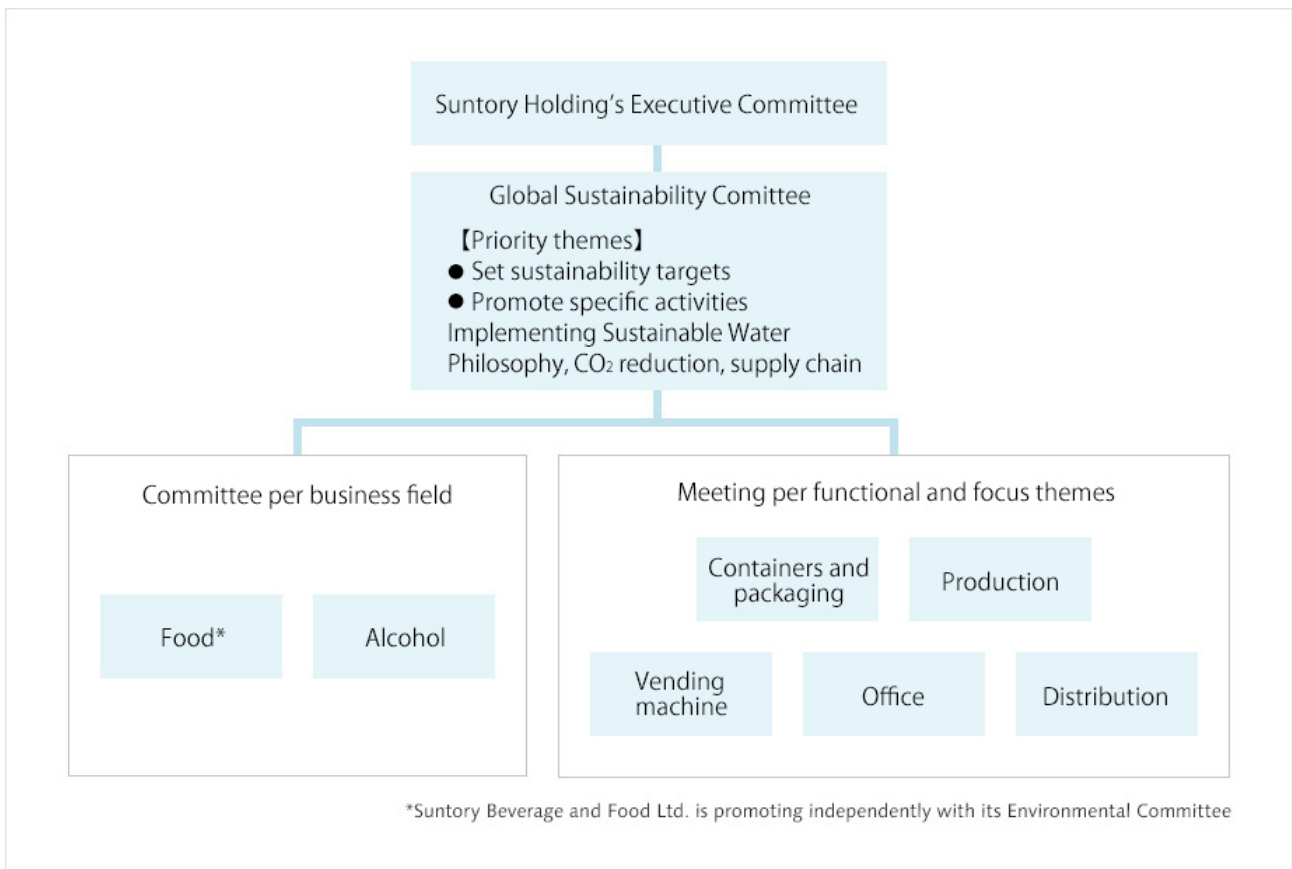
Environmental Management

# Environmental Management

## Environmental Management Promotion System

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

### ■Suntory Group's Environmental Management Promotion System





## Promotion of ISO14001 Certification Acquisition Throughout the Group

We have actively advanced the acquisition of the international ISO14001 certification standard at each Group company as one method to continually evolve by integrating business and environmental activities. With the completion in acquiring the integrated certification and the start of operations at Group companies\* in Japan, we are working to enhance management to abide by laws at sites with a low environmental burden and conduct even more efficient environmental management with these sites as targets from 2017. We are in the process of obtaining certifications at overseas Group companies with focus on our production sites. We are 70% complete in certifying overseas Group company production sites as of 2018.

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

\* Group companies complying to the Japanese SOX Act

### ■ Initiatives at production sites

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

### ■ Initiatives at Research and Development Sites

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

### ■ Initiatives at the Headquarters and Sales Offices

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

### ■ Initiatives at Restaurant-related Group Companies

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



ISO14001 screening

## Introducing Environmental Accounting

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

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

(Period: January 1 to December 31, 2018)

(million yen)

Item			FY2016		FY2017		FY2018	
			Environmental investment	Environmental costs	Environmental investment	Environmental costs	Environmental investment	Environmental costs
Business area cost	Pollution prevention cost	<ul style="list-style-type: none"> <li>Preventing water pollution</li> <li>Air pollution prevention cost, etc.</li> </ul>	261	1,903	326	2,001	528	2,207
	Global environmental preservation cost	<ul style="list-style-type: none"> <li>CO<sub>2</sub> reduction</li> <li>Energy conservation</li> <li>Cogeneration</li> <li>Air treatment, etc.</li> </ul>	871	3,491	266	3,444	198	3,020
	Resource circulation cost	<ul style="list-style-type: none"> <li>Conserving water through recirculation</li> <li>Reducing sludge</li> <li>Reusing waste</li> <li>Wastewater treatment cost, etc.</li> </ul>	17	2,807	67	2,612	287	2,720
	Total		1,148	8,201	659	8,058	1,013	7,946
Upstream and downstream cost	<ul style="list-style-type: none"> <li>Commission for resource recycling containers and packaging</li> <li>Environmentally-friendly containers and packaging measures</li> </ul>	0	1,195	0	1,133	0	1,290	
Management activities costs	<ul style="list-style-type: none"> <li>Building and maintaining Environmental Management System</li> <li>Sustainability Reports, Exhibits</li> <li>Factory greenification, etc.</li> </ul>	0	1,128	0	670	0	900	
Research and development costs	<ul style="list-style-type: none"> <li>Research and development activities to reduce environmental impact</li> </ul>	73	323	1	369	8	379	
Social activities costs	<ul style="list-style-type: none"> <li>Suntory Natural Water Sanctuary</li> <li>Bird Conservation Activities</li> <li>Suntory Mizuiku - Natural Water Education Program, etc.</li> </ul>	86	410	90	569	77	504	
Environmental damage response cost		0	0	0	0	0	0	
Total			1,307	11,258	751	10,798	1,098	11,019

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

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

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

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

(Period: January 1 to December 31, 2018)

Item				Unit	2016	2017	2018	Reduction against previous fiscal year per unit production basis	
In business area costs	Pollution prevention	Reduction of pollutant emissions	SOx	Total (t)	12.6	14.4	16.4	-1.5t/year	
				Per Unit (g/kℓ)	2.7	3.0	3.4		
		NOx	Total (t)	132.4	134.5	147	-7.9t/year		
			Per Unit (g/kℓ)	28.3	28.5	30.1			
	Preserving global environment	CO <sub>2</sub> emission reduction	CO <sub>2</sub> (Fuel + Electricity) Derivation	Total (t)	354.5	369.7	355.9	26.6 thousand t/year	
				Per Unit (g/kℓ)	75.7	78.2	72.8		
		Reduction of energy consumption	Fuel	Total (thousand t)	102	104	102	6192kℓ/year	
				Per Unit (ℓ/kℓ)	21.9	22.1	20.8		
			Electricity	Total amount (million kWh)	306	332	335	8033 thousand/year	
				Per Unit (kWh/kℓ)	65.3	70.2	68.6		
		Resource circulation	Reduction of water resource use	Rainwater	Total amount (thousand m <sup>3</sup> )	21,332	22,361	22,161	971 thousandm <sup>3</sup> /year
					Per Unit (m <sup>3</sup> /kℓ)	4.5	4.7	4.5	
Reduction of waste emissions	By-products and waste emissions		Total (t)	244,604	258,027	257,951	8.984t/year		
			Per Unit (kg/kℓ)	52.3	54.6	52.8			
	Resource recycling rate		(%)	100	100	100	100		

\*Electricity based CO<sub>2</sub> emissions are the adjusted emission factors for each electric power company as specified by the Act on Promotion of Global Warming Countermeasures.

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

(million yen)

Item	FY2016	FY2017	FY201
Income from recycling (sales of byproducts)*1	339	380	355
Cost saved by conserving energy*2	496	510	429

\*1 The calculation method is the same as the costs saved for waste disposal

< Previous Year's Capital Gains × Ratio Compared to Previous Year's Production Volume - Current Year's Capital Gains >

\*2 The calculation method is the same as the costs saved for waste disposal

< Yearly Costs Before Utility × Ratio Compared to Previous Year's Production Volume - Current Year's Costs >

## Environmental Management

## FY2018 Targets, Results and Evaluation

## FY2018 Targets, Results and Evaluation

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

Prioritized items	FY2018 target	FY2018 results	Evaluation
1.Environmental Management	- ISO14001: Maintain certification	- Operated and sustained the 2015 certification standards in the environmental management system	●●●
2.Water resource cultivation and water use reduction	- Zone forests in detail and create a 5-year and 10-year mid-term maintenance plan based on various survey results of Natural Water Sanctuaries. Establish a cooperative system with academics with experience, government and foresters to further promote water resource cultivation activities from multiple angles - Further enhance information dissemination related to water resource cultivation activities	- Clarified the forest we aim for in the future as a mid-term vision and established a maintenance plan, etc. for major Natural Water Sanctuaries - Increased reporting on activities and renewed the website to make content search easier	●●●
	- Further promote the reduction of water use in production activities	- Water consumption per unit of production*1 in Suntory Group*2 plants increased by 6.4% compared to 2015	●●●
3.CO2 reduction	- Further promote the reduction of CO2 emission in the entire value chain - Operated at maximum capacity with renewable energy usage facilities in Japan (114.560Mwh/year)	- Suntory Group*1 Scope 1/Scope 2 emissions*1 increased 0.8% compared to 2015 and Scope 3 emissions increased 5% compared to 2015 - Used renewable energy in a scope compatible with our business activities	●●
4.3R in containers and packaging	●Reduce - Further reduce the weight of PET bottles - Reduce the weight of glass bottles, paper containers, etc. - Reduce the weight of resin and paper labels and cardboards ●Reuse - Maintain the system of returnable bottles ●Recycling - Utilization of RePET Bottles - Promote the establishment of an efficient and effective container recycling system through participation in activities of recycling organization for each container and packaging materials	- Collected and reused a total of 89 million returnable bottles - Continue utilization of RePET Bottles which use 100% reused PET resin through mechanical recycling	●●●
5.Reduction and Recycling of Waste	- Promoted a high-quality resource recycling that sustains a recycling rate of 100% at plants	- Maintained 100% resource recycling rate at plants	●●●
	- Achieved target of Food Recycling Law for each business	- Achieved target of Food Recycling Law for each business	●●●
6.Suntory Mizuiku-Education Program for Nature and Water	- Implement a one-day course in Outdoor School of Forest and Water as part of the Suntory Mizuiku - Education Program for Nature and Water which children and parents can participate. Total of approximately 2,000 participants are planned from Hakushu, Okudaisen and Aso Schools	- Outdoor School of Forest and Water held a total of 53 times and 1,753 people participated	●●
	- Implement a program linked to the subject with subject teachers with the theme of passing down water to the future in Teaching about Water at Schools. Approximately 15,800 participants are planned	- Teaching about Water at Schools held at total of 206 schools and 15,971 people participated	●●●

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

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

## Environmental Management

# Environmental Education for Employees

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

## Promoting Environmental Education in the Group

We promote environmental education to raise employees' environmental awareness strategically. In 2018 we implemented various environmental education initiatives including e-learning for all Group employees in Japan and dissemination of information on the Intranet. In addition, we regularly hold workshops and seminars to learn specific skills that are required in each operation.



Seminar on managing Wastes Disposal and Public Cleansing Act

### FY2018 Environmental Training

Name	Target	Number of participating employees
Onboarding training (environmental management class)	New employees	All
ISO14001 awareness and special education	Plant employees	All
Environmental management training (e-learning, etc.)	Group employees in Japan	19,701
Training for newly appointed employees in charge of ISO14001	Employees in charge of ISO14001	5
Internal ISO14001 auditor training	Internal ISO14001 auditor	118
Eco-products seminar	Employees in charge of product development	42
Environmental Law Training	Employees from relevant departments	32
Wastes Disposal and Public Cleansing Act seminar	Employees from relevant departments	140
Training held for on-site confirmation of industrial waste	Employees from relevant departments	33



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

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

We have been engaged in an activity for approximately 7,400 employees in alcoholic and nonalcoholic businesses that encourage employees to participate in first-hand experience with forestry to make each employee experience and understand Suntory's value of coexisting with nature since 2014. It is still being implemented in new employee training programs.



Forestry Maintenance Training for Employees

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

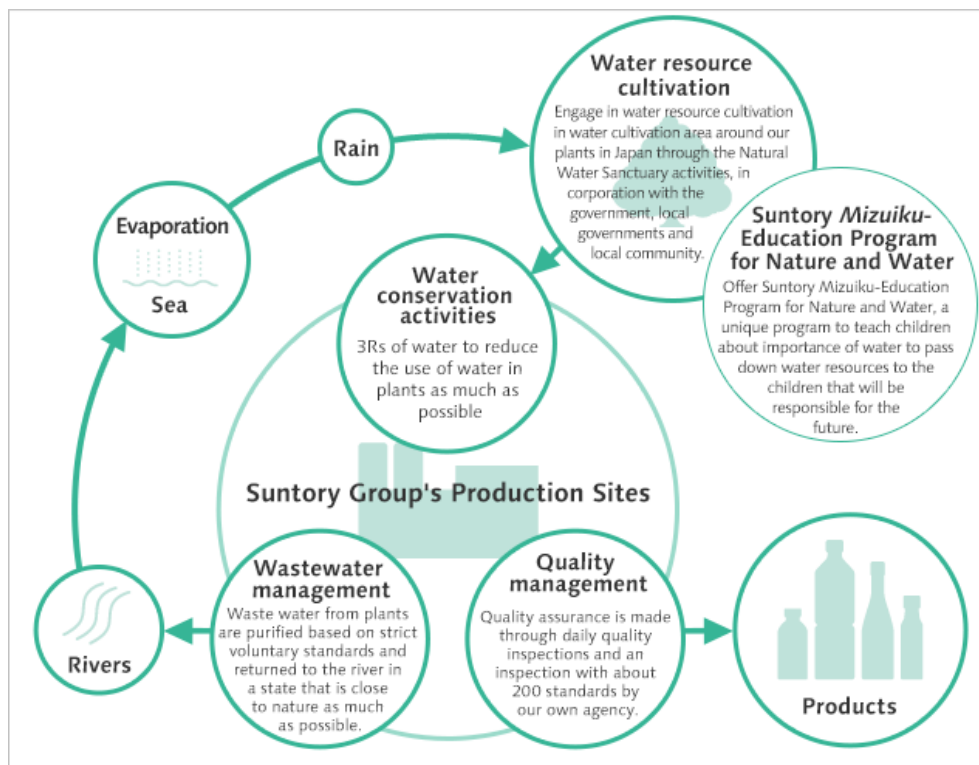
We are sharing basic environmental information, environmental laws and ordinances pertinent to our business, internal guidelines and other materials on the intranet. We are also raising awareness in our employees and encouraging action by including e-Learning as well as lending out DVDs related to environmental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

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

To Create Harmony with Nature: Environment

# Water Sustainability

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



## Realizing Preservation and Regeneration of Natural Environment

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

**Sustainable Water Philosophy**



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



**Bird Conservation Activities**



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



**Group Company's Sustainability**

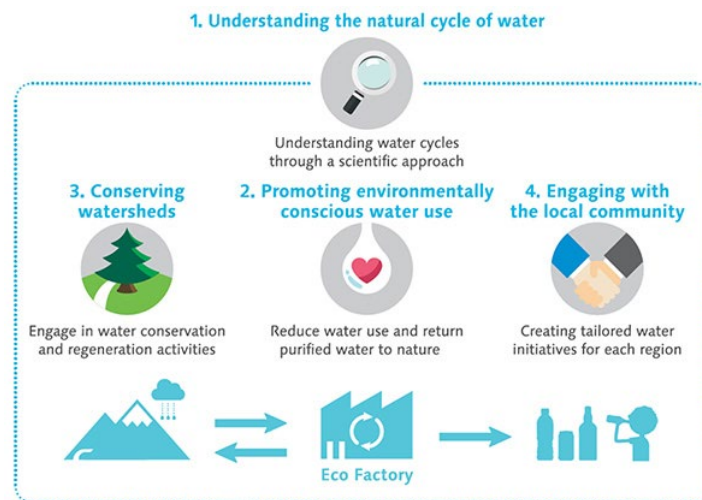


Water Sustainability

# Sustainable Water Philosophy

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

## Sustainable Water Philosophy Overview



## Establishing Our Sustainable Water Philosophy

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

### Suntory Group's Sustainable Water Philosophy

(Established 2017)

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

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

## Water Sustainability

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

## Natural Water Sanctuary Activities -- For the future of water and life

Suntory is a "water" company.

Without quality water, we are unable to produce any beer, soft drinks, or whisky.

This is because water, especially groundwater, serves as Suntory's lifeline.

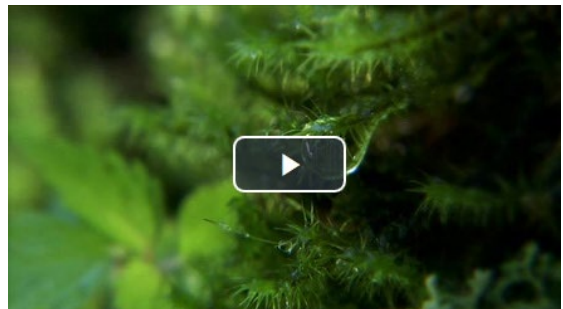
This precious groundwater (natural water) is nurtured in the forest.

In order to maintain safety and reliability of groundwater as well as sustainability, we are cultivating water resources in forests which is more than twice the amount of water used by our plants. Therefore, plant water resource protection areas are specified, with a focus on our Institute for Water Science, and mid-to-long-term agreements are established with local government and forest owners to maintain forests, leading to the establishment of Natural Water Sanctuaries.

In addition to the first sanctuary location established in Aso City, Kumamoto Prefecture in 2003 and the newest sanctuary called "Natural Water Sanctuary Northern Alps" (located in Omachi City, Nagano Prefecture) in March 2019, there are 21 Suntory Natural Water Sanctuaries in 15 prefectures which comprise a total area of approximately 12,000ha.

### ■<Natural Water Sanctuary> Development Targets

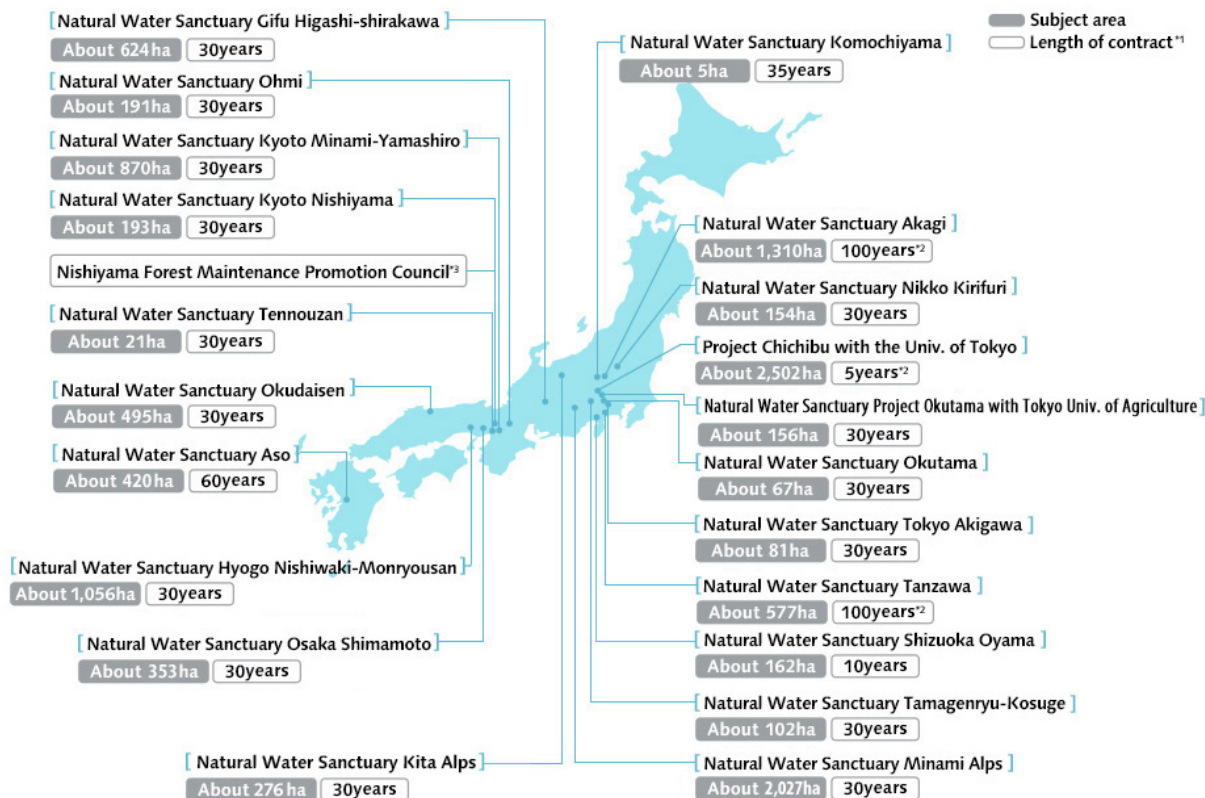
- (1) Forests with a great capacity for cultivating water resources
- (2) Forests rich in biodiversity
- (3) Forests able to withstand flooding and landslides
- (4) Forests with great CO<sub>2</sub> absorption capabilities
- (5) Beautiful forests where visitors can encounter nature in all its abundance  
(used for education programs, etc.)



Video: Philosophy of Activities and Creating Forests that Protect Water and the Future of Life on Earth - Short Version

21 areas nationwide Around 12,000ha

As of June 2019



\*1 When there contracts and agreements with different durations, the longest duration is given.

\*2 Automatically renewed every 5 years.

\*3 In Nagaokakyo, Kyoto, we are a member of the Nishiyama forestry development promotion committee and we are cooperating in local forest preservation activities with people in the community. The area of the forests subject to this activity is not counted as part of our total Natural Water Sanctuary area.

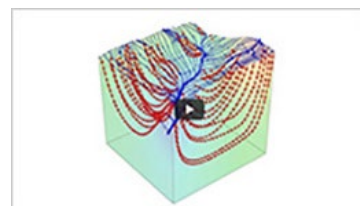
### Looking at Groundwater -- Comparing simulation models with results from field surveys

One of the main purposes of our Natural Water Sanctuary activities is to improve the function of forests for recharging water resources.

As a way to evaluate the results, Suntory has been trying to quantitatively evaluate the amount of groundwater recharge using a groundwater flow simulation model since 2006 and is finally approaching a level of accuracy which would allow the model to be used. Through the simulation of groundwater flow, we attempt to simulate where groundwater passes and how long it takes to reach the factory, and combine it with field survey information to deepen understanding of the underground which we normally cannot see. We would like to incorporate these results into the maintenance plan which will lead to more effective water resource cultivation activities.



In addition to simulation results, it is also important to combine these results with results based on information gathered in the field during hydrologic surveys, etc. for verification.



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



## Forest Cultivation Which Looks 50 years and 100 Years Into the Future

All forests are different. So what are the special characteristics of each Natural Water Sanctuary as well as the issues that they face?

At first, we engage in activities that follow the RPDCA cycle which includes scientifically-based survey and research (Research), which serves as the foundation, creation of a vision (development plan) suited to each forest (Plan), maintenance work conducted by professionals (Do), verification of results (Check), and consideration of measures for improvement/conducting re-examination (Action).

The areas and fields of investigation and research targeted by Natural Water Sanctuary activities are diverse and linked organically. In doing so, cooperation based on the knowledge and skills of experts in various fields and of people in local communities is indispensable. We also use Natural Water Sanctuaries to conduct activities including human resource development support for passing on knowledge and skills (road creation, preventing damage from harmful animals, etc.), Suntory Mizuiku - Education Program for Nature and Water, which allows children to experience the importance of forests since they cultivate water, and First Hand Experience with Forestry by Suntory employees.

Suntory continues implementation of Natural Water Sanctuary activities in order to provide the blessing of nature, something that cannot be replaced, to our children, grandchildren, and future generations to come by first humbly listening to various related issues and work together with local communities to gain knowledge.



## A Healthy Forest is One Full of Life -- Protecting Biodiversity

If there are many different types of plants in a forest, there will be an increase in the types of small animals that eat them, resulting in attracting animals that eat those small animals. In a healthy environment like this, a pyramid formed by various organisms is completed.

In addition to conducting systematic management through continuous ecosystem monitoring of animals, including birds, plants, and insects at Natural Water Sanctuaries, in January 2011 we participated in Biodiversity Declaration Promotion Partners initiated by Keidanren (Japan Business Federation) and are taking the initiative to create a society rich in biodiversity.



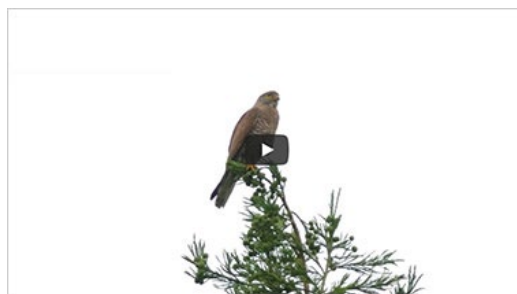
Biodiversity Pyramid of a Forest:  
Protecting the soil and vegetation leads to the protection of the entire ecosystem.



### ■ Biodiversity in a Natural Water Sanctuary from a Bird's Perspective

The plant and animal life living in the forest will change if the typical functions of the forest can be revitalized. Focusing on wild birds, which are said to serve as a barometer of a given environment, we conduct wild bird surveys by specialists in the Natural Water Sanctuaries every year based on the idea that it is possible to comprehensively grasp the changes in the entire ecosystem that supports them.

In addition, nest building and rearing of chicks by eagles and hawks at all the Natural Water Sanctuaries in Japan has been raised as targets toward 2020 with the purpose of advancing the development of a forest rich with biodiversity by taking the perspective of natural wild birds in the Natural Water Sanctuaries.



Video: Eagle and Hawk Chick Rearing Support Project

## Becoming More Familiar with Natural Water Sanctuaries

### ■ Ikurinzaï - Timber From Cultivated Forests Project

It is necessary to cut down trees in order to keep a forest healthy. The Suntory Group calls wood material made from Natural Water Sanctuary activities to nurture sustainable water and forests "Ikurinzaï - Timber from cultivated forests, carefully using all the conifer and broad-leaved trees removed during tree cutting, road creation, and other activities.

#### Case Examples of Timber Utilization Inside and Outside of the Company



Research Location: Timber used to create the entrance (flooring, etc.) of Suntory World Research Center



Timber used to make this table and set of chairs being used at Hidokei no Oka Park in Nishiwaki City (Japan).



Video: Ikurinzaï - Timber From Cultivated Forests Project

## ■Natural Water Sanctuary Forum 2018

Based on the goal of "Creating Forests Which Nurture Water and Life," specialists in a variety of fields who provide coaching and collaborate in Natural Water Sanctuary activities are invited the form which serves as an opportunity to share the newest expertise and policies for future activities. The forum was held eight times from 2011 to 2018.



A poster session where guests can ask lecturers questions and exchange opinions

## ■First Hand Experience with Forestry by Employees

Many group employees and their families have volunteered in Natural Water Sanctuary activities up to 2013. Since 2014, so that each employee experiences and understands the values of our corporate philosophy "To Create Harmony with People and Nature," a total of about 7,400 people (including about 800 volunteers) participated in the First Hand Experience with Forestry activity for Suntory Group company employees, mainly current employees of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.



Employees cutting undergrowth at a Natural Water Sanctuary



Employees pruning trees at a Natural Water Sanctuary



Video: First Hand Experience with Forestry Project

## ■University of Tokyo "The Wisdom of Water" (Suntory) Corporate Sponsored Research Program

Suntory Holdings Ltd. established the University of Tokyo "The Wisdom of Water" (Suntory) Corporate Sponsored Research Program in April 2008, and it has held this research program for five years. By cultivating more social interest in water, we are engaging in the various activities below with the aim of contributing to the education of research in academic fields while promoting solutions of water issues as well as developing a rich water environment.

### Activity Case Examples



"Water Map of Japan"



"Water Drill" educational contents for elementary students



The Wisdom of Water and Scientific Study of Forests and Water websites

Water Sustainability

# Bird Conservation Activities

Wild birds are said to be an indicator of natural environment. Understanding that the wild bird protection is linked to the protection of humans and the natural environment, we began our involvement in bird conservation activities in 1973.

## History of Suntory Bird Conservation Activities

Year of activity	Content
1973年	<ul style="list-style-type: none"> <li>- Start of Save the Birds! Campaign (May)</li> <li>- The first publication of a newspaper ad with an illustration of wild birds (received Asahi Advertising Award)</li> <li>- Established a bird sanctuary in the Hakushu Distillery (Yamanashi prefecture)</li> </ul>
1989年	<ul style="list-style-type: none"> <li>- Foundation of the Suntory Fund for Bird Conservation</li> </ul>
1990年	<ul style="list-style-type: none"> <li>- The 1st Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation</li> </ul>
1993年	<ul style="list-style-type: none"> <li>- Start of the Save 1000 Albatrosses! Campaign</li> </ul>
2006年	<ul style="list-style-type: none"> <li>- Newly established Grant for Community Bird Activities to the Suntory Fund for Bird Conservation</li> </ul>
2014年	<ul style="list-style-type: none"> <li>- Newly established Grant for Riparian Large Bird Conservation to the Suntory Fund for Bird Conservation</li> </ul>
2016年	<ul style="list-style-type: none"> <li>- Received the Wood Pencil at the D&amp;AD Awards 2016, the ADC Award at the 2016 ADC Awards and the monetary prize at the Design for Asia Awards (DFAA) for the Line of Life Project to build kites of birds with children in the hopes of returning storks to a habitat where they can live normally</li> </ul>
2018年	<ul style="list-style-type: none"> <li>- The 29th Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation (Total of ¥456.66 million from the 1st to 29th fund granting have been made to 366 organizations)</li> <li>- Relevant businesses certified under Japan Committee for the United Nations Decade on Biodiversity (UNDB-J)</li> </ul>
2019年	<ul style="list-style-type: none"> <li>- The 30th Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation (Total of ¥496.46 million from the 1st to 30th fund granting have been made to 400 organizations)</li> </ul>



1st Save the Birds! Campaign newspaper ad





## ■The Suntory Fund for Bird Conservation

As one of the activities commemorating the 90th anniversary of our founding, we enhanced bird conservation activities with the establishment of the Suntory Fund for Bird Conservation in 1989. As this initiative is designated to promote global environmental conservation through the protection of wild birds, funds are granted for bird protection activities both in Japan and overseas.

Over the 30 years since becoming a charitable trust in 1990, the Foundation has granted total of ¥496.46 million to 400 organizations up to 2019, making great achievements.



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

## The Hakushu Distillery Bird Sanctuary

We started bird conservation activities in 1973, and in the same year, as the first private company, we opened a wild bird sanctuary in the Hakushu Distillery in Yamanashi Prefecture.

Surrounded by rich forests and many clear streams, the Hakushu Distillery is a relay point of migration for wild birds. In the bird sanctuary, Suntory periodically conducts bird research and, together with the local people, engages in forest preservation activities to maintain an environment by various activities including nest box hanging and other activities.



Blue-and-white flycatcher



Hanging boxes in the Bird Sanctuary

## Communication

We are putting out a broad range of information through our websites and other tools to familiarize more people with these wild birds. On the Japanese Bird Encyclopedia website, anyone can enjoy learning about over 180 species of wild birds through illustrations with explanations, bird calls, and pictures.

The Bird Watching that Starts Today website recommends bird watching spots nearby while introducing hints and points of caution when observing wild birds. These websites can even be enjoyed while out and about on a smartphone.

We are also creating leaflets on how to easily distinguish the birds around you to help in bird watching as well as posters and leaflets about how to easily make feeders, birdbaths and nest to encourage birds into your area.



Japanese Bird Encyclopedia website



The Bird Watching that Starts Today website



Save the Birds Activity leaflets

Preserving and Regenerating the Natural Environment

# Suntory Mizuiku - Education Program for Nature and Water

We are implementing Suntory Mizuiku-Education Program for Nature and Water to pass down precious natural environment to the next generation.

## Suntory Mizuiku-Education Program for Nature and Water

Suntory Mizuiku-Education Program for Nature and Water celebrates its 15th year in 2019. Suntory Mizuiku-Education Program for Nature and Water is a program unique to Suntory designed for the next generation to realize the beauty of nature and importance of water and the forests that nurture the groundwater and to think about what they can do to ensure there is water in the future. The program centers on two activities: Outdoor School of Forest and Water and Teaching about Water at Schools.

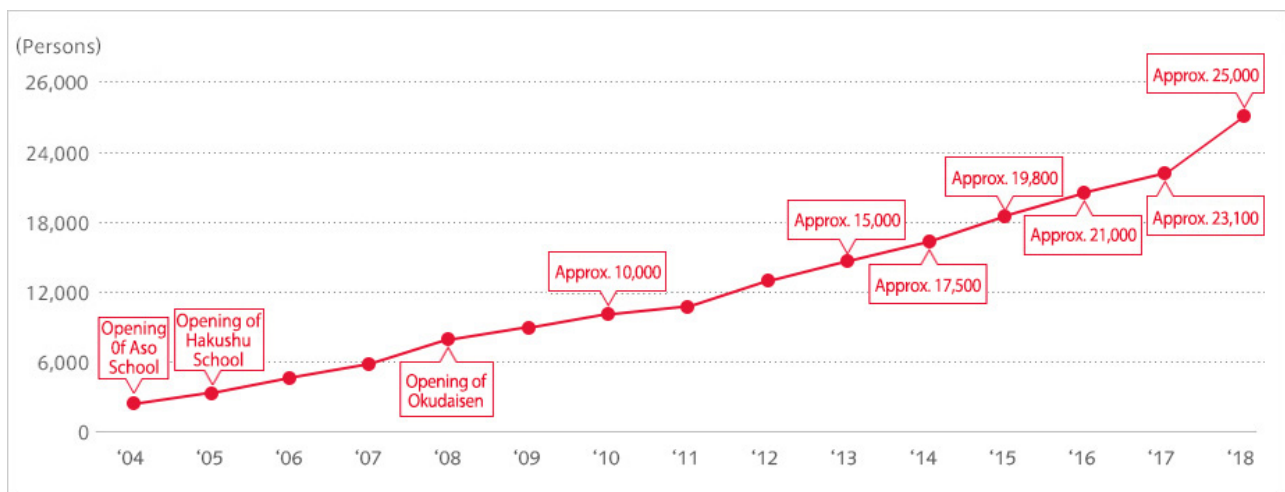
\*Sponsor: Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology, etc.

### Outdoor School of Forest and Water

This hands-on nature program geared to elementary school students from grades three through six and their parents or guardians is held in the home regions of (Mineral Water) Suntory Tennensui. Participants experience for themselves the importance of water and of the forests that produce it amid the great outdoors at Hakushu (Yamanashi prefecture), Okudaisen (Tottori prefecture), and Aso (Kumamoto prefecture). Around 25,000 students and their parents took part in the program since it began in 2004 through 2018.

The Outdoor School of Forest and Water staff conduct the program together with expert instructors that play active role locally in environmental education.

### Total number of participants at the Suntory Mizuiku - Natural Water Education Program Outdoor School of Forest and Water (total of three schools)





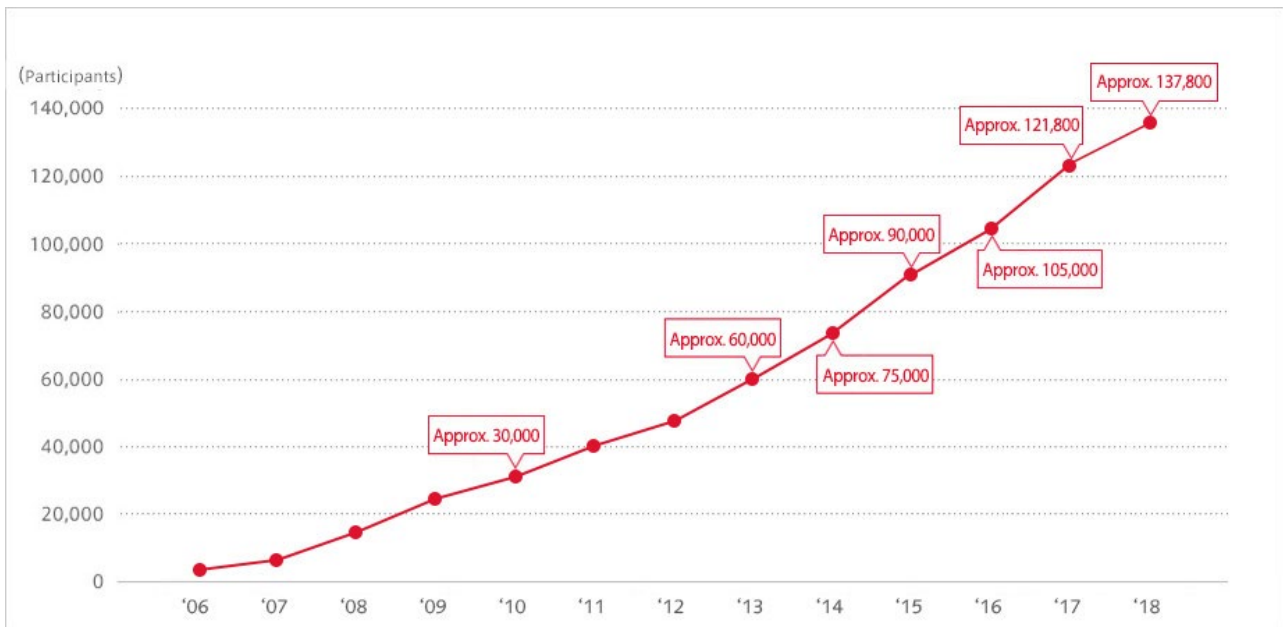


Outdoor School of Forest and Water

## ■Teaching about Water at Schools

We offer study programs for students in grades 4 and 5 in elementary schools together with their teachers. We believe we can make a difference by teaching the cycle and importance of nature through videos and experiments so that together we can pass down water to future generations. These programs have been held in metropolitan areas from Keihanshin, Aichi, Gifu, Yamanashi, where our natural water plant is located, Tottori, and Kumamoto prefectures with the participation of roughly 137,800 students at approximately 1,800 schools as of 2018.

### Total number of participants for Teaching about Water at Schools



Teaching about Water at Schools

## ■Suntory Mizuiku - Natural Water Education Program Website

The Suntory Mizuiku - Natural Water Education Program website is a place to have fun and learn about water. The website includes detailed information about the Outdoor School of Forest and Water and the Teaching about Water for Schools programs in addition to kids pages such as the encyclopedia that brings together independent water research and comprehensive knowledge about water.



Suntory Mizuiku - Natural Water Education Program Website

## Expanding Suntory Mizuiku - Education Program for Nature and Water on a Global Level

With the expansion of Suntory Group's business activities internationally, we have also expanded Suntory Mizuiku - Education Program for Nature and Water overseas with the hope of promoting environmental activities globally.

### ■Vietnam

We started the Vietnam Version of Suntory Mizuiku - Education Program for Nature and Water from March 2015, marking our first Suntory Mizuiku effort overseas.

We developed original education materials in collaboration with international NGOs such as Live and Learn, started collaboration with the Central Council of Ho Minh Young Pioneer Organization as well as the Vietnam National Union of Students from 2017, and have been conducting classes for third and fourth grade children to learn about the importance of water, sanitary management, and the importance of preserving water resources. We are also expanding teaching classes in each region by dispatching qualified Mizuiku instructors as a summer program. Starting in Hanoi City, classes are also taught in Ho Chi Minh City, Bac Ninh City, and Ben Tre City. Since March 2018 we have expanded the program to include Quang Nam Province, Lang Son Province, and Ha Giang Province with approximately 18,000 children participating by the end of 2018.

In addition, we are contributing to the installation of toilets and washrooms at elementary schools to improve sanitary environment of children.

This activity was created to contribute to Target 6.B of Sustainable Development Goal 6 "Ensure access to water and sanitation for all."



Suntory Mizuiku-Education Program for Nature and Water in Vietnam

## ■Thailand

From July 2019, we started Suntory Mizuiku -Education Program for Nature and Water in Thailand, the second foreign country in addition to Vietnam to serve as a program target location.

Through the collaboration of group company Suntory PepsiCo Beverage Thailand and a local NGO, we plan to have approximately 1,100 fourth, fifth, and sixth grade children from Saraburi Province and Rayong Province, where Suntory PepsiCo Beverage Thailand plants are located, and Chiang Mai Province, which possesses the most water resources in Thailand, participate in the program. It is an original nature experience program which teaches children about the importance of water, the importance of protecting water resources, and similar matters.

In addition, in May we prevented sediment based erosion by slowing the currents of streams in northern Chiang Mai Province, installed small weirs to support permeation of underground water, planted trees to prevent soil from flowing into the streams, and carried out other water resource preservation activities which we plan to continue.



Suntory Mizuiku -Education Program for Nature and Water in Thailand

## ■Indonesia

We started the Indonesia Version of Suntory Mizuiku - Education Program for Nature and Water from July 2019.

Through the collaboration of group company Suntory Garuda, a local foundation, and a local NGO, we plan to have approximately 1,000 children from 14 elementary schools located in Gowa (South Sulawesi Province), Banjarbaru (South Kalimantan Province), Sidoarjo (East Java Province), and Tangerang (Banten Province) participate in the program.

As in Vietnam, we plan to expand classes to teach about the importance of water, sanitary management, and the importance of preserving water resources through an original learning program. The program provides basic knowledge about water, addresses water pollution and how to eliminate it, and explores water preservation efforts that children can contribute to on an individual level. This contributes to improving the environment of children in Indonesia as well as their awareness about sanitation.



Suntory Mizuiku -Education Program for Nature and Water in Indonesia

To Create Harmony with Nature: Environment

# Measures Against Climate Change

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

## Continuing activities to reduce environmental impact

Suntory Group promotes the reduction of package weight, the use of recycled materials, and the installation of energy-saving vending machines to countermeasure global warming, effective use of resources, preventing pollution and managing chemical substances through the value chain, from ingredient procurement, manufacture to distribution, sales, and recycling.



Preventing Global Warming



Suntory Group Plastic Policy

SUNTORY

Effective Use of Resources



Preventing Pollution and Management of Chemical Substances





## Climate Change Measures

# Preventing Global Warming

An ongoing stable supply of products will be difficult if the effects of global warming more drastically change the climate patterns as well as greatly impact water resources, which are crucial for soft drink manufacturers. The Suntory Group recognizes global warming as one of the major challenges in business continuity due to the potential risk for great increases in production costs caused by a depletion of resources. Therefore, we need to unify as a Group to prevent global warming with the goal of reducing the environmental impact throughout the entire value chain by joining the environmental efforts of governments and local municipalities and by supporting public policy and regulations aimed to mitigate global warming.

Initiatives to combat global warming are debated at Global Sustainability Committee under the guidance of the executives in charge. These initiatives are approved on an annual basis and are overseen by the Board of Directors.

### Reducing CO2 Emissions throughout the Value Chain



### Initiatives in Production



### Initiatives in Distribution



### Energy Conservation in Vending Machines



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



### Green Procurement and Purchase





Preventing Global Warming

# Reducing CO<sub>2</sub> Emissions throughout the Value Chain

## Reducing CO<sub>2</sub> Emissions throughout the Value Chain

We have set challenges for each division to reduce CO<sub>2</sub> emissions throughout the value chain related to our domestic operations, from raw material procurement, manufacture, distribution, sales to recycling. We are striving to meet the Environmental Targets toward 2030 for a 25% reduction in Scope 1 and Scope 2 emissions and a 20% reduction of Scope 3 emissions throughout the entire Suntory Group worldwide.

## 2018 Results

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

### ■ Scope 1/Scope 2 emissions

Area	CO <sub>2</sub> emissions (thousand tons)	Per unit reduction rate*
Japan	454	3.1% reduction
Americas	236	13.7% increase
Europe	126	6.3% increase
Asia	122	16.3% reduction
Oceania	15	34.3% reduction
Total	953★ (Scope 1: 579★; Scope 2: 374★)	2.4% reduction

\* Data covers 25 production plants in Japan and 56 production plants overseas, and non-production sites in Japan (base of operations, R&D facilities, sales sites, restaurants and development sites).

\* The above emissions do not take into account the emissions offset by purchasing carbon credits.

\* CO<sub>2</sub> emissions per unit production are the amount of emissions per kiloliter produced; the reduction rate is shown as a comparison to the previous year

\* Emission factors for GHG calculation are as follows:

Fuel:

For Japan: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

For overseas: Factors obtained from fuel suppliers or factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

CO<sub>2</sub> from Electricity consumption:

For Japan: The adjusted emission factors for each electric power company specified by the Act on Promotion of Global Warming Countermeasures.

For Overseas: As a general rule, emissions factors obtained from electricity suppliers were used. When those could not be obtained, emission factors for each country in 2016 from IEA 2018 were used.

GHG other than CO<sub>2</sub>:

For 25 plants in Japan: Factors specified by the Act on Promotion of Global Warming Countermeasures.

\* Of which, CO<sub>2</sub> emissions from the Suntory Beverage & Food Group are 462 thousand tons★ (Scope 1: 241 thousand tons★ Scope 2: 221 thousand tons★).

\* The change in the amount of emissions from the base year 2015 was a 0.8% increase.

\* The total may not match the sum of each figure due to rounding.

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

## ■ Scope 3 Emissions

### Suntory Group

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	4,065★	Calculated by multiplying the weight of purchased raw materials and packages for products produced and sold by the food and liquor businesses of Suntory Group (Japan and overseas) by emissions factors. For products produced and sold in Japan, CO2 emissions by subcontracts during production, during the production of imported products, and during transport of imported ingredients are included.
2. Capital Goods	249	Calculated by multiplying the amount of capital expenditure by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
3. Fuel-and energy-related activities not included in Scope 1 or 2	118	Calculated by multiplying the amount of energy consumed by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
4. Upstream transportation and distribution	266	Calculated by multiplying the transportation volume in tons-km of goods owned by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
5. Waste generated in operations	26	Calculated by multiplying the weight of waste disposed by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
6. Business travel	15	Calculated by multiplying the amount of business travel expenses of the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
7. Employee commuting	26	Calculated by multiplying the amount of commuting expenses of the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
8. Upstream leased assets	11	Calculated by multiplying the floor area of distribution centers rented by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
9. Downstream transportation and distribution	202	Calculated by multiplying the transportation volume and sales volume of goods of the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
10. Processing of sold products	0	None
11. Use of sold products	39	Calculated by multiplying the sales volume of goods of the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
12. End-of-life treatment of sold products	334	Calculated by multiplying the weight of packaging materials for products sold by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
13. Downstream leased assets	525	Calculated by multiplying the amount of electricity used by vending machines leased by the food and liquor businesses of Suntory Group (in Japan and overseas) by emissions factors.
14. Franchises	0	None
15. Investments	0	None

\* Data for the food and liquor businesses of Suntory Group (Japan and overseas).

\* For some overseas group companies, values were estimated by using Japan-based emission factors and emission per unit production.

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

## Suntory Beverage & Food Ltd.

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	2,877★	Calculated by multiplying the weight of purchased raw materials and packages for products produced and sold by the Suntory Beverage & Food Group (Japan and overseas) by emissions factors. For products produced and sold in Japan, CO <sub>2</sub> emissions by subcontracts during production, during the production of imported products, and during transport of imported ingredients are included.
2. Capital Goods	117	Calculated by multiplying the amount of capital expenditure of Suntory Beverage & Food (Japan and overseas) by emissions factors.
3. Fuel-and energy-related activities not included in Scope 1 or 2	60	Calculated by multiplying the amount of energy consumed by Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
4. Upstream transportation and distribution	195	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
5. Waste generated in operations	20	Calculated by multiplying the weight of waste disposed by Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
6. Business travel	12	Calculated by multiplying the amount of business travel expenses of Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
7. Employee commuting	19	Calculated by multiplying the amount of commuting expenses of Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
8. Upstream leased assets	9	Calculated by multiplying the floor area of distribution centers rented by Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
9. Downstream transportation and distribution	165	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
10. Processing of sold products	0	None
11. Use of sold products	32	Calculated by multiplying the sales volume of goods of Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
12. End-of-life treatment of sold products	308	Calculated by multiplying the weight of packaging materials for products sold by of goods of Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
13. Downstream leased assets	483	Calculated by multiplying the amount of electricity used by vending machines leased by of goods of Suntory Beverage & Food (Japan and overseas) by corresponding emissions factors.
14. Franchises	0	None
15. Investments	0	None

\* Data for the businesses of Suntory Beverage & Food (Japan and overseas).

\* For some overseas group companies, values were estimated by using Japan-based emission factors and emission per unit production.

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

### ■ Measures Against Global Warming

The Suntory Group is also working to combat the effects of global warming. The Suntory Group strives to raise awareness about ways to prevent heat stroke with the rising temperatures at elementary schools and companies with efforts that include the free provision of posters and leaflets (total of 11,860,000 copies distributed as of February 2019) to raise awareness about preventing heat stroke created together with The Education Newspaper to elementary schools throughout Japan and the support of heat stroke measures at each school. We are also linking to other activities to raise awareness about heat stroke by manufacturing and selling GREEN DAKARA as a product designed for rehydration with 40mg/100ml sodium suitable as a heat stroke measure\*<sup>4</sup>.

\*<sup>4</sup> The amount of sodium recommended by the Ministry of Health, Labour and Welfare as a measure against heatstroke is 40mg-80mg/100ml

Preventing Global Warming

## Initiatives in Production

### Reducing CO<sub>2</sub> through Energy-saving and Use of Renewable Energy

We are committed to energy efficiency at Suntory Group plants through production activities harmonized with the environment. Making records of and managing the operational status centrally is useful for employing energy efficient activities in the production process. Furthermore, we are working to combat global warming from a variety of angles, including by switching to low CO<sub>2</sub> emitting fuels and by using renewable energy.

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

#### ■ Reductions Made by Introducing Cogeneration Systems

We are utilizing cogeneration system (combined heat and power) in our production activities. This system recovers heat generated from in-house generation and uses it as part of a heat source for preparing beer and extraction of coffee and tea, which increases energy efficiency to 70-80% and reduce CO<sub>2</sub> emissions by 20-30%. As of April 2019, the system is introduced at three plants in Japan. These are the Haruna Plant of Suntory Products Ltd, and the "Natural Water Beer Plant" Tonegawa Brewery in Gunma Prefecture and Kyoto Brewery of Suntory Beer Ltd.



Cogeneration system at Tonegawa Brewery

#### ■ Switching to Fuels Low in CO<sub>2</sub> Emissions

Most factories have completed the conversion from using heavy oil to city gas and LNG (liquefied natural gas). These gas fuels have fewer CO<sub>2</sub> emissions per unit of heat and they contain almost no sulfur.



Liquefied natural gas facility at Okudaisen Bunanomori Water Plant of Suntory Products Ltd.

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

Tonegawa Brewery of Suntory Beer Ltd. has undergone a construction to increase its production capability of beer in 2013. At the same time, latest cauldron was introduced in the preparation stage for efficient use of energy, along with renewing boilers and cooling facility to optimize the energy supply facility. As a result, the energy efficiency improved by about 20% in the plant.



New cauldron in Tonegawa Brewery of Suntory Beer Ltd.

## ■Energy-saving Activities at Overseas Production Sites

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

### Energy-saving Activities at a Tequila Plant in Mexico

We have introduced energy-saving activities to the Sauza Plant in Mexico, which uses a lot of fuel, based on our knowledge and technology in Japan. We have been conducting initiatives to improve the heat recovery rate at distilleries since 2016 and installed a new type of once-through boiler in 2017. Furthermore, these activities have also adopted the 2016 Joint Crediting Mechanism Financial Support Business that contributes to reducing greenhouse gas emissions in developing countries.



Newly installed once-through boilers at the Beam Suntory Sauza Plant in Mexico

## ■Promoting the Use of Renewable Energy

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

### Use of Photovoltaic Energy

The Minami Alps Hakushu Water Plant of Suntory Products Ltd. is installed with the largest photovoltaic panels in the beverages industry, capable of generating approximately 490kW of electricity. They provide some of the plant's power, and make it possible for us to reduce our CO<sub>2</sub> emissions by approximately 205 tons per year compared to when we buy electricity from a power company.

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

Solar power generation equipment has been installed on some of the roofs and premises by Solar Frontier K.K. and the Development Bank of Japan, Inc. at the Suntory Products Ltd. Haruna Plant and Suntory Beer's Kumamoto Aso Brewery. The two plants generate a combined output of approximately 3.2 MW, which is an equivalent to the yearly power for roughly 660 households. This is estimated to have a CO<sub>2</sub> reduction effect of approximately 1,900 tons.



Largest scale photovoltaic panels in the beverage industry



New lithium-ion battery equipped electric buses

### Use of Snow and Ice Thermal Energy

For the use of snow and ice thermal energy, Iwanohara Vineyard Co., Ltd. takes benefit being located in region of heavy snowfall and installed snow room in 1898 to store snow during winter. The thermal energy of snow is used to control the temperature for fermenting wine and storage, using natural energy in winemaking. Following the tradition, snow room was rebuilt in 2005 and is being used to cool wine-aging warehouse.

In Okudaisen Bunanomori Water Plant of Suntory Products Ltd., which also is located in region of heavy snowfall, also implements snow room and used as part of thermal control during spring.



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



### Use of Cold Groundwater

We are effectively using cold groundwater that stays at an almost constant temperature (low temperature) throughout the year to cool manufacturing equipment and in other processes at the Hakushu Water Plant of Suntory Products Ltd. In addition, hot and cold water such as effectively recycling heat produced in air compressors and boilers to heat groundwater to prevent condensation when filling plastic bottles with low temperature groundwater.

### Promoting the Use of Energy from Biomass

SUNTORY CHITA DISTILLERY LIMITED. has been using residue liquid from distilling and corn residue when making grain whisky as fuel for generating steam needed to heat when distilling since 1997. Approximately 6,000 tons of CO<sub>2</sub> can be reduced by reducing liquefied natural gas (LNG) usage with the use of biomass resources. This is the equivalent of roughly 40% of fuel used at SUNTORY CHITA DISTILLERY LIMITED.

### CO<sub>2</sub> emission reduction



\* Data covers 25 production plants in Japan

\* Electricity based CO<sub>2</sub> emissions are calculated by the adjusted emission factors for each electric power company as specified by the Act on Promotion of Global Warming Countermeasures.

- The total amount of CO<sub>2</sub> emissions decreased by 3.2% and CO<sub>2</sub> emissions per unit production decreased by 8.5% compared to 2015.

### Energy consumption

#### Fuel (crude oil conversion) consumption



\* Data covers 25 production plants in Japan

\* Crude oil conversion consumption are calculated using a method specified by the Act on the Rational Use of Energy

- The total amount of fuel decreased by 4.0% and fuel amount per unit production decreased by 9.6% compared to 2017.

## Power consumption



\* Data covers 25 production plants in Japan

- The total amount of power consumption increased by 1.0% and power consumption amount per unit production decreased by 2.3% compared to 2017.

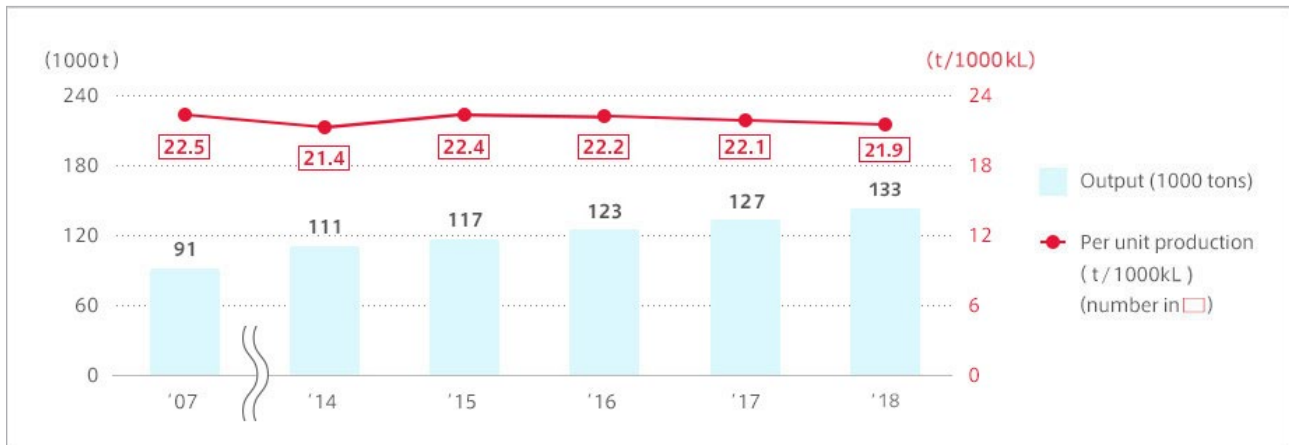
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# Initiatives in Distribution

## Implementing Distribution Considering the Environment

We are striving to reduce the environmental impact caused by our distribution and transport operations, from procurement of ingredients and packaging materials to delivery of products to consumers. More specifically, we are promoting a modal shift and the use of larger vehicles, and also have a highly efficient truck transport system in place owing to a computerized system we developed in-house. In 2018, sales (KL) was 106% and the CO<sub>2</sub> emissions increased 5% to approximately 133 thousand tons compared to the previous year, but the unit production was 21.9 (CO<sub>2</sub> emissions/ thousand kL of sales), which was 99% compared to the previous year. We will continue to promote initiatives to further reduce emissions.

### CO<sub>2</sub> emissions during transportation (business in Japan)



## Promoting the Use of Larger Vehicles

The Suntory Group is promoting shipping with large-scale vehicles to lower the number of trucks on the road. In particular, large-size trucks that use a trailer are being promoted in conjunction with efficient allocation of vehicles for shipments to each product vendors from production sites by truck.

## Promoting Modal Shift

We are promoting a modal shift to rail and sea transport which produces fewer CO<sub>2</sub> emissions than trucks when transporting over medium to long distances. In 2018, the modal shift rate was 47.8%, 40.6% of which was sea transport and 7.2% of which was rail transport. In the future, we will also steadily promote modal shifts for summer heat waves.

## ■ Changes in modal shift ratio



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

Suntory Liquors Ltd.\*<sup>1</sup> has been certified as 1st Eco Ship Mark\*<sup>2</sup> certified company in 2009. In addition, Suntory Liquors Ltd. received an Eco-Rail Mark certification from the Ministry of Land, Infrastructure, Transport and Tourism in 2011.

\*<sup>1</sup> Currently Suntory Spirits Ltd. and Suntory Beer Ltd.

\*<sup>2</sup> Eco-ship Mark system certifies cargo owners and logistic operators that use more than set amount of sea cargo that is friendly to the environment.

Screened by Businesses with Excellent Eco Ship and Modal Shift Selection Committee



Eco Ship mark



Eco-Rail mark

## Shipping Through Various Cargo and Shipper Integration

The Suntory Group has introduced the Integrated Transportation<sup>®</sup> Arrangement that calculates the optimal combination of vehicles and routes for various cargo and shipping locations. This reduces the distance and time with the number of trucks to use and the remaining capacity. In addition, we are reducing the environmental burden even further by limiting the loss when transporting goods with efforts such as sharing distribution information with other companies to combining cargo of multiple companies in one truck. We also ask our distribution partners to drive comprehensively in a way that reduces the environmental burden such as using idling stop systems and attaching digital tachometer that enable accurate monitoring and management of vehicle operation status.

## ■Diagram of Integrated Transportation Arrangement®

### Promoting Initiatives by Cooperating with Distribution Affiliates

201 of our distribution affiliates (as of FY2018) have acquired certifications, such as the ISO14001 (55 sites) and Eco Stage (141 sites) as well as Green Management advocated by the Ministry of Land, Infrastructure, Transport and Tourism, with the aim to further reduce the environmental impact. In addition, in response to amendments to the Rationalization in Energy Use Law, the Suntory Group collected CO2 emissions data such as the monthly distance driven by vehicles, the amount of fuel consumed, and the useful load of distribution affiliates. Moreover, we are supporting the efforts of affiliate companies in initiatives that include raising awareness such as eco driving and promoting the use of green eco belts that can be used over and over instead of pallet wrap to prevent cargo from shifting.



Green eco bottle

### Promoting Collaborative Efforts with Other Companies

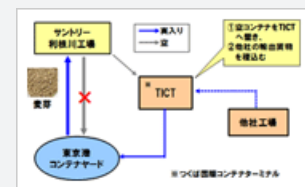
We are promoting distribution through cooperation with other companies such as joint distribution and joint use of containers as transportation measures that will lower the environmental impact.

Participating Companies	Coordination	Description	Starting Period	Results
Suntory Group	Kirin Group	Joint distribution of soft-drink beverages within Chiba prefecture	July 2009	Reduced CO2 emissions approx. 46 tons/year
Suntory Logistics Ltd.	Toyobo Logistics Co., Ltd.	Each company packs cargo on return trips in vehicles that only have one-way cargo	January 2010	Reduced CO2 emissions approx. 100 tons/year
Suntory Logistics Ltd.	Toshiba Lighting & Technology Corporation	Joint use of railway containers	January 2011	Reduced CO2 emissions approx. 140 tons/year
Suntory Group	Four beer companies	Joint distribution in some areas of Hokkaido (Kushiro/Nemuro)	September 2017	Reduction of approximately 330 tons of CO2 emissions per year (*Figures apply to all four beer companies)

#### Round-trip use of containers transported by sea (joint use with other companies)

One of our social responsibilities is to engage in reduction of the environmental impact caused by transporting import goods. We have been conducting an initiative to handle export goods by jointly using the containers that we use with other companies within the country based on this belief in February 2011. Up until now, we have been able to realize efficient transport reducing our CO2 emissions through the round-trip use of containers that would have flown back empty.

This initiative was presented the Minister Prize of Economic, Trade and Industry at the Green Logistics Partner Awards announced in December 2013.



Round-trip Use of Containers



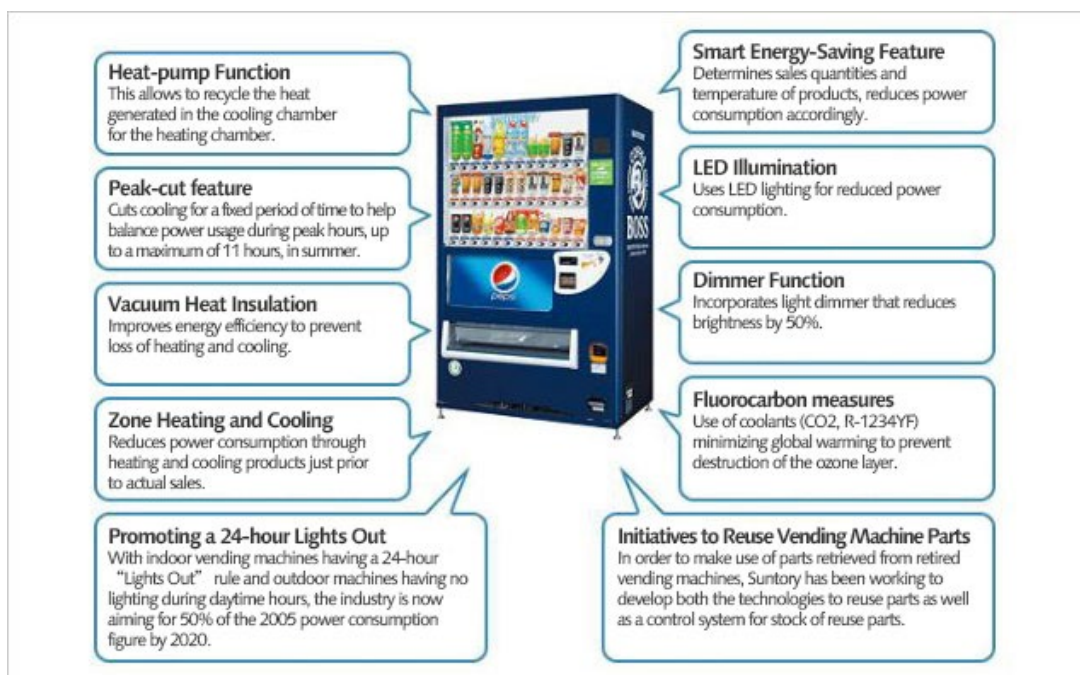
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## Energy Conservation in Vending Machines

### Energy Conservation in Vending Machines

We are implementing various initiatives to save energy in vending machines in Japan as one of priority initiatives to reduce CO<sub>2</sub> in the entire value chain.

#### ■ Key Features of Suntory Vending Machines



#### ■ Reducing Energy Consumption of Vending Machines

Since we introduced a peak-cut feature in 1995, we have been striving to introduce vending machines with lower consumption of electricity. Since 2007, we have been promoting installation of heat-pump vending machines that facilitate even more efficient energy usage compared to conventional vending machines as main energy-saving machine. Nearly all of the vending machines put into use in 2010 and all new vending machine (excluding some special-function machines) from 2011 were heat-pump models and also LED lighting were installed to them.

From 2012, we started introducing Hybrid Heat-pump Vending Machines which can reduce electricity consumption by additional 30% compared to normal Heat-pump Vending Machines.

In addition, by fitting refurbished machines\*<sup>1</sup> with heat-pump equipment, the ratio of heat-pump vending machines against all Suntory vending machines was 73% in the end of 2018.

In 2013, "Mahou VIN Vending Machines"\*<sup>2</sup> which has a capability of suspending cooling for extended time by to having high refrigerant effect from using vacuum heat insulation materials, etc., in addition to energy saving heat-pump function. This vending machine enables the reduction of both environmental impact and electricity load during the peak hours in summer.

\*1 Vending machines that have been removed from service, refurbished, and reinstalled for retail use

\*2 Vending machine that is capable of suspending cooling for extended time due to high refrigerant effect by using vacuum heat insulation materials, etc. Refrigeration is suspended for 8 to 14 hours each day.

## What is a heat-pump vending machine?

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

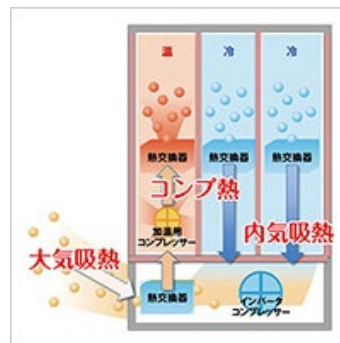
## ■Introducing Vending Machines with the Smallest Power Consumption in Japan

In April 2014, we began adopting "Extremely-Energy-Saving Vending Machines" (Eco Active Machines) that operate on approximately half the energy consumption (420kWh/year) compared to conventional heat-pump vending machines with the cooperation of machinery manufacturers the use of to further aim to contribute to reducing environmental impact. It stores two compressors, one dedicated to heating and other cooling and uses various latest technologies such as inverter control, vacuum heat insulation materials, electronic expansion valve and LED lighting to control energy consumption to an optimum condition to realize lowest electricity consumption in Japan\*<sup>1</sup>.

\*1 Compared to a selection of 25 primary automatic vending machine manufacturers in Japan as of January 2019 (Survey conducted by Suntory Beverage Solution Ltd.)



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## ■Promoting a 24-hour Lights Out

To promote reductions in CO<sub>2</sub> emission and combat global warming, vending machine manufacturers have promoted energy-saving measures since 1991, prior to establishment of the Kyoto Protocol. As a result, during the 15 years leading up to 2005, we achieved an approximate 50% reduction in energy consumption per vending machine. The industry also agreed to aim for a further 37% reduction by 2012, in comparison to 2005 figures, with indoor vending machines having a 24-hour "Lights Out" rule and outdoor machines having no lighting during daytime hours\*. The industry met its goal in 2011. As a follow-up midterm goal, the industry is now aiming for 50% of the 2005 figure by 2020.

\* Reduces about 10% of power usage by turning off the lights during the day time, about 20% by 24 hours



## ■Measures Against Chlorofluorocarbon

Controlled chlorofluorocarbons that destroy the ozone layer are not used for refrigerants in our vending machines today. New vending machines that are introduced also use no chlorofluorocarbons substitutes that have a large impact on global warming. All of our machines use a refrigerant with a low global warming coefficient such as natural refrigerants and R-1234yf.

## ■Initiatives to Reuse Vending Machine Parts

We are actively conducting initiatives to realize effective use of resources even in vending machines. We are advancing development of technology toward the reuse of parts as well as management systems for the reuse of parts in order to use vending machine parts that are collected in vending machines again. In 2018, the reuse rate of parts that required repair or maintenance was 61%. We are striving to effectively use resources by expanding the components to reuse parts even further in the future.

## ■Ensuring Reasonable Waste Disposal of Vending Machines

We are leading the industry in building a Vending Machine Waste Disposal System that collects and recycles vending machines to throw away, which we have expanded nationally since January 1997. We are strictly managing disposal from the initial selection of vending machines to discard to the final disposal in compliance with the revisions to the Wastes Disposal and Public Cleansing Act in April 2001. We are properly processing broken machines by understanding the amount of machines to collect based on the Act for Rationalized Use and Proper Management of Fluorocarbons even in regards to the fluorocarbons that are used as a refrigerant in vending machines.

## ■Installation of Vending Machines to Provide Beverages in Emergencies

We are developing and advancing the installation of vending machines to provide beverages in emergencies to contribute to building cities able to combat disasters. This system normally sells beverages from vending machines in peace times but will provide them for free during emergencies such as when disasters strike. Beverages can be easily accessed even if the power goes out. Many people used this system after the Great East Japan Earthquake that struck in March of 2011. We are progressing with the installation of these vending machines centered upon public institutions, hospitals, and companies with roughly 21,000 units put in place through the end of 2018 by implementing wire type vending machines that have the benefit of not requiring maintenance in addition to battery-type vending machines. In Japan, we plan to actively introduce these types of vending machines in the future.



Emergency beverage vending machine

Preventing Global Warming

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

### Environmental Activities in Sales Divisions

#### ■ Reducing Environmental Impact of Sales Vehicles

We are promoting introduction of hybrid vehicles and other energy-saving vehicles for use in sales activities. In addition, we have introduced vehicle traffic control system that acquire travel data such as distance traveled, driving behavior and fuel efficiency in sales vehicles. We promote safe driving and eco-driving by feeding back the result of the analysis of collected data.

#### ■ More efficient Vending Machine Operations by Introducing Wireless Systems

Suntory Beverage Service Ltd., which includes secondary products for soft drink vending machines to expand the vending machine operations each day, introduced wireless systems to vending machines operating throughout Japan in 2013. We are able to analyze information such as the type and amount of products for refilling, the timing for refilling, and the most efficient route for refilling of each vending machine while allowing us to instantaneously obtain the sales trends of each and every vending machine. We have reduced the number of visits to vending machines through the use of this wireless system, which has connected to reducing environmental impact by decreasing power lost when opening and shutting vending machines when conducting operations such as refilling products.

### Environmental Activities in R&D Sites

Since acquiring ISO14001 certification in 2007, the R&D sites (World Research Center/product development center) where about 700 employees work has been promoting environmental activities incorporated in daily work in the entire division. In 2013, the site acquired comprehensive certification from an external certification agency to operate under the ISO14001 throughout the entire Group to strengthen coordination with other divisions as a Research & Technology Development Division that has strong connection with the Group's entire value chain. It also promotes activities to reduce environmental impact in corporation with plants and sales divisions while incorporating environmental considerations into daily operations.

### Environmental activities in the restaurant business

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

The Pronto Love Green Activity that has been underway since 2008 donated a total of 91,306,624 yen in 2018 and was given letters of thanks three times from the Minister of Agriculture, Forestry, and Fisheries.

## ■ Latest Environmentally-friendly Equipment

Suntory World Research Center introduced equipment to reduce the environmental impact such as an arrangement of LED lighting through the entire facility, automated control of lighting and airflow through image sensors, temperature difference water supply, and the application of hybrid heat source equipment to concurrently use natural gas and electricity while eagerly using natural energy such as the application of top lights\*<sup>1</sup> that actively let in natural light. The same center has acquired Class S, which is the highest class of the Comprehensive Assessment System for Built Environment Efficiency (CASBEE)\*<sup>2</sup>. The furniture and construction materials also utilize Ikurinzaï - timber from cultivated forests\*<sup>3</sup> of the Suntory Tennensui (Mineral Water) Natural Water Sanctuaries.

\*1 Top light: Windows installed on roofs for natural light and ventilation

\*2 CASBEE: Environmental performance assessment for building overall developed by the Institute for Building Environment and Energy Conservation with the support of Ministry of Land, Infrastructure, Transport and Tourism in 2001.

\*3 Ikurinzaï - Timber from cultivated forests: Suntory Group calls wood material made from activities to nurture sustainable water and forests "Ikurinzaï - timber from cultivated forests"



Suntory World Research Center

## Environmental Activity in the Office

### ■ Installing Energy-saving Equipment and Reduction of CO<sub>2</sub> and Water Consumption by Employee Action

Various initiatives are carried out by all employees daily with higher awareness on saving energy in each office. The Odaiba Office in Tokyo installs photovoltaic power generation, use of reused water, automatic lighting control system, and human detection sensors for lights in toilets and escalators. Reduction of CO<sub>2</sub> emission are being promoted in each office by implementing cool biz and warm biz and actively using web conference system.



Solar power generation system of the Odaiba office



Preventing Global Warming

## Green Procurement and Purchase

We promote procurement of ingredients, materials and equipment that have low environmental impact through cooperating with each business partner.

### Promoting Green Procurement

Green procurement is selecting items and services that consider the environment, such as by not including hazardous substances or efficient use of resources, when selecting ingredients, materials and equipment to purchase.

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

#### Suntory Group Green Procurement Standard (revised 2011)

##### 1. Basic policy

Suntory Group strives to purchase ingredients, materials and services that have the lowest environmental impact as possible for items and services used in the Group to build a sustainable society.

##### 2. Prioritized items

- a) Consider not to use environmentally polluting substances, etc.
- b) Consider resource- and energy-saving through use of renewable resources, miniaturization, etc.
- c) Consider resources collection that does not damage the ecosystem
- d) Long-term use is possible through repair, parts replacement, etc.
- e) Whether if it is reusable
- f) Whether if it is design to be recyclable
- g) Whether if it is easy to dispose or treat
- h) Whether if it is environmental information about the item is disclosed
- i) Consider the items is manufactured or sold by business operator that actively engages in environmental preservation such as acquiring ISO14001

### Promoting Green Purchase

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

Climate Change Measures

## Suntory Group Plastic Policy

### **Based on this Plastic Policy, Suntory will aim for fully sustainable plastic bottles in all the PET bottles used globally by 2030.**

The Suntory Group has formulated the Plastic Policy to provide strong leadership for transforming our current society into a recycling-oriented and zero carbon society, aiming toward the realization of a sustainable society. Our group is promoting sustainability management globally with the aim of realizing our mission "To Create Harmony with People and Nature" as stated in our corporate philosophy. In the field containers and packaging, we have developed the world's first F-to-P direct recycling technology (see news release No. 13428) which eliminates some PET bottle recycling processes and simultaneously reduces environmental impact and increases recycling efficiency.

In addition, actions such as introducing for the first time to the world a PET bottle cap\* that uses 100% plant-derived raw materials and working toward developing a 100% plant-derived PET bottle are among efforts to develop PET bottles that have a low environmental impact and build a recycling system. Our medium-term goal is to use recycled PET materials for more than half of the total plastic bottle weight in our Japan-based soft drink business by 2025.

Based on this newly established Plastic Policy, in addition to expanding our F-to-P production line, we aim for 100% sustainability by using only recycled or plant-derived materials for all PET bottles used globally by 2030 and achieving zero use of virgin petroleum-based materials.

\* \*2 Polyethylene caps made from 100 percent plant-derived raw materials in place ethylene, the main raw material. However, except for traces of oil-derived components and coloring components when the manufacturing line is switched

## Suntory Group Plastic Policy

Expressing gratitude toward the Blessings of Nature that are the source of Suntory's products, the Suntory Group will provide strong leadership for transforming into a recycling-oriented and zero carbon society to bring about a world where diverse animal and plant life shines and resonates. With its diversity in usage and convenience, plastic has made our lives easier.

The plastic containers and packaging we use serve a useful function, but to prevent them from having a negative impact on the global environment, we will promote problem-solving efforts together with various stakeholders. Each employee of Suntory will work on taking responsible action to solve problems and take the initiative in bringing about a sustainable society.

### 1. Recycle & Renewable :

(1) Aim to switch all the PET bottles used globally for Suntory products to be made of recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials.

(2) Actively work and collaborate with government agencies, industry, environmental non-governmental and non-profit organizations for the measures necessary to develop an efficient recycling system based on the situation of each country where we do business.

### 2. Reduce & Replacement:

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

### 3. Innovation :

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

### 4. New Behavior :

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

## ■ Participation in the Clean Ocean Material Alliance (CLOMA)

The Suntory Group has been participating in CLOMA, a public-private alliance established in January 2019 at the request of the Ministry of Economy, Trade and Industry since the alliance was established. Through this alliance, we aim to build an efficient recycling system that responds to country specific conditions by working closely with government agencies and the industry to develop and promote the use of plastic substitute materials and through information dissemination to overseas countries and technical consulting.

Climate Change Measures

# Effective Use of Resources

Aiming to help bring about a recycling-oriented society, we promote the effective use of various resources such as water and other bounties of nature.

## Effective Use of Water Resources



## 3R in Containers and Packaging



## Flow of Collection Through Recycling of Containers



## Promoting the Reduction and Recycling of Waste



## Effective Use of Resources

## Effective Use of Water Resources

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

## Enhanced 3Rs for Water to Reduce Water use

The Suntory Group's plants use a large amount of water, for example, in cleaning production equipment and cooling, in addition to using it as an ingredient in our products. In order to conserve limited water resources, we intensify our activities to achieve targets toward 2030 of "Reduce water consumption at the Suntory Group plants worldwide by 15%\*<sup>1</sup>" through enforcement of 3Rs for water, ensuring that the minimum amount of water is required (Reduce), water can be used repeatedly (Reuse), and water can be processed and used elsewhere (Recycle).

\*<sup>1</sup> Reduction per unit production based on the business fields in 2015

### Water Use Performance 2018

Area	Water use (thousand m <sup>3</sup> )	Change in amount of usage per unit production*
Japan	22,161	4.2% decrease
Americas	8,366	8.4% increase
Europe	5,780	0.4% decrease
Asia	5,809	0.5% decrease
Oceania	576	8.6% decrease
Total	42,692★	2.2% decrease

\* Data covers 25 production plants in Japan and 56 production plants overseas

\* Per unit production is the amount of usage per kiloliter produced; the reduction rate is shown as a comparison to the previous year

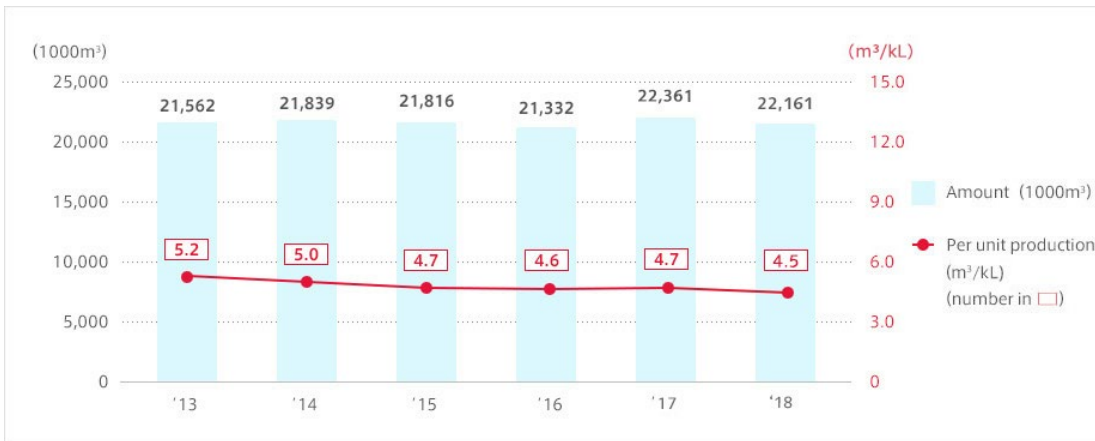
\* The reduction rate was 6.4% from 2015, which is the base year.

\* Therein, the water use by Suntory Beverage & Food Group companies in Japan and overseas was 22,526 thousand m<sup>3</sup>★

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



## Water use



\* Data covers 25 production plants in Japan

\* Per unit production is the amount of usage per kiloliter produced

- Result: Total amount decreased by 0.9% and 4.2% per unit production compared to previous year

## Applying 3Rs in Water Usage

When selecting equipment and devices in our plants, we follow the "3Rs of Water": Reduce the amount of water as much as possible, Reuse water, and Recycle water through treatment.

A variety of activities related to the 3Rs are being implemented at the Minami Alps Hakushu Water Plant of Suntory Products Ltd. In particular, thanks to our use of a sophisticated "water cascade" recycling process, we are an industry leader in terms of per unit production in relation to the volume of water used.



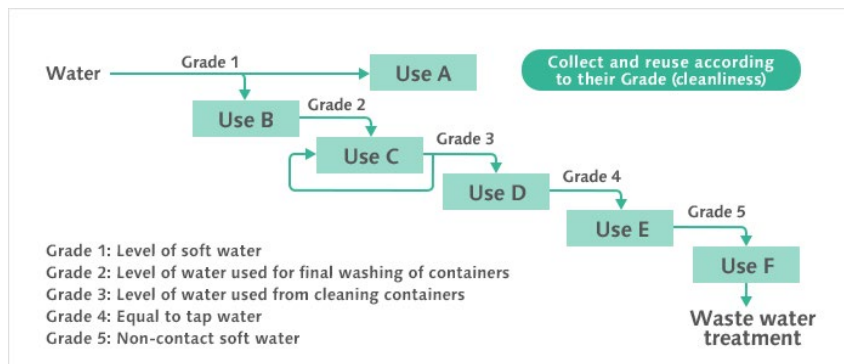
The Minami Alps Hakushu Water Plant of Suntory Products Ltd.



Reuse of water recycled at each stage of cleaning stored in 200 ton tanks

## Using Cascades of Water

Water used in the manufacturing process is classified into five grades, including coolant water, cleaning water, etc., based on quality. This technology allows plants to recycle water to be used in subsequent processes, for example, using the highest grade water in the most demanding process, and recycling it for use in a process with less stringent requirements.



## ■ Amount of water usage by water source

Intake source	Amount of water (thousand m <sup>3</sup> )		
	2016	2017	2018
Groundwater	17,643	19,676	20,620
Rivers/lakes	12,788	12,791	12,762
Rain water	1	1	1
City water	10,080	9,630	9,309
Water supplied from external sources (recycled water)	0	4	0
Total	40,511	42,101	42,692

\* Data covers production plants in Japan and 56 production plants overseas in 2018

\* Since the calculation method was revised, the amount of water used in the past fiscal years was changed.

## ■ Effective Use of Rainwater

Japan is fortunate to have plentiful rainfall, and rainwater is one of our important resources. The Suntory Group accumulates rainwater in tanks for use in watering plants and as cooling water in air conditioning equipment.



Suntory Products Ltd. Kanagawa Ayase Plant uses rainwater to water plants

## Comprehensive Waste Water Management

The Suntory Group established voluntary standards for waste water that are equally or stricter than the legal regulations and manages quality so that we may release waste water in a state as close to nature as possible. Waste water from our plants is first purified using anaerobic waste water treatment facilities\* and other equipment before it is released into sewers and rivers. Inspectors use measuring equipment to take daily readings of things like water quality under a constant monitoring regime.

To further stabilize waste treatment facilities in plant in Japan, we are holding regular meeting attended by person in charge of waste water from every plant to improve the level of operation management and system to prevent troubles from 2014.

\* A treatment method that decomposes pollutants using microbes (anaerobic bacteria)

### ■ Water discharge

Destination	Waste Water (thousand m <sup>3</sup> )		
	2016	2017	2018
Rivers/lakes	14,948	15,968	15,732
Sea	0	1,086	153
Sewers	7,570	7,830	8,364
Others (for watering plants, etc.)	232	48	28
Total	22,750	24,932	24,277

\* Data covers 25 production plants in Japan and 56 production plants overseas in 2018

\* Therein, the waste water from Suntory Beverage & Food Ltd. plants in Japan and overseas amounts to 12,868 thousand m<sup>3</sup>



24-hour waste water management system



Meeting of persons in charge of waste water

Effective Use of Resources

## 3R in Containers and Packaging

We are considering the environment in the entire product life cycle from planning and product design to transport and post-consumption recycling.

### Setting Environmental Standards for Containers and Packaging

Containers and packaging protect and preserve the quality of products until reaching the customers. However, most of them become waste after the content is consumed by the customer. Suntory Group recognizes the social and environmental impacts that containers and packaging cause and established voluntary "Guidelines for the Environmental Design of Containers and Packaging" in 1997. Designs are made following the Guideline such as selecting material for labels and color of glass bottles that consider recycling. In addition, we are engaging in initiatives from the stand point of Life Cycle Assessment (LCA) to reduce environmental impact of containers and packaging.

### Three Rs of Containers and Packaging

The Suntory Group works to develop containers and packaging that give consideration to the environment, based on the Three Rs of "Reduce, Reuse, and Recycle". We work on designs that take into account usability from the point of consumption by the customer to recycling, and focus on designs that are lighter as well as use materials that have a lower impact on the environment and are easier to recycle. We also work in collaboration with various recycling organizations and local governments to promote recycling.

#### ■ Policy on 3Rs of Containers and Packaging

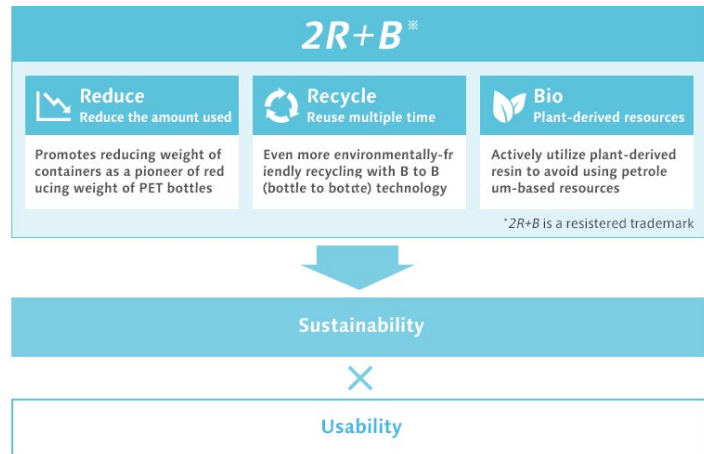


## Initiatives in Plastic Bottles

We are dramatically decreasing the amount of resources that we use and are actively introducing renewable resources as a measure to limit the environmental impact as much as possible. At the same time, we are conducting design and development while also taking into account the usability by customers.

### ■2R+B strategy

In regards to plastic bottle containers, we are striving forward according to our 2R+B strategy that is unique to Suntory. The concept is to make thoroughly efficient use of resources by reducing the amount of resins used, and by using recycled materials, while replacing petroleum-based raw materials with bio-based raw materials as much as possible in the development.



### ■Reduce: Lightweighting

#### Environmentally-friendly Green Eco Bottle\*1

The 550ml plastic-bottled (Mineral Water) Suntory Tennensui renewed in May 2013 is packaged in the lightest plastic bottle in Japan\*2 (11.3g) developed by Suntory's technology, which resulted in approximately 40% reduction of using petroleum-derived ingredients per bottle. The weight of 2 l bottles is reduced by 20% per bottle compared to conventional bottles. By bringing the weight to 29.8g, we were the first in Japan to achieve the weight of less than 30g for 2 l bottles.

\*1 An original name we give to PET bottles that have reduced environmental impact by using methods such as ground breaking weight saving such as realizing lightest weight bottle in Japan or using plant based materials.

\*2 Plastic bottles for mineral water (500ml to 600ml) in Japan. As of April 2019



Green eco bottle

#### Introducing Record Breaking Thinnest Roll Label\*1 for Plastic Bottle Beverages in Japan

We are reducing the weight of product labels on plastic bottles to reduce environmental impact. We were able to realize the thinnest plastic bottle roll label in Japan at 16μm (micrometer\*2) in 2012. An even thinner label at 12μm has been introduced to the 2 l plastic bottles and 550ml plastic bottles of our Suntory Tennensui mineral water in April 2014. Thereafter, we have been advancing the expansion to all of our products that use roll labels. This has allowed us to reduce CO<sub>2</sub> emissions 25%\*3 compared to conventional labels.

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

\*2 1/1,000mm

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



12μm thick roll label, thinnest in Japan

### Adoption of the Japan's lightest bottle cap that uses 100% bio-based PET materials\*1.

We are also reducing our environmental impact in the bottle caps on plastic bottles. Since September 2016, we have adopted 1.85g bottle caps, which are the lightest in Japan\*1 that use 30% bio-based PET materials for Suntory Minami-Alps Tennensui mineral. This innovation reduces the use of petroleum-derived raw materials by 35%\*2 and decreases CO2 emissions by 27% compared to conventional PET bottle caps.

In addition, we have evolved our environmental efforts by using biomaterials and from March 2019 started using a polyethylene cap made ethylene which is 100% plant-derived for our 550mL Suntory Aso Natural Water bottles at our Kyushu Kumamoto Plant (Kamimashiki District, Kumamoto Prefecture). This innovation reduces the use of petroleum-derived raw materials by 90%\*2 and decreases CO2 emissions by 56% compared to current PET bottle caps.

\*1 Polyethylene caps made from 100 percent plant-derived raw materials in place ethylene, the main raw material. However, except for traces of oil-derived components and coloring components when the manufacturing line is switched

\*2 As of April 2019

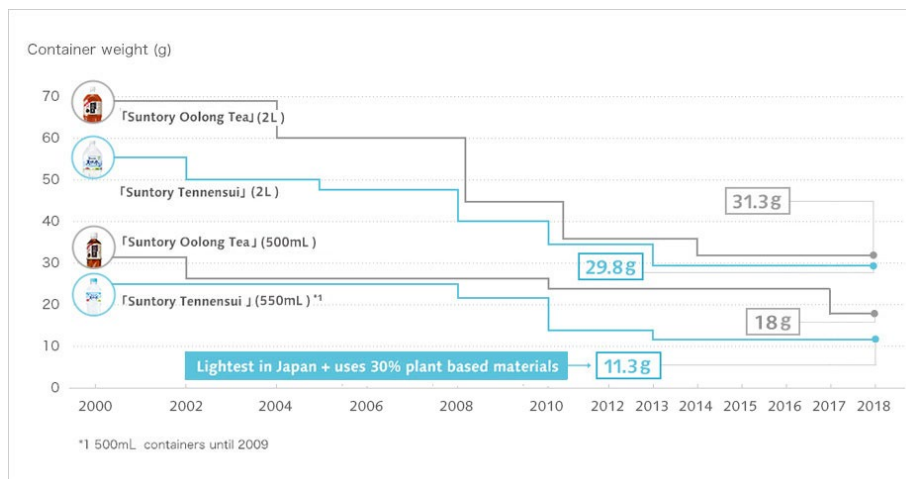
\*3 One bottle of Suntory Tennensui Mineral Water (550mL)

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

### Evaluation from Society

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

### Primary lightweight plastic bottle products



### Initiatives in In-house Blow Molding PET Bottles

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

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



PET resin CO2 emissions can be reduced 50% or more.



Preform made from resin



Shaped PET bottle



### Introducing Thinnest Shrink Labels in the World through New Technology

There are primarily two types of labels for the product labels for soft drinks -- roll labels and shrink labels.

Roll labels are labels wrapped around bottles in which thinning of the label can be adopted, but there are some limitations according to the bottle geometry.

On the other hand, shrink label uses thermal contraction, enabling use for various shapes of bottles but there is a limiting thinning due to its process.

Thus, we have commercialized Roll On Shrink On (ROSO) method that has the characteristics of both shrink label and roll label to realize thinning of labels without being effected by the shape of the bottle.

The world's thinnest 18 $\mu$ m shrink label was introduced in some products, including the 420ml Orangina bottles. This reduces CO<sub>2</sub> emissions by 50% or more.

### Plastic Bottle Development in the Spirits Business

We are taking great advantage of the technology cultivated in our soft drink business in our spirits business. Suntory Spirits Ltd. has launched the 4 $\ell$  110g plastic bottle, which is the lightest in Japan, to whisky products such as Kakubin, Torys and other alcoholic products starting from June 2016. We are reducing the amount of the PET plastic used through a maximum of an 18% reduction from the conventional 134g and 120g bottles to reduce the yearly CO<sub>2</sub> emissions by approximately 460 tons (17%)\*. The bottles are also been made easy-to-use by removing the handle area that had adopted conventional PET bottles and applying a new grip area deep in the center of the bottle with the cooperation of plastic bottle manufacturers.

\* Company calculations



Old 4 $\ell$  plastic bottle and new lightweight 4 $\ell$  plastic bottle

### Development of Extremely Lightweight\* Heat-resistant Plastic Bottles Through the Use of Japanese Technological Skill

The Japanese manufacturing technology and design skills for reducing weight of plastic bottles have been used in Group companies in Europe. In 2017, we have successfully developed a heat-resistant PET bottle for Vietnam that is the lightest in South East Asia (18g). Creating the lightest heat-resistant bottle project was a technological challenge in this region, but we have succeeded in the project through mutual cooperation with Suntory MONOZUKURI Expert, Ltd. and Suntory PepsiCo Vietnam Beverage Co., Ltd.

\* For 500ml class heat-resistance PET bottles (at the time of introduction in April 2019)



Lightest heat-resistant bottle in South East Asia

As a further effort, Suntory MONOZUKURI Expert Ltd, Suntory Garuda Beverage, and equipment manufacturers collaborated in 2018 in Indonesia to utilize technology for using uplift pressure on resistant PET bottles, successfully developing a heat resistant PET bottle that is lighter at 17g.



Lightest nitrogen instilled heat-resistant bottle in South East Asia

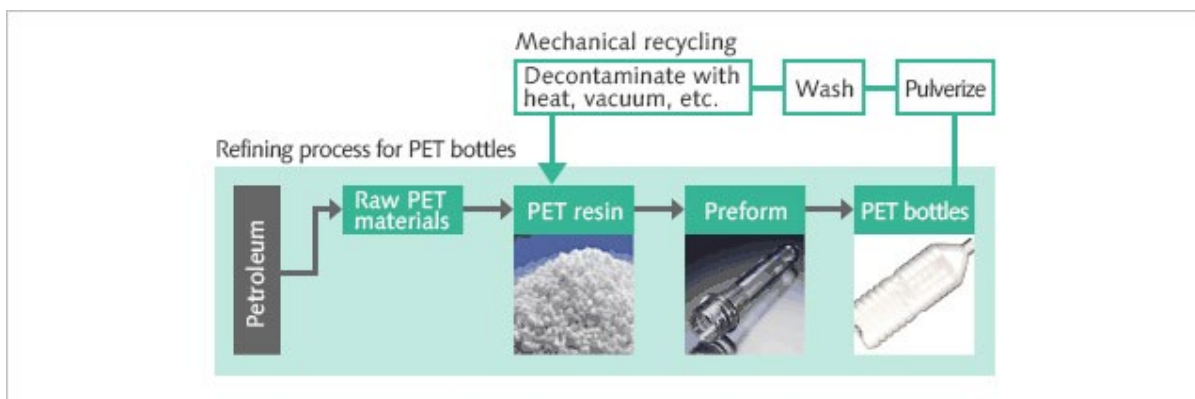
## ■Recycle: Recycling Plastic Bottles

### RePET Bottles for Horizontal Recycling of PET Resin in Japan

In 2011, Suntory Beverage & Food Ltd. partnered with Kyohei Sangyo Co., Ltd. to develop the Japanese beverage industry's first B-to-B\*<sup>1</sup> mechanical recycling system\*<sup>2</sup> for PET bottles.

Reused PET resin was 50% at the time of introduction but after confirming that stable supply was possible after about a year of operation, we increased the percentage of reused PET resin to 100%. This realized manufacturing of reused PET bottle that reduce CO<sub>2</sub> emission (including CO<sub>2</sub> emission from manufacturing PET resin) by 83%\*<sup>3</sup> compared to bottles made by 100% oil based materials. This PET bottle using 100% reused PET resin is used for many products including 2 ℓ Suntory Oolong Tea and Iyemon.

This system received Commendation for Contributors to the Development of a Recycling-oriented Society in 2011 and 2012, and Commendation for Global Warming Prevention (Technological Development and Commercialization Category) in 2011 both from the Minister of the Environment, and Nikkei Global Environmental Technology Excellence Award in 2011 for the first time in the food industry. We also received the 21st Global Environment Award in 2012 and Environmental Excellence Award hosted by the Hitachi Environment Foundation and Nikkan Kogyo Shimbun, Ltd. in 2013.



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

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

\*3 Compared with virgin resin

## Adoption of F-to-P direct recycling technology

In 2017, as part of our recycling efforts, we worked with Kyohei Sangyo Co., Ltd. and overseas machine manufacturers (EREMA in Austria and SIPA in Italy) to succeed in developing F-to-P direct recycling technology expected to be effective in further reducing the environmental burden, and started manufacturing in the fall of 2018. F-to-P direct recycling technology can directly manufacture preforms after processing crushed and cleaned flake from recycled PET bottles through a high-temperature dissolving process. Compared to the conventional system which required several processes such as crystallization and drying before manufacturing preforms, the F-to-P direct recycling technology can reduce CO<sub>2</sub> emissions 25%\* (manufacturing 1 kg of preforms for PET bottles).



F-to-P direct recycling equipment



Products that use F-to-P direct recycling technology

\* Processes from spent PET bottles to the preform

## Introducing and Promoting Product Labels Made with Recycled PET Bottles

Suntory Beverage & Food Ltd. introduced product label made with recycled PET bottles in part of 2 ℓ bottles for major non-alcoholic beverages such as (Mineral Water) Suntory Tennensui, Iyemon and Suntory Oolong Tea in November 2010 and currently uses role label\* method for all its products.

This label is the first role label in the industry to use recycled PET bottles and the percentage of recycle PET bottles used has been increased from 60% to 80% in March 2012.

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



Roll label made with recycled PET bottles

## ■Bio: Actively Use of Plant-derived Resin

### Aiming for 100% plant-derived plastic

The Suntory Group aims to replace petroleum-derived raw materials with renewable raw materials as much as possible in the development of plastic bottles. We implemented plastic bottles that use 30% bio-based PET materials for the 550 ml (Mineral Water) Suntory Tennensui in 2013.

Suntory Holdings Ltd. and Anellotech, Inc., a green innovation and technology company in the United States, have worked in a collaborative development of a plastic bottle that uses 100% plant-derived raw materials, and construction has begun in 2016 on a development and testing plant to produce plastic bottle materials in the state of Texas. We are planning to initiate the introduction of plastic bottles made from 100% bio-based PET materials around the (Mineral Water) brand of Suntory Beverage & Food Ltd. in the future. In development, we are aiming to generate only plant-derived raw materials of non-foodstuff (wood chips) so that we do not impact the supply chain of foodstuff ingredients with paraxylene, which is a precursor of terephthalic acid that makes up 70% of the raw materials for plastic bottles.



Development and testing plant

## Efforts in Cans, Glass Bottles, and Barrels

### ■Reduce: Lightweighting

#### Lightweighting in Cans

We are furthering the lightweighting in cans such as those used for beer and coffee by aiming to dramatically reduce the amount of resources that are used while maintaining the usability for customers.

We have conducted initiatives for aluminum cans that include shrinking the diameter of the lid of beer cans in 2008 and the bodies of aluminum cans containing low-alcohol beverages such as beer and Chu-Hi in 2014. In addition, the promotion of even more lightweighting is underway with the introduction of thinner bodies even in steel cans for coffee.



Boss Rainbow Mountain Blend  
The Premium Malts  
-196°C chu-hi Strong Zero  
<Double Lemon>

## Lightweighting in Glass Bottles

The medium-sized glass bottle for The Premium Malt's has achieved weight savings of roughly 10g to 460g in 2014. The thickness of the body section that the label is adhered has been designed 0.2 to 0.3 millimeters thinner to prevent damage by bumping into other bottles. We are also improving the shape of the bottle so it does not get damaged when opening the bottle with cap opener and other improvements in the quality of the bottle.

Returnable containers for soft drinks had also conventionally used different bottles for each and every brand, but we standardized the specifications\* in May 2016 to allow for bottles to be both pressure and heat resistant for the first time in Japan. The CO<sub>2</sub> emissions were also reduced by 500 tons per year by reducing the conventional weight (300g-399g) drastically in these containers (245g).



The Premium Malt's medium glass bottle



\* Targets for bottle lightweighting are our Soda, Ginger Ale, Tonic Water, Oolong Tea, Orangeaid, and Pepsi.

## ■ Reuse: Promoting Collection and Reuse of Containers

### Reusing Glass Bottles and Barrels

Returnable containers (bottles, barrels, etc.) for beers and non-alcoholic beverages for restaurants are used often and we collect them via our own route and wash them for repeated use (in 2017, 94 million bottles were collected and reused). Furthermore, we support the collection of glass bottles that are disposed of by liquor stores and restaurants through building collection routes in the distribution channel by specialized business operators since 1974.

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

## Initiatives for Paper Packs and Cardboard

### ■ Reduce: Lightweighting

#### Reducing Weight of Cardboard

The Suntory Group has been participating in The Consumer Goods Forum Japan\* that was launched in August 2011 to engage in activities to solve common issues in Japan. As part of the initiative, short flap cardboard cartons for beverages of small size plastic bottles started from spring of 2012 with the aim of contribution to environmental issues (preventing global warming, reducing waste, etc.) and improving work efficiency in the supply chain. Through this, we reduced the use of paper by about 20% compared to conventional cardboards.



Short flap cardboard cartons that reduce cardboard usage on its sides

\* An organization of companies that agree with the philosophy of The Consumer Goods Forum (TCGF) that act on their own in Japan. It mainly consists from Japanese companies from consumer goods distribution industry and cooperatively engage in initiatives related to manufacturing, distribution and sales.

## ■Recycle: Easier-to-Collect Containers

### Shifting to recyclable paper containers

From April 2010, paper containers for shochu and spirits have been gradually changed to more recyclable containers, and most has completed transition. In February 2014, we introduced similar paper containers with the renewal of Japanese casual wine "Delica Maison Delicious." We have been using containers with evaporated aluminum on its inside for preserving quality but it was difficult to separate paper and aluminum when recycling. The new paper container instead uses evaporated silica (glass material), which is more suitable for recycling.



Muginoka "Suntory Umeshu"  
"Delica Maison Delicious"

## Achieved 100% Use of FSC-certified Cardboard

The Suntory Group is gradually adopting paper packaging materials that have acquired the FSC certification\*<sup>1</sup> that ensures proper management of international forests for products made in Japan. Suntory Beverage & Food Ltd. introduced FSC-certified cardboard packaging to (Mineral Water) Suntory Tennensui for products manufacture from August 2017. Since the end of February 2019, we have achieved 100% use of FSC-certified cardboard used for packaging all our Suntory Tennensui brand products. We are promoting the use of FSC-certified paper packaging materials throughout the Group with the sequential adoption of these materials for Suntory Beer Ltd. and Suntory Spirits Ltd. products and as packaging for six packs.



\*1 Forest Stewardship Council (FSC) is an international organization that certifies timber produced from forests globally as well as the distribution and manufacturing processes of the cut timber. This certification considers the environmental conservation of these forests and recognizes timber produced in an economical and sustainable manner which generates revenue for the local community.

## Collaboration for Container Recycling

Suntory Group uses vast amount of container's in its business. We are committed to recycling containers to reduce environmental impact in collaboration with industry organizations and local governments, as well as with our consumers. For example, we agree with the theme of 9 Tokenshi Containers and Packaging Diet Statement\* promoted by 9 Tokenshi Waste Issue Exploratory Committee and participate in its activities.

In addition, Suntory Group comply with Containers and Packaging Recycling Law and bear the cost for commissioning remerchandising as a responsibility of business operator and participate in each recycling industry organizations to build efficient recycling system and promoting recycling.

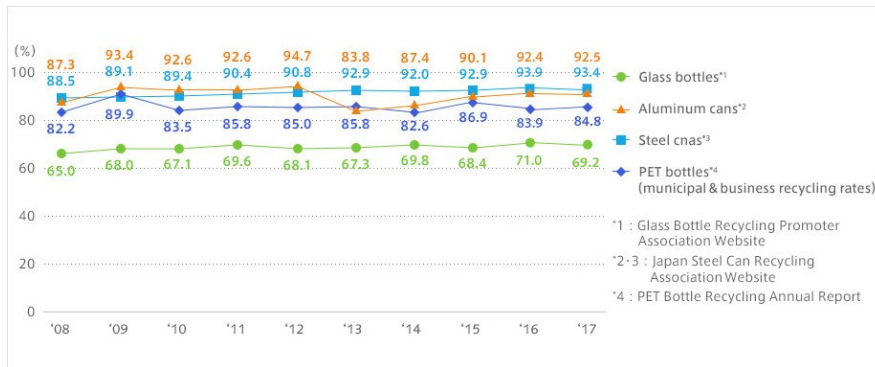
\* A cooperative initiative of nine prefectures and cities (Saitama, Chiba, Tokyo, and Kanagawa prefectures and cities of Yokohama, Kawasaki, Chiba, Saitama and Sagamihara) and companies that are making initiatives to reduce weight of containers and packaging



9 Tokenshi Containers and Packaging  
Diet Statement Mark



## ■ Container recycle rate (based on data from industry groups)



## Promoting Litter Control for Empty Containers

We are carrying out litter control activities for empty containers in order to beautify the environment and promote effective use of resources. We place one empty container collection box at every vending machine. We are also making efforts to raise awareness about recycling by affixing a Beautification Mark on vending machines as a way to prevent littering.



## Issue of oceanic pollution from plastic bottles

The issue of oceanic pollution due to plastic bottles and other plastic containers is a serious one. The problem is being debated as an environmental issue around the world. The Suntory Group strives to resolve this issue by actively cooperating with countries, regions, and industries in various initiatives as a beverage company who handles many of these containers. We have always been promoting 2R+B while expanding activities to raise consumer awareness about recycling.

In the future, we aim to improve the recycling rate even further in each country and region around the world and will encourage activities to promote improvements together with our various stakeholders.

In addition, as a part of the employee volunteer activities, each member of the company sees this issue as something that needs to be handled at the individual level and takes action through efforts including participating in the Beach Cleanup Activity sponsored by a non-profit organization in Japan, and participating in cleanup activities in the Chicago River basin overseas (Beam Suntory employees). We are conducting enlightenment activities to encourage employees to volunteer in similar cleanup efforts.

The Suntory Group formulated the Plastic Policy in June 2019 and aims for 100% sustainability by using only recycled or plant-derived materials for all PET bottles used globally by 2030 and achieving zero use of virgin petroleum-based materials.



Beach Cleanup Activity



Friends the Chicago River



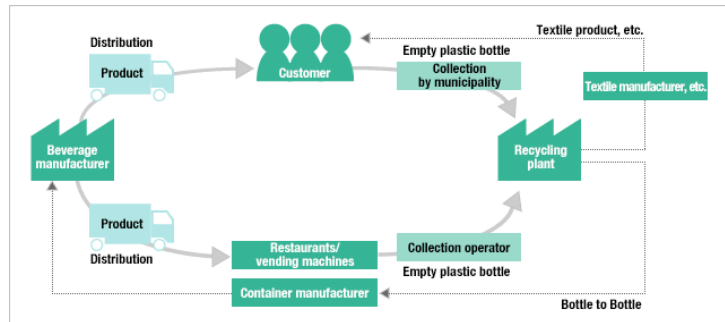
## 3R in Containers and Packaging

# Flow of Collection Through Recycling of Containers

### Collection of Bottles

Spent plastic bottles had been conventionally recycled and reused after collection for goods such as textiles and food containers, but these materials can now be recycled and reused as new plastic bottles.

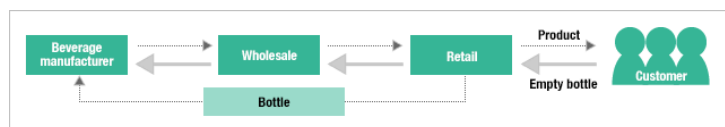
#### ■ Collection/recycling of bottles



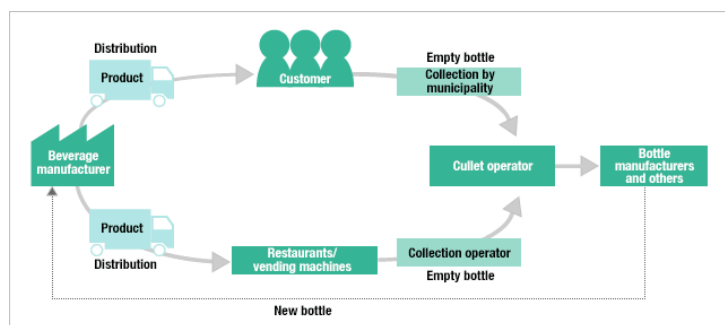
### Collection of Glass Bottles

A collection and recycling route has also been established for glass bottles, which have a long history of use as beverage containers. Returnable bottles are collected and cleaned for reuse as beverage containers while one-way bottles are collected after use and fabricated into cullet (finely broken glass bottles) to mainly use as a raw material in manufacturing glass bottles. Moreover, this cullet is used for applications besides bottles such as insulation, tiles and road surfaces.

#### ■ Returnable bottles



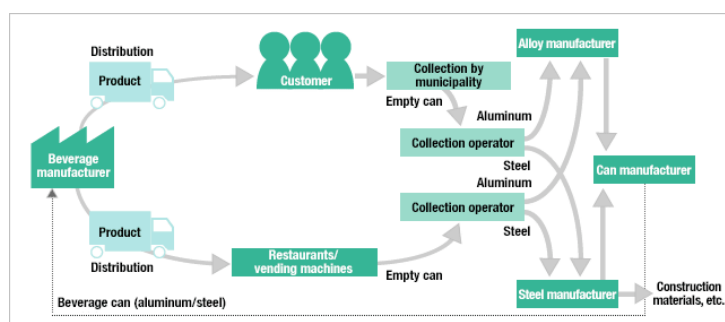
#### ■ One-way bottle



### Collection of Cans

Spent cans (aluminum/steel) can be traded as a valuable resource, and these materials are reused for cans, motor vehicles, construction materials and more through a wide range of routes.

#### ■ Collection of Cans



Effective Use of Resources

# Promoting the Reduction and Recycling of Waste

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

## Byproducts and Waste Generation Performance 2018

Area	Emissions (thousand tons)
Japan	258
Americas	187
Europe	95
Asia	28
Oceania	6
Total	574★

\* Data covers 25 production plants in Japan and 56 production plants overseas

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

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

## Maintaining a 100% Resource Recycling Rate

We are committed to reducing the by-products and waste generated in the manufacturing processes at Suntory Group plants in Japan, and to recycling 100% of resources.

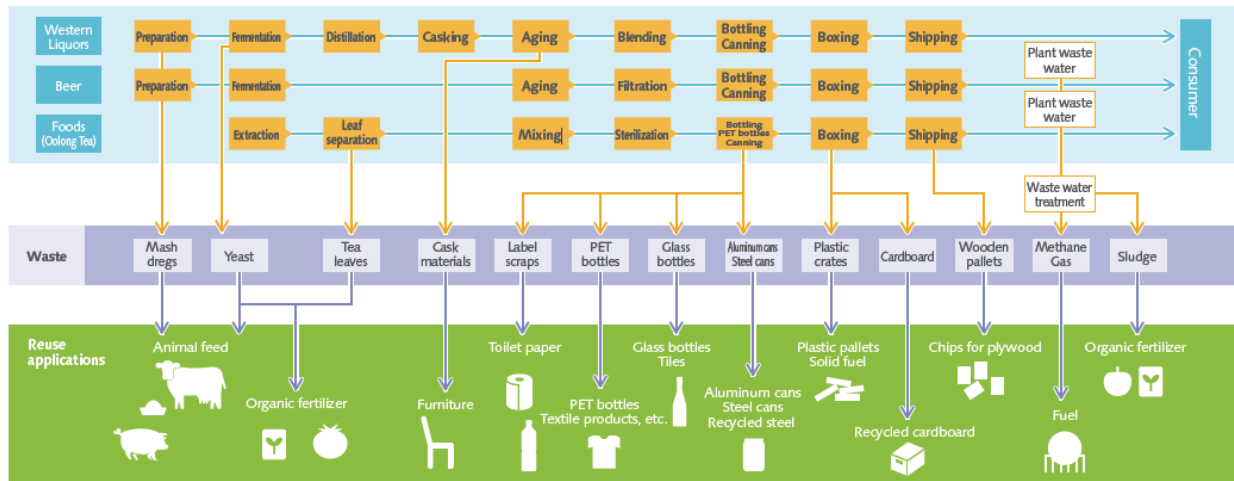
In 2018, our plants in Japan (including Group companies) generated 257,951 tons of byproducts and waste. This means total waste generated is the same and by-products and waste amount per unit of production decreased by 3% compared to 2017. The resource recycling rate has been maintained at 100%.

### By-products and waste generation



\* Data covers 25 production plants in Japan

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



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

Type of waste	Main Purpose of Use	2013		2014		2015		2016		2017		2018	
		Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)
Vegetable (glycation, tea, coffee dregs, etc.)	- Animal feed - Fertilizer	181,515	100	187,439	100	186,184	100	185,227	100	195,334	100	187,818	100
Sludge (excess sludge, etc.)	- Fertilizer	30,100	100	29,522	100	27,194	100	27,574	100	30,351	100	30,472	100
Wood waste (cask, palette)	- Animal feed - Fertilizer	3,266	100	2,693	100	1,610	100	2,123	100	1,314	100	4,435	100
Glass and ceramic scrap	- Glass materials - Base course material	4,109	100	3,928	100	4,136	100	3,772	100	3,508	100	3,216	100
Paper scraps (cardboards, paper labels, etc.)	- Recycled paper - Cardboard materials	5,727	100	6,192	100	6,175	100	5,184	100	6,349	100	6,228	100
Plastic	- Palette - Solid fuel -plementary fuel	4,026	100	4,287	100	4,938	100	4,956	100	5,918	100	6,138	100
Metal scraps (aluminum, steel)	- Aluminum - Steel ingredients	2,600	100	3,016	100	3,277	100	3,039	100	2,958	100	3,240	100
Other		2,870	100	2,725	100	3,182	100	12,729	100	12,632	100	16,405	100
Total		234,214	100	239,801	100	236,697	100	244,604	100	258,365	100	257,951	100

\* Data covers 25 production plants in Japan

## ■Development of Applications for Resource Recycling by Type

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



Barrel cabinet



Suntory Barrel Story by Karimoku  
Blend Series Dining Set



Drink sampling tray made  
from barrel

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

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

Izutsu Maisen Co., Ltd. is actively striving to reuse food loss to not waste the invaluable blessings of nature. One predominate initiative is the setup of a recycling circulation cycle for the crusts of bread.

Izutsu Maisen cuts off the crusts of the bread when they make their popular fried pork cutlet sandwiches. These bread crusts are generally given to business operators who are able to recycle them as feed, but Izutsu Maisen launched their original Amai-Yuwaku pork brand that raises pigs on this feed in 2012 because the crusts are perfect as feed. This is an initiative that uses the bread crusts once again in a cycle as a raw material such as in the pork cutlets once.



Original Amai-Yuwaku pork  
brand

Reducing Environmental Impact

## Preventing Pollution and Management of Chemical Substances

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

### Environmental Risk Management Strategies

As products that Suntory Group offers mainly use agricultural products and water, environmental risk originating from ingredients are low compared to other industries. Nevertheless, chemicals are used for cleaning and sterilizing equipment in the production process, which may pollute surrounding environment. Thus, we consider every possibility of abnormalities and emergencies, evaluate risks and implement countermeasures.

### Preventing Air Pollution

Suntory Group manages substances that pollute the air in gas emission of boilers, etc. by transferring to gas fuels that does not include sulfur content, introduces low-NOx burners, etc. and reduce SOx and NOx emission and also sets voluntary standards that are stricter than required by the law.

#### ■SOx emissions

	2016	2017	2018
Emissions (t)	12.6	14.4	16.4
Per Unit (g/kℓ)	2.7	3.0	3.4

\* 25 production plants in Japan

#### ■NOx emissions

	2016	2017	2018
Emissions (t)	132.0	134.6	147.0
Per Unit (g/kℓ)	28.3	28.5	30.1

\* 25 production plants in Japan

### Preventing water pollution

We manage waste water through setting voluntary standard values that are stricter than required by the law at each plant.

## Preventing Soil Pollution

Suntory Group plants use chemical substances for cleaning equipment, etc. These are strictly managed to avoid any leaks but for in case there are any leaks of cleaning agents or chemicals, liquid control dam are placed surrounding chemical tanks in each factory to prevent and regular inspection are done to prevent polluting soil.

## Measures for Alcohol Evaporation

Some amount of alcohol escapes from the cask during the storage of whisky. We place collection equipment to prevent any evaporated alcohol from escaping the plant. In addition, regular monitoring (concentration measurement, etc.) is done to determine if alcohol evaporation is being reduced.

## Chemical Substance Management

Suntory Group manages chemical substances according to Pollutant Release and Transfer Register (PRTR) Law, a law that promote the understanding of emission of specific chemical substances to the environment and improving their management, Poisonous and Deleterious Substances Control Act, Fire Service Act and other related laws and in-house guideline on chemical substance management based on PRTR Law (established 2003).

## Proper Management and Treatment of Waste

We are promoting electronic manifest for the purpose of enhancing compliance of manifest systems and unified management of information of waste for the proper management of waste. We also hold lectures, on-site confirmation and role-playing training for production, sales, cultural sites, headquarters and Group companies such as a waste management seminars and on-site confirmation of waste seminars to increase knowledge and skills on waste management and continue initiatives for proper treatment of waste.

## Management of PCB Disposal

We store PCB wastes appropriately and report their storage status to the local government based on Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes. We have registered Japan Environmental Storage & Safety Corporation (JESCO) as a subcontractor for the disposal of PCB and began disposal of equipment that uses PCB from 2007.

Status of the use and storage of equipment that uses PCB is as follows.

### ■Quantity of equipment that uses PCB (as of January 2019)

	Stored	Used	Total owned
Capacitor	13	0	13
Transformer	9	4	13
Stabilizer for lighting device	317	0	317

## Claims, Accidents and Lawsuits

There were no claims, accidents or lawsuits related to environment in 2018.



To Create Harmony with Nature: Environment

## Environmental Communication

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

### Appropriate and Timely Disclosure of Information and Communication

Feedback and requests from stakeholders regarding environmental activities gathered through dialogue and customer center are utilized to improve target and activities. In addition to responding to feedback, we also communicate environmental information through issuing sustainability report, website and environmental events.

#### ■ Website Communicating Detailed Information

The "Environmental Activities" website introduces detailed information regarding environmental activities. It regularly adds and updates information in effort to offer the latest information.



Environmental Activity website

#### ■ Environmental Communication at Plants

Suntory Group welcomes approximately 700,000 visitors to tour its beer, whisky, mineral water and other plants. These tours include a section on the environment to introduce related activities. We also hold special events where parents and children can enjoy and learn about the environment and its importance.



Event for parents and children



Environment section in the plant

## ■Corporate Ad to Share the Tagline "Follow Your Nature" with the Society

Under the corporate mission "To Create Harmony with People and Nature", Suntory Group is engaging in environmental activities to pass down sustainable global environment to the next generation; and various cultural and social contribution activities such as community contribution through social welfare, education, and support for disaster relief; promotion of arts, academia and local culture; support for sports, and development of next generation.

To communicate our wish to be a company that enriches society like water through these activities and products, we established "Mizu To Ikiru", literally "living with water", as our promise to society. In 2013, we placed environmental ads in newspapers and on television with the theme of water resource cultivation activities in Natural Water Sanctuaries. The Television commercial "Suntory Natural Water Sanctuary (Soil Cultivation)" received the Grand Prize in the Environmental TV Commercial category at the 17th Environmental Communication Awards hosted by the Ministry of the Environment and Global Environmental Forum.



Newspaper ad  
"Suntory Natural Water Sanctuary"

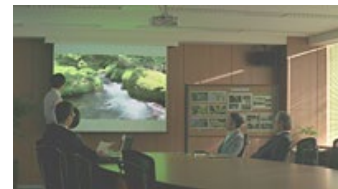


Television commercial  
"Suntory Natural Water Sanctuary"  
(Soil Cultivation)

Furthermore, to reach more customers and communicate Suntory's environmental activities, we placed newspaper ads and television commercials "Researching Suntory by Alien Jones" from 2014 to 2016 (television commercial ended on March 2016).



First television commercial  
"Joining the Company"  
(from July 2014)



Second television commercial  
"Natural Water Sanctuary: Lecture"  
(from October 2014)

Sustainability Initiatives

To Create Harmony with Society Cultural and Social Contribution

The origin of cultural and social contribution activities of the Suntory Group goes back to the spirit of Giving back to Society of Suntory founder Shinjiro Torii. Our approach is to continue pursuing the ideal cultural and social contribution that will be passed from generation to generation, and we work across a wide range of cultural and social contribution activities, including the development of next generations, support for disaster affected areas, contribution to local communities, supporting challenged sports, and promoting employee volunteer through arts and culture, sports, and social welfare. We value communication with local communities through engagement efforts in each region as part of all of our social contribution activities.

Arts, Culture, and Sports	Social Welfare	Developing the Next Generation	Contributions to Local Communities
 <p><b>Basic Policy on Social Activities</b></p> <p>The Suntory Group has worked in various community contribution activities since its founding to support the realization of a society where people are able to enjoy rich lifestyles. We formulated the Suntory Group Basic Policy on Social Activities to fulfill our global social responsibility together with our Group companies.</p>	 <p> <b>Arts, Culture and Academic Activities</b></p> <p>We work on the promotion of humanities, social sciences, and bio-organic research in addition to artistic and cultural development that contributes to the growth of rich culture and lifestyles.</p>	 <p> <b>Sports Activities</b></p> <p>We are supporting the development of a healthy body and mind through the promotion of sports such as rugby and volleyball in order to expand activities rooted in communities.</p>	
 <p> <b>Social Welfare</b></p> <p>We work in charitable and social welfare activities that give back the profit from our businesses to society based on the Giving back to society spirit alive in Suntory since our founding.</p>	 <p> <b>Developing the Next Generation</b></p> <p>We believe it is our mission as a company to nurture people who will play a role in the next generation. We are expanding various activities to support the development of children.</p>	 <p> <b>Disaster Recovery Support</b></p> <p>We provide donations and beverages when large-scale disasters strike in Japan or overseas, and give ongoing support acting as a Group.</p>	



### Contributions to Local Communities

We implement social contribution activities focusing on the local communities, by greening the plants and organizing plant tours and beautification activities implemented by the employees.



### Supporting Challenged Sports

We conduct activities to cheer on challenged athletes (sports for the disabled) under our PASSION FOR CHALLENGE grounded in our "Yatte Minahare" spirit that we have had since our founding.



### Supporting Employee Volunteer Activities

We actively support volunteer activities and other events for employees to participate in society to continually cultivate sincere human trust toward Growing for Good.

## Sustainability Action Plan

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

Prioritized items	Mid-Term Targets	Results in FY2018	FY2019 Action Plan	Evaluation
<b>Broad Cultural, Arts and Society Contributions</b>	Contribution Activities Through Support of Foundation Activities	<ul style="list-style-type: none"> <li>Continue support activities</li> <li>Promoted culture, arts and society contributions through support for activities conducted by the Suntory Foundation for Arts and the Suntory Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>Promote culture, arts and society contributions through support for activities conducted by the Suntory Foundation for Arts and the Suntory Foundation.</li> </ul>	●●●
<b>Contributions to Local Communities</b>	Enhance activities to support recovery of Tohoku and Kumamoto coordinated with local governments, NPOs, etc.	<ul style="list-style-type: none"> <li>Promoted support activities for culture, arts and sports activities through the Tohoku Sun-Sun Project and the Land of Water Kumamoto Support Project</li> <li>Conducted recovery efforts of water resource areas and survey groundwater flow mechanisms via the Suntory Kumamoto Groundwater Mirai Project</li> <li>Provided Donations and conduct a scholarship program for students and challenged athletes</li> </ul>	<ul style="list-style-type: none"> <li>Promote support activities for culture, arts and sports activities through the Tohoku Sun-Sun Project and the Land of Water Kumamoto Support Project</li> <li>Expand water resource cultivation measure through the Suntory Kumamoto Groundwater Mirai Project</li> <li>Provide Donations and conduct a scholarship program for students and challenged athletes</li> </ul>	●●●
<b>Global development of social contribution activities</b>	Promote social contribution activities in areas of business operations	<ul style="list-style-type: none"> <li>Supported local cultural activities by celebrating local culture through the Suntory Prize for Community Cultural Activities</li> <li>Started implementation of environmental education for next generation in Vietnam</li> <li>Began implementation of social contribution activities in other areas</li> </ul>	<ul style="list-style-type: none"> <li>Support local cultural activities by celebrating local culture through the Suntory Prize for Community Cultural Activities</li> <li>Expansion of the number of areas in the world where the Suntory Mizuiku - Education Program for Nature and Water is implemented with a focus on the Asia region including Indonesia</li> <li>Begin implementation of social contribution activities in other areas</li> </ul>	●●
<b>Next generation development support</b>	Strengthen next generation support programs through cultural and sports activities	<ul style="list-style-type: none"> <li>Expanded participants in next generation support programs through cultural, sports, and community contribution activities (80,000 participants)</li> </ul>	<ul style="list-style-type: none"> <li>Expand and maintain participants in next generation support programs through cultural and sports activities (target of 80,000 participants)</li> </ul>	●●●
<b>Support employee participation in social contribution activities</b>	Promote the development of platforms for active employee participation in social contribution activities	<ul style="list-style-type: none"> <li>Started providing volunteer information online (Volunteer Web)</li> <li>Conducted original volunteer programs for employees</li> </ul>	<ul style="list-style-type: none"> <li>Report activities to promote the use of the online website (Volunteer Web)</li> <li>Held a volunteer month</li> <li>Expand original volunteer programs for employees</li> <li>Annual participant target 1,000 employees</li> </ul>	●●●

To Create Harmony with Society: Cultural and Social Contribution

## Basic Policy on Social Activities

Since first opening its doors, Suntory Group has been involved in community contribution, arts, culture, sports and environmental activities based on the spirit of giving back to society. The social activities of the Suntory Group contribute to sustainable growth of its businesses while solving issues in local communities. We have established Suntory Group's Basic Policy on Social Activities and aim to improve the value of our corporate brand across the globe through promoting activities unique to Suntory with the Group companies.

### Suntory Group Basic Policy on Social Activities

The Suntory Group strives to actively contribute to communities in order to help realize the society where people can full-heartedly enjoy life. Social contribution is the corporate motto inherited by our founder's spirit "Giving back to Society".

We are aiming to realize the rich growth of lifestyle culture as well as a sustainable global society to fulfill our social responsibility worldwide while delivering the highest-quality products and services to consumers based on our corporate philosophy "To Create Harmony with People and Nature".

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



To Create Harmony with Society: Cultural and Social Contribution

## Arts, Culture and Academic Activities

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

In addition, we also support social science and humanities academic research and the research activities of the Suntory Foundation for Life Sciences. Through these activities we aim to foster international human resources capable of leading the next generation.

### Promoting Arts, Culture and Academics

#### ■Suntory Foundation for the Arts

Suntory Museum of Art opened in 1961 and Torii Music Foundation established in 1969 as a 70th anniversary commemoration of the founding of Suntory (name changed to Suntory Music Foundation in 1978). Two activities that have been carried out in the field of arts for about half a century was merged as a 110th anniversary commemoration activity and renew them to suit the 21st century in 2009 as Suntory Foundation for Arts.

Since April 2012, operation of Suntory Hall was added to expand its field and aims to contribute to further disseminate and develop music and arts in Japan through various unique activities. Roughly one million customers have visited the Suntory Museum of Art and Suntory Hall in 2016.

In 2019, the Suntory Foundation for the Arts (originally Torii Music Foundation) celebrates its 50th anniversary. With gratitude for 50 years of enormous support and cooperation, this year, which serves as the first step to the next 50 years, we are developing memorial projects appropriate for the new age in the fields of art and music with the theme "Nourish the spirit, cultivate the future."

#### ■Suntory Museum of Art -- Art Revised, Beauty Revealed

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



Suntory Museum of Art

## ■Special Exhibitions Unique to Suntory Museum of Art

In 2018, five exhibitions unique to Suntory Museum of Art were held which were all popular. These include "Kan'ei Elegance Edo-Period Court Culture and Enshū, Ninsei, and Tan'yū," which provided an introduction to trends of sophisticated culture at the beginning of the 17th century, "The Glass that Gallé Adored— Glass from the Qing Imperial Collection," an exhibition that compared the beauty of Qing Dynasty Imperial Glass, known for its profound, excellent sculpting and polishing, with works of Emile Gallé, "The Ryukyu Kingdom: A Treasure Chest of Beauty," which featured important pieces of Ryukyu art, including pieces passed down by the Ryukyu Kingdom, "Daigoji Temple: A Shingon Esoteric Buddhist Universe in Kyoto," which placed the spotlight on the greatest treasures from esoteric Buddhism, and "In the Country of Fans, Japan," an overview of the world of fans that were invented in Japan in terms of a broad range of periods and perspectives.

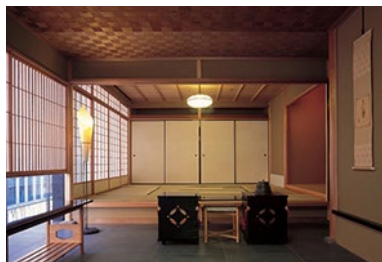


Dancers Three out of six panels, Edo period, 17th century, Suntory Museum of Art



The Ryukyu Kingdom: A Treasure Chest of Beauty Exhibition Poster

We will continue with efforts to make Japanese as well as foreign museum visitors familiar with Japanese culture, such as making audio guides in Japanese and English available for rent in Japanese for all exhibitions and performing tea ceremonies on designated days in the museum tea ceremony room Genchoan.



Genchoan Tea Ceremony Room (6th floor)



Tencha (tea ceremony) (open only on designated days during exhibitions)

## Suntory Hall — Aiming for the Most Beautiful Sound in the World

Opened in 1986 as Tokyo's first dedicated concert hall. Performances by leading musicians from Japan and overseas are conducted in two halls, Main Hall with a vineyard style, praised as "a jewel box of sound" by great composer Karajan, and Blue Rose (Small Hall) which the hall prides. More than approximately 550 lectures are seen by roughly 600,000 people.



Suntory Hall

## Promoting Universal Design Through Large-scale Renovation after 30 Years Since Opening

Suntory hall celebrated its 30th anniversary on October 12, 2016 before closing between February and August 2017 for large-scale renovations. While valuing the mission to "pursue the world's most beautiful sounds", we are promoting universal design to offer more entrances able to approach concert seats without traversing stairways so that everyone can enjoy performances regardless of mobility while also adding a ramp to easily move from the foyer to the large first floor hall as well as additional multi-purpose restrooms.

Suntory Hall is still moments away from opening after these renovations, but a concert with an evacuation drill was held with the participation of Suntory Group employees. We aim to ensure Suntory Hall has the highest level of safety management in the world.



Concert with an Evacuation Drill

## Full Performance Archive from the Inaugural Performance to Present Day

A complete Suntory Hall Performance Archive has been built to allow anyone to search performance information about the many historic performances held at the hall from the day the doors opened up to today.



Performance Archive



Curtain call at the 30th Anniversary Gala Concert

## Performances Full of Originality

Suntory Hall has been holding original performances since its opening as a base for transmitting musical information. Since 1987, our Summer Festival, which features contemporary music, and Chamber Music Garden, an event held annually in June started in 2011 when Suntory Hall celebrated its 25th anniversary, receive international attention.



Suntory Hall  
Chamber Music Garden 2018



Suntory Hall  
Summer Festival 2018



Wiener Philharmoniker Week in Japan 2018  
Vienna Philharmonic Orchestra being led  
by conductor Franz Welser-Möst

## Music Division — Innovative Activities to Promote Music

We are involved in a variety of projects designed to promote Western music in Japan, including awarding the Suntory Music Award to individuals and organizations that have made outstanding achievements in the field of music as well as the Keizou Saji Prize awarded for outstanding challenging performances and the Yasushi Akutagawa Suntory for Music Composition given to up-and-coming Japanese composers with superior works. We also introduce "Works of Japanese Composers" and provide grants for concerts. Since 2014, Suntory has also been aiming to conserve excellent stringed instrument artifacts which are cultural heritage assets as well as cultivate new musicians through lending activities. The Suntory Foundation for Arts lends its instruments to junior high and senior high school students and has begun a new program to lend instruments to up-and-coming musicians.



Suntory Music Award and Keizou Saji  
Prize ceremony

## Vienna Philharmonic & Suntory Music Aid Fund

The Suntory Foundation for the Arts engages in activities with Suntory Holdings Ltd. for the Vienna Philharmonic & Suntory Music Aid Fund for the purpose of invigorating disaster afflicted areas as well as the rest of Japan. We are expanding many of these activities from the aid given to music activities provided together with the Vienna Philharmonic Orchestra and Concerts for Children in disaster affected areas to mentoring of junior orchestras and musical remembrances. We held a remembrance concert in 2017 with the Vienna Philharmonic as part of our support toward recovery after the Kumamoto Earthquake.



Vienna Philharmonic & Suntory Music Aid  
Fund musical remembrance (Kumamoto City)



## ■Suntory Foundation

Suntory Foundation for the Arts was established in 1979 in celebration of Suntory's 80th anniversary. Aiming to deepen international and interdisciplinary exploration of society and culture, we will support the discovery of talented human resources across a wide range of fields, and support original and adventurous research, and, together with the world and Japan, contribute to the dramatic development of cultural exchange.

Our initiatives include research assistance and investigative research in the fields of the humanities and social science as an Arts and Culture Promotion Project effort, awarding of the Suntory Prize for Social Sciences and Humanities, awarding the Suntory Prize for Community Cultural Activities for overseas publishing support as a Regional Culture Promotion Project efforts, and support for regional cultural activities.

In recent years, the Foundation has been actively working to provide support to young researches, and carries out initiatives including providing support for human resources who will play a role in the future, providing opportunities for exchange between the worlds of academism and journalism, and connecting researchers with society.

The Foundation celebrated its 40th anniversary in 2019. For its 40th anniversary, new initiatives such as "Gakugei Live," premium mini talks, an international symposium, and regional culture forum are also being carried out with the new concept of "Connecting Knowledge, Spreading Knowledge, and Enjoying Knowledge."



Suntory Prize for Social Sciences and Humanities award ceremony



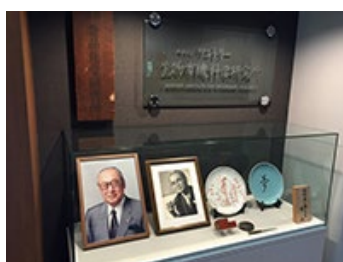
Suntory Prize for Community Cultural Activities award ceremony



Challenge Research Aid for Young Researchers report briefing

## ■SUNTORY FOUNDATION FOR LIFE SCIENCES

Preceded by the Institute of Food Chemistry which was established in 1946 to improve the health and nutrition of the Japanese people, the name was changed to Suntory Foundation for Life Sciences 1979 as the Suntory Institute for Bioorganic Research. The Institute promotes research and disseminating academics of life science and its fusional area of bioorganic science. It currently nurtures university professors and other researchers that play active roles on the frontline. We engage in research activities for the purpose of promoting collaborative research with research institutions such as universities while unveiling the mechanisms of life emphasizing molecules using the keywords "metabolism," "biomembrane," and "signalling" by positioning our own research into structural biology, organic chemistry, and molecular biology as points of integration for dissimilar fields. It also operates an analysis center to aid research by universities, aiding new researchers, grants for graduate students, aid for promoting research such as aiding academic meetings as well as research and educational support through the launch of courses cooperating with graduate schools and projects to research the development of human resource development such as system of doctoral guest researcher. It also operates analysis center to aid research by universities, aiding new researchers, grants for graduate students, aid for promoting research such as aiding academic meetings, system of doctoral guest researcher, educational support for universities, and other activities to train researchers.



Exhibition displaying the history of the foundation



800 MHz superconducting nuclear magnetic resonance equipment

The world has begun to discover the health components of sesame in Sesamin and the biosynthesized coryneform bacterium of Sesamin as well as Sesaminol antioxidants included in sesame seeds. Also, the gene controlling the contour shape of leaves and the blue formation mechanism created through interaction between flower pigment and flavonoid glycoside are also now known. These and many other research results are published in prominent academic papers. In addition, joint researchers and front-line researchers are invited to hold debriefing sessions annually.



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

### ■Suntory Presents Beethoven's 9th with a Cast of 10,000–Spreading the Joy of Singing Together

Suntory Presents Beethoven's 9th with a Cast of 10,000 started as a commemorative event of the opening of the Osaka-jyo Hall in 1983 which was held for the 36th time in 2018.

Suntory Group has been a co-sponsor from the first concert, which has become a seasonal event in December.

The wide ranging event went beyond the borders of the region and surpassed generations with the participation of 10,000 people of all ages and nationalities with the expansion of the lesson venue as an opportunity to experience the joy of singing and the excellence of classical music.

In 2011 to 2013, Tohoku venue, which was linked live with the Osaka-jyo Hall, was also set as a part of an activity to support the recovery from the Great East Japan Earthquake. In 2014, 150 people from Iwate, Miyagi and Fukushima prefectures were invited to the Osaka-jyo Hall.

From 2017, in addition to television broadcasts, we have been providing LINE LIVE, a live broadcast for reaching more viewers.



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



To Create Harmony with Society: Cultural and Social Contribution

## Sports Activities

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

### Activities to Promote Sports

#### ■Suntory's Rugby Club Suntory SUNGOLIATH

Company rugby club Suntory SUNGOLIATH was created in 1980 and participates in the Japan Rugby Top League, a national league for company rugby clubs. The SUNGOLIATH team achieved its second consecutive championship both in the Top League and at the Japan Championships in the 2016-2017 and 2017-2018 seasons.

We are actively engaged in promotion activities for rugby to support a healthy mind and growth of the body through sports. One of our activities is the special sponsorship of the Suntory Cup Japan Kid's Tag Rugby Championship held every year. More than 10,000 elementary school students participated in the 15th Championship held in 2018 and learned the purpose of sports and its fun through tag rugby. Rugby Clinic where the members of SUNGOLIATH directly teach children and other events were held and about 6,000 people participated in the event in 2018.

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

We strengthen our rugby promotion activities in anticipation of the World Cup that will be held in Japan in 2019 to actively engage in new efforts to let more people, including women and children, know about rugby.



Suntory's Rugby Club Suntory SUNGOLIATH



Participants of Rugby Clinic



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

## ■Suntory's Volleyball Club Suntory SUNBIRDS

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

To promote sports, the club engages in activities such as coaching volleyball techniques and supporting the management of volleyball competitions (in 2018, 13th time for elementary school, 40th time for junior high school, and 22nd time for the mother's volleyball competition). In addition, Volleyball Clinics for elementary and junior high school and other age students were directly taught by the Sunbirds athletes and about 3,300 people participated in 2018.

Furthermore, SUNBIRDS also participates in social contribution activities such as doing physical exercises with elderly using a ball, or activities that prevent youth delinquency and crime through collaboration with the police. SUNBIRDS held Volleyball Clinic for elementary and junior high school students in Iwate and Miyagi Prefectures as part of activities to support the recovery from the Great East Japan Earthquake.



Suntory's Volleyball Club Suntory SUNBIRDS



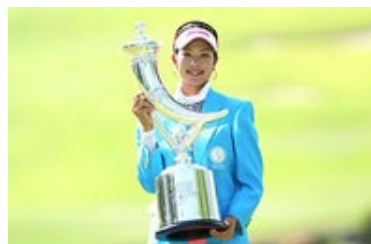
Volleyball clinic for communities



Activity for preventing youth delinquency and crime

## ■Ai Miyazato Suntory Ladies Open Golf Tournament

Suntory Ladies Open Golf Tournament is an official ladies open golf tournament of the Ladies Professional Golfers' Association of Japan hosted by Suntory held in Kobe City every year in the second week of June. This tournament is seen as a competition to test the true skill of the golfers because it is held for four days while in Japan most golf tournaments usually last for three days. Top players from Japan and abroad, including Ai Miyazato and Rikako Morita which are both sponsored by the Suntory Group, have won the tournament in the past. As an international open tournament, it opens the doors and supports the growth of Japanese and international amateur golf-players that are expected to become future leading players, and actively engage in other charitable events.



Rikako Morita (winning the 2013 tournament)

## ■Suntory Dream Match

Suntory Dream Match has been held from 1995 to provide dreams and excitement, offering dream baseball match to a total of 930,000 baseball fans so far. The Premium Malt's, led by Manager Koji Yamamoto, and the Dream Heroes, led by Manager Yasushi Tao, played an exciting baseball match at the 23rd match held in Tokyo Dome in July 2018.



Day of the match (2015)

## ■Suntory Challenged Sports Project

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

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

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

The Suntory Group has not only supported recovery efforts as an official sponsor of the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation since 2015 but also engages in efforts that include support for athletic activities and competitions. Moreover, we are working in publicity activities such as video production of rules for wheelchair basketball, VR videos of wheelchair basketball, and online publishing projects to introduce the passion of the athletes. We will persevere with our athletes in the future under our PASSION FOR CHALLENGE grounded in our "Yatte Minahare" spirit that we have had since our founding.



## To Create Harmony with Society: Cultural and Social Contribution

## Social Welfare

In the spirit of our founder, Shinjiro Torii, who called for "Giving back to society", we have maintained his principle by returning profits to society. We have been particularly active when it comes to charitable and social welfare activities directed toward people from less fortunate circumstances. Suntory Group has been ever mindful of changing social needs in the social contribution activities it has continued carrying out to this day.

### Support through the Social Welfare Organization

#### ■ Social Welfare Organization Hojukai

Suntory founder Shinjiro Torii began the Hojukai in 1921 with the establishment of the "Imamiya Dispensary" free clinic in the Airin district of Osaka City to assist people living in financial hardship based on his strong belief in social contribution. The Hojukai was named by combining one Japanese kanji character of Shinjiro Torii's wife's name and one Japanese kanji character from our Kotobukiya company name from that time. During the turmoil after the Second World War, accommodation facility was provided for victims of war, people that returned from overseas and people that did not have a place to go, which are currently used as dorms for mother and child, special elderly nursing home and nursery schools. Hojukai continued activities as a social welfare organization and it operates Takadonoen (special care facility for seniors established in 1974), Domyoji Takadonoen (a general-purpose welfare facility established in 2008), the Tsubomi Nursery School (1975), and the West Asahi-ku Community General Support Center (commissioned by Osaka City in April 2011). To respond to the current needs, Suntory has been putting efforts in at-home nursing care services such as home-visit nursing care, outpatient nursing care, and in-home long-term nursing care services. In the spring of 2017, Tsubomi Nursery School moved to a new premise with the aim of an even more unique and comfortable facility as well as a nursery school that nurtures a wealth of sensibility.



Takadonoen, special care facility for seniors and Tsubomi Nursery School



Domyoji-Takadonoen, a general-purpose welfare facility



Exchange between Takadonoen and Tsubomi Nursery School

### Donating Suntory Products to Children Homes with the Cooperation of Food Bank Activities

The Suntory Group has donated approximately 72,000 cases of food and drinks to entities such as orphanages, welfare institutes, community centers, and disaster affected areas since 2010 through the Second Harvest non-profit organization that engages in Food Bank activities. The products that are donated are given under the condition that they have the same quality as the products sold commercially. We also conduct the same level or quality assurance, customer service, and all other operations for those products as the products sold commercially. This program started in Tokyo Metropolitan area in 2010 and was later expanded to include Okinawa in 2013. In the future, we will continue this food bank activity to deliver the appropriate amount of food as necessary.



Endowments to inner-city children homes



## Engaging in Charitable and Voluntary Activities

### ■Charitable activities

Suntory Group will continue to conduct community contribution activities through charities. We will also actively participate in charitable activities such as summer and year-end charity campaigns at each business establishment throughout Japan.

### Supporting Community Building through Charity

#### Suntory Ladies Open Golf Tournament

Entry fees to the amateur-professional charity tournament, money from charity corner sales, etc. from the Suntory Ladies Open Golf Tournament, which was started in 1990, have been used to help earthquake disaster recovery efforts in Kobe City and help build safe and secure towns from 1995 when the Great Hanshin Earthquake occurred until 2010.

Since 2011, we have donated fire-fighting vehicles and other equipment to Natori City and Sendai City in Miyagi Prefecture as support for disaster-affected areas that were severely damaged by the Great East Japan Earthquake. Since 2016, we have been providing recovery support to areas affected by the Kumamoto Earthquake and the Great East Japan Earthquake.



Fire trucks donated to Natori City, Miyagi Prefecture

#### Suntory Dream Match 2018

Suntory Dream Match is an event held from 1995 where proceeds from the sales of beer and other beverages, baseball goods, and charity seats, as well as part of the proceeds from the sales of baseball uniforms signed by participating athletes are used as donations to organize baseball and catch ball classes with the participation of active and retired professional baseball players in order to support the recovery of baseball in the Tohoku region. Moreover, we support reconstruction after the East Japan Earthquake, for example by inviting 100 Tohoku residents to attend sports events for free, as well as by selling charity seats "Tohoku Support Charity Seat" and using the sales proceeds to support Tohoku.



Invited 100 persons from the Tohoku region



Catch ball class in disaster affected areas using charity

To Create Harmony with Society: Cultural and Social Contribution

## Developing the Next Generation

Suntory Group is engaged in a variety of activities related to music, art, sports and experiencing nature that are designed to support the healthy growth and development of the children who will be responsible for the future.

### Supporting the Development of the Next Generation through Various Activities

Suntory Group provides children with opportunities to meet top athletes and come into contact with genuine works in fields such as sports, music, art, and the natural environment. As the importance of educating the youth is on the rise due to the decline in the children, we are strengthening the support to form the characters and individuality of children.



Art Kids Club Iro-Iro Do-Re-Do-Re Suntory Hall and Suntory Museum of Art joint workshop

#### ■ Suntory Hall—Nurturing Next-generation Performers and Audiences

With Suntory Hall, we plan and offer various programs to develop the next generation, hoping children will experience a thrill listening to live music performed by leading musicians and taking classical music into their lives. We have been holding "Concerts for Children" which is Japan's first regular orchestra concerts for children and "Minato-city & Suntory Hall Enjoy! Music Project" for fourth grade elementary school students in Minato-city from 2014. We also host other programs such as "Master Class by Principals of Vienna Philharmonic Orchestra," in which members of Vienna Philharmonic Orchestra teach young musicians directly.

#### Minato-city & Suntory Hall Enjoy! Music Project

Minato-city and Suntory Hall have continued the on-going hands-on arts program focused mainly on music since 2014 for local fourth grade elementary school students. Internationally recognized conductor Kazushi Ono was involved with the planning for the workshop and performance under the theme "Joy of Vibrant Voices" in 2018. In the two-hour workshop held at each elementary school, a soprano, alto, tenor and bass from the Suntory Hall Opera Academy performed. The workshop demonstrated the difference in the range of these voices and the vocal resonance (B-flat), sung the Japanese song *Momiji*, and provided guidance to the source material key to Beethoven's 9th before the concert in February. On Thursday, February 22, 2018, roughly 1,400 fourth grade students from Minato elementary schools gathered at Suntory hall to watch the Tokyo Metropolitan Symphony Orchestra led by conductor Kazushi Ono.



Elementary School Workshop



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



### Holding "Concerts for Children"

We have been holding "Concerts for Children" since 2002 with the hope to establish a tradition of regular visits to concert halls in children and bring classical music into their lives. This is Japan's first regular orchestra concert for children. We collect and adopt illustrations for the flyers and the theme song for the season from the children in a format that allows children to not only listen but also participate. A program which children selected through audition can perform as a member of the orchestra, offering opportunities to play musical instruments under the guidance of the member of the orchestra, opportunity to be a child receptionist and other participatory events are being further being increased.



Performance by children



Hands on experience corner of musical instruments

### Suntory Hall Keizo Saji Junior Program Seat

A program that continue the wish of Keizo Saji, the first President of Suntory Hall, to pass down classical music to the next generation. The program invites three pairs of both elementary and junior high school students to performances held on Saturday, Sunday and holidays at Main Hall.



Keizo Saji Junior Program Seat



### ■Suntory Museum of Art — Art Appreciation Opportunities for Children

Aiming to become a museum where children are always there, we provide various programs which children can easily enjoy art and nurture the mind to love art.

#### Offering Education Programs

The Suntory Museum of Art is actively working to proliferate education to the next generation according to the "Art Revised, Beauty Revealed" museum message that includes The Suntory Museum of Art who is proactively engaging in activities that offer education to the next generation.

We offer free admission to children in middle school and younger, and also distribute a leaflet. This tool not only guides users to notable areas of interest but also cultivates a spirit to enjoy free inspiration brought by appreciation. As an education program that provides a venue for exchanges linking visitors with the art museum, we also conduct the "Open Doors to Beauty for the First Time" interactive mini lecture for people new to art appreciation, and on Saturdays, we offer "Friendly Talks" designed to familiarize viewers with the arts using simple slides. We also hold activities such as commemorative lectures on exhibits and special performances. We also accept visits of children and students in elementary and junior high schools mainly from Minato-ku as a school program.



Opening Doors to Beauty for the First Time series



School Program for Each School

### One-day Children's Museum Experience

One-day Children's Museum Experience is a special event when the museum is open to elementary school and junior high school students as well as their guardians on a day that the museum is normally closed during which a variety of educational programs are held. This event has been held once a year since 2014. While viewing exhibitions as they enjoy things such as doing quizzes and drawing sketches using a worksheet, we provide a complete museum experience through specialized programs for children, including interactive art appreciation, workshops, and a museum tour.



Children seen drawing sketches on worksheets



Interactive art appreciation with works placed in front of the group

### ■ Supporting the Development of Children through Sports

Suntory Group runs a variety of activities designed to support the healthy development of children's minds and bodies through sports. As part of the activity, Suntory's sports teams, rugby club Suntory SUNGOLIATH and volley ball team Suntory SUNBIRDS promotes their sports and holds clinics to directly teach children in a various places. 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. In 2018, approximately 20,000 children participated in these programs.



Rugby Clinic



Volleyball Clinic

### ■ Support through the Hibarigaoka Gakuen

The Hibarigaoka Gakuen has been supporting continuity education from kindergarten to high school since Shinjiro Torii became the first chairperson of in 1950. Shinjiro Torii places importance on being devoted to one's parents and kept saying "a person who is devoted to one's parents can do anything well." The spirit of founding is passed down today and the school engages in educating people based on a belief that "the basic natural thought of mankind of parents' which the growth of their children and children appreciates and respects their parents unites a family, which raises the thought of contributing to the society." From 2008, the school supported the opening of an environmental lecture and currently operates a kindergarten, Hanaiku in the elementary school and junior high school as well as activities outside the school, special classes and lectures to educate about the environment through a systematic program and supports the programs.



Planting trees at the open air school

### ■Nurturing Challenging Spirit through Experiencing Camping at an Uninhabited Island

Since 2007, Suntory Group has been promoting Yoshima Project in cooperation with Kobe YMCA, a public interest incorporated foundation which operates a camping site in an uninhabited island in Shodo-gun, Kagawa Prefecture since 1950. The project is intended to nurture spirit of challenge and dreams of children experiencing rich natural environment unique to an uninhabited island and plans and holds Adventure Camp participated by Gota Miura and various programs around the year. In 2018, approximately 3,000 children participated in the program.



Yoshima Summer Camp



Yoshima

### ■Developing Work Value in Children Through Real Experience

The Suntory Group has opened a Beverage Service Center pavilion for children to experience operations related to vending machines at KidZania in Tokyo and Koshien where kids learn about work and society through play. The Beverage Service Center can teach vending machines systems as well as the knowledge and innovations used to deliver products to customers while evoking passion in people to support beauty, safety and reliability. We hope to cultivate work value and bring new awareness to children everyday through hands-on experience where they can interact with actual vending machines often seen as no more than part of the cityscape.



Learning the Inner workings of Vending Machines



Delivering Products to Vending Machines

To Create Harmony with Society: Cultural and Social Contribution

## Disaster Recovery Support



### Support for Disaster Areas

The Suntory Group provides help to the people and places afflicted by disasters by providing relief contributions and drinking water when large disasters strike Japan or other countries.

#### ■Main Donations

Year	Incident	Amount Donated	Beneficiary	News release
2010	2010 Canterbury (Christchurch) Earthquake (New Zealand's South Island)	3.25 million yen	Christchurch earthquake appeal fund	
2010	Foot-and-Mouth Disease Outbreak in Miyazaki Prefecture	10 million yen	Miyazaki Prefecture, and the Miyazaki Community Chest Association Social Welfare Organization	Suntory Relief Aid for Foot-and-Mount Disease in Miyazaki Prefecture (in Japanese only)
2010	Chile Earthquake	50 million yen	Chile Embassy	Suntory Relief Aid for Earthquake Recovery in Chile
2010	Haiti Earthquake	10 million yen	The Japanese Red Cross Society	Suntory Haiti Earthquake Aid
2011	Thailand floods	Approx. 2.5 million yen	The Government of the Kingdom of Thailand	Support for Recovery from Flood Damage in Thailand

年	件名	寄付金額	寄付相手先	ニュースリリース
2011	2011 Canterbury (Christchurch) Earthquake (New Zealand's South Island)z	6.2 million yen	New Zealand Red Cross	Earthquake Relief Donation to New Zealand
2011	Floods in Queensland, Australia	8 million yen	Queensland The Premier's Disaster Relief Appeal	Flood Relief Donation to Queensland Australia
2011-	Great East Japan Earthquake	4.3 billion yen in 2011 2.0 billion yen in 2012 2.5 billion yen in 2013 2.0 billion yen in 2014 (total: 10.8 billion yen)	Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Save The Children Japan, et al.	Relief Donation for Earthquake in the Tohoku Region of Japan
2014	Landslide disasters in Hiroshima	1 million yen	Chugoku Shimbun Social Welfare Services Corporation	
2015	Nepal Earthquake	3 million yen	Nepal Earthquake	
2016	Kumamoto Earthquake	100 million yen in April 2016 300 million yen in October 2016	Kumamoto Prefecture	Release of Contributions to Kumamoto Prefecture
2017	Storm Disaster in Northern Kyushu	Fukuoka Prefecture (5 million yen) Oita Prefecture (5 million yen)	Fukuoka Prefecture/Oita Prefecture	Relief Donation for the Storm Disaster in Northern Kyushu
2017	Aid Following the Massive Hurricane Disaster in the United States	Approx. 110 million yen (1 million dollars)	American Red Cross	About Aid Following the Massive Hurricane Disasters in the United States
2017	Aid Following the Earthquake in Mexico	Approx. 22 million yen (200,000 dollars)	Mexican Red Cross	About Aid Following the Earthquake in Mexico
2017	Hurricane Maria Which Impacted the Virgin Islands	Approx. 55 million yen (500,000 dollars)	Virgin Islands Aid Fund	
2018	Torrential Rains of July 2018 (in Western Japan)	900 million yen (Hiroshima, Okayama, and Ehime Prefectures received 300 million yen each)	Hiroshima Prefecture: Japanese Red Cross Society Hiroshima Okayama and Ehime Prefectures: Aid provided directly to each prefectural government	Information About the Donations for the Torrential Rains of July 2018
2018	2018 Hokkaido Eastern Iburu Earthquake	100 million yen	Hokkaido	Information About Support Provided for the 2018 Hokkaido Eastern Iburu Earthquake

年	件名	寄付金額	寄付相手先	ニュースリリース
2018	Support for Midousuji Ginkgo Namiki,damaged by Typhoon No.21	50 million yen	Osaka City	
2019	Typhoon No.15	50 million yen	Chiba Prefecture	Suntory Pledges ¥50 million to support Typhoon No. 15 Relief and Recovery

### Providing Free Beverages When Disasters Strike

Suntory Foods Ltd. has developed and is furthering the installation of emergency beverage vending machines. This system normally sells beverages from vending machines in peace times but will provide them for free during emergencies such as when disasters strike. Beverages can be easily accessed even if the power goes out. Many people used this system after the Great East Japan Earthquake that struck in March of 2011. We are furthering the installation on premises with focus on public facilities and hospitals. We plan to keep actively installing these types of vending machines in the future.



Emergency beverage vending machine



Disaster Recovery Support

## Suntory "Land of Water" Kumamoto Support Project

### Supporting Kumamoto Earthquake Recovery Efforts

Suntory Holdings Ltd. started Group-wide recovery support activities as the Suntory Land of Water Kumamoto Support Project to support the revitalization of Kumamoto after the earthquake that struck in 2016.

We have delivered approximately 210,000 bottles of Suntory Tennensui mineral water in April 2016 and contributed 100 million yen in relief aid to municipalities affected by the Kumamoto earthquake in May 2016.

Thereafter, Suntory decided to provide additional support of ¥300 million in October 2016. We launched the Suntory Land of Water Kumamoto Support Project, and we will continue to focus on activities that ensure the sustainability of groundwater in the Kumamoto region as well as those that support the livelihoods of the community members in affected areas through culture, arts, and sports based on the desire to contribute to the recovery of the prefecture as a company with the Suntory Kyushu Kumamoto Plant located in Kumamoto.



#### Activities to Contribute to Sustainability of Groundwater in the Kumamoto Area

##### Suntory Kumamoto Groundwater Mirai Project

## 「サントリー熊本地下水みらいプロジェクト」



##### Recovery of Winter Rice Fields



Renovations



Planting Event



Long Awaited Harvest

## Activities to Support the Mind and Body Through Culture, Arts and Sports

### Holding sports classes

We hold volley ball and rugby classes by Suntory's sports teams and baseball classes in disaster affected areas.

Number of participants

Approx. **1,400**



Suntory SUNGOLIATH  
Rugby Classes



Suntory SUNBIRDS  
Volleyball Classes

### Suntory Dream Match Live



### Vienna Philharmonic Recovery & Remembrance Concert

In cooperation with the Vienna Philharmonic Orchestra, we established a fund, and, in addition to presenting performances by orchestra members, we provided grants and technical support to local organizations.

Number of participants

Approx. **1,300**



### Recovery & Remembrance Concert Led by Super Kids Orchestra Yutaka Sado

Supporting recovery concert activities since 2015 by Super Kids Orchestra led by international conductor and Super Kids Orchestra Artistic Director Yutaka Sado.

Number of participants

Approx. **3,000**



## "Minna no Machi" concerts held through the cooperation of Kumamoto Prefectural Theater, the Kyushu Symphony Orchestra, and Suntory

We have been holding concerts at elementary schools, public halls, and other locations around the Kyushu Kumamoto Plant in cooperation with Kumamoto Prefectural Theater and the Kyushu Symphony Orchestra since 2018.



Number of participants  
Approx. **3,000**

## Community Support

### Support Activities Using Suntory Capital Expanded with Focus on Kashima, Mashiki and Mifune around the Kyushu Kumamoto Plant in Kyushu.

In cooperation with Suntory Flowers, we deliver flower seeds to people living in temporary housing and hold workshops



### Everyone Afflicted by the Disaster from Kashima, Mashiki and Mifune Around the Kyushu Kumamoto Plant in Kyushu Invited to a Plant Tour

Invited people living in temporary housing in Kashima, Mashiki and Mifune around the Kyushu Kumamoto Plant



Number of participants  
Approx. **650**

Disaster Recovery Support

# The Suntory Tohoku Sun-Sun Project

## Activities to Support the Recovery from the Great East Japan Earthquake

The Suntory Group is expanding its support for recovery from the Great East Japan Earthquake. Immediately after the earthquake, the Suntory Group provided 1 million bottles of mineral water as emergency relief supplies and donated ¥300 million to the three affected prefectures. We also worked to provide support for the reconstruction with contributions equivalent to a total of 10.8 billion yen: 4 billion yen in 2011, 2 billion yen in 2012, 2.5 billion yen in 2013, and 2 billion yen in 2014.

**SUNTORY**  
**東北サンせん**  
**プロジェクト**  
since 2011

The Suntory Group launched the "Suntory Tohoku Sun-Sun Project" and actively continues its support activities with the focus on "Support Recovery of the Fishing Industry," "Youth Support Initiatives," "Challenged Sports" and "Support through Culture, the Arts, and Sports" with the hope to bring light warm like the sunshine, and smiles and joy to disaster affected areas.

We support the purchase of fishing vessels, fishing equipment and fixed fishing nets to assist the early recovery of fishing industry. We award grants to students at fisheries high schools, provide a safe and secure environment, and support NPOs that help children such as Save the Children Japan. We engage in other various cultural and sports activities to bring smiles and joy.

Since 2014, we have been providing support for Challenged Sports in Iwate, Miyagi, and Fukushima prefectures, based on our desire to deliver hopes and dreams. We will donate the equivalent of 1 billion yen over the period of six years focusing on Challenged Athlete Subsidy aimed at supporting individual athletes and organizations, Challenged Sports Academy aimed at providing opportunities mainly for children to experience challenged sports and engage with athletes, and Challenged Sports Training Support aimed at popularizing, strengthening and supporting them.

### ■ Result of Support

#### Recovery Support for the Fishing Industry

#### Donating to the reconstruction of the prefectures' fishing industries

To support early reconstruction through the auspices of prefectural governments, Suntory donated ¥3.0 billion to Miyagi Prefecture and ¥2.5 billion to Iwate Prefecture





### Support to cover costs of acquiring fishing vessels

To ease the burden on fishermen, the Suntory Group is acting through the auspices of Miyagi Prefecture and Iwate Prefecture to shoulder a portion of the costs to acquire new fishing vessels. The Group is supporting the restoration of about 10,000 vessels of all sizes and types, from deep-sea tuna vessels to squid fishing vessels

Amount of support to cover costs of acquiring fishing vessels

Approx. **10,000** ships



### Support to restore fishing-related facilities

Donations for the reconstruction of the fishing industry in Miyagi Prefecture and Iwate Prefecture are also used in the restoration of fixed fishing nets and aquaculture facilities

Amount of support for fishing vessels

Approx. **1,100** locations



Amount of support for fixed shore nets

Approx. **400** locations

## Youth Support Initiatives

### Scholarships for fisheries high schools

For five years beginning in 2012, the Suntory Group is providing free scholarships to disaster affected students at seven fisheries high schools

Number of scholarship recipients (total)

Approx. **3,000**



## Support for building a place for children in Fukushima to learn and play

We build child care facilities, hold workshops conducted by various Suntory Group companies, provide training for instructors, excursions, etc. so that children in Fukushima Prefecture can learn and play in safety

Number of child care facilities built

**5** facilities

Number of outdoor activity participants such as summer camps

Approx. **8,800**



## Providing Assistance to NPOs that Support the Children of Fukushima

We provide three year aid for organizations that provide intensive support to children in Fukushima Prefecture who have been living in evacuation centers for long period of time

Number of organizations that were awarded grants

**57** organizations



## Construction of Ishinomaki City Children's Center "Raitsu" and Yamada Fureai Center "Hapine"

We provided aid for the total cost of construction for the Ishinomaki City Children's Center "Raitsu" (Miyagi Prefecture) and Yamada Fureai Center "Hapine" (Iwate Prefecture) facilities that were planned and designed by the children

Number of Ishinomaki City Children's Center "Raitsu" users annually

Approx. **30,000**

Number of Yamada Fureai Center "Hapine" users annually

Approx. **53,500**





### Cooperative program through music with the TOMODACHI Initiative

We are supporting students in disaster affected areas to attend music school in the United States with the cooperation of the TOMODACHI Initiative led by the US Embassy and U.S.-Japan Council. In the TOMODACHI Suntory Fukushima Mirai Music Program, we provide opportunities for the music club of Fukushima Futaba Mirai Gakuen High School to learn at workshops conducted by the New York Philharmonic orchestra in the United States



#### Donation

Approx. \$ **1,000,000**

### Supporting Challenged Sports

#### Challenged Sports Experience Classroom

We have been holding classes where children from Iwate, Miyagi, and Fukushima prefectures can experience playing various Challenged Sports together with challenged athletes from the Tohoku region

#### Number of participants

Approx. **900**



#### Visits by Athletes

Athletes visit schools to provide children at elementary schools and junior high schools in areas affected by the disaster to allow them to experience wheelchair basketball and conduct boccia experience activities at special needs schools

#### Number of participants

Approx. **4,240**



#### Challenged Athlete Subsidy

We provide grants to individuals and organizations as a way to support the training of athletes on par with global standards and to develop and popularize challenged sports

#### Individual

Total **248** people

#### Organization

Total **108** organizations



(As of April 2019)

## Challenged Sports Training Support

We support strengthening the base and improving the environment of Challenged Sports through renovating public facilities and donating sports wheelchairs in order to develop and popularize them

Sports wheelchairs

**35**

STT table-tennis tables

**5**

Facility renovations

**3** locations

Introductory Workshop to Wheelchair Sports

Held **8** times



## Support through Culture, the Arts and Sports

### Vienna Philharmonic & Suntory Music Aid Fund

Together with the Vienna Philharmonic Orchestra, Suntory is providing aid for music-related initiatives and is bringing concerts to the disaster affected areas

The number of attendees at Concerts for Kids

Approx. **13,000**

Performance held by Vienna Philharmonic & Suntory Music Aid Award activities

**110** organizations



### Suntory and Japan Kogei Association Omoshiro Bijutsu Classroom in Tohoku

The Suntory Group conducted Study Support Program events headed by designated Preservers of Important Intangible Cultural Properties (also known as Living National Treasures) and other traditional handicraft artists

Number of participants in the Omoshiro Bijutsu Classroom

Approx. **1,200**



### Suntory Museum of Art Traveling Exhibition

We hold exhibitions of Japanese art with items in the collection of Suntory Museum of Art in Sendai City and Koriyama City

Number of visitors

Approx. **32,000**



### Michinoku Wind Orchestra

We operate a project which provides junior high and high school brass band members in disaster affected areas to perform at Suntory Hall through practicing.

Number of participants

Approx. **350**



### Music for Everyone Concert held by Suntory and the Sendai Philharmonic Orchestra

Touring concerts were held for disaster affected area in Tohoku from 2016 through collaboration with the Sendai Philharmonic Orchestra centrally located in Sendai.

Number of participants

Approx. **2,500**



### Inviting the people from the disaster affected areas to cultural and sports events

We invited the people from the disaster affected areas to cultural events, such as Suntory Presents Beethoven's 9th with a Cast of 10,000, and sports events, such as Suntory Dream Match and international rugby match

Number of visitors to cultural events

Approx. **9,400**



Number of visitors to cultural events

Approx. **21,400**



## Holding sports classes

Each year we hold volleyball, rugby and baseball classes led by Suntory's sports teams in disaster affected areas

Sports clinic participants and competition attendees

Approx. **5,800**



## To Create Harmony with Society: Cultural and Social Contribution

**Contributions to Local Communities****Coexisting with Communities around Our Plants**

The Suntory Group's main plants are making efforts to engage in dialogue with local residents. We also work to provide venues for interacting with the local community through measures such as opening parks and trails created at our plants. We have third parties conduct environmental impact assessments when we construct new plants and work to get the understanding of the people who neighbor the site. We also make efforts to harmonize the plants with nature by preserving the sites' biodiversity and pursuing greening initiatives on their grounds.

**■ Promoting Greening of Plants**

Suntory Group's plants consider biodiversity and promote greening that is in harmony with local environment, receiving awards in various locations as model green plants.

**Model greening plant commendation (hosted by Japan Greenery Research and Development Center)**

Year of commendation	Plant of commendation	Name of commendation
1987	Suntory Tonegawa Brewery	Tokyo Commerce and Industry Bureau Director's Award
1989	Hakushu Distillery	Prime Minister's Award
1993	Azusa-No-Mori Plant	Minister's Commerce and Industry Prize
2002	Yamazaki Distillery	Minister Prize of Economic, Trade and Industry
2006	Kyushu Kumamoto Plant	Japan Greenery Research and Development Center Award
2008	Takasago Plant	Japan Greenery Research and Development Center Award
2014	Suntory Tonegawa Brewery	Minister Prize of Economic, Trade and Industry
2014	Kyushu Kumamoto Plant	Minister Prize of Economic, Trade and Industry
2014	Haruna Plant	Japan Greenery Research and Development Center Award

**Other greenification commendations**

Year of commendation	Plant of commendation	Name of commendation	Hosted by
1986	Kyushu Kumamoto Plant	Kyushu Bureau of Economy, Trade and Industry Greenery Award	Kyushu Bureau of Economy, Trade and Industry
1997	Suntory Tonegawa Brewery	National Arbor Day Awards Grand Prize in the Contest for Environmental Greening	Gunma Prefecture
2005	Kyushu Kumamoto Plant	Prize for Kumamoto Scenery/Prize for Local Scenery	Kumamoto Prefecture
2011	Okudaisen Bunanomori Natural Mineral Water Plant	Award from The Japanese Society of Revegetation Technology (Technology Award)	The Japanese Society of Revegetation Technology



## ■ Dialogue with Customers through Plant Tours

We offer plant tours of our breweries, whisky distilleries, wineries, and natural mineral water plants so that more people can become familiar with our dedication to good taste and safety, our concern for the environment, and the approaches we take through our products. While viewing our production processes, visitors will be provided with easy to understand explanations about the detail that goes into our work and enjoy taste testing and other activities. In addition, special seminars to learn the commitment toward brewing beer and ways to enjoy whisky are held, attracting approximately 690,000 visitors each year.



Natural mineral water plant tour



Special seminar held at a beer plant

To Create Harmony with Society: Cultural and Social Contribution

## Supporting Challenged Sports

### Suntory Challenged Sports Project

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

In 2015, we have worked broadly in efforts such as expanding and strengthening our initiatives while bringing together athletes to reach beyond the framework of recovery support.

#### ■ PASSION FOR CHALLENGE -- Reaching for Dreams United --

Challenged athletes have the resolve to persevere beyond any limitations regardless of disability.

Suntory has been forging avenues to a variety of new fields since its founding based on the Yatte Minahare challenging spirit.

This is exactly the reason Suntory empathizes with the passion and perseverance of these athletes. We strive to be at their side as they endeavor to broaden their activities based on our desire to support infinite possibilities.

#### 1. Official Partner

(1) Japanese Para-Sports Association (From 2015)

(2) Japan Wheelchair Basketball Federation (From 2015)

(3) Wheelchair Basketball Teams: Miyagi MAX and TEAM EARTH (Fukushima)  
Russell Iwate and SCRATCH (From 2015)



#### 2. Hands-on Classrooms

We hold hands-on basketball clinics more than ten times each year by inviting instructors from Miyagi MAX and other teams to teach at elementary and junior high schools as well as other public facilities to cultivate awareness and popularize challenged sports.

We also offer experience in a broad range of competitions from blind soccer and blind marathons to chair skiing and boccia.

Number of Participants: Cumulative Total of Approx. 5,000

(As of April 2019)



### 3. Suntory Challenged Athlete Subsidy

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

Grant Recipients: 248 Individuals/108 Organizations (Total of approx. 170,000,000 yen)

(As of April 2018)



### 4. Introductory Workshop to Wheelchair Sports (Students: Persons with No Experience and Supports of Wheelchair Sports)

The goal of these workshops is to increase the base of wheelchair sports. Eight clinics have been held in Iwate, Miyagi and Fukushima prefectures up until now by inviting Daisuke Hashimoto, who acquired a rehabilitation sports instruction license from the German Paralympic Committee as the instructor.

### 5. Sports Equipment Donations/Sports Facility Renovations

Suntory has donated sports equipment such as competitive wheelchairs to Iwate, Miyagi and Fukushima prefectures and conducted renovations of facilities, including the gymnasium where Miyagi MAX trains in order to facilitate an appropriate challenged sports environment.

Sports Equipment Donations: 63 sets; Renovations: 3 facilities



### 6. Event Sponsorship

We sponsor and support the operation of the events below to popularize wheelchair basketball as well as put in place a competitive environment.

We are conducting various initiatives to bring even greater affinity to these sports. (FY2018 Results)

#### (1) Wheelchair Basketball Championship Emperor's Cup

Sponsorship of the Competition and Expansion of Various Measures as a Special Sponsor

- Wheelchair Basketball Hands-on Booth Exhibition and Give-away Sample Program

A Wheelchair Basketball Experience Corner with VR Video Gives Everyone a First-hand Simulated Experience from the Eyes of the Athlete During a Match

- Suntory Wheelchair Basketball Corner

Hands-on Shooting Corner Installed for Everyone to Try Shooting Hoops from an Actual Wheelchair

- Secondary Awards

Winners of the MVP, Score Leader and Special Suntory Yatte Minahare-Go for it Prizes Receive 1-year of Suntory Products

#### (2) International Women's Wheelchair Basketball Friendship Games OSAKA CUP

#### (3) World Challenge Cup International Wheelchair Basketball Competition

#### (4) Kitakyushu Champions Cup International Wheelchair Basketball Competition

## 7. Employee Participation and Enlightenment

(1)Suntory conducted hands-on wheelchair basketball clinics as well as demonstrations through National Team athletes at the softball competition for employees of the Suntory Group who work in the Kanto region (approx. 3,600). The rugby and volleyball teams from Suntory participated to bring about an exchange through sports which eliminates any boundary felt due to a disability. (Conducted since 2015)



(2)Competition Spectators (Number of Participants Watching and Cheering on Athletes in 2018: Approx. 510)

Suntory has announced information for employees to go watch the Japan Para Championships (2015), Kitakyushu Champions Cup International Wheelchair Basketball Competition (2015), 2015 IWBF Asia-Oceania Championship Cup (2015), International Women's Wheelchair Basketball Friendship Games OSAKA CUP (2016/2017), Japan Wheelchair Basketball Championship (2016/2017/2018) and the World Challenge Cup International Wheelchair Basketball Competition (2017/2018).



(3)Competition Volunteers

A total of 15 people participated in the All-Japan Wheelchair Basketball Championship (2016), the Japan Wheelchair Rugby Championships (2016) and hands-on classrooms.



## 8. Video Produced to Explain Wheelchair Basketball Rules

Suntory produced a video to describe the rules of wheelchair basketball in an easy-to-understand manner through animation to show at competitions such as the All-Japan Championships to bring greater awareness to wheelchair basketball.



## 9. A VR Video Gives Everyone a First-hand Perspective from the Eyes of Wheelchair Basketball Athlete During Competition

Suntory produced a VR video with the participation of Japan National Team members (2016) to simulate the perspective of the athletes during a match to demonstrate the intensity and grace of wheelchair basketball.



### 10. Publishing OUR PASSION Project Series on the Suntory Homepage

We publish OUR PASSION about perseverance through interviews with athletes and staff who are involved with Suntory Challenged Sports Projects to bring enlightenment and popularize both the players and the sports.



### 11. Activity Support for Challenged Athlete Mami Tani (Formerly Mami Sato)

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





To Create Harmony with Society: Cultural and Social Contribution

# Employee Volunteer

## Employee Volunteer Activities

### Basic policy

The Suntory Group conducts a wide range of social contribution activities based on its spirit of giving back to society, but a relationship between society and every Group employee is also important.

We actively suggest that employees use time created through work style reform promoted throughout the entire Group to participate in employee volunteer activities to discover new value and serve as opportunities for individual growth.

### Providing Opportunities to Volunteer

We have adopted the Volunteer Web (provided by the Nippon Philanthropy Association) activity introduction and application system. In addition, the Let's Cut Fabric and Picture Book Delivery international volunteer programs have been bundled into a package with the cooperation of NPOs, which has been published on the Volunteer Web and successfully been held in areas requested by our employees. Furthermore, we established the Volunteer Leave Program as part of this support system.



Volunteer Web

### 2019 Initiative Volunteer Months and Launch of Volunteer Information Website

The period from April 30 to June 30 was specified as "Volunteer Months." During this period, we held volunteer activities in Japan and overseas and provided opportunities to make employees want to participate as volunteers. During that period, we have expanded efforts including Suntory Group's sustainability activities, such as the awarding the Suntory Prize for Community Cultural Activities and the Hojukai, the "Beach Cleanup Activity" that focuses on the ocean plastic problem, which is a social issue, and programs including collaboration programs with Group companies. Our overseas Group companies are also strengthening activities simultaneously.

In April 2019, we launched the internal site Suntory Volunteers. In addition to volunteer information, we post information that allows users to learn about actual volunteering experience through formats such as "Volunteer Activity Diary", "Experience Reports," and "Volunteer Roundtable" based on the catchphrase "Making use of one's own abilities outside of work is enriching."



Volunteer Months Poster and Volunteer Badge Design

Internal Volunteer information Site Suntory Volunteers

## ■ Information on Volunteer Activities Sponsored by Suntory

### Hojukai Assisting with Window Cleaning at Senior Care Facilities and Nursery School Sports Events

Each year Suntory Group employees perform gardening, window cleaning, provide management support for sports events, and other work together with facility staff at elderly care facilities and child daycare centers operated by the social welfare organization Hojukai. Also, new employees of the Suntory Group also participate in volunteer activities such as road cleaning and weed removal after receiving training at each facility regarding the history of the Hojukai and the founders' ideas about social contribution.



Volunteers busy cleaning windows



Volunteers at work planting flowers and pulling weeds



Volunteers at a sports event held at Tsubomi Nursery School

## ■ Suntory Natural Water Sanctuary Forest Maintenance Volunteer Activity

We held this volunteer activity for the purpose of making our employees understand and experience just how serious Suntory is about how to live in harmony with nature. By cutting the evergreen shrubs, we allowed the sunlight to reach the soil and promoted the growth of various types of vegetation including deciduous broad-leaved trees.



Volunteer Activity at Natural Water Sanctuary Hyogo Nishiwaki Monryuzan

## ■ Volunteer Activity to Provide Western Japanese Torrential Rain Disaster Support

Volunteers were dispatched so that each employee could help victims in addition to donations made by the company and supplying goods after the torrential rain disaster occurred in Western Japan in early July 2018. About 110 employees removed mud from soil walls, furniture, mud from under floors, etc. at damaged homes and volunteer centers in Mabi Town, Kurashiki City, Okayama Prefecture.



Volunteers providing disaster support in Mabi Town, Kurashiki City, Okayama Prefecture

## ■ Volunteer Activity for Managing the Kashima Gatalympics, an Event Which Received the Suntory Prize for Community Cultural Activities in 2018

The Kashima Gatalympics is an event that was awarded the Suntory Prize for Community Cultural Activities in 2018. Suntory Group employees participated in competition volunteer activities in order to experience being out in the field and make the Kashima Gatalympics an exciting event together with local people.



Kashima Gatalympics volunteers

## ■ Kumamoto Flower Project Volunteer Activity

This activity was conducted in collaboration with Suntory Flowers as part of the Suntory "Land of Water" Kumamoto Support Project. We delivered flower seedlings to temporary housing facilities in Mashiki, Kashima, and Mifune, three towns near the Kyushu Kumamoto Plant which particularly received extensive damage during the Kumamoto earthquake, and planted *Safinia* with those living in those temporary housing facilities.



Planting flowers at a temporary housing facility in Kumamoto

## ■ Beautification Activities at Offices

The Suntory Group's offices located around the country engage in environmental beautification efforts by cleaning up the vicinity and participating in garbage cleanups organized by local governments. In November 2018, Suntory participated in the Tokyo Bay Cleanup Campaign, which it has been supporting and co-sponsoring from 2003, with employees and 23 family members joining local residents and businesses, and ultimately gathering roughly 170kg of litter.



Tokyo Bay Cleanup Campaign



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

## ■ Information on Volunteer Activities Sponsored by Suntory Group Companies

### P LOVE GREEN -- Pronto Corp.

We announced the P LOVE GREEN campaign after reviewing the basic principles to become a junction to bring about creation for the future by providing peace and joy to the minds and bodies of customers as well as the origins of Green, which is the brand color of Pronto, in April 2010. This activity is a project unique to Pronto for the purpose of being kind to people and the environment while offering excitement that has been named P LOVE GREEN. This project broadens the provision of menus, goods, in-store environment, and entertainment and even community contribution activities.

We also contributed to greenification business after the Great East Japan Earthquake, starting with donations to the Tokyo Green Project in fiscal 2010 as one of our activities. In 2012 and 2015, we received a gratitude letter from the Minister of Agriculture, Forestry, and Fisheries. In addition, because disasters have occurred in various places each year, we have been working with local children since the Great East Japan Earthquake occurred in March 11, 2011 mainly on tree-planting activities to restore the greenery of each disaster-stricken area.



Tree planting

### Supporting the Kiritappu Wetland National Trust -- Häagen-Dazs Japan, Inc.

Häagen-Dazs Japan has been providing support for the Kiritappu Wetland National Trust in Hamanaka, Akkeshi since 2007 for the Konsen ward of Hokkaido, which is a production area of milk used as an ingredient for ice cream. Kiritappu Wetland has also been registered in Ramsar Convention in 1993 as the third largest wetland in Japan. Our employees are conducting volunteer activities to preserve the scenery of the wetlands by repairing the boardwalk together with the local people every year in addition to providing financial support. These volunteer activities are planned to be continued every year with 2018 being the 12th year of these activities.



Landscape repair of boardwalk (2014)

### Donations of Ice Cream to Food Bank—Häagen-Dazs Japan, Inc.

Since 2007, Häagen-Dazs Japan has been donating food products to a food bank activity\* run by Second Harvest Japan, a non-profit organization. Each year we offer ice cream to children at social welfare facilities during summer vacation and the Christmas season.

In 2018, employees of Suntory and Häagen-Dazs Japan collaborated to volunteer for a food bank that delivers ice cream to mother and child support facilities, child-care facilities, etc., and visited facilities in Kanagawa Prefecture to deliver Häagen-Dazs ice cream.

\*Food bank activity: An activity during which food products are provided to social welfare facilities, etc. These donated food products were previously discarded in spite of no safety issues in the manufacturing and distribution processes.

### Supporting the Revitalization of Communities with Flowers -- Suntory Flowers Ltd.

Suntory Flowers is providing flowers for areas such as parks to allow even more people to experience a life in a community with flowers. The Red Flower Project has expanded throughout Japan since 2012 to play a role in revitalizing communities by planting flowers in parks and public facilities in each area of Japan under the slogan, "Revitalizing Japan with Red Flowers!" We donated Surfinia Red flowers to organization in each community in Japan. From 2015, we have expanded the scope of our activities even further to engage in "Big Flower Project". In addition, we will continue our activities from 2019 to make as many people smile as possible through the power of flowers, focusing on reconstruction assistance in Tohoku and Kumamoto as part of the Tomorrow's Flowers Project.



Red Flower Planting Project



Sustainability Initiatives

# To Create Harmony with Employee

## Diversity Management

The Suntory Group pursues diversity on the basis of its human resource management philosophy. By promoting diversity in our employee base as well as embracing diverse values and ideas, we can bring forth even greater value. In an effort to maximize the potential of each and every employee in a work environment that overflows with creativity, the Suntory Group is currently putting high priority on developing talented employees who face the challenges of value creation head-on. We have established methods to encourage employees to work hard to achieve even higher goals without the fear of failure.

\* This applies to 6,713 employees under employment of Suntory Holdings Ltd. or Suntory Beverage & Food Ltd. and work at Suntory Holdings Ltd., Suntory Beverage & Food Ltd., Suntory Products Ltd., Suntory Wellness Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Liquors Ltd., Suntory Wine International Ltd., Suntory MONOZUKURI Expert Ltd. Suntory Business System Ltd. Suntory Communications Ltd., Suntory Beer, Wine & Spirits Japan Ltd. and Suntory Global Innovation Center Ltd., etc. (As of December 31, 2018; excluding global Group expansion)



Employment Pattern



Development of Human Resources



Diversity



Work-Life Balance



### Basic Policy on Human Resource

We aim to create an environment that enables each employee to work with enthusiasm and challenge, and bring out their full potential.



### Employment Status

2018 data for employees that work in the Suntory Group is provided.



### Development of Human Resources

Based on a fair and reasonable human resource system, we are working to create an environment where employees can develop and harness their capabilities to the full.



### Promoting Diversity

We endeavor to create an organization that enables diverse employees to carry out "Yatte Minahare" through the promotion of employee diversity and acknowledgment of their differences.



### Promoting Work-Life Balance

We strive to foster work-life balance in employee-friendly workplaces where diverse employees can make full use of their capabilities.



### Labor/Management Relations

We strive to foster work-life balance in employee-friendly workplaces where diverse employees can make full use of their capabilities.





### Occupational Health and Safety

We promote occupational health and safety based on the belief that a workplace where employees can work with peace of mind is connected to the vibrancy of the company.



### Health management

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



### Group Global Human Resources Department

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

## Sustainability Action Plan

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

Prioritized items	Mid-Term Targets	Results in FY2018	FY2019 Action Plan	Evaluation
Respect for Human Rights	Cultivate an organizational culture that puts respect for human rights first and establish groupwide human rights management mechanisms	<ul style="list-style-type: none"> <li>Conducted a human rights lecture (Theme: Corporate Human Rights Challenges Toward Sexual Minorities). Live broadcast with 39 Sites.</li> <li>Continually introduced stratified human rights seminars for Suntorians from junior employees to newly appointed managers</li> </ul>	<ul style="list-style-type: none"> <li>Create a DVD of the human rights lecture conducted in 2018 and conduct human rights seminars at plants, etc.</li> <li>Continually introduce stratified human rights seminars for Suntorians from junior employees to newly appointed managers</li> </ul>	●●●
Development of Human Resources	Enhance human resource development system and promote Yatte Minahare spirit of employees	<ul style="list-style-type: none"> <li>Conducted a company philosophy program at each job training level. During job training for newly appointed senior general manager and general manager, sessions featuring "direct conversations with the founder" were conducted and opportunities to promote the company's founding spirit were shared</li> <li>Conducted a company philosophy program aimed at group companies in Japan. Conducted an original company philosophy program at Suntory Malting.</li> </ul>	<ul style="list-style-type: none"> <li>Create a system for sharing the company philosophy with group companies in Japan</li> <li>Cultivate an organizational culture in which employees can learn independently through implementation of activities from our internal learning website "Terakoya"</li> </ul>	●●●
Promoting Diversity	Realize diversity management that creates greater value through accepting and utilizing diverse values and ideas	<ul style="list-style-type: none"> <li>Conducted examinations through meetings with companies leading in diversity promotion to see what is currently being done and well as planning regarding the utilization of senior-level employees</li> <li>Formulated a system for a total of 14 people with intellectual disabilities after three new employees joined the company. Also started hiring people with intellectual disabilities at group companies.</li> <li>Promoted employment of people with disabilities at each group company by conducting joint Group interviews as well as exchanging information and providing know-how with human resources and other departments throughout the Group.</li> <li>In addition to participation in Female Sales Staff College by sales department employees, an internal project was launched by the college graduates.</li> </ul>	<ul style="list-style-type: none"> <li>Utilize a diverse range of human resources and implement e-learning and hold seminars focusing on unconscious bias for transformation of prudent actions and nurturing of work ethics</li> <li>Continue to hire more people with intellectual disabilities. Take efforts to reach a hiring rate of 2.2% from people with intellectual disabilities at group companies and strengthen support for job retention</li> <li>Establish a pipeline aimed at the true utilization of female employees</li> <li>Conduct job training for young female employees</li> </ul>	●●●
Promoting Work-Life Balance	Transform working styles and create workplaces where each person can make full use of their capabilities	<ul style="list-style-type: none"> <li>Reduced the total annual working hours per employee by 12 hours as a result of further executing initiatives appointing work-style innovation promotion leaders and managers united as employees, superiors, and administration</li> <li>Realized 40,000 hours of automated work through utilization of robotic process automation (RPA)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote initiatives such as BPR using IT called robotic process automation (RPA) based on further strengthening of the work-style innovation promotion leader system</li> </ul>	●●●

## To Create Harmony with Employees: Diversity Management

# Basic Policy on Human Resource

Suntory Group strives to be a group that continues to create new values through supporting the professional independence of each employee.

### Basic Policy on Human Resource

Suntory Group has a human resource policy based on diversity management on the basis of our diverse employees and aims to realize Growing for Good by creating an environment that enables each employee to work with enthusiasm by fully utilizing their potential.

- Employment centered on the person, without considering their nationality, gender, age or disabilities
- Assign the appropriate person for the right job to utilize their individual skills
- Offering compensation based on individual performance



A fresh and lively corporate culture is sustained by the employees who perform work and at the same time represent ordinary citizens. We will continue striving to be a company that can take on new challenges based on the spirit of "Yatte Minahare-Go for it!" spirit through implementing a system and creating an environment that are both challenging and comfortable to work in.

#### ■ Investigating the Organizational Climate of the Company with an Employee Awareness Survey

The Suntory Group utilizes management policies by continually monitoring the awareness of its employees in realization of Growing for Good. In recent years, these surveys have been widely expanded to Group companies with surveys conducted at 60 companies in 2018. The results have played a role in solving many issues by providing feedback to the heads of departments.

#### ■ Commitment to Local Employment

The Suntory Group is actively hiring locally at each of its business locations to foster ongoing sustainable growth together with the local communities where it conducts business. Approximately 20,000 employees are working at Suntory Group companies overseas, most of whom were hired locally. The overseas ratio is roughly 53% of Suntory's total employment. As a general rule, our overseas Group companies hire executives and upper management personnel locally.

To Create Harmony with Employees: Diversity Management

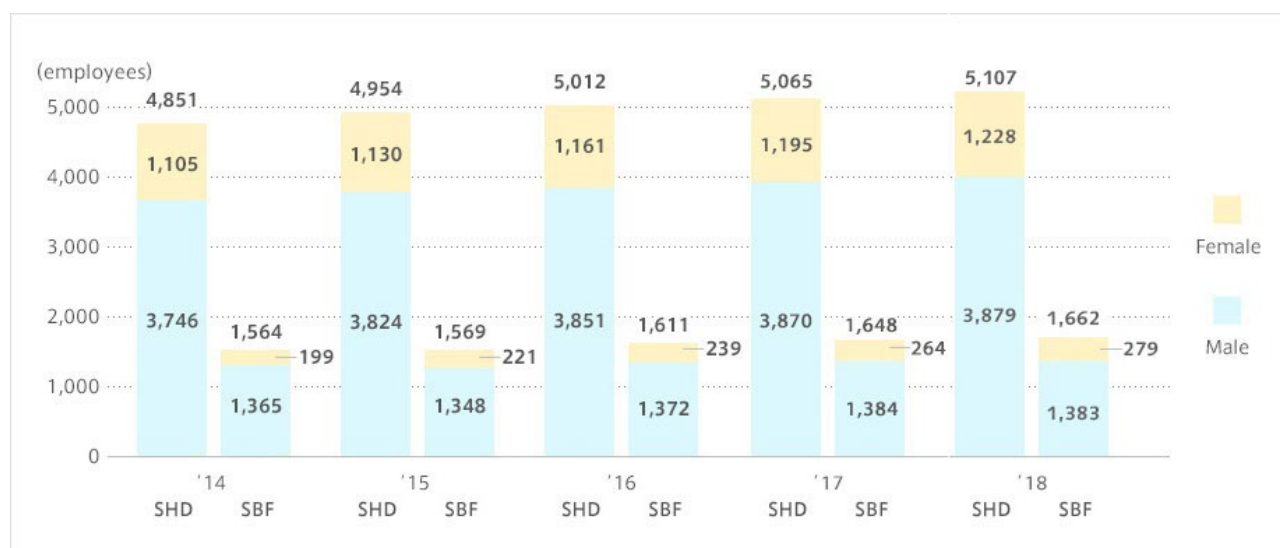
# Employment Status

2018 data for employees that work in the Suntory Group is provided.

## Employment Status at Suntory Group

Employment Status at the Suntory Group as of December 31, 2018 is as below.

### ■ Number of Employees (as of December 31, 2018)



\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

### ■ Average age and average length of employment (as of December 31, 2018)

	2014		2015		2016		2017		2018	
	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
Average age	39.0	40.9	39.6	41.7	40.8	42.0	41.3	42.3	41.7	42.6
Average tenure	15.8	17.4	16.3	17.3	16.6	17.6	17.1	17.8	17.5	18.1

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

■ Age and Ratio (as of December 31, 2018)

(employees/%)

SHD+SBF		2018			
		Male	Female	Total	Ratio
	60s	454	49	503	7%
	50s	1,155	260	1,415	21%
	40s	1,501	312	1,813	27%
	30s	1,529	494	2,023	30%
	20s	623	392	1,015	15%
<b>Total</b>		<b>5,262</b>	<b>1,507</b>	<b>6,769</b>	<b>100%</b>
<b>Ratio</b>		<b>78%</b>	<b>22%</b>		

■ Number of Employees (as of December 31, 2018)

(employees)

		2014			2015			2016			2017			2018		
		SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total
Executives	Male	43	15	58	42	13	55	41	14	55	45	13	58	43	14	57
	Female	2	0	2	3	1	4	4	1	5	2	3	5	2	3	5
Executives		45	15	60	45	14	59	45	15	60	47	16	63	45	17	62
Managers	Male	1,348	628	1,976	1,392	607	1,999	1,422	627	2,049	1,432	643	2,075	1,459	654	2,113
	Female	146	31	177	166	33	199	185	34	219	200	40	240	217	40	257
Managers		1,494	659	2,153	1,558	637	2,195	1,607	661	2,268	1,632	683	2,315	1,676	694	2,370
Members	Male	2,398	737	3,135	2,432	741	3,173	2,429	745	3,174	2,438	741	3,179	2,420	729	3,149
	Female	959	168	1,127	964	188	1,152	976	205	1,181	995	224	1,219	1,011	239	1,250
Members		3,357	905	4,262	3,396	932	4,328	3,405	950	4,355	3,433	965	4,398	3,431	968	4,399
Employees		4,851	1,564	6,415	4,954	1,569	6,523	5,012	1,611	6,623	5,065	1,648	6,713	5,107	1,662	6,769
Contract employees, etc.*	Male	296	55	351	205	45	250	161	42	203	106	31	137	80	28	108
	Female	88	18	106	81	15	96	82	22	104	79	19	98	87	113	200
Contract employees, etc.*		384	73	457	286	60	346	243	64	307	185	50	235	167	141	308
Temporary staff		516	44	560	542	49	591	560	52	612	567	63	630	573	66	639

\* Contractors and temporary employees: Special contract employees, part-time employees, added SBF partner employees from 2018.

\* SBF Partner Employees: Temporary staff that have become permanent employees.

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.



## ■ Number of employees

(employees)

			2014		2015		2016		2017		2018	
			SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
New graduates	Male		75	26	81	20	79	20	68	17	69	16
	Female		51	16	43	18	43	19	48	20	45	16
Experienced workers	Male		20	0	19	2	17	0	13	4	14	5
	Female		11	9	8	6	7	5	3	7	11	5
Total			157	51	151	46	146	44	132	48	139	42

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## ■ Number of resignees and reasons/turnover rate

(employees)

		2014	2015	2016	2017	2018
Retirement* <sup>1</sup>		29	42	39	39	66
Personal circumstances* <sup>2</sup>		45	42	53	43	57
Corporate circumstances* <sup>3</sup>		0	0	0	2	1
Other		7	5	7	4	8
Total* <sup>4</sup>		81	89	99	88	132
Turnover rate* <sup>5</sup>		0.70%	0.64%	0.80%	0.67%	0.86%

\*1 Retirement includes flexible-age retirement

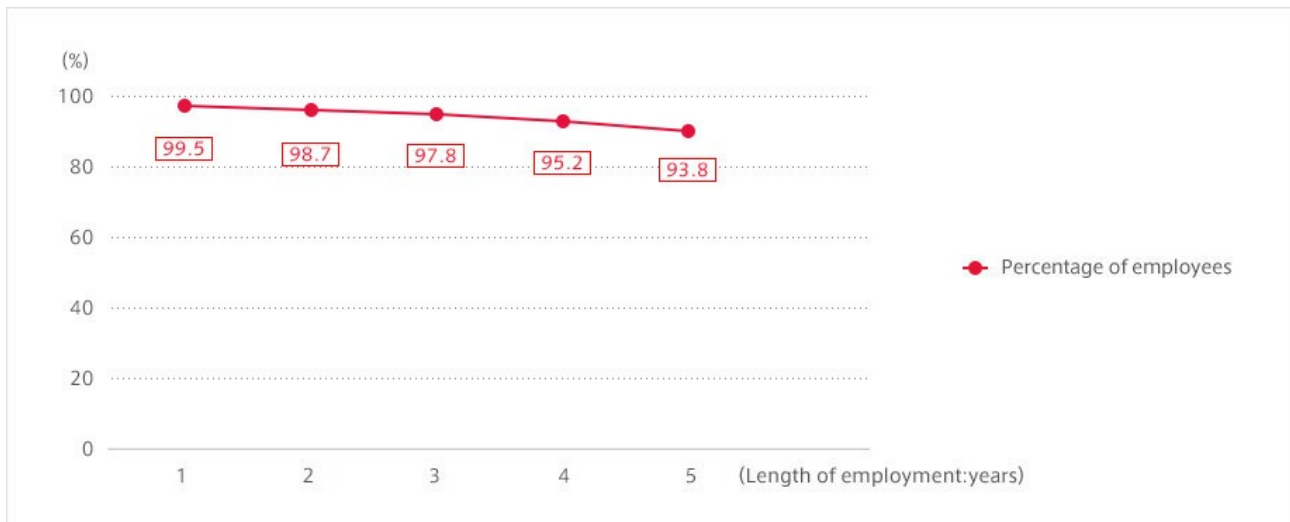
\*2 Resignees of Suntory Beverage & Food (domestic) is 8 in 2015, 6 in 2016, 11 in 2017, and 7 in 2018.

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

\*4 Covers employees

\*5 The turnover rate is calculated excluding mandatory age retirement

## ■ Retention rate of new graduate hires



\* Calculated for new graduates hired by Suntory Holdings Ltd. that entered the company from 2011 to 2013.

\* Hiring of new graduates by Suntory Beverage & Food Ltd. started in 2013 with 91% of the new graduates hired in 2013 remaining with the company after five years.

## To Create Harmony with Employee: Diversity Management

# Development of Human Resources

Based on a fair and reasonable human resource system, we are working to create an environment where employees can develop and harness their capabilities to the full. Suntory Group has been engaging in development of human resources in the belief that growth of companies originate from human resources. With the current changes in the surrounding environment, we have given a collective name Suntory University for all Group-wide human resource development and training activities, in order to further strengthen them.

## Build Human Resource System to Develop and Harness Capabilities

The Suntory Group's human resource system focuses on developing and harnessing the capabilities of each and every employee. Our philosophy is to offer fair and reasonable compensation in accordance with the employee's stage of capability development, and the results shown from harnessing those capabilities. The following three themes are central to this basic philosophy.

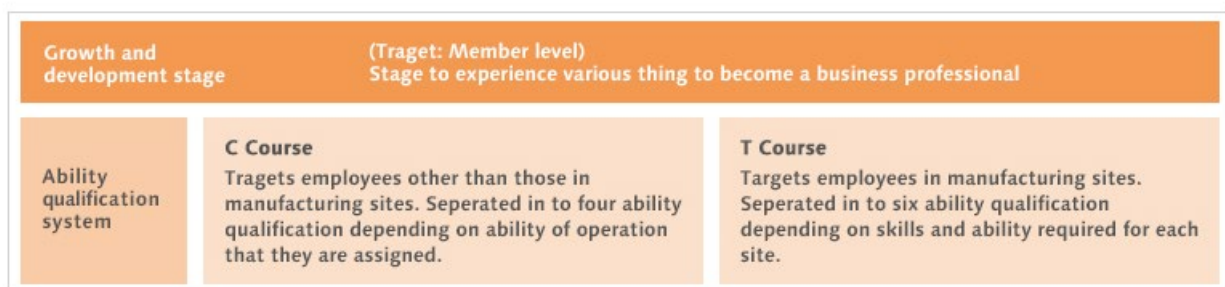
- Each employee takes on increasingly difficult targets and challenges with a spirit of improvement
- The company offers employees opportunities for skill and career development, and supports their self-actualization
- Compensation is fair, and clearly reflects the employee's role and results

### ■ Ability Qualification System and Qualification and Role System

The platform of Suntory Group's human resource system is Ability Qualification System and Qualification and Role System.

Ability Qualification System is a system which ranks the employees according to their ability to do work. This system is applied to member level employees that are in the process of becoming a professional in business. By clarifying which abilities are required according to the ability qualification level, everyone can be evaluated and treated justly and raise aspiration and raise awareness of achieving a target.

Qualification and Role System is a system which ranks the employees according to their ability to do work and roles they must fulfill. This system is applied to manager level employees that exhibit their experience and ability.



## ■ Fair and Reasonable Evaluations

It is required to evaluate individual employees in fair and reasonable manner according to their roles and achievements to establish a corporate culture that is based on performance. Thus, Suntory Group holds interviews between superiors and subordinates four times a year to provide evaluations that each and every employee can agree with.

Member level employees that Ability Qualification System is applied to create "work plan" during the setting interview at the beginning of the year and are evaluated through reflecting back their performance and process against that plan and discussing with their superior at review interview. Feedback interviews with their superiors that follow the evaluations are used to pass on the results, discuss expectations and areas for improvement in detail, and encourage understanding of both the evaluation and further development and growth in their capabilities.

For manager level positions that have subordinates are evaluated by their superiors and also evaluation from their subordinates are referenced to evaluate how much of their role required were performed from multiple perspectives. We believe that operating a system that employees can agree to will establish a corporate culture based on performance and create an environment where everyone has spirit of improvement.

## ■ Introduction of Challenge Targets

From 2013, Challenge Targets was implemented for member level employees. Challenge Targets is a system which the employees set ambitious targets that are more difficult than everyday work of their own and its results are added to performance evaluation. By setting their own challenging target without the fear of failing allows for them to take prudent actions, which strengthen the culture of "Yatte Minahare" in Suntory Group's DNA.

## ■ Establishment of the "Walk the Walk-Yatte Minahare Prize"

From 2015, the "Walk the Walk - Yatte Minahare Prize" was established for all Suntory Group employees. This award recognizes teams that embody the "Yatte Minahare" spirit through the undertaking of original activities that challenge the preconceptions of conventional methods. The first year of the award in 2015 saw 538 teams and 6,747 people entries from around the world and celebrating its fourth year in 2018. The Suntory Group is continually pursuing the creation of new value on a global basis by working hard and having big dreams.

We are working to cultivate a climate allowing employees to take on challenges in-line with the "challenging targets" that were described previously.

## ■ Implementing Evaluation System in Cooperation with Labor Union

The labor union conducts a questionnaire for their members about the above mentioned four interviews a year. It surveys how each union member is in agreement through checking if "interview with the superior was sufficient" or "did you understand the result of the evaluation."

The results of the surveys are communicated to executive management, and are used to manage and revise the human resources system. Additionally, if any shortfalls in the interviews were seen, management questions the superior who conducted the evaluation and provides guidance.

## ■ Wage System that is Connected with the Evaluation

Suntory Group's evaluation index is based on the "results" of how much of the "work plan" was achieved and prudent actions set in the code of conduct for each qualification for the member level employees. These two indexes are connected to the raise and bonus in our wage system. For the manager level employees, in addition to their qualification, roles they have taken and achievements made in that role is used is considered in the wage system.

In addition, company's performance is made clear according to a set rule and is directly connected business performance as business performance-based bonus and retirement benefit pension system for long term stable pension are also available.

### ■ Introduction of "Career Vision"

The Suntory Group has been operating a system for employees to report the status of their workplace and desire for transfers to the human resource department once a year. We have advanced the placement of employees with the growth of individuals as the primary focus based on these reports more than ever before. In 2013, we created "Career Vision" for development of each employee and for assignment of the appropriate person to the right job in the aim of promoting each employee to grow mindful of their career. This system merges employees, their superiors, and human resources work to achieve optimum human resource assignments and encourage the growth of every employee. Based on the Career Vision Sheet filled out by each employee, their long-term career goal and efforts needed to achieve the goal are discussed.

In 2014, we established a site with information to support each employee's career design on the Intranet and other initiatives to strengthen the system.

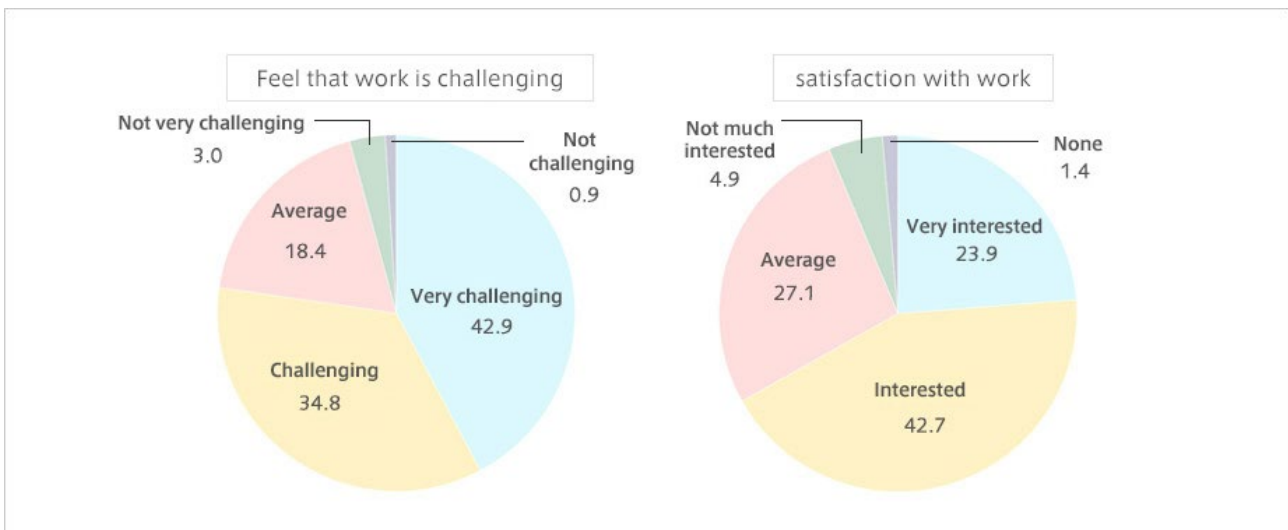
In addition, we have implemented a job rotation system for employees to experience multiple jobs over roughly ten years from when they enter Suntory to expand the possibilities of young employees. We are actively engaging in individual interviews with employees and the human resource department, including interviews with all fourth year and ninth year employees, to assign the right person to the right place.

### ■ Surveying Employee Awareness and Company Climate

We check things from the current situation of employees, the awareness about work, and aspects related to their health, family, and history to their desire for transfer and motivation towards work in interviews with the Career Vision. The results showed that 77.7% of employees felt motivation in their work and 66.6% of employees were satisfied with their work in 2018. The responses of individuals plays a role in assigning the right person to the right place considering the desire of the individual and it connects to the direction of corporate activities.

In addition, the Suntory Group conducts surveys about the organizational climate to assess how the corporate philosophy is recognized and understood in the daily operations of each employee that works in the Suntory Group. We are also surveying how employees see the organizational climate of each company and workplace, the policies, and compliance to share and utilize with management as well as each company and each division. We are also conducting employee awareness surveys once every two years overseas. During the 2017 survey, approximately 90% of employees participating in the survey said that they are proud to work for the Suntory Group.

#### FY2018 Work Awareness





## ■ Selected as One of the Most Admired Companies by Fortune

Suntory was ranked 5th in 2018 and 4th in 2019 (Beverage and Alcoholic Industry) by Fortune magazine in The World's Most Admired Companies, the highest rank ever obtained by a Japanese beverage company.

The American magazine Fortune has been ranking global companies every year since 1997. The assessment is conducted for 650 companies with power on the world stage according to criteria for nine key attributes\* based on a survey of roughly 4,000 people from corporate management to financial analyst.

\*

- ( 1 ) Innovation
- ( 2 ) People Management
- ( 3 ) Use of Corporate Assets
- ( 4 ) Social Responsibility
- ( 5 ) Quality of Management
- ( 6 ) Financial Soundness
- ( 7 ) Long-Term Investment Value
- ( 8 ) Quality of Products/Services
- ( 9 ) Global Competitiveness

Suntory has participated in the survey since 2013. We earned high marks in innovation, social responsibility and the quality of our products and services.

We will strive to continue to be recognized worldwide in the future with pride in the high regard we have already earned around the globe for our corporate activities.

## Suntory Receives Grand Prize at the Second Nikkei Smart Work Awards

We achieved five stars-the highest accolade-at Nikkei Inc.'s Nikkei Smart Work Survey 2018, and have received the S++ rank for the second year in a row in the Personnel Utilization category in particular.

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

## Opening of Suntory University

The Suntory Group is supporting the development of employees based on the belief employees have always been the source of growth for companies.

Suntory University was opened in April 2015 as a place for all people at Suntory to learn and unite as ONE SUNTORY with the founding spirits as a shared value. We endeavor to support our employees through a broad range of development of initiatives.

The vision of Suntory University; Encourage every Suntorian to contribute to Suntory Group's business growth, having Founding Spirits in heart as its core value. The vision also includes the realization of "One Suntory" globally through understanding of the founding spirits by all group employees.

Suntory University provides learning opportunities to all of the employees who belong to the Suntory Group in three fields; the founding spirits, leadership development and infrastructure human resource development.

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

We have started and are planning to expand the activities at all group companies to share and deepen understanding of the founding spirits, "Yatte Minahare" spirit and the spirit of "Sharing the Profit with Society".

## Ambassador Program

This program targets employees of overseas Group companies and aims to raise their understanding of Suntory and nurture unity as a member of the Group. When they return to their company, they will become ambassadors and share what they have learned with others. The Ambassador Program aims to spread Suntory's Mission, Vision, Values and Founding Spirits, as well as to drive forward the promotion of Global ONE SUNTORY. It has been held both in Japan and locally in group companies more than 20 times since 2012, and the total number of participants has exceeded 800. Participants deepen their understanding about the founding spirits that has been held as most important since the founding of Suntory through various lectures, site visit, workshops and discussions. We will continue to evolve the Ambassador Program further in the future to share the founding spirits that is the strength of the Suntory Group globally. We will forge ahead in creating a truly global ONE SUNTORY.



Suntory Hall



Suntory Mizuiku  
Natural Water Education Program



Tea Ceremony Experience at  
The Suntory Museum of Art Tea Room

## Implemented within Japan regional programs

We have built in sessions to learn the founding spirits within various regional programs such as junior employee program and new manager induction program. In particular, newly appointed managers visit the Suntory Museum of Art and Suntory Hall. This gives an opportunity for participants to directly see and feel how Suntory's corporate philosophy has been carried out and also deepen the understanding of our value "Sharing the Profit with Society" from management viewpoints. We also give our junior employees a chance to learn the Suntory Group values directly by having site visit to facilities such as Yamazaki distillery and Domyoji Takadonoen - nursing facility founded by Suntory.



Suntory Hall site visit



Forest Development Activities

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

We provide opportunities for our employees to develop their leadership through customized programs including action learning, case method, workshop with senior management etc. and carefully craft the programs so that they always link to management strategies.

## GLF

We are holding the Global Leadership Forum (GLF) for the senior leaders that is selected from entire Suntory Group companies to develop future global leaders. Purpose of the program is outlined below;

- To strengthen connections among senior leaders extending their professional network
- To enable sharing of knowledge and experience and to leverage the enterprise-wide mindset and perspective
- To be inspired with new ideas and approach toward leadership through listening to a diverse range of leaders' discussion.

The program is packed with content great for stimulating participants such as workshops held with guest speakers in addition to the large contributions made by top management in creating materials and as session lecturers on that day.



## Beyond Borders

The Beyond Borders Program aims to accelerate the development of cross enterprise leadership capabilities for senior leaders across the organization. In 2018, 27 participants were selected from around the world. The program consisted of four modules over ten months, in four different locations including France, USA, Thailand and Tokyo for 2018-2019. The module themes include: Self-Leadership and Culture Development, Innovation, and Strategy. Following each module participants were assigned to teams to focus on a Project that allowed them to apply their learning against real business challenges and opportunities.



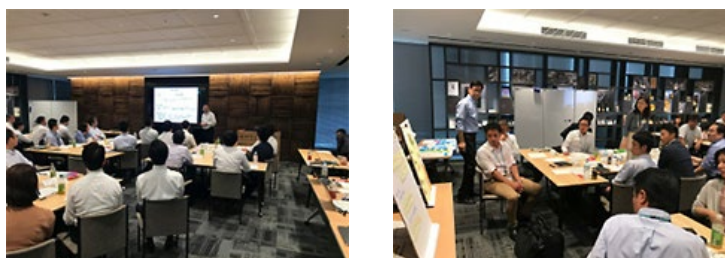
## GLDP

We are conducting the Global Leadership Development Program (GLDP) for high potential team leaders selected from the entire Suntory Group companies, aiming at developing future global leaders. GLDP is a six month program that includes four face-to-face modules to develop leadership based on the Suntory Leadership Competency Framework which is implemented globally throughout the Suntory Group. In 2018-2019 program, 23 employees participated from around the world. They learned mindset for leadership, Suntory's heritage & history, culture differences, and had a deep dive into innovation at the business school outside Japan. In the final module, they make business proposals to executives integrating all their learnings throughout the program.



### Leadership Enhancement Program

We began a nine-month training program in 2017 to offer introspection for leadership to better their skills by concentrating on the Suntory Leadership Competencies for a total of 35 senior general managers, general managers, and middle managers selected in Japan to develop as human resources for future corporate management. This has greatly influenced everyone around these managers through discussions with other management levels over the three times this program has been held. We also will deepen self-awareness as leaders through stratified executive coaching, management literacy training, and sessions to interact with people in different industries. To drive the strength of our domestic business which makes up more than half of Suntory sales, we will actively work to enhance the skills of our human resources in Japan.



Joint Session with Various Levels of Management

### Other Development Programs in Japan

Name	Description	Number of participants 2018	2010 – 2018
Career Challenge Program	Individual tailored program for junior employees to enhance skills needed for global business (language, cultural awareness, cross-cultural communication, leadership, logical thinking, management through figures, etc.)	10	65
Company sponsored MBA	Sending talented high potential employees to overseas top business schools to study in global environment.	3	22
Trainee program	Trainees brush up their professional skills, gain language and communication skills, global business skills, and leadership skills through on the job training at overseas companies.	13	80



Fieldwork in the Career Challenge Program



Deploying Staff Overseas for On-the-Job Training



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

This department spearheads the skills of each and every employee and provides a place to open up avenues to one's career by recognizing themselves as the owner of their own careers. The program has been structured based on two axes; Growth as a Suntorian (stratified training from junior employee to manager) as well as Career Independence and Self Enlightenment (career support) for employees in Japan.

### Stratified Training

Stratified training deepens education under various themes that include the desired skills and knowledge as well as management skills and leadership at each level of employment from junior employees to new appointed professionals, new managers, and newly appointed senior general managers. This department incorporates programs to foster the growth of each employee who supports the Suntory Group for junior employees to managers. In addition, basic training programs suitable for each stage of business are also conducted in each department from sales to production.



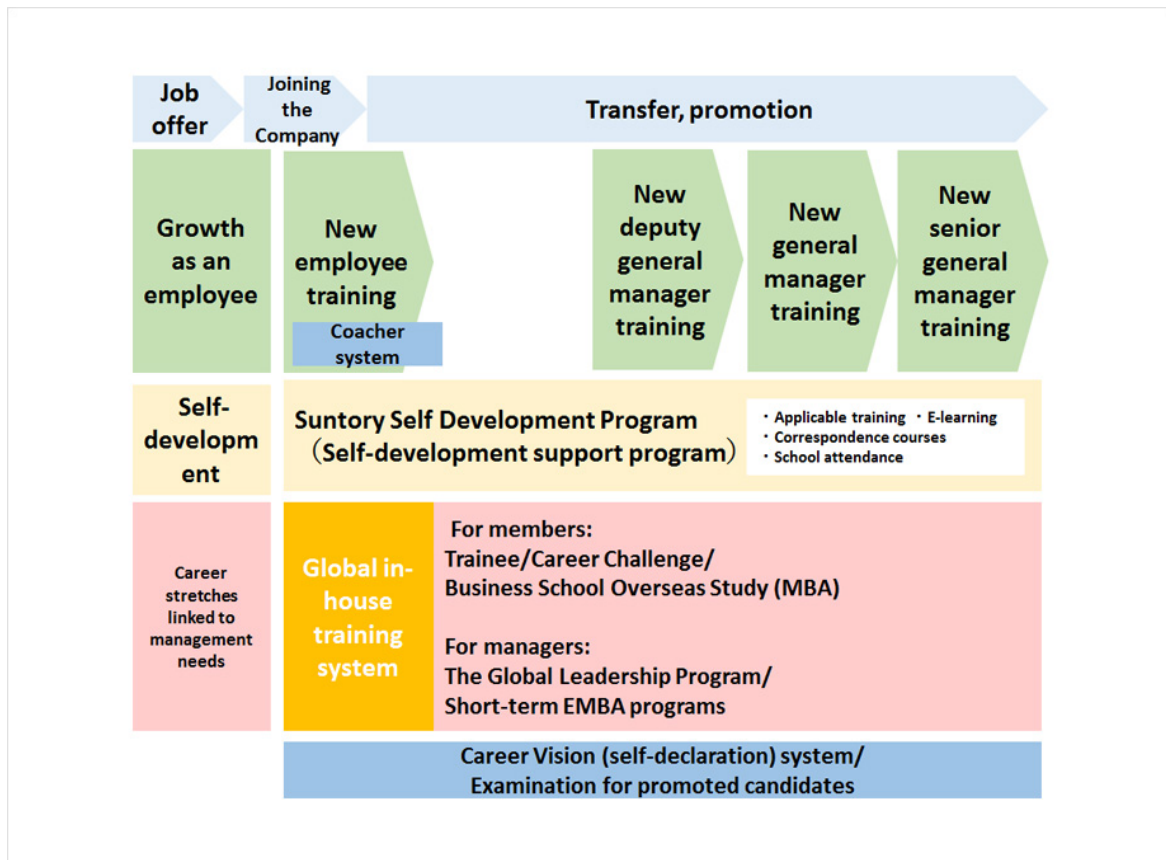
### Supporting Career Planning and Development of Each Employee

The Suntory Group established the Career Support Section in 2007. This section supports the independent career development of each and every employee through efforts that include individual career consulting with expert advisors, follow-up interviews after a personnel transfer, workshops by generation and other follow-up interviews. All of our employees systematically take career workshops that support each generation under the concepts of enthusiasm in unique work styles and work enjoyment as the owner of their careers. Employees build avenues to consider their careers in their fourth year with the company, and then design their own career path in their tenth year to pursue into the future. We also conduct workshops for each generation for the purpose of evoking a career vision in our employees based on deep self-understanding to drive their careers in the future as professionals in their 40s beginning when they are 38. We also support career planning and development that strives to create a brighter future in life through work with themes from reaffirming growth in the future at 53 to cultivating potential by taking advantage of the skills cultivated up until now at 58 in addition to the adoption of an extension of retirement to age 65.



## Development Concepts/Overall Training and Self Enlightenment Programs Framework

We have built an education system that responds to the specific skills and attributes that are required to support the growth of Suntorians.



### ■ Various Development Programs

Employees need to continually strive to be optimistic by taking responsibility of their own careers to work enthusiastically and grow as an individual with a unique work style. Therefore, the Suntory Group has adopted the Suntory Self-Development Program (SDP) as a self-enlightenment support program. In particular, Group employees in Japan can take courses available for everyone as Elective Training to not only learn the course content but also take advantage of the program as an effective means to building a network between Group companies.

Furthermore, in recent years, we are enhancing our support in strengthening English skills as a way to respond to globalization. We have prepared a broad support system from small group lessons at the office to private lessons at schools, e-learning and distance learning for beginning level students as well as upper level students who use English in their daily work. In the future, we will continue to support employees who strive to move forward with optimism.

## Main self-development programs and the number of participants in FY2018

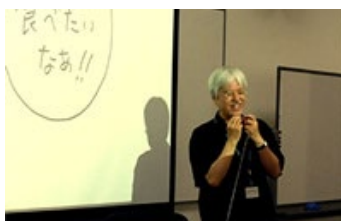
Type of training	Description	People
Elective training*	Elective training provides approximately 30 different types of courses (twice/year) with training designed to teach the necessary business skills to succeed in the career plans envisioned by our employees	822
Enhancing English ability*	This program provides various courses such as in-office English lessons and online lessons aimed to enhance business communications skills in English. A wide range of support content is available so that students can effectively take the course best suited for their skill level.	247
e-Learning	This training program aims to heighten the ability to execute operations and gain the knowledge required for operational innovation. The courses include business skills, language acquisition, and computer skills.	298
Financial Support System for Attending School and Distance Learning	Suntory provides support for up to half the costs of schools and distance learning programs aimed at improving students skills (up to maximum limit). The courses that can be taken range from the skills necessary to execute operations (accounting, legal knowledge, etc.) to improving language skills and acquiring certifications	84

\* These are elective programs that employees can participate on their own accord which the company will take on some of the training costs

### Programs Unique to the Suntory Group

The Suntory Group has been conducting original elective training programs since 2013 to preserve and continually install the unique aspects of Suntory that includes the various knowledge and work distinct to Suntory. In fiscal 2017, teachers from inside Suntory lead two courses -- Suntory Product Design as well as Suntory's Secret Sauce to Quality -- to teach Group employees who raised their hands to volunteer for the program.

These courses can be taken by anyone who wants to participate and volunteers. Employees who have participated have said that they want more programs like this training that is packed with the DNA of Suntory to be held.



Mr. Kato, former Senior General Manager of Design, served as the instructor for the Suntory Product Design Secrets course



Mr. Wada, Executive Officer at Suntory Beer Ltd., served as the instructor for the Suntory's Secret Sauce to Quality course

## ■Promotion of Global ONE SUNTORY

### Training for New Graduates Across Group Companies in Japan

The Suntory Group has deepened its bonds while learning since 2014 by holding training together with multiple Group companies that includes courses about the mindset of professionals as well as basic business manners based on the hope to drive future synergy by fostering an awareness as a member of the Group from a time when employees are new to the company. The programs were held with the participation of 10 companies\* and 54 new employees in 2018.

\* Suntory Marketing & Commerce Ltd., SUNTORY CHITA DISTILLERY LIMITED., Suntory Malting Ltd., MONTE BUSSAN K.K., H-agen-Dazs Japan, Inc., Suntory System Technology Ltd., Suntory Foundation for the Arts, Suntory Logistics Ltd., OKINAWA SUNTORY LIMITED, and Suntory Publicity Service Ltd.



Company Presentations (presentations given by each company about their company)



Participants shown in a group photo taken at the end of the training session

### Mid-level Breakthrough Training Together with Group Companies in Japan

We held Mid-level Breakthrough Training for Mid-level employees for the third time since 2018 with 40 employees from 9 companies participating. We held sessions for employees to think about the future of their careers by revisiting their work from first entering the company up until present day as well as universal skills that includes identifying points for further growth in the future.



### Manager Training Together with Group Companies in Japan

Manager training was held seven times in 2018 with the participation of 27 employees with less than three years of managerial experience from 13 companies under a theme to learn manager standards. Over two days, lectures and role-playing with focus on developing people were held through company and individual presentation as well as by experienced managers.

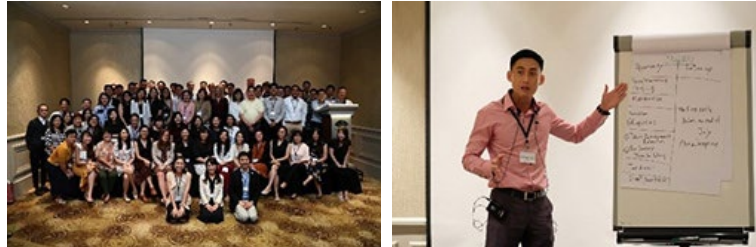


Lecture for senior employees given by Hiroshi Katayama, Executive Officer at Dynac Holdings Corporation

## Global ONE SUNTORY Program

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

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



The ideas for synergy opportunities born from this program have been implemented into business strategies and action plans, having a strong idea-to-action process which supports the business and builds the future for Suntory.

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

## ■ Presented the Award for Companies Providing Career Support

Suntory Holdings Ltd. was presented with the Minister of Health, Labour and Welfare's Award for Companies Providing Career Support in 2013 held by the Ministry of Health, Labour and Welfare. The Award for Companies Providing Career Support actively supports the development of employees' careers and praises companies based on other criteria for the purpose of raising broad awareness and standardizing career development initiatives.

We believe this award highly evaluates our initiatives to actively support the career development of our employees to give each and every person at Suntory enthusiasm and motivation as well as bring the Yatte Minahare spirit to its full potential.



Presented with a commemorative plaque at the award ceremony

## To Create Harmony with Employee: Diversity Management

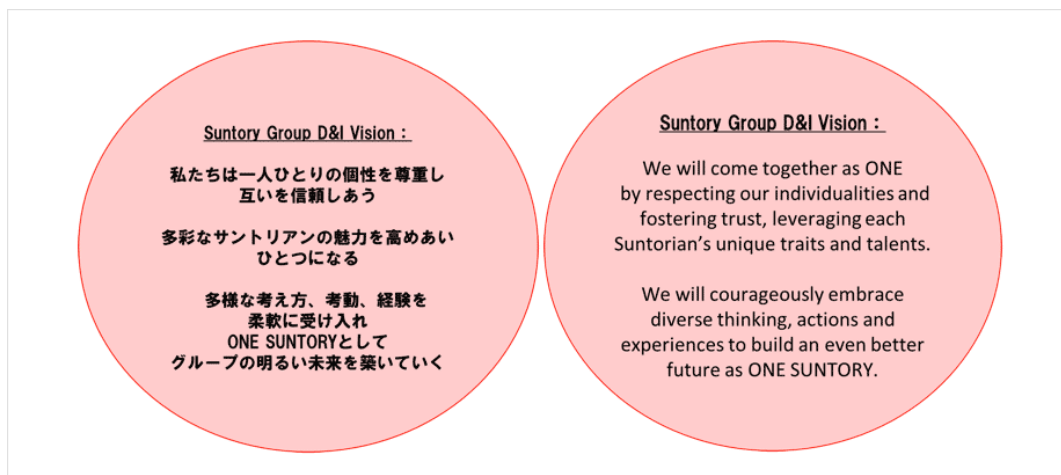
# Promoting Diversity

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

### Acceleration of Diversity Promotion

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

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



### [Overcome countries]

#### ■ Group Talent Review

Suntory conducts a Group talent review once a year to identify, develop and utilize human resources who are able to actively participate in the Group worldwide. The Group talent review held in 2018 was conducted by function such as finance and administration to gather top management at major Group companies and identify the key talent and positions throughout the Group, including formulating plans for successors in those vital positions, and assessing the person-to-person exchanges across countries and businesses. We will strive to expand the content of these reviews in the future. We will promote talent management throughout the Group and the world through these Group talent reviews and other measures in the future.



## ■ Global Employment

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

Refer to Group Global Human Resource Activities

## [Overcome gender]

### ■ The Advancement of Female Employees

The Suntory Group is aiming to increase the ratio of female employees in managerial positions to 20% by 2025. We are conducting various initiatives in Japan by defining challenges such as the awareness and transformation of prudent actions according to the provision of deliberate career advancement opportunities and early return to a full work load for employees who are raising children to continually cultivate female managers.

Employees in their fourth year of employment participate in the so-called "The Fourth Year Training" where they are asked to reflect on their lives and careers and to think of how the work productivity can be improved. We support smooth return to work and full engagement of employees who return after maternity leave by providing safety net in the form of baby-sitter programme for those employees who are unable to use daycare facilities, or by bearing the costs of baby-sitting services when a child is sick or in case of other emergency. We organize seminars before and after the maternity leave so as to raise the awareness of employees regarding their duties and to facilitate their full and early return to standard working hours. In addition, simultaneously with the maternity leave follow-up seminars, we provide guidance to the employees' supervisors to enhance the support from the managers to the returning employees.

As a result, we have received positive feedback that have mid- to long-term perspective such as, "My activities have been able to contribute to the entire department and I would like to act as a role model for other employees in the same situation." Furthermore, managers support the advancement of female employees by demonstrating that they expect their future achievements.

In addition, we are conducting a Career Cafe for Female Leaders and Facilitation of External Seminars that target employees one step away from management because deliberate career advancement opportunities should be enhanced for both awareness and skills. This has become an opportunity to build further awareness about the challenges through means such as listening to the experience of managers who act as role models and the interaction with other participants both inside and outside of the company.

We are also working to strengthen networks and stimulate change in a way employees think through the efforts of female members of our management by holding female manager forums and networking boards for all women managers.

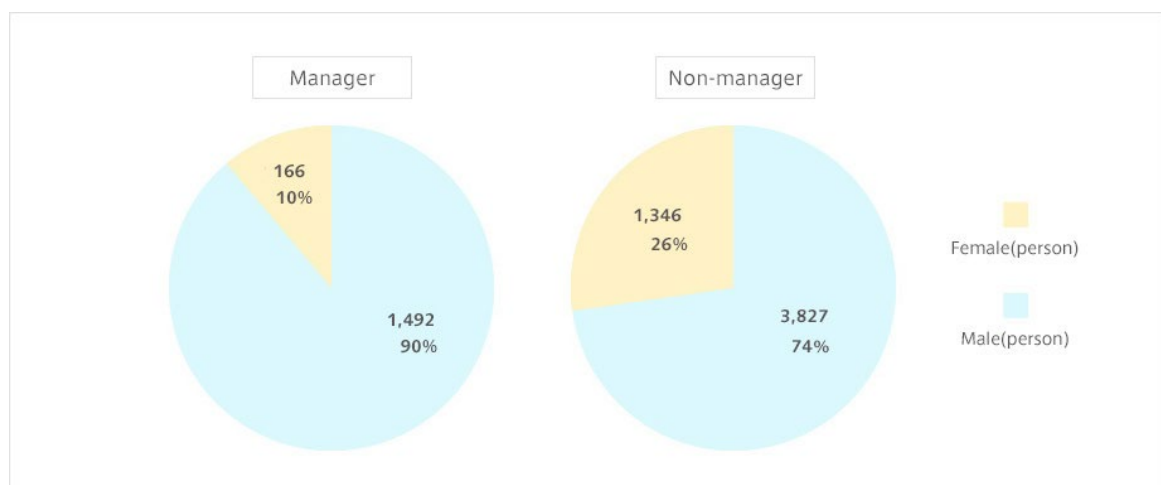
We are also actively promoting cooperation with external parties such as the New Generation of Women in Sales College to facilitate ongoing participation over the four years since 2014 as well as Networking Events for Young Sales Women Across Various Industries in sales departments which require even further support.

Through these activities in Japan, the ratio of female employees in management positions has increased to 10.0% at the end of 2018. We are continuing to innovate working styles and change awareness to realize a company that is an easy place to work and allows our employees to succeed.

## Female employment data



## Number of male and female employees by Management or Non-management position



\* December 31, 2018

\* This is the total of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

## Promoting LGBT Activities

The Suntory Group continues to engage in LGBT activities with the aim of becoming a company where every employee can be themselves and work enthusiastically. We have launched a project team in 2016 to strengthen our LGBT initiatives. In 2017, we furthered inclusion with efforts which included the revision of employment regulations to include same sex partners in the definition for spouse, the setup of a consultation office for LGBT employees, the creation of an LGBT handbook for LGBT employees and allies as well as e-learning for all employees.

These activities have been award the highest rank of Gold in the PRIDE INDEX\*<sup>1</sup> advocated by work with Pride\*<sup>2</sup>, which evaluates initiatives for sexual minorities including LGBT in the policies of organizations such as corporations and association.

\*<sup>1</sup> This organization supports the promotion and implementation of diversity management for LGBT and other sexual minorities. work with Pride aims to share information and provide opportunities for each company to actively engage in diversity promotion to help build workplaces where LGBT people can be themselves while working at Japanese companies.

\*<sup>2</sup> This index is broken down into five categories: 1. Policy, 2. Representation, 3. Inspiration, 4. Development, and 5. Engagement/ Empowerment. This is the first index for LGBT in Japan established in 2016.

## [Overcome handicap]

### ■Employing Persons with Disabilities

The Suntory Group is working to expand the possibilities for persons with disabilities by employing them without considering job type. We actively engage in activities such as opening special contact point for candidates with disabilities, advertising announcements for new graduate and mid-career candidates, and cooperating with Hello Work. In addition, we have advanced job development at all group companies and started Group-wide employment guidance sessions in 2012. The rate of employment for persons with disabilities as of June 1, 2018 was 2.78% at Suntory Holdings Ltd. (employing 105 persons with disabilities with 42 persons with severe disabilities) and 2.27% at Suntory Beverage & Food Ltd. (employing 32 persons with disabilities with 9 persons with severe disabilities).

We have held an internship for students who are intellectually disabled since 2014 to further promote their utilization and 16 people have entered the company over the last five years up to April 2019. The team has been further expanding the areas where it is active with the goal of putting into practice operational support as well as diversity and inclusion throughout the entire Suntory Group as the Collaborative Center as of April 2018.

### ■Number of employees with disabilities and employment rate (as of Friday, June 01, 2018)



\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.



Group-wide Unified Guidance for the Hiring of Persons with Disabilities

## ■Introduction of Disability Support Leave Policy

We introduced the Disability Support Leave Policy in 2013 based on our desire to create an energetic environment more able to utilize persons with disabilities. Five days a year are given as special leave to people who have a disability certificate. This policy can be used regardless of whether an employee works on a full-time or a part-time basis. A handbook has also been created and distributed to support managers supervising persons with disabilities.

We are furthering the building of an easier-to-work environment while promoting the employment of persons with disabilities now and into the future.

## [Overcome age]

### ■Extension of Retirement to Age 65

The employment needs of individuals after retirement are estimated to grow in the future due to economic reasons after policy revisions such as an increase in the age people may start receiving national pensions as well as a growing desire to continue working. The technical ability and skill that people who have reached retirement age have accumulated are valuable assets from the perspective of the company.

The Suntory Group has introduced the Extension of Retirement to Age 65 policy in April 2013 to more widely utilize the experience and high-level skills which senior-level employees have accumulated over many years in addition to responding to the employment needs of employees over the age of 60. This new policy assists employees over the age of 60 to acquire one of three certifications (expert certification, member certification, support certification) that have been newly established according to the certifications and position the person has reached by the age of 60. In addition, we have introduced an assessment of results and prudent actions based on the target management policy even for individuals over the age of 60. The items for the assessment of prudent actions are operational contribution and next generation contribution. Moreover, we are periodically holding Life Plan Seminars that review life after retirement in addition to providing opportunities to think about a senior career at Career Workshops that are always taken by employees while they are in their 50s.

We will keep tapping into the knowledge of veteran employees who have accumulated the wealth of experience over the years, and provide them with all necessary support.



Mr. Sano leading the customer seminar at the Hakushu Distillery



Mr. Morita leading a lecture on quality management

## ■ Suntory Holdings Ltd. published the "Irodori" Suntory Group Diversity Correspondence Magazine for employees in Japan

The "Irodori" Suntory Group Diversity Correspondence Magazine was published for all of our employees in 2015 as a way of self-reform of the mindset of each and every employee in Japan, which is one of the five prioritized initiatives. This magazine was published for the purpose of understanding the importance of diversity and connecting to the prudent actions of individuals by introducing examples of diversity that are happening on the ground. Examples introduced up until now include "Messages from management executives", "Initiatives at sales and production sites", and "Employees with disabilities". In addition, we have held voluntary Diversity Seminars for employees. Various themes such as disability, nursing care, child rearing by men, and the LGBT community have been covered as themes for "changing working style starting from [theme]" to encourage the transition to prudent actions by individuals. We will continue to accelerate diversity awareness by periodically communicating related information throughout the company.



## Evaluation from External Parties

Suntory has been reviewed as follows by external parties as a result of these initiatives.

### ■ Diversity Management Selection 100

An initiative started in 2012 by the Ministry of Economy, Trade and Industry that evaluates and selects companies of various sizes from different industries for their initiatives in diversity management as management able to contribute to economic growth. Furthermore, it aims to promote the spread of diversity through the communication with selected companies as best practices.



### ■ 2018 J-win Diversity Award Honors Suntory with the Semi-Grand Prize for Advancement and Development of Women

The Diversity Award has been held by NPO J-Win since 2008. J-Win assesses the progress of diversity and inclusion promotion on an absolute scale at each company as well as a relative evaluation of progress to present awards for the purpose of accelerating diversity and inclusion promotion in Japanese companies by commemorating companies leading diversity and inclusion policy.



### ■Suntory Receives the Highest Eruboshi Certification (Grade 3) for its Work as a "Company that Promotes the Utilization of Women"

Eruboshi is a certification given by the Minister of Health, Labour and Welfare for the goal of promoting the utilization of women at companies based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Companies are evaluated based on the following five factors: 1. Level of female employment, 2. Level of continuation of employment by women, 3. Working style (work hours, etc.), 4. Ratio of female employees in management positions, and 5. Existence of diversified career paths.



\* Acquired by Suntory Holdings Limited

### ■ Suntory Receives the Highest Kurumin Certification "Platinum Kurumin" for its Work as a "Company that Creates a Supportive Workplace for Employees with Children"

The Kurumin Mark is a certification given by the Minister of Health, Labour and Welfare to companies that promote the introduction and utilization of systems and implement high-standard initiatives all aimed at promoting efforts which support both work and child rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



\* Acquired by Suntory Holdings Limited

## To Create Harmony with Employee: Diversity Management

# Promoting Work-Life Balance

We strive to foster work-life balance in employee-friendly workplaces where diverse employees can make full use of their capabilities.

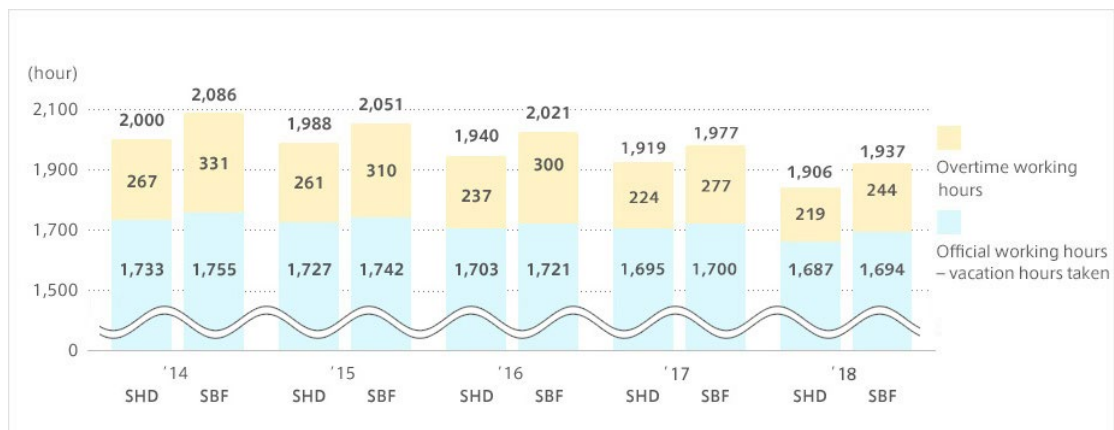
### Policies to Reduce Excessive Working Hours

We have the target to reduce the total annual working hours per employee to 1,899 hours through increasing the number of paid holidays taken to 16 days a year and further reducing overtime.

### Ensuring Reasonable Working Hours

The Suntory Group works to eliminate excessive working hours and encourage employees to take annual paid leave through cooperation between labor and management, and thoroughly complies with all relevant labor laws, including the laws that govern working hours — through these measures we aim to create a workplace where employees are healthy and work with enthusiasm. We have abolished unpaid overtime, strictly enforce the rule of turning off all lights throughout the company in order to encourage the employees to go home early, and have created and distributed Revising Working Styles Handbook to increase productivity — all these measures are designed to increase work productivity and allow more free time for our employees. We have also implemented a system that can track the number of computer use hours and other information. We support self-management of employees and provide guidance for improvement of working styles as necessary.

#### ■ Total actual annual working hours



\* Official working hours in the standard Suntory Group offices are 7.5 hours a day, 121 vacation days and the annual total official working hours is 1,830 hours.

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## ■ Annual paid vacations taken



\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## Work Style Innovation

The Suntory Group is taking steps to innovate work styles with the objective to generate high productivity, high-quality output, and new value creation as well as to allow diverse employees to work with enthusiasm.

In 2010, we have removed the restriction of time and place in order to achieve flexible working styles and in principle, removed core time in flextime working, expanded the scope and expanded the number of employees who qualify for "teleworking\*" that allows use in 10 minute increments. In addition, we have introduced a discretionary working hours system in our Research & Technology Development Division as an effort to make working styles that are suitable for work. We are promoting work style innovation in each department in accordance with the particular types of work done by adopting flextime in our R&D departments. New work styles utilizing IT, such as the use of smartphones in sales divisions, are making steady inroads.

In addition, we formulated specific action plans in each department. We were able to reduce overtime and increase the number of vacation days taken by employees annually as a result of further executing initiatives appointing work-style innovation promotion leaders and managers in every department united as employees, superiors, and administration.

\* Teleworking: Working at home or otherwise outside the office

## ■ Various Activities Facilitating Work Style Innovation

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

## Shares various information and opinions on the online Walk the Walk "Yatte Minahare" work-style innovation knowledge site

In 2017, the Suntory Group launched the Walk the Walk "Yatte Minahare" portal site online as a place to communicate and share knowledge related to the promotion of work-style innovation as a means to encourage this work-style innovation.



Work-style Innovation Knowledge Site

## Support employees considering work-life balance

We have been working toward expanding our programs that help employees to maintain the balance between work and personal life while being responsive to individual circumstances through the creation of programs providing benefits that exceed what is legally required. We also recognize tackle decrease in number of children social as society in whole and the social responsibility of a company and provide support according to the status of the workplace and needs of the employees.

### ■Supporting Work as well as Child and Nursing Care with Flexible Work Styles and Programs

The programs have become systems that allow employees to always work enthusiastically even when there are constraints on time and place by leveraging flexible working styles such as flex-time and telecommuting as well as the policies below.

#### Child Care Programs

We have expanded systems to support child birth and child rearing based on The Act for Partial Revision of the Act for Measures to Support the Development of the Next-Generation Children enacted in April 2005. We have implemented child care leave, shortened and staggered working hour programs which can be used during pregnancy and child rearing. Employees can vastly adjust their work style to meet children's active hours such as dropping off and picking up children at nursery schools.

As a result, we acquired the certification mark "Next Generation Development Support Enterprise" from the Ministry of Health, Labour and Welfare in 2008. We started a partially paid child care leave program (Welcome Baby Care Leave) with the purpose of promoting male employees to take child care leave in 2011. The rate of employees taking child care leave in 2018 was 100% for women and 49% for men. Each year the number of men taking child care leave is growing with 171 women and 133 men taking child care leave throughout the year.

## Nursing Care Programs

From April 2011, we have extended the period for systems regarding nursing care (nursing care leave, shortened and staggered working hours and flex-time programs), and clarified the requirements for nursing care leave, eased the requirements for shortened and staggered working hours and flex-time programs in September 2016 to expand the initiatives for nursing. In 2017, we created a nursing care handbook to inform employees about the subject, held nursing care seminars, and invited an outside instructor to speak about topics such as preparations before the start of nursing care.



Next generation development support  
enterprise certification mark\*

\* Next generation development support enterprise certification mark "Kurumin": certification mark awarded by the Ministry of Health, Labour and Welfare to a company that provides environment to support workers that bring up children while working, and engages in other initiatives to support all employees, not limited to working parents.

## ■Enhancing Support During Child Rearing

We have established systems to realize support before, during and after child birth such as supporting employees return to work by subsidizing the cost of corporate contract babysitters in 2012 and support in times of illness or emergencies to enhance the support for families during the period they are raising their children. We also support both work and nursing/child care through providing training to managers to raise their awareness and take innovative actions.

Based on suggestions raised by employees who participated in the Child Rearing Project, we have implemented the following measures before taking leave and after returning to work.

- Before maternity leave: Explanation of the system, providing guidance before maternity leave for all applicants for the main purpose of providing information for a smooth return to work
- During maternity leave: An online newsletter is issued once a month to introduce timely corporate information, relevant examples of employees who have returned to work and other information helpful in returning to work
- Returning to work : The company provides subsidies for a defined period of time for babysitters when entry into daycare facilities is difficult
- After returning to work: Introduction of follow-up seminars after babysitter programs and child care leave during illness and emergencies for the purpose of supporting both after employees return to work while facilitating an early return to a standard workload

These initiatives have been praised overall to earn the Grand Prix in the 2016 ranking of companies with a great balance between work and raising children conducted by Nikkei Dual.



## ■Expanding the "Guidance for Fathers" with the participation of Male Employees and Supervisors

Guidance for Fathers has been held since 2013 for the purpose of raising awareness of male employees even further. We have implemented efforts such as the introduction of role models and informational sharing between participants. A total of roughly 230 male employees have participated in interaction from informational exchange sessions to guidance up until now. We plan to continue to strengthen the content of these efforts in the future.



Akasaka Office



Kyobashi Office



Products Development Center

## Results of Employees Taking Child Care Leave



## Overview of policies to support child care (Revised April 2012)

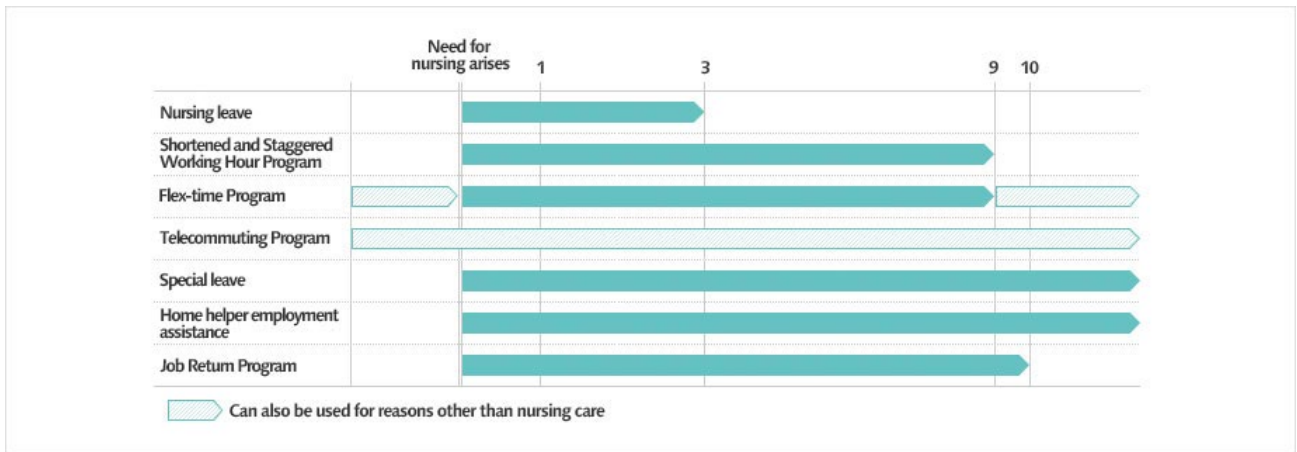
	Pregnancy	Birth	1st birthday	3rd birthday	Elementary school 1st grader	Elementary school 4th grader	Junior high school student
Maternity leave		Females only					
Childcare leave							
Shortened and Staggered Working Hour Program		Females only					
Flexi-time Program		Females only					
Telecommuting Program							
Child support leave							
Babysitter service for when the employee returns to work							
Babysitter employment assistance							
Babysitter service in case of child-related illnesses and emergencies							
Job return program		Females only					

Can also be used for reasons other than child care

## Overview of policies to support child and nursing care

	Item	Description
Childcare	Maternity leave	As a general rule, six weeks before child birth and eight weeks after child birth
	Childcare leave	As a general rule, can be taken until child reaches three years of age
	Welcome Baby Care	Paid leave for five consecutive days from the day of the start of child care leave (From child birth to reaching a year and half years old)
	Shortened and Staggered Working Hour Program	Until the child enters junior high school Shortened working hours are a maximum of two hours per day and staggered working hours can be set within a set range
	Flex-time Program	Reasons or age of the child are not specified
	Telecommuting Program	Working at home or otherwise outside the office Reasons or age of the child are not specified
	Child support leave	Special leave for any reason related to child rearing (paid leave) Five days per year for every child before entering junior high school. Ten days per year if there are more than two child
	Babysitting service to support employees return to work	If entering nursing schools or a similar facility is difficult, corporate contract babysitters are introduced and its fees are subsidized for a maximum of seven months until the child is able to enter a nursery school, etc.
	Babysitting services for times of child illness or emergency	The company pays for initial and annual membership fee for corporate contract baby sitters to make the service more usable during child illness, sudden overtime or business trip and other emergencies. Can be used until the child reaches fourth grade elementary school student.
	Subsidies to use for babysitters	In-house babysitting for infants and drop off and pick up of young elementary school children and children in nursery schools, etc. Amount of the subsidy is 1,700 yen per day
	Infertility treatment support	For specified ART treatment, a leave of up to one year can be taken and monetary support for treatment of up to 300,000 yen is available
Job Return Program	Those that worked for three or more years and registered are candidates for reemployment Until the child being raised (not limited to the child that was the reason for resignation) enters elementary school (maximum of ten years)	
Nursing	Nursing leave	The maximum of three years can be exceeded if the total is within 93 days Benefits are of ¥50,000 per month
	Shortened and Staggered Working Hour Program	Shortened working hours are a maximum of two hours per day and staggered working hours can be set within a set range Shortened working hours are a maximum of two hours per day and staggered working hours can be set within a set range
	Flex-time Program	No reason is required or restriction on the period of time set
	Telecommuting Program	Working at home or otherwise outside the office No reason is required or restriction on the period of time set
	Special leave	Leave to accompany someone to the hospital, etc. (paid leave) Five days per year for one family member or ten days a year for more than two family members are given for the nursing care obligations
	Home helper employment assistance	Subsidize 70% of the fee for one person per day (maximum of ¥15,000) and maximum of 50 days per year.
	Job Return Program	Those that worked for three or more years and conducted the registration process are candidates for reemployment A maximum length of ten years is provided to resolve nursing care requirements
Vacation	Refresh leave system	Special leave and premium is provided for employees that have worked for 10, 15, 20, 25, 30, 35, 40 and 45 years

## Overview of policies to support nursing care



Change in the number of employees that took advantage of child or nursing care policies

(employees)

		2014	2015	2016			2017			2018			
				SHD	SBF	SHD + SBF	SHD	SBF	SHD + SBF	SHD	SBF	SHD + SBF	
Child and nursing care	Childcare leave	205	247	252	46	298	275	64	339	251	53	304	
	Shortened and staggered working hour for child care	Male	-	-	80	22	102	22	34	56	107	26	133
		Female	-	-	172	24	196	24	30	54	144	27	171
	Newly taking childcare leave	118	143	148	32	180	179	50	229	63	12	75	
	Number of employees returning after childcare leave	Male	-	-	-	-	-	122	33	155	93	24	117
		Female	-	-	-	-	-	61	9	70	62	13	75
	Number of employees that resigned during childcare leave	Male	-	-	-	-	-	0	0	0	0	0	0
		Female	-	-	-	-	-	2	1	3	0	0	0
	Ratio of employees returning after childcare leave	Male	-	-	-	-	-	100%	100%	100%	100.0%	100.0%	100.0%
		Female	-	-	-	-	-	96.8%	90.0%	95.9%	100.0%	100.0%	100.0%
	Number of employees remaining at end of the year after taking childcare leave previous year	Male	-	-	-	-	-	80	22	102	118	34	152
		Female	-	-	-	-	-	172	24	196	144	25	169
	Number of Employees Returning from Child Care Leave	Male	-	-	-	-	-	100%	100%	100%	96.7%	100.0%	97.44%
		Female	-	-	-	-	-	98.8%	95.8%	98.5%	94.1%	83.33%	92.35%
	Shortened and staggered working hour for child care		195	192	187	38	225	183	33	216	180	37	217
	Nursing leave		2	1	2	0	2	2	0	2	3	0	3
Shortened and staggered working hour for nursing care		2	3	0	0	0	0	0	0	0	0	0	
Telecommuting Program*		3,196	3,577	3,390	1,070	4,460	3,657	1,188	4,845	3,847	1,329	5,176	
Child support leave		663	464	474	65	539	500	83	583	524	75	599	
Home helper		0	2	1	0	1	2	0	2	1	0	1	
At home child care service		37	16	24	2	26	27	2	29	29	5	34	
Vacation	Refresh leave	791	933	525	177	702	603	198	801	630	194	824	

### ■ Supporting Employees Return to Work after Child or Nursing Care Leave

The Suntory Group mandates interviews with direct supervisors before employees take leave or after employees return to work as one part of its support of employees returning to work. A system has also been built to allow internal information to be confirmed at any time by browsing the intranet from a household computer while the employee is on leave. Moreover, measures have been put in place to reduce concerns of employees returning to work that includes sending out information with know-how they can use after returning to work as an email magazine each month for employees taking child care leave.

### ■ Re-employing Employees Who Have Resigned Due to Child Care and Nursing Care

The Suntory Group has introduced the Job Return Program that re-employs employees that have resigned due to pregnancy, child care, nursing care, or a spouse's appointment overseas who wish to return to the workplace. The terms are determined after a defined trial period based on the certifications and salary at the time the employee resigned. 56 employees have registered for the program between when the program was introduced in 2007 and 2018 with eight employees returning to the workplace up to the end of 2018.

#### Period of Absence for the Job Return Program

Reason for resignation	Period of absence
Pregnancy, child birth, or child care	Until the child being raised reaches elementary school with a maximum of up to ten years
Nursing	Until the nursing care requirements are resolved with a maximum of up to ten years
Overseas appointment of spouse	Until the spouse returns from their appointment overseas with a maximum of up to ten years

## To Create Harmony with Employee: Diversity Management

# Labor/Management Relations

Labor and Management cooperate to create a comfortable working environment.

### Creating Employee-Friendly Workplaces

The Suntory Group respects and advocates freedom of association and the rights to collective bargaining in accordance with the laws and regulations in each country. We also recognize the importance and support freedom of association and right to collective bargaining even in countries and regions that do not recognize them by law, and promote the resolution of challenges through the cooperation of labor and management. We have various councils that meet regularly to enable labor and management to study and discuss key management challenges we face. These include the Business Conditions Conference, the Finance Reporting Council, and division and topic specific councils. These councils hear statements from the labor union about shop floor conditions and both parties debate Suntory Group's management policies.

We operate and revise our programs involving human resources and labor based on thorough consultations rooted in mutual awareness of the issues. Through these relationships between labor and management we are enhancing subjectivity and transparency of company management while increasing effectiveness of various initiatives. Suntory Group's labor union implement unionship system\*.

\* Unionship system: A system in which all employees are required to be a member

\* 57% of employees subject to collective bargaining.

#### ■ Promotion of Cooperation with Workers Union Through Conferences

We are holding periodic conferences where we determine themes for vital issues common with Workers Union. We have held 24 conferences throughout the year of 2018.



Management Status Conference

#### Main Labor-management Conferences

Name	Frequency	Description
Management Status Conference	Twice a year	Conference about matters such as company management policies, management status, and business execution status
Quarterly settlement conferences	Twice a year	Sharing information about Group consolidated performance
Departmental conferences	Once a year (each department)	Conference about issues related to departments such as R&D, production, and sales.
Work-style innovation committee	Three times a year	Conference about status confirmation and improvements of issues during working hours



## ■ Introduction of Recreation Plans in Cooperation with Workers

We are operating recreation plans with the cooperation of workers for the purpose of cultivating unity as the Suntory Group. The soft volleyball competition that started in 2009 has also grown to have participation from Group Companies. At the 10th competition held in 2018, roughly 4,200 employees participated alongside their families.



## To Create Harmony with Employee: Diversity Management

# Occupational Health and Safety

We promote occupational health and safety based on the belief that a workplace where employees can work with peace of mind is connected to the vibrancy of the company.

## Commitment to Workplace Safety

Safety is one of our criteria for evaluating worksite performance at our plants. Our Health and Safety Committee, which includes employee representatives, plays a central role in the promotion of activities that, based on the discussions with employees, are customized to match the characteristics and circumstances of each worksite. There were 24 occupational accidents in 2018. Lost time injury/illness frequency rate\*1 was 0.23 (benchmark rate in soft drink and alcohol manufacturing: 1.22) while Lost time injury/illness severity rate\*2 was 0.001 (benchmark rate in soft drink and alcohol manufacturing: 0.02). We promptly share information and continually improve the level of our efforts by regularly offering venues for the labor union and the Senior General Manager in charge of occupational health and safety to exchange occupational health and safety information. We will continue working to increase employee awareness and to improve their safety during working hours and commuting with the goal of zero occupational health and safety accidents.

\*1 Frequency rate: (number of deaths and injuries) ÷ (total number of work hours) × 1,000,000

\*2 Severity rate: (number of days employees cannot work) ÷ (total number of work hours) × 1,000

### ■ Number of workplace accidents

(accidents)

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

\* Figures through 2012 are only for Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. The figures from 2014 onwards include data on workplace accidents involving full-time employees, special contract employees, and part-time employees for the following Suntory Group companies in Japan: Suntory Holdings Ltd., Suntory Beverage & Food Group companies (Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Products Ltd.), Suntory BWS Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Wine International Ltd., Suntory Liquors Ltd., Suntory Wellness Ltd., Suntory MONOZUKURI Expert Ltd., Suntory Business Systems Ltd., Suntory Communications Ltd., and Suntory Global Innovation Center Ltd.

\* From FY2016, Suntory has received independent assurance from KPMG AZSA Sustainability, Co., Ltd. The assured value is indicated with ★.

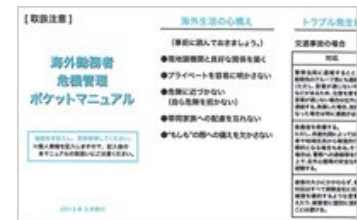
\* Three occupational accidents (including accidents during commuting) occurred in 2018. We took measures including distributing accident reports to employees who handle similar operations to prevent reoccurrences of similar accidents.

## ■Achieving Zero Workplace Accidents in Manufacturing

We are working in activities to reach zero workplace accidents as our highest priority based on the belief of prioritizing the health and safety of all people in accordance with the Suntory Group Basic Policy on Safety in Production and Research formulated in February 2010 at the production and research divisions of the Suntory Group. Suntory engages in risk assessment for occupational health and safety by sufficiently reviewing business plans and operational procedures to prevent occupational accidents before they happen in existing and new businesses. We are deepening our activities as a unified Group toward zero workplace accidents while linking all of our partner companies by ceaselessly advancing low-key efforts that improve the safety awareness of each and every person on the ground as well as continue operational-oriented risk reduction efforts in the future.

## ■Building of a Crisis Management System Overseas

The Suntory Group has formulated a crisis management manual to secure the safety of employees dispatched overseas and their families in preparation for state of emergency overseas. We have created a pocket manual for the employees dispatched overseas to carry on their person while establishing reporting routes and countermeasure systems.



## ■Occupational Health and Safety Education

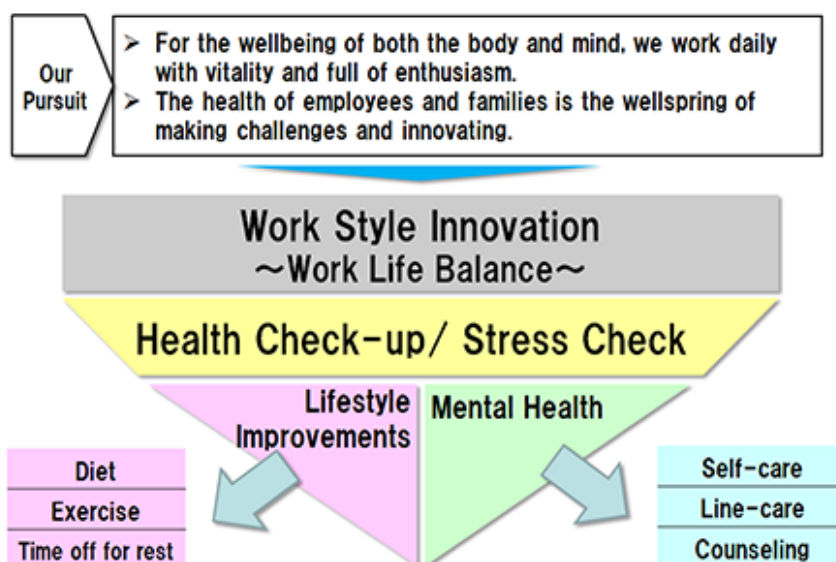
The Suntory Group strives to raise awareness and prevent occupational accidents before they happen by holding regular occupational health and safety education courses. A total of 242 people took part in these education courses in 2015, with a total of 302 people in 2016, a total of 610 in 2017, and a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

## To Create Harmony with Employee: Diversity Management Health management

The Suntory Group believes health is not something simply related to hospitals but also satisfies health of both body and mind, energy in everyday work, and enthusiasm. We started health management from 2016 to promote an even greater level of health for our employees and their families based on this belief. We also were praised and recognized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for these initiatives in 2017, 2018, and 2019 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) - White 500 consecutively.



### Health and Wellbeing Management at Suntory



Midterm Goals (by 2018)			Targets Toward 2019	Targets Toward 2021
Health check-up rate	Employees	100%	100.0%	100.0%
	Dependents (40 years old or above)	75% or more	75.0%	75.0%
Lifestyle improvements	Obesity rate (including those at risk)	20% or less	22.0%	20.0%
Mental health care	Stress check superior AB evaluation	85% or more	86.0%	87.0%

< Other: 2018 Results >

- Employees who quit smoking : 77.5%
- Employees who maintained a healthy weight : 76.3%

(Reference: Explanatory meeting materials for health staff at sites)

## A Variety of Programs to Promote Employee Health

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

### ■ Comprehensive Health Examinations

Suntory Group provides health examinations that include detailed medical tests in excess of legal requirements. Employees aged 40 and older are required to take a day-long, full physical examination in addition to the regular annual check-up (the cost of items designated by the company is borne by the company). Cancer screenings are also a requirement based on age with 90% of employees undergoing examinations for gastric cancer, colon cancer, and lung cancer as well as 65% to 70% of employees being screened for breast and cervical cancer. Industrial doctor checks the result of every employee's health examinations and holds interviews and guidance for those need attention. In addition, we support employees to maintain and improve their health through building a system of health consultation such as nurse staff visiting offices to hold health consultation and counseling by clinical psychotherapist.

### ■ Consults held by Occupational Safety and Health Staff

We are aiming to build an atmosphere where everyone can easily ask for advice in addition to building a system for industrial health staff such as industrial doctors, mental health professionals, nurses and clinical psychologists. Nurses have been regularly visiting the offices they are in charge since 2014 to conduct health consultations once each year with employees who are at the relevant age. We will further efforts to connect to early diagnosis and treatment by understanding the mental state and life habits of our employees while raising internal awareness about our consulting system in the future.

### Various Health Measures

Various policies		
Illnesses, injuries, and disasters	Special leave that uses expired leave	Up to 60 days of leave can be accumulated from up to ten days of leave each year for paid leave not taken for injuries or illnesses occurring outside of work, for infertility treatments, and for the care of family
	Hospital room subsidies for remaining balance	Subsidizes 70% of the costs incurred for rooms outside of the health insurance coverage while hospitalized
	Support Program for the Cost of Advanced Cancer Treatments	Subsidies for the Costs of Advanced Treatments Outside the Suntory Health Insurance Society Policy such as Heavy Ion Radiotherapy (Up to 5 Million Yen per Person per Year)
Use of physical examinations		Employees over 40 years of age may have require physical examinations (once a year) without any cost to the individual for items designated by the company as periodic health assessments
		People over 30 years of age (including dependents) may have physical examinations (up to once a year) and only pay 5,000 yen of a one-day examine
Stress checks		Held once a year and is always available
Dental examinations		Once per year
Health telephone consultation system		Supported by external expert staff
Mental-health consultation and telephone consultation		An external expert staff supports telephone consultations and interviews (individuals only spend 1,000 yen for each consult)

## Number of users for various health measures

(employees)

		2014	2015	2016	2017	2018
Illnesses, injuries, and disasters	Special leave that uses expired leave	48	53	65	34	57
	Hospital room subsidies for remaining balance	33	20	36	38	32
Physical examinations (over 40 years of age)		3,046	3,280	3,333	3,286	3,648
Physical examinations (over 30 years of age)		894	866	1,014	1,141	1,242
Physical examinations (family)		1,837	1,950	2,046	2,122	2,207
Dental examinations		3,617	3,753	3,632	3,773	3,803
Health telephone consultation system		139	120	110	59	70
Mental-health consultation and telephone consultation		209	114	64	38	50

## Suntory Health Challenge 2018 Program



Program	Description	Number of participants Number of users (approx.)
Health Mileage	System to assign points for efforts to better health such as daily walking and radio exercises as well as health check-ups that can then be saved and exchanged for prizes	8,000
Radio exercises	Radio exercises are conducted every day at every office	8,000
Health camps	Two-day one-night camp-style Suntory Health Insurance Society coaching for selected participants based on the BMI from the results of their health check-ups	135
Health seminars (led by outside lecturers)	How to Use the Brain for Communicating Smoothly	560
	Requirements for Women to Work in a Healthy State - Deepening understanding of how the body works	300
Support in quitting smoking	Smoking cessation clinic support and smoking cessation support app based support	10
Walking Event	Walking Event Held with Overseas Group Companies as a Health × Environmental Management Initiative	7,185



## Installation of a Health Care Room

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



A look at treatment

## ■ Initiatives for Mental Health

We have created two mental health management initiatives for the prevention and early detection of mental health problems: our self-care initiatives which aim to make employees aware of stress and take appropriate measures to counter it, and our line-care initiatives in which managers strive to improve the working environment and provide individual counseling. We are properly engaged in various health care efforts that include self care in group training, courses in employee care overseen by a line manager, introduction of complete stress checks and counseling through clinical psychologist. We have also put in place a return to work support system for employees on leave to smoothly return to work.

### Examples of mental health care initiatives

Point	Measure	Content
Self-care	Early detection and prevention through self-check	Self-check during regular check up
		Mental self-check (required for all employees once a year) and follow up for those that need attention
Line care	Basic knowledge on mentality (measure) Mental health seminar (content)	Provide information through Mental Health Handbook that summarize basic knowledge and Implementing mental health e-learning
		Management lecture at new manager training
	Raising awareness through training	Implementing a system to support returning to work with doctor specializing in mental health
Care by health staff in the office	Establishing In-house specialist doctor	Consultation by doctor specializing in mental health
	Establishing in-house consultation	Consultation by in-house career counselor
Care by resources outside the office	Establishing external consultation	Telephone consultation and interview by external specialized agency

### ■ **Coordinating with Work Style Innovation**

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

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

The Suntory Group is supporting the lifestyle of employees and their families from a broad range of aspects. External consultation windows such as mental-health consultation and telephone consultation as well as the general SOS contact window are available to support a wide range of needs from health consultations to even legal consultations. We are receiving consults from our employees and their families. We have also established a system that plays a role in issues directly confronting the lifestyles of our employees in addition to resolving their fears with programs such as the subsidy program (used by 2,000 people in 2016) to assist in physical examinations of our employees and their families.

To Create Harmony with Employee: Diversity Management

## Group Global Human Resources Department

The Suntory Group has been driving great change in human resource activities in recent years as the global expansion of its businesses accelerates. We are engaged in a wide variety of initiatives at a global level for the purpose of business growth and employee growth as a means to realize Growing for Good.

### Promoting Global Human Resource Activities Through Cooperation with Each Group Company

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

#### ■ Suntory People Way

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

#### FAMILY

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

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

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

#### YATTE MINAHARE!

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

#### ENGAGEMENT

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

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

## ■ Group Talent Review

Suntory conducts a Group talent review once a year to identify, develop and utilize human resources who are able to actively participate in the Group worldwide. The Group talent review held in 2018 was conducted by function such as finance and administration to gather top management at major Group companies and identify the key talent and positions throughout the Group, including formulating plans for successors in those vital positions, and assessing the person-to-person exchanges across countries and businesses. We will strive to expand the content of these reviews in the future. We will promote talent management throughout the Group and the world through these Group talent reviews and other measures in the future.

## ■ Group-wide Human Resource Platforms and Systems

The Suntory Group works to adopt human resource platforms and systems shared throughout the Group to effectively link and leverage human resource information that exists at each Group company. We share information related to a system (Group talent book) that allows Suntory Group employees worldwide to view information that incorporates an enthusiasm unique to Suntory as well as key talent and positions in addition to utilizing talent management throughout the Group. In 2018, we newly formulated a global level human resources evaluation axis and are conducting activities for its application in 2019. We have created a foundation that allows more opportunities for talent to be active in the Suntory Group regardless of country or business. They are used in group-based talent management.

## ■ Group Engagement Survey

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

## ■ Global HR Conference

We are holding Global HR Conferences once a year as a place to debate solutions to human resource issues common to the Group in addition to building networks and exchanging information to create synergy in the field of human resources. 55 persons in charge of human resources from around the world came together at the eighth conference held in 2018 to deepen their relationship for two days with the three purposes below.

- Align & Engage: Share and permeate the Group Management Policy, human resource strategies and the founding spirits
- Elevate: Learn the trends and best practices of human resources and understand different cultures
- Build & Collaborate: Strengthen Group networks and promote collaboration

In 2018, with the theme "HR Transformation towards 2030 Vision," sessions with top management, lectures with guest speakers, group-based workshops, panel discussions, team building, and a variety of other activities are implemented to thoroughly discuss what HR should do to realize the Suntory Group 2030 Vision. We were able to bring together HR from all over the world to improve pushing forward various activities toward the evolution of One Suntory to the next stage in order to become a truly unique global organization.



## ■ Health management

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

## ■ Diversity

We created the Group Diversity Vision with the launch of a cross-Group project team in 2016 under our view of diversity promotion as a management challenge. Furthermore, we work to promote the active participation of women at Suntory Holdings as an effort to drive the progress of diversity at each company. In 2018, we conduct lectures for women managers by inviting women executives from Beam Suntory to Japan from America.

- Build networks of women leaders in the Suntory Group
- Learn recent challenges and initiatives of gender diversity directly in business
- Consider development of future female leaders in the Suntory Group

There was active debate about gender diversity through sessions with top management, lectures with guest speakers and group discussions. A variety of activities in the future will accelerate the promotion of diversity globally throughout the Group.

## ■ Global Employment

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

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

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

## Sustainability Initiatives

# Corporate Governance

The Suntory Group aims to be a company that delivers value and is trusted and chosen by people and society. To this end, the Suntory Group enhances its efforts to become a company that is "Growing for Good" using as its basis not only the compliance with laws, but the establishment of transparent management and organizational structure.

Furthermore, recognizing the importance of promoting management that respects human rights of our stakeholders, we set out human rights activity policy and engage in various related activities.




Corporate Governance




Compliance





Risk Management



 **Corporate Governance**

We are striving to enhance our corporate governance to ensure we continue to be a company that is trusted by the society.



 **Compliance**

We strive to create an organization and a corporate culture that place the highest priority on compliance to fulfill our responsibilities and meet the expectations of the society.



 **Risk Management**

We strive to strengthen our business foundation by understanding and analyzing the risks to the Group as a whole so that we may continue our business operations and contribute to society.



Corporate Governance

# Corporate Governance

We are striving to enhance our corporate governance to ensure we continue to be a company that is trusted by our customers and society.

## Suntory Group Corporate Governance

Suntory Group is introducing a pure holding-company system that separates "group management" and "business operations." We maintain our good relationships with all stakeholders including local communities, customers, and business partners, while striving to enhance our corporate governance, so that we may fulfill our social responsibilities as a company.

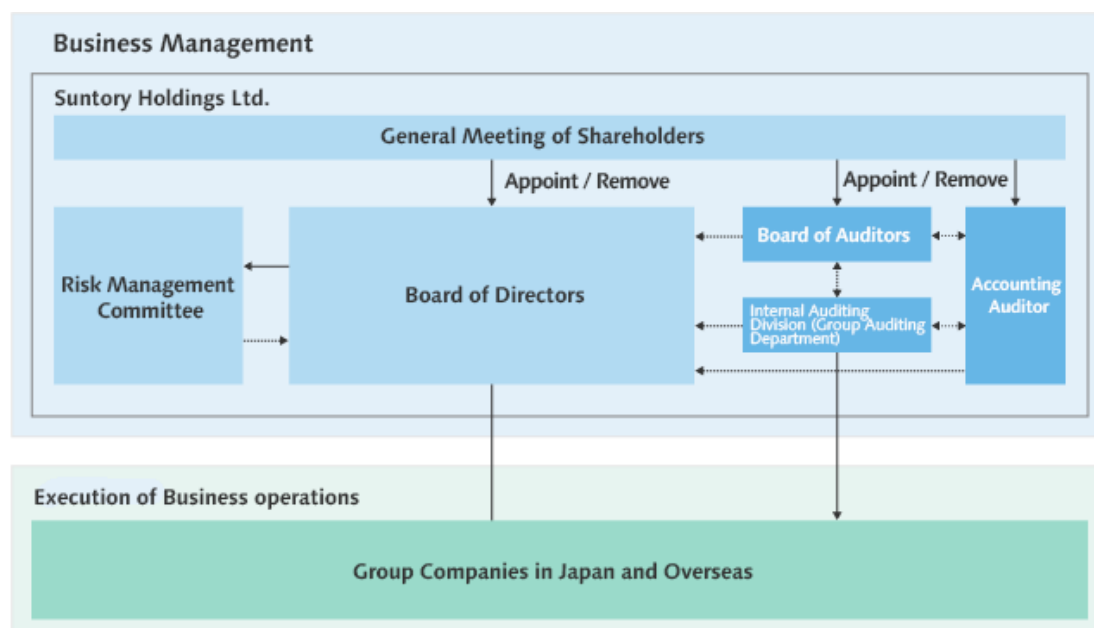
### ■Boards Responsible for Group Management

Suntory Holdings' Board of Directors is made up of 9 directors, including 1 outside director (as of April 2019). The Board of Directors engages in concrete discussions, debates and makes decisions regarding management issues of the entire Group and also performs an auditing function of the business administration practiced by all Group companies. The adoption of the Executive Officer system helped to separate the business administration decision-making process from the execution of business operations and to make decision-making process more agile.

### ■The Management Auditing System

Suntory Holdings' Board of Auditors is made up of four auditors, including two external auditors (as of April 2019). 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.

### Corporate governance structure



## Strengthening Internal Control Systems

We are aiming to build a more effective governance structure by strengthening efforts such as compliance, information management, and risk management based on the Basic Policy on Internal Control Systems enacted by Suntory Holdings' Board of Directors.

## Suntory Beverage & Food Ltd.'s Corporate Governance

Suntory Beverage & Food Ltd., which is listed on the first section of the Tokyo Stock Exchange, is an audit and supervisory committee company. This structure was established for the purpose of improving the effectiveness of auditing and supervision through audits by directors who are committee members approved by the Board of Directors in addition to introducing audits that utilize an internal auditing division to facilitate more highly-transparent governance. Three of the ten directors (including directors who are members of the auditing committee) that make up the Board of Directors are external directors (as of April 2019).

Furthermore, Suntory Beverage & Food has also stipulated the ability to appoint directors for some or all decisions necessary for executing operations with approval at the Board of Directors Meeting. This measure realizes management strategy and achieves management indicators set as goals by conducting more comprehensive and practical deliberation such as debate about management strategy, medium- and long-term plans, and management challenges. It is also for the purpose of allowing for faster decision-making while enhancing supervision functions at the Board of Directors Meeting through decision-making based on the management committee and internal rules for executing each operation. We are also release compliance status of the corporate governance code on our homepage.

## Corporate Governance

# Basic Concepts and Operations for the Internal Control System

The matters determined at the Board of Directors to put in place systems to ensure proper corporate governance in operations are outlined below. (Revised in 2015)

Suntory Holdings Limited (the "Company") hereby establishes the Basic Policy on an Internal Control System outlined below to provide ongoing growth and maximize the corporate value of the entire Suntory Group for the purpose of becoming a global multi-faceted food and beverage company.

## **I. System for Ensuring That the Execution of Duties by Directors, Executive Officers and Employees of the Company, as well as by Directors, Executive Officers, Others with Equivalent Duties and Employees of the Company's Subsidiaries Conform with Laws and Regulations and the Articles of Incorporation**

1. The Suntory Group shall adhere to the basic principles outlined below based on the Suntory Group's Code of Business Ethics.

The Company shall respect the rules of civil society and place the utmost importance on an organization and corporate culture that prioritizes compliance with the aim of fulfilling the corporate philosophy of the Suntory Group on the basis of the Group's awareness of itself as a global corporate citizen.

Each and every one of the Directors, Executive Officers, and employees shall carry out business activities by making decisions for the organization based on social ethics as a corporate citizen.

2. All Directors, Executive Officers, and employees of the Suntory Group shall have a working mindset to comply with laws and regulations as well as with social ethics in order to put the corporate philosophy mentioned above into action. The Directors and Executive Officers shall take the initiative in complying with laws and regulations, the Articles of Incorporation, and business ethics, and actively make efforts to maintain and improve compliance management.

3. The Global Risk Management Committee as well as each risk management committee put in place throughout the Suntory Group (the Global Risk Management Committee and each risk management committee at each Group company shall hereinafter be referred to as the "Risk Management Committee") shall promote a compliance system and deliberate priority issues. In addition, each Group company shall put in place a department in charge of compliance to conduct periodic education and training activities as well as establish and promote compliance systems throughout the Suntory Group with the Risk Management Committee at the core to ensure the comprehensiveness of activities.

4. The Risk Management Committee as well as the departments in charge of compliance shall appropriately report content of deliberations and activities to the Board of Directors and the Board of Auditors.

5. The Directors, Executive Officers and Auditors of the Suntory Group shall report any compliance issues that are discovered immediately to the Risk Management Committee. In addition, the Company shall put in place compliance hotlines inside and outside of the Company to allow employees of the Suntory Group to directly report on compliance related issues. The Risk Management Committee shall investigate the contents of any report it receives after working to obtain any relevant information, discuss the issue with relevant departments as necessary, take corrective actions, establish measure to prevent any recurrence and put in place systems to implement any measures formulated throughout the entire Group.

6. Directors and Executive Officers shall be dispatched to subsidiaries as necessary to appropriately execute business, make decisions and perform supervision. In addition, the relevant departments of the Company shall provide advice, guidance and support to the subsidiaries.
7. The Audit & Supervisory Board or equivalent persons ("Auditors") shall be deployed to subsidiaries as necessary to perform audits. In addition, the Auditing Department shall carry out internal audits of subsidiaries.
8. The Auditing Department shall carry out internal audits pertaining to the status of compliance and the appropriateness for operations of employees of the Suntory Group, and report the results of the audit to the Representative Director and President.
9. Internal control systems shall be established and maintained to ensure the appropriateness of financial reporting.
10. Directors and Executive Officers of the Suntory Group shall establish and promote a system to prevent any relations with antisocial forces and clearly reject any improper demands that are made.

## **II. System for the Preservation and Management of Information Concerning the Execution of Duties of Company Directors**

1. Officers in charge of general affairs shall store and manage vital internal documents as well as revise and improve document management rules and other regulations as necessary.
2. Directors and Executive Officers shall store and manage minutes of the shareholders meetings, minutes of Board of Directors meetings and documents pertinent to important decision-making (including electronic or magnetic records, the same applies hereinafter) as well as other important information related to the execution of duties by Directors and Executive Officers in accordance with laws and regulations as well as internal rules.
3. The documents and other materials mentioned above shall be kept in a condition such that allows for Directors to view them as necessary.
4. The Risk Management Committee shall establish and promote an informational security governance system that does not only protect and preserve information, including personal information, but also increases corporate value by use of information.

## **III. Regulations and Other Systems for Managing Risk of Losses of the Company and Its Subsidiaries**

1. The strategic decision making related to the management of the Suntory Group shall be determined by the Board of Directors.
2. Each Executive Director and Executive Officer shall hold responsibility for addressing risks inherent in business execution. Moreover, material risks shall be analyzed and evaluated, and improvement plans shall be discussed and determined by the Board of Directors.
3. The Risk Management Committee as well as the Quality Assurance Committee shall comprehensively and collectively manage material risks related to Group management such as risks incidental to the execution of business and quality risks throughout the entire Group. In addition, regulations and guidelines pertaining to management of such risks shall be established, and training activities thereof shall be implemented as necessary.
4. The Board of Directors shall promptly select Directors or Executive Officers who will hold responsibility for addressing newly emerging material risks related to Group management to determine a course of action to address such risks.

#### **IV. System for Ensuring that Directors of the Company and Directors and Executive Officers of the Company's Subsidiaries as well as Others with Equivalent Duties Execute Their Duties Efficiently**

- 1.The Company shall determine Company-wide goals shared by the Directors, Executive Officers, and employees of the Suntory Group, and Directors and Executive Officers in charge shall specify efficient methods for achieving such goals, such as specific targets and appropriate allocation of authority aimed at achieving the Company-wide goals.
- 2.Directors and Executive Officers in charge shall confirm progress made in achieving goals and report the specific measures to achieve the goals to the Board of Directors and the Management Committee.
- 3.Each Director and Executive Officer shall be in charge of appropriately executing business operations and shall strive to make decisions efficiently under the Responsibility and Authority Rules.

#### **V. System for Reporting to the Company Matters Related to the Execution of Duties by Directors and Executive Officers of the Company's Subsidiaries**

- 1.The status of the business execution of Directors and Executive Officers at subsidiaries shall be regularly reported to the Board of Directors and the Management Committee.
- 2.Directors and Executive Officers in charge of subsidiaries shall request reports on the status of business execution from the Directors and Executive Officers of the subsidiaries as necessary.
- 3.Certain matters concerning management of subsidiaries must be consulted with and reported to the relevant departments, or otherwise must receive approval from the Board of Directors of the Company under the Responsibility and Authority Rules.
- 4.The Auditing Department shall report the internal audits results of subsidiaries to the Representative Director and President as necessary.

#### **VI. Other Systems for Ensuring the Appropriateness of Business of the Group Consisting of the Company, Its Parent Company and Its Subsidiaries**

Dealings between Group companies, including the parent company and public subsidiaries, shall ensure appropriateness in matters such as conducting business and deciding on business matters to provide objective and rational content.

#### **VII. Matters Regarding Auditors of the Company and Employees Who Are Requested to Assist in their Duties, Matters Regarding the Independence of Such Employees from Directors and Executive Officers, and Matters Related to Ensuring the Effectiveness of Instructions Given to Such Employees**

The Company shall place employees to assist the duties of auditors after deliberation if necessary for the Audit & Supervisory Board.

In addition, the Company shall respect and execute directions of the Board of Auditors such as the transfer and evaluation of such employees, and ensure the independence of such employees from Directors and Executive Officers.

Moreover, such employees shall follow the instructions and directives from the Audit & Supervisory Board when assisting in the duties of auditors.

**VIII. Systems for Directors, Executive Directors and Employees of the Company and Directors, Executive Directors, Audit & Supervisory Board Members, Others with Equivalent Duties and Employees of the Company's Subsidiaries or Other Persons Who Receive Reports from Such Persons to the Company's Audit and Supervisory Committee and Other Systems Related to Reporting to the Audit and Supervisory Committee**

1. Audit & Supervisory Board Members shall attend Board of Directors meetings, and the Representative Director and President as well as the Directors and Executive Officers in charge shall provide reports of business execution that they are in charge as necessary.
2. Directors, Executive Officers and Employees of the Suntory Group shall promptly and clearly respond to inquiries about operations and assets when requested by auditors to report on businesses.
3. The Auditing Department of the Suntory Group shall regularly hold liaison conferences between Directors and the Board of Auditors of the Company to report the current status of matters such as internal audits.
4. The departments in charge of internal reporting systems shall report the status of internal reports to Auditors and the Board of Auditors of the Company as necessary.

**IX. System for Ensuring the Person Who Has Reported to the Company's Audit & Supervisory Board Are Not Treated Adversely Based on the Fact Such a Report has Been Made by the Person**

The Directors, Executive Officers and employees of the Suntory Group shall prohibit any adverse treatment based on a report to the Audit & Supervisory Board through a department in charge of compliance or another reporting system.

**X. Systems for Ensuring Advance Payment or Reimbursement of Expenses Arising in Conjunction with the Execution of Duties by Audit & Supervisory Board Members of the Company and Other Policies for Processing Expenses and Obligations Arising with Respect to Execution of Such Duties, and Other Systems for Ensuring That the Audit & Supervisory Board Effectively Performs Audits**

1. If the Audit & Supervisory Board, in conjunction with the execution of its duties, asks the Company for advance payment, etc. of expenses under Article 388 of the Companies Act, the Company shall promptly process such expenses or obligations, unless they are not necessary for the Audit & Supervisory Board Members to execute their duties.
2. The Audit & Supervisory Board shall strive to communicate and exchange information with the Audit & Supervisory Board of Company subsidiaries or the Auditing Department.
3. The Board of Auditors shall put in place opportunities to exchange opinions with the Representative Director and President as well as accounting auditors.



## Overview of the Operational Status of Internal Control Systems

The Company recognizes the importance of establishing an internal control system for matters such as Group-wide risk management and compliance to maximize greater sustainable growth and corporate value of the entire Suntory Group for the purpose of becoming a global multi-faceted food and beverage company.

An overview of the operational status of the internal control systems for the current fiscal year are outlined below.

### 1) Operational Status of Risk Management Systems

- The Company has regularly held the Global Risk Management Committee and each Risk Management Committee installed within the Suntory Group to identify risk of the Suntory Group, formulate countermeasures, and confirm the progress of the response.
- The activity content of the Global Risk Management Committee was reported at the Board of Directors meetings.
- The Quality Assurance Committee was regularly held for quality risks to identify challenges in quality assurance for the Suntory Group, to formulate countermeasures, and to confirm the status of response.
- Information security rules were put in place at the various companies for proper storage and management of information. · Initiatives were also conducted to prevent improper informational management and the leak of confidential information before it happens such as the implementation of awareness raising activities about informational management.

### 2) Status of Compliance Initiatives

- We have installed a worldwide common contact point for reports encompassing all Group companies in Japan and even overseas as part of our global risk management system. We align ourselves with ways to resolve and prevent the recurrence of problems by responding through actions such as corrective measures and recommendations according to surveys in-line with the protection of privacy for everyone related to each report that are carried about by the Compliance Department and departments in charge at each Group company. Furthermore, we have established an internal reporting system to thoroughly protect people who report an issue such as restricting unfair handling for not only the people who report an issue but also for people cooperating in investigation.
- The Company strives to improve compliance awareness even further by introducing awareness surveys about matters such as compliance and the organizational climate for all employees of the Group in Japan with the Compliance Department at the core and feeding those results back into compliance operations.
- The Suntory Group formulated the Global Anti-bribery Policy and the Global Anti-bribery Guidelines that define the concepts against corruption in the Suntory Group for all employees around the world and it is emphasizing education and training about the anti-bribery regulations.

### 3) Status of Initiatives to Improve the Efficiency of Business Execution

- Board of Directors meetings were held 21 times to make management decisions such as the formulation of the Mid-term Plan and budgets as well as investments in M&A and equipment.
- The financial results of the Suntory Group are reported at the Board of Directors meetings to confirm and debate the achievement status of management targets at the Suntory Group, management challenges and their countermeasures.

#### **4) Operational Status of the Board of Auditors**

- The Audit & Supervisory Board receives reports on business execution from Directors, Executive Officers and other management through attendance at important meetings such as the Board of Directors and Risk Management Committee meetings.
- The Board of Auditors and Audit & Supervisory Board receive regular reports on the status of matters such as internal audits from the Auditing Department.
- The Audit & Supervisory Board communicates and exchanges information with the Audit & Supervisory Board of Company subsidiaries or the Auditing Department.
- The Board of Auditors puts in place opportunities to exchange opinions with the Representative Director and President, outside Directors as well as accounting auditors.

#### **5) Operational Status of Internal Audits**

The Auditing Department conducts internal audits of each department of the Company and subsidiaries in Japan and overseas, provides instructions and guidance for improvements as necessary, and reports the results of audits to the Representative Director and President as necessary.

## Corporate Governance Compliance

We strive to create an organization and a corporate culture that place the highest priority on compliance to fulfill our responsibilities and meet the expectations of our customers and society.

### Compliance Promotion System

#### ■Suntory Group's Code of Business Ethics: values shared by all employees for the realization of the corporate philosophy

We are building a compliance promotion system to realize our corporate philosophy from a cross-Group view based on the Suntory Group's Code of Business Ethics established in 2003 that enables all employees to take action according to common rules. We also revised the content by referring to the ISO26000 international standard for social responsibility in 2012 and, adapted the content in 2017 for all Group employees around the world to better understand it.

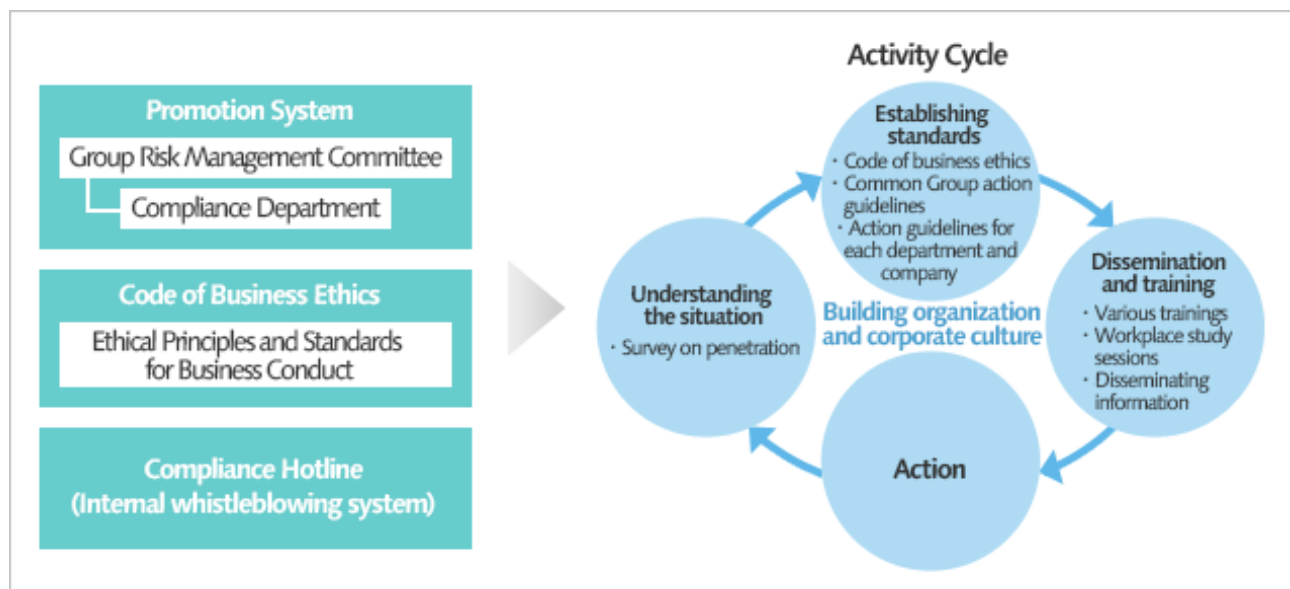
#### ■Promotion System Rooted in the Frontlines

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

The Compliance Department must remain aware of all measures formulated and implemented at each workplace and about how those measures conform to policy. In addition to offering advice on specific issues, the Compliance Department set up the Compliance Hotline, and is charged by the Group Risk Management Committee to faithfully investigate and rectify any compliance violations found. We have revised some of the rules for the internal reporting system to operate more effectively under this system following revisions to the Guidelines for Business Operators Regarding the Establishment, Maintenance and Operation of Internal Reporting Systems Based on the Whistleblower Protection Act.

In addition, there are specific personnel responsible for promoting compliance issues at each Group company, both within Japan and abroad. They take an active role in promoting compliance, formulating policy customized for the circumstances in their own company, and informing colleagues about that policy.

### Compliance Promotion Structure



## ■Enhancing the Hotline for Early Discovery and Resolution of Problems

The basic rule in Suntory is that when an employee discovers actions that breach the Suntory Group's Code of Business Ethics, he or she must first report it to the supervisors and seek their advice. However, we have installed a Compliance Hotline both at our Compliance Office and at an external law firm as a common contact point for all of the Group companies in Japan in order to quickly discover and resolve problems when reporting or consulting with a supervisor is not appropriate. In addition, we provide an independent internal contact point at 11 Group companies and conduct annual training to improve the response of those in charge of this independent contact point in the Compliance Department.

We installed a worldwide common contact point for reports encompassing all Group companies in Japan and even overseas as part of our global risk management system in April 2016.

In 2018, a total of 202 reports were received through these contact points at each Group company in Japan and overseas (84 reports were received by Suntory Beverage & Food Group). Roughly 60% of the reports received in Japan were about labor, personnel and management issues. We work to resolve the raised concerns and prevent them from reoccurring by implementing corrective measures and recommendations based on the investigation results, while making sure that the confidentiality of involved persons is protected by the Compliance Department and relevant departments in charge at each Group company.

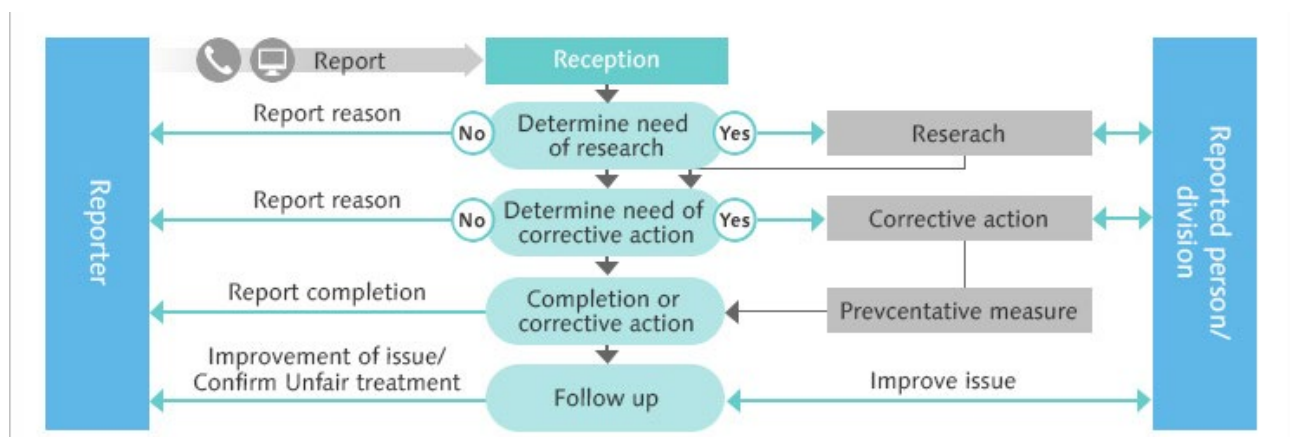


Compliance Hotline awareness poster

## ■Protecting People Who Report Issues

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

### Compliance Hotline Response Flow



## Activities to ensure compliance

### ■Communicating the Code of Business Ethics throughout the Group

To facilitate the understanding of the Suntory Group Philosophy and Code of Business Ethics and put them in practice, we distribute a pamphlet to all Suntory Group officers and employees.

At the start of each year, employees of the Group companies in Japan refreshes their understanding of the Code, and then signs a compliance statement at the end of the pamphlet. At the same time, workplace discussions regarding various compliance related cases that occur in the society, subjects that are recognized as issues in the Group and individual companies, and other topics are held to remind the fundamentals of compliance and promote ethical behavior.

In employee awareness surveys conducted for Suntory Group employees in Japan, we were able to verify our businesses and offices run in accordance with Suntory Group's Code of Business Ethics as well as confirm the status of compliance practices. Suntory strives to discover any potential compliance breaches by reporting the results of these surveys to management while regularly ensuring the effectiveness of Suntory Group's Code of Business Ethics and taking advantage of these results in efforts that include education for employees and the formulation of activity plans.

### ■Activities to Raise Compliance Awareness through Communication

We put out periodic information on the Compliance Net internal intranet to promote and practice true compliance.

We distribute information on the Compliance Net that includes activities and themes linked to activities which are being undertaken as well as information to understand the true nature of compliance with examples found throughout the world. We raise the awareness of every employee through the activities of compliance promotion managers in each company. In addition, we publish information that promotes the basic knowledge of compliance, harassment checks, and a collection of materials for self-study in order to make learning accessible at any time on the Compliance Net.

Furthermore, in 2018 we continued from the previous year to conduct compliance seminars led by lawyers for managers of business firms citing precedents and confirming important points such as specific types of harassment and manners to follow when at drinking parties.



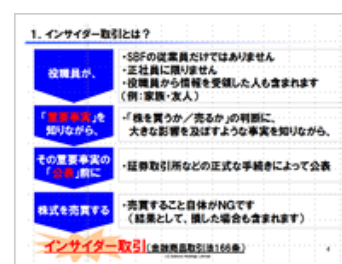
Compliance seminar

### ■Supporting Promotion Activities at Group Companies

Each Group company is engaged in activities around their promotion managers. The Compliance Department provides suggestions and tools tailored to the challenges of each company, implements group training and offers other measures of support. In addition, we have introduced research to more deeply recognize our role as the driving force of compliance management for directors and managers who are newly appointed at Group companies in Japan.

### ■Insider Trading Prevention Systems: Implementation and Communication

The Legal Department of the Risk Management Headquarters of Suntory Holdings Ltd. and the management headquarters of Suntory Beverage & Food Ltd. are working to comprehensively prevent insider trading by introducing e-Learning based on the content provided by the Tokyo Stock Exchange, as Suntory Beverage & Food Ltd. and Dynac Corp. are listed on the Tokyo Stock Exchange.



Awareness materials

## Implementing the Suntory Group's Code of Business Ethics in Business Activities

We have clarified our emphasis on compliance in the Code of Business Ethics. Each department has set and is operating policies and voluntary standards for challenges related to various compliance in their business activities based on the concepts of the Code of Business Ethics.

### ■ Ensuring Fair Business Practices

The Suntory Group conducts business fairly, holding integrity as a prerequisite, and abides by all laws and regulations, including the Antimonopoly Act. We have revised and are running operations under policies in-line with legal revisions and environmental changes since the formulation of the Guideline for Compliance of the Antimonopoly Act in 1992. Further compliance is being ensured through the posting of our Key Points for the Promotion Campaigns under the Act Against Unjustifiable Premiums and Misleading Representations and our Compliance Manual for the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, to Subcontractors to the Intranet.

We spread the word about the Antimonopoly Act and related legislation through the implementation of regular seminars in each division and Group company, and ensure fairness in our daily transactions with business partners and customers. We actively engage with various departments to ensure that compliance policies and activities are implemented in all stages starting from product development, sales and marketing planning.

### ■ Establishing Committees to Promote Fair Business for Alcoholic Beverages

A Fair Trade Promotion Committee was established to promote fair business practices at Suntory Liquors Ltd., the Suntory Group company responsible for the sale of alcoholic beverages. This was done in keeping with the Fair Practice Guidelines for the Liquor Business\* and to maintain compliance with laws and regulations specific to alcoholic beverages as well as internal proprietary standards.

\*The Fair Practice Guidelines for the Liquor Business are administrative guidelines established by the National Tax Agency in 2006. These guidelines prevent worsening of management of liquor business operators and the reduction of liquor taxes due to dumping caused by excessive competition. We set fair partnership conditions and make rebates more transparent to stabilize management of liquor business operators. This is also coordinated by Fair Business Committee responsible for overseeing the Antimonopoly Act.

### ■ Transparency of Business Dealings and Prevention of Bribery

The Suntory Group's Code of Conduct prohibits the provision of excessive business entertainment and gift-giving to any counterpart regardless of whether it is a corporate entity, individual, political or governmental entity, or any other related organization or company, and establishes that relationships with all parties should comply with laws and be fair and transparent.

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

### ■ Global Compliance Initiatives

We work to build a global compliance promotion system and integrate global standards due to the global expansion of the Suntory Group. In 2015, we formulated the guidelines on business entertainment and gift-giving that are aligned with global standards, and we provide seminars and e-Learning courses on the prevention of bribery and all types of corruption comprehensively to raise the awareness of employees on corruption issues as our response to global enhancement of anti-corruption regulations, such as the Foreign Corrupt Practices Act (FCPA). We have formulated a global Anti-Bribery Policy in 2016, which includes new provisions on donations and political contributions in addition to entertainment and bribery. From 2019, we plan to implement e-learning for reconfirming guidelines including those of each Group company overseas. In April 2016, we have established global hotline contact points to handle reports on bribery and all types of corruption comprehensively, as well as human rights violations and other compliance breaches. These contact points are available at all overseas Group companies as part of our global compliance system. There were no reports through the global hotline in 2018. Moreover, there were no reports on child or forced labor.



## **Employee Awareness Survey to Understand the Awareness Towards Compliance and the Organizational Culture**

To understand the status of compliance and the organizational culture as well as to determine if there are any individual issues, we conduct awareness surveys for all Group employees in Japan. We investigate initiatives to promote awareness of compliance through the entire Group by understanding the challenges in each company and each department from these results. We share the discovered challenges with directors and managers at each company, and expect that related departments in these companies will take voluntary actions to resolve these challenges.

Overseas Group companies contribute to compliance management by conducting their own independent surveys.

## Compliance

# The Suntory Group's Code of Business Ethics

## Introduction

This Suntory Group Code of Business Ethics sets out the principles that we must uphold in our decisions and actions in order to realize Suntory Group's Philosophy.

The implementation of the Suntory Group Code of Business Ethics is based on the concept of "compliance".

At Suntory Group "compliance" means "Comply with Another's Wish", in other words, not only do we obey the law, but also demonstrate even higher ethical standards as we strive for best practices that meet or even exceed the expectations of our consumers, customers, suppliers, business partners, communities, global society, natural environment, employees, and other stakeholders.

Even in an era of constant change, we, as members of the Suntory Group in pursuit of "Growing for Good," earnestly engage with our various stakeholders, accept the diversity of people's values, and conduct business with the utmost fairness and integrity.

We believe these behaviors enable the Suntory Group to remain genuinely trusted, chosen and valued by people and society.

## 1. Focusing on customers and consumers

We make our best efforts to ensure integrity and transparency in all interactions with customers and consumers, and we provide safe, reliable and high-quality products and services, aiming to contribute to their happiness.

### 1.1 Products and services

We make sincere efforts to deliver value that meets or even exceeds expectations of customers and consumers in all areas of our corporate activities including research and development, procurement, production, and sales.

### 1.2 Information and responsible marketing

We strive to provide accurate and timely information, including with respect to the reliability and safety features of our products, that helps our customers and consumers make informed decisions. We ensure that our product labels, advertisements, and commercial messages are clear, accurate and not misleading. Furthermore, as a corporate group that engages in a wide variety of businesses, we are committed to the responsible marketing of all our products and services.

### 1.3 Interactive communication

We strive to increase the satisfaction and trust of our customers and consumers by creating ample opportunities for interactive communication, and by reflecting their diverse views in our corporate activities.

## 2. Conducting business with integrity and fairness

We conduct all business activities in a fair and transparent manner, in accordance with the law and the highest ethical standards.

### 2.1 Compliance with the law, respect for standards and culture

We abide by applicable laws and regulations, respect international standards, and ensure that our corporate activities are fair, transparent, and show respect for the cultures, customs, traditions, and religions in all countries where we conduct business.

### 2.2 Fair competition

We prohibit the pursuit of profit by unfair or illegal means, in relations with business partners and competitors or otherwise, and commit to conducting business activities based on free and fair competition.

### 2.3 Corruption

We do not tolerate any form of bribery, money laundering, embezzlement or other illicit or corrupt practices in our own operations or with any person or organization. We maintain transparent and arms-length relationships with our business partners, government officials, and all other parties. In the areas of gifts, entertainment, charitable donations, and political contributions we strictly adhere to all applicable laws, regulations, standards and internal rules regarding prevention of bribery and corruption, as well as sound business practices.

### 2.4 Conflicts of interest

A potential conflict of interest arises in any situation where personal interests of an employee, an employee's relative or any other third party may conflict or interfere with the interests of the Suntory Group. We must disclose to the company any potential conflict of interest as soon as possible so that it can be appropriately considered and avoided. Furthermore, we must ensure that all decisions related to the selection of business partners, recruitment and other matters are transparent and based on rational and fair judgment.

### 2.5 Organized crime groups and trade controls

We do not have any relationships with organizations involved in illegal activities, and firmly stand against such organizations. Furthermore, we comply with applicable laws and regulations that control export and import, as well as trade restrictions that prohibit or limit trading with certain countries and organizations.

### 2.6 Financial and business records

We are committed to maintaining and disclosing financial and business records that accurately and properly reflect the true state of the business, in accordance with applicable laws and regulations as well as internal rules. We also ensure that all tax obligations are properly satisfied on the basis of such records.

## 3. Contributing to society

As a good corporate citizen, the Suntory Group strives to make positive contribution to society.

### 3.1 Local community contribution

We strive to engage with communities where we conduct business, and contribute to the solution of local problems, as well as the achievement of prosperous lifestyles.

### 3.2 Various cultural and social contribution activities

We strive to engage in various activities including the promotion of culture, arts, and sports. Furthermore, we are pleased to support individuals and groups who pursue such activities.

### 3.3 Support for employee activities

We actively support the participation of employees in volunteering and other social contribution activities.

## 4. Conserving the environment

We strive to conserve the global environment and ensure that a sustainable society rich in biodiversity and harmonious with nature is preserved for future generations.

### 4.1 Water sustainability

Water - is the source of all life forms and the key element of our business. We make continuous efforts to conserve the watersheds in order to contribute to water sustainability.

### 4.2 Reduction of environmental impact

We strive to reduce our environmental impact throughout the value chain, including in product development, manufacturing, distribution, and sales.

### 4.3 Continuous improvement of environmental performance

We are committed to continuous improvement of our environmental performance, delivered by proactive use of green technologies and efficiency upgrades, based on a robust Environmental Management System (EMS).

## 5. Respecting diversity and human rights, creating a positive work environment

We respect human rights and diversity, and endeavor to create a work environment where employees feel engaged and motivated.

### 5.1 Child labor and forced labor

We strictly prohibit the use of child labor, forced or involuntary labor or other illegal labor practices in any of our activities.

### 5.2 Discrimination and harassment

We provide a workplace where all employees are treated fairly, human rights and individual values are respected, and discrimination or harassment based on any grounds such as race, religion, gender, age, nationality, language or disability is not tolerated. All instances of human rights violation must be immediately addressed in appropriate manner and prevented from reoccurring, while due attention should be paid to safeguarding the privacy of all those affected.

### 5.3 Freedom of association

We respect employees' basic rights to freedom of association and collective bargaining.

### 5.4 Positive work environment

We create healthy, safe, and positive workplaces, and promote working styles that offer work-life balance.

### 5.5 Open and inclusive work culture

We cultivate an open-minded and inclusive workplace, where everyone's beliefs and values are respected, and where employees with diverse backgrounds are able to act and express themselves freely. Furthermore, we build harmonious relationships filled with a sense of unity, through effective communication across the Suntory Group.

### 5.6 Challenge and growth

We enable personal growth of our employees by encouraging them to set and achieve challenging goals with a feeling of pride and sense of responsibility towards their work.

## 6. Managing and utilizing information and corporate assets

We endeavor to appropriately protect, manage and utilize corporate assets and information, and respect the rights of third parties.

### 6.1 Corporate assets

We properly manage our corporate assets, whether tangible or intangible, in accordance with internal rules, and ensure that such assets are used only for our business operations.

### 6.2 Confidential information

We carefully manage the company's confidential information to ensure that it is not leaked or otherwise disclosed to any third party. Furthermore, we must not use information we learn through our work for the company or otherwise for unfair or illicit purposes, including insider trading.

### 6.3 Personal information

We obtain personal information or confidential information of our customers, consumers and business partners by proper means and use such information only for legitimate purposes. We also manage this information properly and in accordance with applicable laws and regulations as well as internal rules.

### 6.4 Intellectual properties

We protect our intellectual properties appropriately and we grant licenses to third parties in accordance with applicable laws and regulations as well as internal rules. We also fully respect the intellectual property rights of third parties and do not infringe or misappropriate them.

### 6.5 External communications

We understand that, as members of the Suntory Group, all public statements and the information we share in different circumstances can affect the reputation and business of the company and the Group. We remain constantly aware of this fact and ensure responsible conduct at all times in such public or external communications.

## Administration and Implementation of this Code

### Scope of application

- (1) The Suntory Group Code of Business Ethics (the "Code") applies to all directors, officers, employees of Suntory Holdings Limited and its group companies (Suntory Holdings Limited and its group companies are hereinafter collectively referred to as "Suntory Group", and individually a "Group Company").
- (2) The senior management of the Group Companies are expected to realize the spirit of this Code by modeling the behaviors embedded in this Code, promoting this Code within their respective Group Companies, and establishing effective corporate structures to implement and uphold this Code. Based on the spirit of this Code, each Group Company may establish and implement its own code of conduct, guidelines, manuals and other documents pertaining to corporate ethics or the provisions set out in this Code, which shall be used as the detailed standards of behavior at the respective Group Companies. Such code, guidelines, manuals and other documents should not contradict the Code.
- (3) We request anyone acting on behalf of any Group Company to ensure such actions comply with this Code. We also strive to encourage business partners of our Group Companies to understand and respect the provisions set out in this Code.

### Establishment, revision and abolishment

The establishment, revision and abolishment of this Code shall be deliberated by the Global Risk Management Committee and approved by the Board of Directors of Suntory Holdings Limited.

### Department in charge

This Code is governed by the Compliance Department of Risk Management Division, Suntory Holdings Limited (hereinafter, "SHD Compliance Department"), which provides the Group Companies with recommendations, and supports them in implementation of the provisions set out in this Code, and in the establishment of corporate ethics.

### Compliance audit

To assess the compliance with and review the effectiveness of this Code, the Global Risk Management Committee will perform, or have any third party perform, audits of Group Companies as necessary, conducted along with other various measures carried out by the SHD Compliance Department.

### Violations

Directors, officers and employees who become aware of any actual or potential breach of this Code, are expected to report this breach and seek advice from their direct supervisor, the compliance department or a whistleblowing hotline established in their respective Group Company, or contact the Suntory Group Global Hotline. The confidentiality of a person reporting a breach will be protected to the utmost extent, and Suntory Group does not tolerate any retaliation against such person. Violation of this Code, depending on its nature and severity, may result in disciplinary actions based on the internal rules of each Group Company, which may include termination in certain circumstances.

### Interpretation

If you have any inquiries concerning the interpretation or implementation of this Code, please direct them to the SHD Compliance Department.



Corporate Governance

# Risk Management

We strive to understand and analyze the risks to the Group as a whole and take measures to resolve the issues so that we may continue our business operations and contribute to society.

## Risk Management Promotion System

In response to the expansion of global business of the Group, the Global Risk Management Committee (GRMC) was established in April 2015 in order to carry out risk management throughout the entire Group, including overseas Group companies. We have established a risk management committee and risk management team based on this GRMC (e.g. installation of a Risk Management Committee at Suntory Beverage & Foods Ltd., the Global Risk & Compliance Committee at Beam Suntory, and the Risk Management Team at Suntory Beer Ltd.). The objectives of these committees and teams are to identify our risks, execute countermeasures, engage in activities related to the establishment of crisis management systems, and fulfill responsibilities towards customers and other stakeholders.

## Enterprise Risk Management (ERM)

The risk surrounding companies is becoming more diverse and complex due to the globalization and informatization of the economy and growing public awareness of corporate social responsibility. Every year, we send out a questionnaire to all Suntory Group companies to determine business, environmental and social risks at each company that could significantly impact all our stakeholders in order to formulate countermeasures. Monitoring is carried out by departments responsible for responding to risks and each risk management committee to reduce and eliminate risks by identifying the priority areas that we should address as an entire Group. Since FY2016, we have been identifying and developing measures to counteract risks occurring in each group company; additionally, we identify risks we are exposed to as a group. The results of risk assessment are reported to the Board of Directors.

### ■ Establishing Infrastructure for Crises Response

The risks companies face are becoming ever more complex, diverse and significant and the enhancement of risk management is a necessity in management. Therefore it becomes especially important to establish Business Continuity Plan (BCP) based on the estimation of potential damage in case of crisis. The Suntory Group has built an infrastructure to respond to crises by establishing the Risk and Crisis First-Response Manual for each company in Japan and the Major Incident Management Manual for each overseas company. We aim to minimize impact and damage in case of disaster through timely sharing information and decision-making when a major crisis occurs to maintain the trust from society.

### ■ Building/Strengthening System Platforms of Group Companies in Japan

We continue to organize Risk Management Steering Conferences with the help of departments responsible for risk response at each Group company and Suntory Holdings Ltd. with the goal to build and strengthen the risk management system platforms of Group companies in Japan. We share challenges related to risks and assess the response measures carried out by each company through bilateral discussions.

## ■ Business Continuity Plan (BCP) Formulation and Implementation

In recent years there has been a string of unanticipated disasters, including both natural disasters such as major earthquakes, flooding caused by typhoons and torrential rainfall, landslides, heavy snow and volcano eruptions, and the spread of infectious diseases such as new influenza and noroviruses, which continually threaten both society and the economy. The Suntory Group has formulated a Business Continuity Plan (BCP) that will enable us to continue doing business as much as possible without interruption in the event of a disaster, to securely provide high quality products and services to customers, thus fulfilling our responsibilities to provide supplies.

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

## ■ Large-scale Natural Disaster Measures

### Establishment of Safety Confirmation System and Emergency Drills

In preparation for natural disasters such as major earthquakes in Japan, we have in place a system that uses mobile phones, PCs, landlines, etc., to confirm the whereabouts and safety of employees.

We hold safety confirmation drills twice a year and work to raise awareness to ensure that the system operates smoothly. We also conduct regular disaster prevention drills based on the scenario of a major earthquake and drills focusing on how to get home from work on foot.



Disaster Countermeasures  
Headquarters Training

### Disaster Response Systems

After a major disaster occurs, our first response procedures entail rapidly establishing a Response Task Force centered on the General Affairs Department of Suntory Holdings Limited, with Response Teams in each division placed under it. The Response Task Force handles all matters including confirming the safety and whereabouts of employees and their families, collection and coordination of disaster-related information, functional recovery of business offices, recovery of information systems, distribution of relief supplies, functional recovery of production, and provision of assistance to clients and the local community. These activities are conducted in line with each division's activity policy. These systems and procedures are made accessible on the Intranet so that employees can review them at any time. Since the Great East Japan Earthquake in 2011, we have revised our response manuals, further fortified our disaster relief stock pile and have strengthened our systems for when a disaster occurs. When the Kumamoto Earthquake struck in April 2016 and Hokkaido Earthquake in September 2018, these systems enabled prompt confirmation of the employees' safety, assisted the employees in need, and were instrumental during the recovery period.

## ■ Measures Against Infectious Diseases

Since the influenza pandemic in 2009, we have been taking measures to avoid the disruption of business operations by creating a manual on response process during a pandemic based on our Influenza Prevention Manual, disseminating information among employees, clarifying reporting system during pandemic, and strengthening measures to prevent the spread of infection. In addition, we created a course of action related to highly pathogenic diseases to handle all diseases (revised 2015). Furthermore, we have established a BCP that enables operations to continue even during a pandemic of highly-virulent influenza or other diseases.

## ■ Safety Management for People Sent Overseas

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

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

## Anti-bribery

We promote awareness and understanding by establishing guidelines for entertainment and gift-giving in-line with global standards. We have declared the basic approach of the Suntory Group for anti-bribery activities of directors and employees of the Suntory Group worldwide (Anti-Bribery Measures) in 2015 as our response to global enhancement of anti-corruption regulations, such as the Foreign Corrupt Practices Act (FCPA). Each initiative conducted by the Global Risk Management Committee is reported to the Board of Directors. We have formulated a global Anti-Bribery Policy in 2016, which includes new provisions on donations and political contributions in addition to entertainment and bribery.

The Suntory Group's Code of Business Ethics is a set of rules which do not tolerate any improprieties or unfair practices. The Suntory Group actively works to raise awareness and conduct training related to global anti-bribery policies and guidelines for employees while regularly conducting monitoring. Moreover, we have put in place a global Compliance Hotline to create and utilize a system for receiving reports and carrying out consultations.

Employees are encouraged to immediately report any corruption cases or actions thought to be corruption.

### Anti-Bribery Measures

1. Suntory Group, as a global group, is firmly committed to compliance with applicable anti-corruption laws and regulations around the world.
2. All Suntory employees worldwide are prohibited from giving or receiving bribes in any form, directly or indirectly, to anyone (public officials and private counterparties).
3. Suntory Group is committed to providing employees with clear guidelines such as Gifts, Entertainment and Hospitality.
4. Suntory Group is committed to maintaining accurate books and records and appropriate internal accounting controls systems, which shall be audited periodically by our independent auditors.
5. Suntory Group will communicate its compliance objectives, including how seriously it takes ethical conduct and compliance, to its employees, business partners, agents and other third parties.
6. Suntory Group will provide its employees comprehensive compliance and prevention of corruption training programs.
7. Suntory Holdings is committed to enhancing centralized monitoring processes worldwide.
8. Suntory Group wants and expects violations and concerns to be reported and will take action to investigate any complaints.
9. Suntory Group will provide employees with the resources to help them with compliance.

## Risk Assessment for Corruption

The Suntory Group openly communicates about its due diligence processes and the nature of relationships with its business partners; the Group builds efficient risk management system that includes due diligence of its business partners. If a given business area or a transaction appear to have high risk of corruption, we take decisive actions to mitigate the risk in this business area or a transaction.

## Tightening Information Security

We are tightening information security systems in the entire Group to respond to information security risks, which are one of the most serious risks in operations. Global security policies were also formulated in an effort to enhance informational security at a global level.

### ■ Strengthening Information Security Systems

Suntory has established governance through preservation and systems for informational assets by defining the Suntory Group's Basic Principles for Governance of Information Security based on the growing needs of society that demand even stricter management of corporate information security.

We formulated the Suntory Group's Social Media Policy that stipulates the rules for using social media in Japan (such as Facebook, Twitter, Line, etc.) to respond to the risk of information leaks. We are reinforcing the awareness of each and every employee in the handling of information while advancing the information management of the entire Group based on these policies.

#### Suntory Group Information Security Basic Policy

Our information assets are a source of the Suntory Group's competitiveness. During our strategic usage and application of such assets, we must be worthy of our customers' trust in us and fulfill our corporate social responsibility. Thusly, we have identified the appropriate safeguarding of information assets as being an important management challenge, and have instituted the following basic policy, which promotes information security governance.

- By maintaining a chain of responsibility for information security and by formulating and enforcing rules on the handling of information, we will strive for appropriate management as one group.
- By specifying how the information assets that we possess should be handled in accordance with their importance and any risks, we will strive for their secure and proper use and their appropriate safeguarding.
- We will conduct the ongoing education and training of our directors, all employees, and other personnel, and we will commit to awareness-raising regarding this issue and ensure full compliance with rules related to information security.
- We will strive to prevent information security incidents, and in the unlikely event that such an incident occurs, we will swiftly take action to recover and implement corrective measures.
- While complying with laws and regulations in every country we operate in related to information assets, we will continuously improve and enhance the abovementioned information security policies.

## ■Strengthening of Human Resource and Legal Management

We have established rules and regulations for the use of information systems and the management of confidential information, and we are raising awareness of that information via our intranet. Moreover, we are raising Group awareness to the fullest at each Group company in Japan through the following measure:

- Improve information management systems that are based on vulnerability analysis
- Introduce e-learning and study sessions to increase awareness of the importance of information security and the handling of information
- Establish rules related to using social media and introduce study sessions for employees
- Conduct training related to targeted email attacks that are growing year after year
- Work with members under the guidance of risk management control supervisors and leaders at each company

In 2016, Suntory put in place the Computer Security Incident Response Time (CSIRT) as a specialized organization to respond to computer security incidents in an effort to prevent informational security incidents and strengthen its response in times of disasters as a Group.

## ■Strengthening of Physical and Technological Management

Suntory has adopted an entry-exit management system that uses security cards at the Odaiba office, Osaka office and each of our other business sites.

We are also strengthening the management of access to information systems throughout the Group via authentication functions that use security cards and passwords.

In addition, to prevent information leak, we put in place preventative measures for overwriting data on information recording mediums and established systems (automated encryption) to safely store vital information (personal/confidential information). We adopted other measures that include measures to disable automatic forwarding of emails, unauthorized access from outside the company as well as setup and monitoring of a firewall to prevent attacks.

## ■Initiatives for SNS Risks

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

The Suntory Group is conducting activities to make employees more sensitive to SNS risks (awareness raising through e-learning, seminars and an SNS usage guidebook, etc.) by formulating various standards and guidelines for use of SNS, discovering risks as early as possible, and launching response systems to lessen the SNS risks.



SNS risk seminar framework

## ■Support of the My Number System

We have put in place measures to properly manage personal information safely at each Group company as deemed necessary for identifiable personal information (My Number System) introduced in 2016. We have confirmed that our subcontractors have put these measures in place as well.

## ■Protecting Customers' Personal Information

Each company in Suntory Group stores personal information of many customers such as of those that applied for product sales promotion campaigns and customers using mail-order of health foods, etc. The Suntory Group works to protect personal information of the entire Group according to the Act on the Protection of Personal Information and Guidelines to protect important customer information.

### Employee Education on Personal Information Protection

We hold e-learning and study sessions for all of the employees in the Group to disseminate the importance of personal information protection. We conducted more focused information security education in departments that directly handle personal information.

### Sales Promotion Campaign History Management System

All processes from acquiring information to deleting records are managed through Campaign History Management System upon signing non-disclosure agreement with subcontractor for sale promotion campaigns that collect customers' address, name and other personal information. In addition, personal information that requires being stored is centrally managed in dedicated database in-house to protect customers' information.

### Information Management of Mail-order Customers

Information of mail-order customers at Suntory Wellness Ltd. are centrally managed in a dedicated closed system in communication management center in which access is strictly managed using the finger vein recognition system.



Finger Vein Recognition system

## Initiative on Intellectual Property Rights

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

### ■ Utilization of Intellectual Property

Suntory acquires and utilizes results of product and technological research and development as intellectual property and promotes activities to continuously provide highly value added products unique to Suntory Group. In addition, we implement an incentive scheme based on Invention Regulation in the Group to promote and utilize employee inventions.

### ■ Respecting Intellectual Property of Others

While utilizing intellectual properties, we collect information closely with the site of research and development to avoid violating intellectual property owned by others. For example, upon adopting new technology, we survey if a patent is owned by others. Furthermore, when adopting a product name, we survey whether or not it is registered as a trade name and refer to the opinions of experts to decide whether the names are similar.



# Group Company's Sustainability

Right from its founding in 1899, Suntory has worked to expand its business. Operating today as the Suntory Group, the company is active across a broad range of fields that include not only the alcoholic beverage, non-alcoholic beverage, and food businesses, but also health foods, restaurants, and flowers.

The company has further been expanding its operations across the world, conducting business in Asia, Oceania, Europe, and the Americas.

This site introduces various activities of the Group companies.

## Activities of Overseas Group Companies



# Activities of Overseas Group Companies



## Suntory Beverage & Food Europe

Plans management strategy and administer soft drink business primarily in Europe



## Pepsi Bottling Ventures Group

Production and sales of PepsiCo's beverage brands



## Suntory Beverage & Food Asia

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



## Suntory Garuda Group

Production and sales of non-alcoholic beverages



## Suntory PepsiCo Vietnam Beverage

Production and sales of non-alcoholic beverages



## Frucor Suntory

Production and sales of non-alcoholic beverages



## Beam Suntory Inc.

Manufacture and sale of whiskey and other spirits



## Château Lagrange S.A.S.

Production and sales of wines



## Weingut Robert Weil

Production and sales of wines

# Suntory Beverage & Food Europe

- Orangina Suntory Schweppes
- Lucozade Ribena Suntory
- Schweppes Suntory España
- AMC

## Suntory Beverage & Food Europe

Head Office 40-52 bd du parc, 92200 Neuilly-sur-Seine - FRANCE  
2 Longwalk Road, Stockley Park, Uxbridge UB111BA - UK

Business activities Soft drinks production and sales

Website <https://www.suntorybeverageandfood-europe.com/>

## Orangina Suntory France

Head Office 40-52 bd du parc, 92200 Neuilly-sur-Seine - FRANCE

## Lucozade Ribena Suntory

Head Office 2 Longwalk Road, Stockley Park, Uxbridge UB111BA - UK

## Schweppes Suntory España

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

## AMC

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



10 Core brands: Orangina, Schweppes, Oasis, Pulco, La Casera, Trina, Lucozade, Ribena, Sunny Delight and MayTea Company Overview and Philosophy

## Sustainable Growth with Purpose

Our 2025 vision for SBFE is 'growing for good' – we want to deliver Sustainable Growth with Purpose. At the heart of this is our Mizu To Ikiru promise. Our sustainability approach focuses on four key areas: Our drinks, Our Resources, Our Society and Ourselves. By managing the impacts and issues in these areas and forging leadership we seek to deliver harmony with our consumers, with nature, with people and with our own employees. We will minimise any negative effects of our business and maximise the positive contribution that we can make to the world in which we operate. This framework of responsibility and leadership will drive us forward, guide and inspire us. It will help make our ambitious and exciting vision of Sustainable Growth with Purpose a reality.



## Our drinks Harmony with consumers

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

### ■ Less Sugar

In the UK and Ireland, the company reformulated its entire range of drinks to be lower in sugar. In total, we reduced the average sugar content of our portfolio by 50% - removing 25,500 tonnes of sugar and 98.1bn calories. Alongside this we introduced new low sugar and lower calorie drinks to consumers, and increased marketing spend for our low sugar drinks such as Lucozade Zero which in 2018 sponsored the popular reality show, Love Island.

In Spain, we are committed to playing our part to help influence consumers to positively manage their sugar and kcal intake from our portfolio. That is why we provide choice for consumers of both original low/no added sugar products and have reduced the calories and sugar in a number of our most popular products and continue to advise consumers about the right drink at the right time for the right occasion. In the last 12 years, we have reduced 32% of sugar of our added sugar products. Currently, 40% of our products in Spain are low in sugar.

10 years ago, France signed a chart called National Programme of Nutrition and Health (PNNS) with the commitment to ally pleasure and nutrition. In 2018, France has reached -25% sugar content in its drinks with added sugar (in comparison to 2006). The new target for France is to reach -29% of sugar in its drinks by 2020.

### ■ Positive Choices

At SBFE we promote active and healthy lifestyles. We have a large range of zero drinks across our core brands (Schweppes, Ribena, Lucozade, La Casera and Trina).

### ■ More Natural

We want to lead the next drinks revolution through Enjoyable Wellness. We know that our consumers are after healthier drinks and that wellbeing is key for them. They are looking for natural taste and drinks that are authentic and simple. MayTea is one of our newest innovations. Its recipe is made of 94% of infused tea, low in calories, without sweeteners, without artificial coloring, without artificial flavors and preservative free.

## Our resources

### Harmony with nature

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

#### ■ Less and better packaging

We are committed to making all of our packaging 100% recyclable across the region. We are working with our R&D and packaging innovation teams to develop new ways to minimise the impact of our packaging on the environment. Through new collaborations such as the UK Plastics Pact we will be able to see progress in reducing packaging and packaging waste. In Spain, all of our primary packaging is already 100% recyclable. In 2018 in France, we have reduced by 17.6% our PET packaging since 2006 and the goal is to reach -20% by 2020.

#### ■ Less waste

It is our ambition to be zero waste to landfill from our production facilities and we are making good progress to achieve this. We also want to see waste eliminated across the entire value chain. We believe that a circular economy is the best way to eliminate waste and we can play our part by increasing the amount of recycled content we put into our packaging – for example the UK produces Ribena bottles using 100% recycled plastic and in 2018 MayTea bottles started using 50% recycled content.

#### ■ Respect water

Water is the main ingredient of all of our products and in many ways the origins of our business. It is also our Purpose as a business "Mizu To Ikiru". That is why we believe we have a role to play in protecting this commodity, in encouraging sustainable water management for next generations.

In Spain, we are running a programme called « The Guardians of Water ». Our goal is to involve employees in the Suntory Water philosophy and educate them in a more responsible use of water. This program includes a project (2019-2021) in the surroundings of our CITRESA plant in Carcaixent (Valencia, Spain) benefiting the local community and rejuvenating the surrounding natural habitats. It will consist in restoring the Júcar river and the ecosystem around it.



In France, we've signed a 20-year partnership with Grand Parc Miribel Jonage located near our Meyzieu plant. It is the biggest metropolitan public protected park in France and we are committed to support water education programs, sponsor workshops for kids and families enabling them to understand the role of water. Amongst other things, we are also helping them replant and restore the alluvial forest around the Rhône river.

#### ■ Reduce emissions

Limiting the impact we have on our environment is key. In France, fighting against global warming is one of our priorities. We have reduced our CO<sub>2</sub> emission by 25% per litre of drink produced over the last 10 years. Transportation represent 16% of our carbon footprint. We are optimizing the location of our warehouses in order to reduce distances travelled by our products. We are also working on improving our logistic flow and trying to reduce the number of empty trips made by trucks.

In Spain we are committed on Zero Emission for the 100% of our fleet by 2030.

## ■ Procure sustainably

Since 2004 we have operated a blackcurrant farm stewardship programme and in 2018 we appointed an independent charity, The Farming Wildlife Advisory Group to review the programme and its effectiveness. The farm stewardship programme supports our 38 blackcurrant growers to protect the environment and the natural resources where they operate to ensure long term sustainability of the land. As a result of the independent review we have now extended the programme to include water stewardship activities and wetland habitat conservation projects.

In Spain we work with local suppliers near manufacturing centers to promote the production and development of local areas. In addition, the contracts with the ingredients suppliers include environmental clauses with the commitment to protect the environment, reduce the carbon footprint, improve the water and energy consumption, as well as improve waste management. 23% of the fruit used as an ingredient can be found in less than 100 km from the production plant. France is committed to sustainable purchasing for all its fruits. That is why, France has issued a guideline of good practices on sustainable sourcing that has been approved and signed by 100% of its partners.

## Our society Harmony with people

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

### ■ Empowering communities

In France, we are partnering with different associations "Nos quartiers ont des talents" and "L'AFEV" that are developing social links, empowering less favored young adults as they enter the work force and fighting against school dropout.

### ■ Purposeful brands

Every year Ribena opens the gates of its Ribena berry farms. In 2018 the "Big berry bash" welcomed families across the UK to connect with our brand, get a chance to have a farm tour, learn how blackcurrants are harvested and hear about the natural process of growing this special little berry and its journey from farm to factory.

Since 2015, in Spain we cooperate with FESBAL (The Spanish FOOD BANK foundation) with different campaigns such as volunteering and donations (more than 89,000 cases in 2018)





## Ourselves

### Harmony with employees

Our company is defined by the way we work. We will ensure harmony with employees by working with an ethos that is open, flexible and accountable, supporting our people throughout our supply chain and ensuring that we, and they, maintain the highest standards in everything we do.

#### ■ Inclusive and flexible

People matter. We are encouraging and fostering a healthy lifestyle for our employees. In 2018, in the UK we have introduced flexible working hours. In France we have signed a chart of quality of work life and equal opportunities with the aim of being a great place to work. As part of this chart, we have different initiatives around parenthood, gender equity, well-balanced private and professional life.

Spain takes care of the physical, intellectual and emotional well-being of all its employees through different initiatives to promote their personal and professional development with different initiatives such as: mindfulness workshops, fruit in the office, Language Scholarships...

#### ■ Accountable for our value chain

Building trust means challenging ours and others' perceptions of acceptable behaviour and always acting with respect for others. Our Modern Slavery Act statement sets out the steps we have taken and will continue to take to ensure that modern slavery and human trafficking are not taking place within our business or supply chains.

#### ■ Ethical employer

At the heart of our Suntory values is a commitment to working with integrity and we take great pride in our reputation for always conducting business in an honest, open and fair way.

That is why we are training our employees on compliance and other topics in order to ensure that everyone understands relevant laws and responsibilities. Spain is carrying out a process of changing the culture of prevention by seeking to improve the Health and Safety of its employees, focusing on the visible commitment of all hierarchical levels and the participation of all employees. This process is reflected in projects such as Vision ZERO, Road Safety Plan, Training in First Aid and Enjoyable Wellness (Working), which also have an impact on society. France has rolled out a training called "Play Safe" around how to behave in the face of risks making sure everyone is the guarantor of its security.

# Pepsi Bottling Ventures Group

Head Office	4141 ParkLake Ave., Suite 600, Raleigh, NC 27612, USA
Established	1943
Business activities	Production and sales of PepsiCo's beverage brands in the U.S. East Coast
Website	<a href="https://www.pepsibottlingventures.com/">https://www.pepsibottlingventures.com/</a>



PBV's distribution facility in St. Pauls, North Carolina

## Primary CSR Activities

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

#### ■ Quality Initiatives

##### Quality management

To maximize quality control efforts and provide high-quality products, Pepsi Bottling Ventures (PBV) observes both the quality standards shared throughout the PepsiCo Group and the standards unique to PBV. We have also implemented AIB International's GMP Inspection system for food safety<sup>\*1</sup>. Moreover, we have obtained the Global Food Safety Initiative (GFSI) FSSC-22000 audit scheme<sup>\*2</sup> certifications for food safety.

\*1 A food safety system that stresses Good Manufacturing Practices (GMP), which are guidelines on practices that must be adopted in order to manufacture food that is safe.

\*2 Food Safety System Certification 22000 (FSSC-22000) - GFSI Audit Scheme that combines the ISO22000 standard and the ISO/TS22002 standard (formerly PAS-220) that specifies the requirements for prerequisite programs to assist in controlling food safety risks in food manufacturing processes.

## ■ Relations with Customers

### Supporting healthy diets

As one of many initiatives aimed at improving the nutritional balance of beverages in our customers' diets, PBV sells a variety of health drinks that contribute to the well-being of customers. Customers can also obtain information about the nutritional composition of our products from PepsiCo's website whenever they wish.

## To Create Harmony with Nature -Environment-

## ■ Environmental Efforts

### Water use optimization

As the key ingredient in our products, using water responsibly is critical in our manufacturing facilities. Our highly sophisticated reverse osmosis water purification systems are designed to optimize purity and water conservation. Reject water from the RO systems and other manufacturing processes is utilized in secondary uses to maximize water conservation before discharge to sewer. PBV continues to invest in new water purification systems that reduce the gallons of water it uses to make a gallon of product while producing ingredient water that is high in quality. PBV achieved a water use ratio of 1.73 gallons of water/gallon of product produced in 2017.



Newly installed water line in PBV's Winston-Salem production facility

### Adopting vehicles and a delivery system that contribute to energy conservation and CO<sub>2</sub> reduction

In 2011 PBV was the first Pepsi bottler in the USA to install an automated order picking system using CoolLift pallets in combination with specialized lift gate trailers. The system reduces delivery time and improves ergonomics for delivery personnel. Delivery routes are dynamically routed daily to reduce travel time and fuel consumption. Hybrid and fuel efficient vehicles continue to grow and now make up 50% of our sales support fleet.



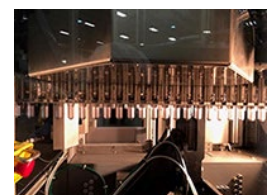
Hybrid sedan used by PBV's sales team



Delivery trucks staged at distribution facility in St. Pauls, North Carolina

### Manufacturing Bottles at point of use - Reduce

In 2012 PBV eliminated the practice of purchasing and transporting PET bottles and started manufacturing them at our two largest manufacturing plants in North Carolina. The in-house manufacturing and labeling allowed PBV to reduce the incoming truck deliveries of packaging materials by 11 to 1. The self-manufacturing process allows PBV to reduce our PET bottle weights on average by 20% and our new bottles incorporate 10% recycled plastic. Additionally PBV's new manufacturing equipment is 20% more energy efficient than the old systems used before self-manufacturing.



Preform materials before entering the bottling process

### Plastic Cases & Pallets - Reuse & Recycle

Thirty-one percent of PBV products are delivered in multiuse plastic cases and pallets. This packaging lasts for years and eliminates corrugated board and wood from landfills. Damaged units are returned to the manufacturer and are recycled for manufacture of new cases and pallets. PBV also uses recyclable shrink film on other products to reduce secondary packaging.



Distribution crates stored in Garner, North Carolina

### Centralized Recycling Centers - Recycle

PBV manufacturing facilities act as centralized recycling centers. Corrugated board, stretch film, metal, and PET are collected and transported to these centralized facilities. Out-of-date product returned from customers is crushed and the recycled packaging is sold. Additionally our fleet garages recycle old vehicles, waste oil, batteries, and tires. As a result, PBV achieved a recycle rate of 90% of its total waste in 2018.



Recycling bales ready for shipment from Garner distribution facility



Recycling bales entering production process at Unifi warehouse – PBV partners with Unifi for the processing of recycling materials

## To Create Harmony with Society -Cultural and Social Contribution-

### ■ Relations with the Local Community

#### Support for areas affected by natural disaster

PBV supplied bottled water to the victims of the Hurricane Florence and Tropical Storm Michael and provided significant financial assistance to relief organizations such as the Red Cross.

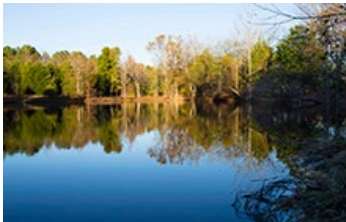
#### Activities rooted in the local community



Specialty truck wrap promoting the PBV/Kay Yow Cancer Fund partnership

## Land Conservation Designed to Protect the Water Quality of the upstream region of the Neuse River

The PBV headquarters factory is located in Upper Neuse River region in central North Carolina. Upper Neuse River region provide utility water and drinking water to 300,000 residents and many local businesses and organizations. The population in the Upper Neuse River region is rapidly increasing, which makes it extremely important to the health, economics, and quality of life of the people that there is a plentiful supply of clean drinking water in the region. Therefore, our company cooperates with forest preservation organizations, local government and land owners through the Upper Neuse Clean Water Initiative to preserving the soil to protect water quality of the river since 2005. We also engage in initiatives to improve the water quality such through removing foreign species and bring back the habitat of native species.



Upstream region of the Neuse River



Members of the North Carolina Youth Conservation Corps, a summer program which is supported through PBV's annual donation to the Conservation Trust of North Carolina

## To Create Harmony with Employees -Diversity Management-

### ■ Relations with Employees

#### Creating a healthy and lively workplace

To maintain employee health, our Safety and Health Department - previously called the Safety and Loss Prevention Department - administers and provides guidance on how to become a healthier workforce. All of our employees are encouraged to have annual physical examinations. We provide annual influenza vaccinations free of charge for employees and spouses. Annual Safety Day events occur at selected facilities, where we bring in local hospital and wellness professionals to instruct on such topics as proper hydration and heart health. Automated External Defibrillators have been installed at all facilities and training is provided to selected employees on Basic First Aid and CPR. "Fresh Fruit Friday" is held once a month in all facilities, to promote healthy breakfast and snack choices.

In addition, to ensure the overall organizational health, we conduct employee opinion surveys every other year. This allows the views of employees to be heard and creates a venue for discussions and changes to take place in our organization.



Fresh Fruit Friday at Pepsi Bottling Ventures



Biometric testing has taken place at selected facilities based on employee population. Screenings help provide our employees with the knowledge and awareness of their current health and well-being. Employees are encouraged to participate, so they may have a better understanding of their health status, and consult a primary care physician if results need to be modified. Preventive wellness has always been a primary focus of PBV, especially when it comes to the health and safety of our employees.



Biometric screening with employees



Marketing materials encouraging healthy lifestyles for PBV employees

The Industrial Athlete Program has met with great success across our Eastern Division. Similar to several other companies that have produced a program (UPS, Boeing, Volkswagen, to name a few) PBV has incorporated this program to reduce the risk of injuries to our employees on the job. Stretching, physical therapy self-massage techniques for pain management, and proper ergonomic lifting techniques while handling product, are some of the key components of this program. "Stretch for Success"; "Work Smarter NOT Harder".



Biometric screening with employees



Marketing materials encouraging healthy lifestyles for PBV employees

Workplace safety is something PBV takes very seriously. In order to keep "Safety First", we schedule Safety Day events at many of our facilities. Activities during a safety day range from instructor lead training (Highway Patrol) to hand-on exercises (fire extinguisher demonstrations, forklift rodeo etc...). Conducting Safety Day events are a fun way to teach workers best practices for a productive and safe work environment.



# Suntory Beverage & Food Asia

Head Office	18 Cross Street, #12-01/08, China Square Central, Singapore 048423
Established	SBFA, a fully owned subsidiary of Suntory Beverage and Food Ltd., is the Asia headquarters managing 2 businesses - Health Enrichment Business (operated by BRAND'S Suntory) and Beverage Business (Asia, Middle East & Sub-Saharan Africa), with many brands in leading positions in their respective national markets.
Business activities	Production and sales of Health Enrichment products and Beverages in Asia
Website	<a href="https://www.sbfapac.com/">https://www.sbfapac.com/</a>



## Primary CSR Activities

### ■ CSR Management

#### SBFA's CSR strategy

CSR management lies at the heart of SBFA's business. It goes without saying that excellent business practices and results are a prerequisite for continued corporate growth and CSR plays an important role in further strengthening our company and product branding. Our CSR policy aims at maximizing our business sustainability by implementing a triple bottom line approach: looking beyond just financial profitability and measuring our activities that can contribute to society and the environment as well.

We look towards Growing for Good with our people and our values. Whilst striving to deliver the highest quality products and services to our customers, we also make every effort to contribute to the fruitful development of culture, lifestyles and a global sustainable environment.

With a mission to bring happiness and wellness into everyday life, SBFA believes in fostering valuable relationships with consumers, partners, employees and communities to achieve a sustainable balance between People, Planet & Profit.



## Corporate Governance

SBFA has set high standards for corporate governance, as should any responsible company. We strive for transparency of corporate management strategy for our stakeholders. In 2009 we were ranked 26th best in The Business Times' Governance and Transparency Index. We fully comply with corporate governance laws, and our business is guided by a group of Board of Directors with diverse and extensive business experience. In line with our Anti-Bribery & Corruption Policy, all employees went through a training session to help them understand the importance of accountability in their actions. In addition, our employees also adhere to SBFA's Code of Ethical Conduct that was developed to align with our mission, vision and values. The policies serve as guidance for our employees to make decisions.

## Quality Assurance

SBFA established its Group Quality Assurance department as part of our efforts to become a best practice company. The mission of the Group Quality Assurance department is to offer the best products and services, compliant with relevant laws and regulations, to our customers and consumers throughout the entire product value chain: from research, planning, development, procurement, registration, production, distribution, sales until the moment of consumption. This is in line with SBFA's company mission and vision, and guided by principles, policies and standards for ensuring consistency across the group. These principles, policies and standards focus on the following areas:

- Customer Focus
- Enhanced Innovation
- Risk Management
- Essence of Lean, Clean & Green
- Brand Image & Reputation Protection
- Ownership, Shared Responsibility & Accountability
- Strategic Partnership

Working together with the various functions and management levels of the supply chain, the Group Quality Assurance department enacts mechanisms and structures related to quality management. This helps to ensure cross-functional quality excellence throughout the Group, for better organization and quality management.

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

### ■ Relations with Customers

#### Keeping Customers Satisfied

SBFA has made maintaining closer relationships with our customers a basic principle of our marketing approach. We have been using a Customer Engagement Management (CEM) system to help us assess what our customers want and increase their level of satisfaction. Our database now holds information on several millions of customers and continues to grow. The data obtained helps us to communicate more directly with our customers, deepening our interactions with them while strengthening familiarity with our brand.

### Events Around SBFA Group

BRAND'S Suntory Thailand launched "BRAND'S<sup>®</sup> We-Like", which promises the same goodness of BRAND'S<sup>®</sup>, a well-known health enrichment brand in Asia, with a new taste and smell. The team came up with an innovative idea with a scent/taste pad on the front page of a popular newspaper and distributed to all those using the metro. Efforts continued with an online photo contest of BRAND'S<sup>®</sup> consumers uploading their photos via Facebook and Instagram to win attractive prizes. The new taste/ smell of BRAND'S<sup>®</sup> is expected to resonate with those who have hesitated on trying the original recipe and the new "We-Like" is expected to find a new audience with out-of-the-box thinkers amongst the teens and young adults.



BRAND'S<sup>®</sup> We-Like Campaign in Thailand

We believe that such differentiation from our competitors and our increased use of CEM will allow us to maintain and strengthen our relationship with our customers, establishing brand loyalty and realizing sustainable growth.

Suntory PepsiCo Vietnam Beverage (SPVB) was also the first entity outside of Japan to introduce the successful Mizuiku Water Education program, which is a natural water education program of Suntory group. More than 550 Mizuiku classes for approximately 7,400 students have been held in Hanoi and Ho Chi Minh since the program started in 2015. Apart from increasing the students' awareness such as knowing how to cherish water, sanitary facilities were also installed in the elementary schools. Additionally, with a continuous effort to develop the future generation, SPVB is also in its 14th year of DYNAMIC, a contest encouraging students to become entrepreneurs. With an array of activities and initiatives that positively impact the community in which SPVB operates, the company has been recognized as the Top 10 Sustainable Businesses in Vietnam by Vietnam Chamber of Commerce and Industry and was identified as a leader in CSR by AmCham Hanoi at Amcham CSR Awards 2017. These accolades has set Suntory apart from our competitors and improved our brand recognition.

### Customer Intimacy Goes Digital

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

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



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

## Relations with Business Partners

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

## To Create Harmony with Nature -Environment-

### ■ Environmental Efforts

#### International Certifications

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

#### Sustainable Operations at Our Environmentally Friendly Plants

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

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



Our new plant in Quang Nam Province,  
Vietnam



Bird's Nest bottling in one of our Thailand  
plants

## Developing the Next Generation Through Lessons from Nature

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

## Waste Reduction Program

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

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



Children took part in water conservation activities at the camp



## To Create Harmony with Society -Cultural and Social Contribution-

### ■ Relations with the Local Community

#### Contributions Rooted in the Local Community

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

#### Supporting Local Causes

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



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

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

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

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

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



Participants of the Hope in a Bottle program

## Exemplary CSR

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

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

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





## Developing CSR Activities Region Wide

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

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



BRAND'S<sup>®</sup> Summer Camp in Thailand



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



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



BRAND'S<sup>®</sup> Brain Study Camp in Myanmar

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



Children from remote areas benefits from BRAND'S<sup>®</sup> Suntory Taiwan's initiative

## Other Activities

### - Singapore

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

### - Malaysia

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



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

## The STSPMF Corporate Charity and ChildAid Asia Concerts

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



SBFA has supported ChildAid since 2005.

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

## ■ World Vision International

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



SBFA employees with World Vision beneficiaries in Bo Kluea, Thailand

## To Create Harmony with Employees -Diversity Management-

### ■ Relations with Employees

We believe that all businesses require talent to grow. SBFA demands spirited leadership at all levels, and aims to be the most exciting company, the best learning organization, the most engaged company and the best paid company. Product Innovation, Research & Development, and Customer Intimacy (through digital innovation) will help to drive this vision. With consistent efforts put in to ensure the vision was achieved, SPVB was recognized as "Most Attractive Employer Brand for Generation Y" in 2017.

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

### Developing People - Heart of Performance

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

### Developing People - SBFA Leadership Development Program (LDP)

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

### Developing People – SBFA Supply Chain Leadership Development

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

### Supporting Employees' Personal and Professional Growth

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

Over the years, the company has established platforms and mechanisms to connect with and listen to employees. SBFA conducts employee engagement surveys, bi-annual staff rallies, management dialogues, and "Heart Talk" sessions. In "Heart Talk" sessions, employees have the opportunity to raise questions and share thoughts on HR issues, while management dialogues provide employees with the opportunity to ask top management about issues related to the company's direction or business strategy.

Opportunities such as these allow employees to be up close and personal with members of the leadership team, and go a long way toward engaging and motivating employees.

### Supporting Employee Volunteerism

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

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

### Contributing to Society Through Healthy Activities

In 2003, we introduced our "Charity Points" system. When employees participate in health maintenance activities devised in-house, they receive one charity point. Charity points can be redeemed for SGD 5 each, with that money being donated to the STSPMF. Participation in activities therefore leads not only to better employee health, but also to school meals for less fortunate children.

The signature event occurs every December where SBFA's staffs take part in the Singapore Marathon and SGD100 is donated for each kilometer completed. In recognition of SBFA's efforts, the company was awarded the Singapore HEALTH Award 2012 Platinum Award from the Health Promotion Board. We also received the Work-Life Excellence Award from Singapore's Ministry of Manpower (MOM) Tripartite Committee on Work-Life Strategy in 2014.

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

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



The 2015 Charity Marathon



# PT Suntory Garuda Beverage

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



## Company Overview and Philosophy

Suntory Garuda Beverage, joint venture Suntory and Garuda Food, was established in 2011 to expand the beverage business in one of most growing and attractive markets – Indonesia. We are proud of our passion and the engagement of our talented people. In Suntory Garuda Beverage, we have worked as one family with a mission to inspire a smile. Our vision as Yatte Minahare company that constantly innovate drinking experience and delight consumers, translates into our five corporate values, that are: One Team, Agility, Never Give Up, Fun and Integrity.

In the years since its inception, SGB has grown to become one of the leading non-alcoholic beverage companies in Indonesia. We offer a varied portfolio of beverages, from OKKY jelly drink and MounTea ready-to-drink tea to MYTEA bottled tea and Good Mood fruit infused water. Some of these are established Indonesian favorites, while others are new innovations made possible by the advanced technology of Suntory in Japan

## Primary CSR Activities

### ■ CSR Philosophy

#### Our Mission

In line with Suntory group's value of "Giving back to society," SGB has worked continuously to expand and enrich its CSR and sustainability programs, focusing on three areas: social, environment and governance. Our commitment to society includes educational activities such as career talks and factory tours. In January 2019, SGB launched the Suntory "Mizuiku" program, which teaches younger generations the importance of clean water and conserving water resources.

#### Our Initiatives

### 1. To create harmony with customers and partners

#### ■ A. SGB Fully Automation Cup Line

Our commitments to products quality and safety spell out in 3 targets:

- 1) Provide safe, reliable and high quality products
- 2) Create new value with unique, premium, natural and healthy products
- 3) Pursue cost efficiency in entire value chain, optimized and innovate production



## ■B. Support customers and partners at Palu and Anyer

#SGB CARE invited all Suntory Garuda Beverage Suntorians to donate to support victims of the earthquake and tsunami in Donggala and Palu, Central Sulawesi. Much needed financial support was received from SBFA, SBF and SHD in Japan. Suntorian's joined hands to support the victims of the Lampung, Palu and Anyer earthquakes and tsunamis. The very kind support was very much appreciated to assist in programs for the residents of these areas to recover from these disasters and to support them in rebuilding their areas including businesses and schools.

In Palu, donations were provided in the form of financial support, Suntory products and educational scholarships for employees family, suppliers, sales depot, refugees and children from families affected by the earthquake and tsunami. Donations were also channeled in collaboration with several Government institutions such as the Ministry of Industry and other government agencies. In Anyer and Lampung, the SGB factory staff also aided affected people immediately after the disasters.

In Palu, post-disaster donations will continue to be provided in the form of trauma healing classes, Mizuiku festival (playing while learning "I Love Clean Water"), socialization of disaster mitigation and the importance of protecting the environment in addition to initiatives of supporting educational equipment for schools.



## 2. To create harmony with society: educational and social contribution

We are engage in wide range of educational and social contribution activities

### ■A. Career Talk

Partnered with Bina Nusantara University as one of outstanding university in Indonesia, SGB deliver engaging and inspired career talk sessions. We talk on the importance of elevate and establish ourselves as an authentic individual and attract business through transparency and expertise amidst rush development during nowadays digital world. There were also a discussion on how to build our working attitude, upgrade the mindset and introduction on some supporting literature reference. We are so proud at this University Relation Program (URP) and optimistic that we will be able to roll-out these initiatives furthermore in many leading universities across big cities in Indonesia





## ■ B. Blood Donation

SGB collaborated with the Indonesian Red Cross, calling all Suntorians to take part in a blood donation as we believe that sharing blood is one of the most honourable ways to show our love and care for others. We were happy and pleased to be a part of this and hope we too can be heroes and save lives.



## ■ C. Public Facility

SGB develop and provide public facility in a more sustainable manner to support communities, employees and shareholders. It is the integration of multi-disciplinary activities within the built facility and the management of their impact upon local society



## ■ D. Okky Youth Soccer League (OYSL)

The OKKY Soccer League aims to provide a right playing atmosphere for young soccer talents and to develop the next batch of players for Indonesia. It takes commitment and perseverance to organize and hold this league, and OKKY Splash is enthused by the support of parents and the Ministry of Sports.

OYSL present in six major cities, namely Surabaya, Bandung, Malang, Yogyakarta, Semarang and Jakarta involved more than 3,780 children aged 10-12 years old from 210 participating teams. The U-12 Okky Youth Soccer League is also do a roadshow to many elementary schools in the form of coaching clinic, education class and fun games.

In 2018, OYSL team from Indonesia won 1st place at Singa Cup, Asia's Premier International Youth Football Tournament held in Singapore.

PT. Suntory Garuda Beverage's mission statement is to "Inspire a Smile" and aligned with the OKKY "Be Fun Be You" tagline we encourage children to enjoy their childhood, learn sportsmanship, make friends and develop confidence in themselves. OKKY and football – a winning combination for a beautiful game!



### ■ E. Plant Tour

There are so many interesting and new things to see during a plant tour. Mainly open for students from elementary to university, experience of plant tour in SGB always found to be overwhelming. There is a mass of machines, workers, parts, and tools. Additionally, SGB staff will give visitors an overview and the deluge of information of the plant, usually ripe with technical terms, products, warehousing or distribution and other local plant information.



### ■ F. Educational fund

As part of its corporate social responsibility policy, SGB promotes education fund to support children of employees in Palu. We are grateful that we have this wonderful opportunity to investing in a child's future



## 3. To create harmony with nature

### ■ A. Plant Trees

SGB realize that another improvement essential to the sustainability of the environment is the planting of trees, both to relieve the global shortage of trees, important sources of oxygen and water, and to reduce the effects of global warming.



## ■ B. Wastewater Treatment Plant

SGB realizes that nation's rivers and lakes are invaluable public resources, essential to every aspect of our lives and livelihood. That's why we are consistently working on custom wastewater treatment equipment in our manufacturing plant.



## 4. To create harmony with employees: diversity management

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

### ■ A. Fun Ramadan at SGB

In Indonesia, iftar called "buka puasa", which means "to open the fast". Takjil is the food, commonly recognized as dessert, provided during iftar. To provide takjil for employees' iftar during Ramadan, we did fund crowdrising. Since many years, SGB build the corporate breakfasting into our culture. We name it "buka puasa bersama". Besides "buka puasa bersama" that we had in head office, every manufacturing sites and every function also held the similar one to take opportunity to engage together in this blessings month.



### ■ B. Employee Sport Class and Health Talk

As a part of SGB commitment to staff wellbeing, we run a timetable of fitness classes throughout the year to promote physical activity as well as health talk to encourage healthier lifestyle. Additionally SGB sport class are open to all staff and we are excited to see more staff getting teams together to take part in the different sport class we run. Currently our leagues are in Indoor Football (Futsal), Indoor Basketball and Motorbike Touring





### ■ C. Employee Corner

From smartphone photography workshop to fun vlog competition, SGB Employee Corner increase employees engagement and experience



### ■ D. Training and development

SGB launch continued efforts to boost the performance of its employees. We aim to train and develop employees by using an array of educational methods and programs. SGB employee training and development not only build a motivation, but it also enables us to create a highly skilled workforce. We always accommodate relevant and interesting topic into our learning class. From training of legal for non-legal people, seminar on business disruption, fun learn about manufacturing in Monozukuri class to structured English classes, we are convinced that well-managed training program helps in building an employee's confidence since they will gain a better understanding of the industry and help employees to be more independent and creative when they encounter challenges in their work.



### ■ E. Employee Recognition Award

In SGB, we recognizing and awarding our employee and team that have shown consistent excellence performance, contribution to the category set-forth through Employee Recognition Award (ERA). Through this award, employee are expected to be the true role model of SGB Values whereby they incorporate it in their ways of working.



# Suntory PepsiCo Vietnam Beverage Co., Ltd.

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



## Company Overview

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

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

### Quality assurance

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

### ■ Relationship with the Customers

#### Customer outreach

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



Neatly displayed visi-cooler (left) and rack

## Contributing to consumer health

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

### TEA+ Oolong Tea

TEA+ Oolong Tea was released in 2013 in Vietnam, starting a new segmentation of tea in Vietnam. This tea is made using the technologies we cultivated while developing Suntory Oolong Tea, a product that has been popular in Japan for more than 30 years. With a refreshing and delicious taste, TEA+ Oolong contains OTPP, a natural ingredient extracted from oolong tea leaves that assists in the suppression of fat absorption. By extracting and maximizing the OTPP in oolong tea leaves, TEA+ offers consumers a healthier lifestyle, while maintaining the delicious taste and floral notes that come from oolong tea.



### TEA+ Matcha

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



TEA+ Matcha

### TEA+ Oolong Lemon

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



TEA+ Oolong Lemon

## ■ Relationship with Business Partners

### Working with Business partners

SPVB treats all partners with fairness and respect. Since this joint venture started, SPVB has a network of suppliers and partners who work tirelessly to face all ups and downs in business with us. The relation with SPVB and some partners dated back to 24 years ago, when PepsiCo first started its operations in Vietnam. SPVB's at its position today thanks to its partners' contribution and collaboration.



# To Create Harmony with Nature -Environment-

## ■ Environment

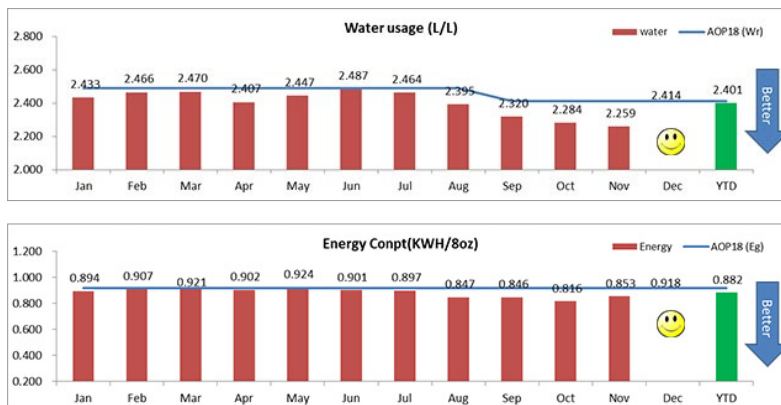
### Environmental management

All SPVB plants have acquired ISO14001 certification and fully complied with laws and regulations. Also, Environment management system of 5 plants are apply GEHSMS standard of PEPSICO, by the way, plant does self-assessment yearly vs standard. The result of 5 plants are as below:

Plant	Audit date	Standard	Result audit of third party	GEHSMS (Self assessment)
BNP	Aug, 2018	ISO14001:2015	0 NCs, No Obs	978
QNP	Oct, 2018		No NC, 2 Obs	955
HMP	Dec, 2018		No NC, 8 Obs	951
DOP	Oct, 2018		No NC, No Obs	978
CTP	Nov, 2018		No NC, 4 Obs	988

We set up environment sustainability KPI's for water usage and energy usage. These figures were reviewed weekly at manufacturing meeting and monthly at company operating review meeting. Below is the SPVB KPI's 2018 achievement vs. reduction target:

### 2018 Targets and Results

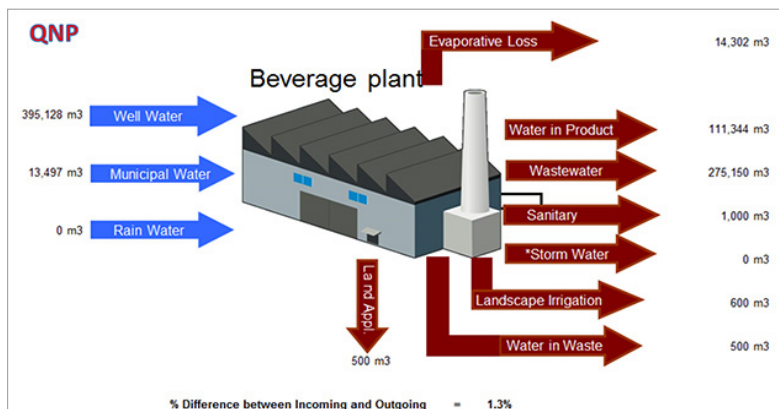


### Water conservation

SPVB has established targets and policies for water conservation. In addition to reduce consumption and effluent, we also strive to recycle water from treatment processes, bottle washing/ rinsing and CIP.

Recycle treated waste water to use for gardening and internal cleaning at Dong Nai Plant & Quan Nam Plant.

Analyses the water flow and find the priority point to focus on management.

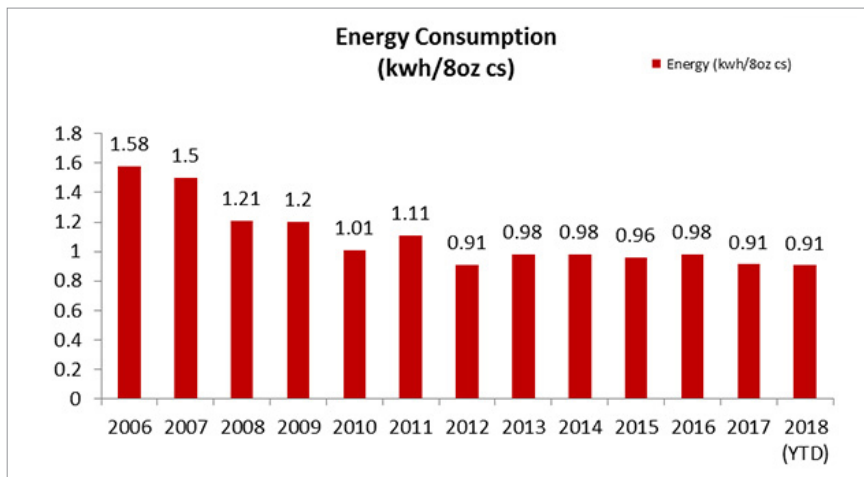


### Climate change

CO<sub>2</sub> emissions from both power and fuel are measured at our plants, with targets to reduce energy consumption and CO<sub>2</sub> emissions. Methods include waste heat recovery, VFD for variable load motors/pumps/air conditioners, power-saving lighting, auto-timers at offices and eco oven for blowers.

SPVB applies some new technology to reduce CO<sub>2</sub> emission such as:

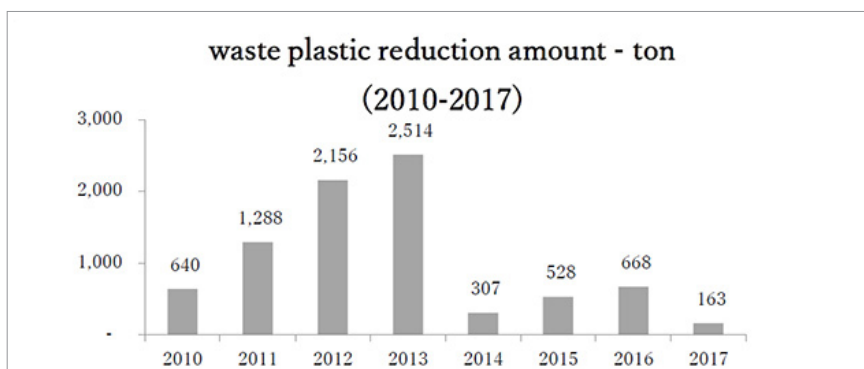
- Apply Biomass boiler outsource replace for boiler using DO at Can Tho Plant (had done 2018Y). in 2019, it is continued for Quang Nam Plant
- Apply Solar project at Bac Ninh Plant (had done in 2015), and Dong Nai Plant will be done in 2019.
- Many small projects to improve operation/system to save energy such as: VFD applied, heat recovery for all pipe/equipment .



### Resource conservation

We measure solid waste generation and recycling rates at our plants, with targets for reduced waste and increased recycling. We recognize the importance of following 3Rs practices (Reduce, Reuse and Recycle). We incorporate 3Rs into product design by creating lighter packaging; to conserve resources and reduce energy consumed during transportation (related production and design are carried out in-house). We have also changed from PVC to OPP labels for PET bottles, and from PVC to ACL labels for glass bottles. This helps to reduce environmental impact and encourage proper recycling. Additionally, used materials at our plants are collected for sale to third-party companies for reuse or recycling.

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



## Reducing pollution and managing chemical substances

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

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

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

By the way, all generated sludge not be landfill, reduce environment impact.



Solid waste management



Waste water treatment plant

## To Create Harmony with Society -Cultural and Social Contribution-

### ■ Relations with the Local Community

Pursuing the corporate value "Giving back to Society", CSR is an integral part of SPVB's sustainable development. SPVB CSR focuses on 3 pillars including Education – Supporting the Youth, Water – Environment, Healthcare & Helping Hands. Helping Hands is a charity program financed and operated by SPVB's employees across the country.

## "Mizuiku – I love clean water" program

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

The pupils experienced the outdoor activities in forest in Ha Giang province



Since 2017, the Ho Chi Minh Young Pioneer Organization and the Vietnam National Union collaborated with Suntory Group, Suntory PepsiCo Vietnam to implement the program at the nationwide scale.

Up to the present, the program has been expanded from 6 to 70 schools across Vietnam with nearly 18,000 students receiving education on water resource preservation. 50 clean water filtration systems installed also helped providing clean water for over 23,000 Vietnamese locals. Mizuiku continues to be a part of the Joint Program between the Ministry of Education and Training and the Ho Chi Minh Communist Youth Union for the 2018 – 2019 academic year.

2019 marks the 5th year of Mizuiku in Vietnam and is the 3rd year the program be implemented at the nationwide scale. This year the program will be newly established in 17 primary schools in Lang Son, Quang Nam, Dong Nai and Ben Tre provinces, additionally to the current 70 schools. Currently, The Ministry of Education and training of Vietnam is in the progress of examining the Mizuiku materials to allow the materials being used as the reference books for primary students' after-class activities. This year the program will also launch the first-time-ever series of picture books for children with the Mizu icon as the teller of water preservation stories.



The launching ceremony of "Mizuiku – I Love Clean Water" 2019 in Lang Son province, Vietnam in March 2019



## Green Summer

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

- Successfully signed the next 3yr strategic partnership (2018-2020) with HCM Communist Central Youth Union and well leveraged it as a key important gov. partner for plastic recycle program
- Received HCM Communist Central Youth Union's recognition for SPVB contribution to VN Youth
- Green Summer Campaign official national Kick-off event in Long An – REVIVE sampling hit +3K volunteers
- 15 WATER TREATMENT SYSTEMS in 4 provinces (Quang Nam, Ben Tre, Ha Giang, Lang Son)
- 9 sports equipment & 11 playgrounds in Bac Ninh, Hanoi, HCMC, Danang, HCMC, Can Tho
- Brand love increasing: sampling 156K+ bottles of Revive, AQF, 7Up, TEA+, Pepsi, Mirinda, Twister



Green Summer 2018 x REVIVE branding

## Helping Hands

Helping Hands program, an employee volunteering and donation program, where employees are provided with opportunities to care for community and the world we live in. It has launched in August 2011 supporting to enhance SPVB's core values and to build the corporate culture, engage employees for long term commitment and contribution to both business and society sustainable growth. The total raised funds by employees will be approved for matching by the company. It's a good platform for all - our employees, community and business. Since 2011, 10 SPVB Helping Hands committees formed, 110 HH programs were initiated, more than 5,000 volunteers, 18,000 man-hours volunteering were contributed, 8.4 billion VND was used to build 3 schools, 3 houses and 3 libraries for children in mountainous areas, award thousands of scholarships, support 1,600 eye surgeries, present gifts for the disabled and the older people in social centers.



SPVB Helping Hands volunteers built kindergarten in Nghe An Province



Helping Hands Hóc Môn Plant joined the volunteering activities in Dak Lak Province

## Education - Dynamic Contest

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

For the last 23 years, SPVB have been accompanying the "DYNAMIC – The future entrepreneurs" contest and since 2017, we are proud to become its co-organizer with University of Economics Hochiminh City for the new DYNAMIC start up version where the students had room to conceive and develop their own business ideas. Here are some highlights of Dynamic of the recent years:

- Expand the participation of more universities: 13 participating Universities nationwide
- DYNAMIC kick off events at 3 regions in 6 Universities reached +3,000 students
- Supported EVP - HR talent dev. Programs sharing & to sign the strategic partnership with NEU
- Sting sampling and branding
- Cross functional contribution incl. local Sales/Finance joint and delivered speech
- In cooperation w CC to plan for DYNAMIC fan page investment as a efficient communication channel promoting for DYNAMIC and SPVB/brands



Tung Tung – The winning team of Dynamic 2018



Vietnamese students from Dynamic winning team experienced environment protection activities with Suntory in Japan

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

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

Over 1.2 billion VND was raised from Suntory PepsiCo Friendship Golf 2018 event by Suntory PepsiCo Vietnam in collaboration with the Sponsoring Association for the Poor Patients of Ho Chi Minh City will be donated to bring clean water projects to the "Clean Water For Primary Schools" for students in Ben Tre Province.





CEO of SPVB – Mr. Uday Sinha handed over total raised fund of 1.2 billion VND to Sponsoring Association for the Poor Patients of Ho Chi Minh City in the 2018 SPVB golf tournament

The CSR activities of SPVB received good attention from the media in 2018 with over 40 news published on Dynamic program, 95 news published on "Mizuiku – I Love Clean Water" program and 50 news on Green Summer program. On digital communication, the Mizuiku fanpage attracted +50k interactions through its social activities and gained 2,000 new followers to make the total number 13k followers of the page.

## To Create Harmony with Employees -Diversity Management-

### ■ Our Employees

#### Diversity

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

#### HR development

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

With the purpose to provide our employees with the expertise they need to fulfill their role and make an impact on your business, we build up a well-rounded training portfolio which includes: Leadership skill, General Skill and Functional skills. Every year, around 60 – 70 workshops that reach ~1,700 employees.



Beside training workshops, we also have some activities to enhance the learning & sharing culture such as Lunch & Learn, Internal Trainer Club, etc.

Since July 2015, in order to promote recognition cultures in SPVB, E-kudos - the first ever recognition online tool has been launched. This initiative receive a big support from Line managers and employees. There is about 1000 e-kudos granted every year.



Internal Trainer Club

In Organization Health Survey 2017 conducted by Tower Watson, with more than 99% response rate, SPVB has received outstanding results with 8 out of 16 categories getting higher scores compared to Vietnam National Norm (Such as Pay & Benefits, Leadership, Operating Efficiency, Performance Management, etc.). Especially, in the Sustainable Engagement category – key variable of the survey, we surpass both Vietnam National and Beverage Overall Norm – showing the intensity of our employees' connection to the organization.

### Work/life balance

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



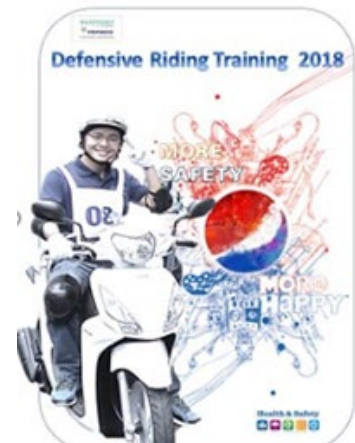
SPVB Healthy Food Day 2018

## Health and safety

At SPVB, Health & Safety of the employees is one of the top priorities of the company. Throughout the years, the Health and Safety Department has conducted many meaningful activities and trainings in order to help enhancing the safety awareness for SPVB employees. Some of the most outstanding campaigns & activities include:

### Safety Campaign 2018- Operations

At SPVB, Health & Safety of the employees is one of the top priorities of the company. Throughout the years, the Health and Safety Department has conducted many meaningful activities and trainings in order to help enhancing the safety awareness for SPVB employees including organizing Safety Campaign (Operations) to help deepening knowledge on H&S of Operations employees; carrying out Local Safety Contests at local plants to enhance plant employees safety awareness; organizing Behavior Based Safety training to improve safety behaviors of employees, providing Defensive Riding & Driving training in coordination with Honda Vietnam to help reduce the traffic accident rate amongst SPVB employees year by year; providing Warehouse Safety training for distributors of SPVB to equip them with the standards, guidelines of keeping warehouse safe and sharing the best practices; enabling Health Care consultant event and online program to consult employees on health and disease prevention topics, etc..



# Frucor Suntory

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



## Company Overview and Philosophy

Frucor Suntory manufactures a wide variety of soft drinks, including energy drinks, fruit juice, mineral water, sports drinks, kombucha and dairy beverages. Our brands are enjoyed in homes throughout Australia and New Zealand, and the company is firmly established in its target markets. This can be attributed to, among other things, the values shared among all of our employees and our corporate culture. Everyone at Frucor Suntory strives to live our corporate values of "Together", "Go for It", and "Make a Difference". We believe these values, along with our purpose of 'Hungry to make drinks better', are among the key reasons we have been able to establish our unique position in this market.

## Primary CSR Activities

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

#### ■ Quality Management

##### Ensuring rigorous quality control and food safety standards

Frucor Suntory factories operate under a range of national and international food safety and quality programmes ranging from HACCP, National Programme, through to ISO 9001 and ISO 22000. We also hold Certification to support our Organics claims.

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



##### Continuously improving business operations

Frucor Suntory strives toward the company-wide eradication of waste in all areas of our operations. We have been practicing 5S - seiri seiton (putting things in order); seiketsu, seiso (cleanliness, cleaning); shitsuke (discipline) for the past 10 years and the majority of our manufacturing staff have been qualified at Level II in Competitive Manufacturing (NZQA). Recently we have lifted our game in the area of productivity improvement programmes and have a number of employees qualified as Six Sigma Green Belt exponents. Each year, Frucor Suntory manufacturing implements more than 800 improvement ideas in the factory. Our passion for Continuous Improvement resulted in Frucor Suntory being the inaugural winner of the Suntory World Kaizen Forum (WKF) in 2015. In 2016, Frucor Suntory hosted the second WKF event in Auckland New Zealand.

Over the past four years, 37 individuals from different departments (R&D, Quality, Manufacturing, Engineering, HR & Finance) have completed Green Belt (continuous improvement) projects with another ten candidates progressing in 2019.

Two members of staff qualified as Black Belts and in 2018, 15 people went through the two day Yellow Belt course with two more programmes planned for 2019.





## Hunger for Making Drinks Better

Our company purpose of 'hungry to make drinks better' extends right across our business. It is particularly relevant to our efforts to offer consumers a greater choice of products that are 'better for you'.

We have made a commitment that low and no sugar drinks will account for half our future growth. One in three drinks we sell in 2030 will be low or no sugar.

In 2018 we launched Amplify kombucha, which has less than 1g of sugar per 100mL, NZ Natural Sparkling flavoured waters, which have no sugar and no artificial flavours and Pepsi Max Vanilla, with zero sugar. We've also reformulated OVI, reducing sugar by 50% so it now has just 2g per 100mL and OH sodas, which have less than 2g of sugar per 100mL, and we reduced sugar in V Pure by 10 per cent.

We have also rapidly adopted the Health Star Rating food labelling scheme with the % Daily Intake Energy icon and voluntarily restricted the sale of sugar-sweetened beverages in schools. As part of the Ministry of Health's Healthy Kids' Pledge we only sell water to primary and intermediate schools. We do not directly sell sugar-sweetened soft drinks or any energy drinks to secondary schools.

We were one of the first drink companies in our part of the world to use stevia, a natural plant-derived sweetener which has replaced sugar in many of our drinks.

## Relations with Customers

We treat our customers with the same respect with which we treat each other. This has led to very positive customer relationships, with customers consistently recognising us as best in class Domino's Pizza Enterprise (DPE) Australia and New Zealand awarded us 2018 Business Partner of the Year for our team's contribution to helping Domino's deliver excellent service. And our Australian sales team won also won an array of industry awards in 2018 including NPD of the Year for V Deadpool at BP's awards night; Supplier of the Year Beverages – Energy at the New Sunrise Group conference; and Beverage Supplier of the Year at the AACS Convenience Leaders' Summit.

## Relations with Business Partners

We make every effort to use local sources for products and services, but on occasion we must use overseas suppliers for some requirements. Frucor Suntory requires that all suppliers adhere to strict, socially accepted standards of employee treatment and environmental policies and regulations related to the local environment. To ensure that all product ingredients obtained by Frucor Suntory meet our quality standards, we perform rigorous ingredient inspections and onsite audits of manufacturing processes.

## To Create Harmony with Nature -Environment-

### ■ Environmental Efforts

#### Environment policy

We're committed to monitoring and reducing our environmental footprint around the world and in our own backyard.

#### Our 2030 goals are:

- Zero landfill
- 35% carbon footprint
- 20% water usage

#### Promoting waste reduction and recycling

We consider waste reduction a top priority and have taken a variety of steps to promote it. Frucor Suntory is associated with multiple industry organisations in New Zealand and Australia, and promotes waste reduction and improvements in recycling rates, for example, by encouraging recycling in public areas and at event sites, improving our packaging design, and investing in research and development related to local initiatives for container recycling. Frucor Suntory's environmental improvement plans take a structured approach to sustainability with targets to greatly improve the recycling rate and reduce both energy and water usage rates.



## Effectively using energy and water resources

Frucor Suntory is one of only a handful of ANZ companies to be CEMARS certified. CEMARS stands for Certified Emissions Measurement And Reduction Scheme - a globally recognised certification for companies actively managing and reducing carbon emissions.

At Frucor Suntory our CO<sub>2</sub> emissions stem from several sources, some being obvious – like manufacturing – and others much less so.

However, we're taking action to reduce these emissions. Over the past 18 months we have been working with an environmental consultancy to accurately measure our carbon, and seeking new ways to decrease it. We have set achievable goals to decrease our environmental impact, while also meeting the requirements of an independent audit



"V" energy drink production line

Our Supply Chain team has made great progress towards reducing our energy and water use. Investment in new technology and embedding better behaviours has seen a 12% reduction in energy intensity and a 9.2% reduction in water usage.

The Logistics team has also delivered several key projects to reduce our overall CO<sub>2</sub> footprint, including moving our Victoria warehouse in Australia to LED lights, the optimisation of the Christchurch warehouse in New Zealand (saving 10,500 kilometers) and an increase in container and transport efficiency (saving 40,000 kilometers).

## To Create Harmony with Society -Cultural and Social Contribution-

### ■ Relations with Regional Companies

Frucor Suntory works with a range of organisations in Australia and New Zealand that are doing great things, including OzHarvest, Foodbank Australia, KiwiHarvest and Surf Life Saving New Zealand, and we encourage our team to get out and support their local community wherever possible.

In addition, in 2006 Frucor New Zealand entered into a voluntary agreement with the Ministers of Health and Education in New Zealand not to sell full sugar carbonated beverages and energy drinks to primary and secondary school students. In 2017, we strengthened the voluntary agreement and agreed to only sell water to primary and intermediate schools. This was done as part of the wider New Zealand Beverage Council commitment to the Government's Healthy Kids' Industry Pledge.

### Employee Volunteer Activities

Frucor Suntory supports employee volunteer activities and employees regularly volunteer with our partners OzHarvest and KiwiHarvest.



## To Create Harmony with Employees -Diversity Management-

### ■ Relations with Employees

#### Promoting workplace safety and health – leading for change

We put people at the heart of everything we do. Our vision is that our people go home to their families healthy and safe, every day.

To achieve our vision, we are committed to ensuring our people leaders promote an environment supportive of excellence in health and safety practices and performance. People leaders are expected to participate in conversations on improving health and safety outcomes, be mindful of the risks associated with work activities, and encouraged to provide the necessary resources to reduce risk exposure.

In addition to a network of Health and Safety Committees, there are approximately 70 Health and Safety Representatives throughout the business, nominated by their peers to represent them on health and safety matters. Involving Health and Safety Representatives in discussions means improvement proposals take into account actual working conditions.

Our Health and Safety Management System provides the tools and processes to support the implementation of our commitments and delivery of our vision – and we make health and safety improvements an integral part of all business decisions and plans. We view compliance with legislation and industry standards as a minimum requirement: we aim to go beyond them to deliver excellence in health and safety performance.

#### Supporting employee growth through training and skills development

We pride ourselves on valuing our people and having an engaged workforce. We invest heavily in developing our people through a focus on purposeful leadership and connecting everyone to vision and strategy. Our unique culture is maintained by embracing an outward looking and winning mindset.



Employees working at the Auckland distribution centre



# Beam Suntory Inc.

Head Office	222 W. Merchandise Mart Plaza, Chicago, IL 60654 USA
Established	May 2014 (November 1966 as Jim Beam Brands Co.)
Business Activities	Production and sale of bourbon whiskey and other premium spirits
Website	<a href="http://www.beamsuntory.com/">http://www.beamsuntory.com/</a>



## Company Overview and Philosophy

### Inspiring Human Connections

Beam Suntory is a world leader in premium spirits company. With a vision of "Growing for Good," our mission is to inspire human connections.

Our performance objective is to be the world's most admired and fastest growing premium spirits company. By creating famous brands, building winning markets, and fueling our growth, we are implementing our Vision Into Action strategy and driving sustainable growth.

## Primary CSR Activities CSR Philosophy

### The "Growing for Good" vision inspires our CSR strategy

Good corporate citizenship and a commitment to social responsibility are at the very core of Beam Suntory's character. Beam Suntory makes contributions to all stakeholders - our parent company, customers, consumers, business partners, employees, and or local communities - as we continue to grow. We also share Suntory's tradition of protecting the precious resources that form the basis of our products and communities.

Beam Suntory's CSR program is focused on three areas: protecting water and the environment, supporting the communities where our people live and work, and promoting responsible consumption of our products. We invest our time, resources, and energy in these areas not just because it's the right thing to do, but because these are our values as a company.

### Protecting Water and the Environment

Water is our most important raw material. We engage in water conservation activities to protect our water sources, and strive to continue reducing water usage at our production centers around the world - especially those located in water stressed areas. We are also committed to the development of Natural Water Sanctuaries.

As we look to the future, we strive to continue reducing our water and energy use, and reduce the amount of waste sent to landfills. Our investment in reducing our environmental impact has totaled \$60 million over the last ten years. We believe that the effective and efficient use of natural resources is an important element in the long-term success of our production centers.

Beam Suntory strives to reduce our environmental impact through a variety of initiatives, including the use of co-generation technology, waste reduction and recycling, and reduced water usage at our production sites.

## Preserving Watersources

### Protecting our water supply

Beam Suntory works to protect rain water, ground water, and surface water. These activities include the use of semi-permeable sediment control structures, recovery pools, regulating reservoirs, and other structures designed to prevent water outflow, soil erosion, and deterioration of water quality.

### Reducing Water Consumption

Reducing water consumption and wastewater generation are key areas of focus for Beam Suntory. Several of our production centers have highly-advanced water reclamation systems.

**Beam Suntory India:** The process water used to clean equipment in India is filtered and beneficially reused to reduce the amount of fresh water required, and the amount of wastewater generated. In addition, rain water is harvested, recovered and beneficially reused. This process helps reduce the amount of runoff water that cannot be absorbed during heavy rainfall.

**Beam Suntory Mexico (Casa Sauza):** The quality of treated water has been greatly improved by using a highly-advanced water regeneration system. This water can now be recycled and beneficially reused at the plant's compost operation, and has been made available to local fire stations for use in fire trucks and fire extinguishing equipment.

**Virgin Islands/St. Croix:** Process water is regenerated by a highly-advanced water regeneration system, for reuse in the plant. This has led to major reductions in the amount of fresh water required and the amount of wastewater generated.

## Building Natural Water Sanctuaries

### Maker's Mark Natural Water Sanctuary

Great bourbon starts with great water. The Maker's Mark Natural Water Sanctuary aims to preserve the land that filters the water. This preservation program on 33 acres of our distillery land is designed to improve the quality of vegetation, including the addition of American White Oak trees, create a better habitat for native species, like the prairie warbler and red-headed woodpecker, and ultimately protect our groundwater, and the quality of water with which to make better bourbon.

### Jim Beam Natural Water Sanctuary Alliance at Bernheim Arboretum & Research Forest

Jim Beam and Bernheim Arboretum & Research Forest, a 15,625 acre privately held forest, have formed a long-term partnership, and established a Natural Water Sanctuary on Bernheim grounds immediately adjacent to the Jim Beam distillery.

The Natural Water Sanctuary Alliance will protect water quality, restore wildlife habitats, and reintroduce native plants and trees, and enhance environmental education, improve watershed protection planning, and secure quality water.

## Corporate Energy-Saving Initiatives

Beam Suntory strives to continue reducing energy usage at our offices and production centers around the world. The company is also working to reduce the need for single-use plastics across its locations. Here are just a few examples of specific work by location:

**Clermont, Kentucky:** The Jim Beam American Stillhouse has received the LEED Gold Certification from the U.S. Green Building Council.

**Frankfort, Kentucky:** LED lighting is used throughout the bottling and processing areas to improve light quality while also reducing energy use and cost.

**Chicago, Illinois:** We are reducing our energy consumption by using the latest web conference and printing technologies in our offices around the world. Our global headquarters incorporates an open floor plan and shared workspaces. Located in the historic Merchandise Mart, a LEED-certified building, our offices incorporate natural lighting. LEED (Leadership in Energy and Environmental Design) is America's leading program that assesses the energy-saving performance of the design, construction, and operation of buildings. The office additionally uses energy-efficient LED lighting that automatically adapts based on natural light in the room.

**Washington, D.C.:** Our Global Public Affairs office in Washington, D.C. is located within a LEED-certified building.

**Madrid, Spain:** Our building was the first sustainable office building in Madrid. Noise entering from outside the building is reduced to a minimum and energy savings are maximized using solar panels and insulated metallic outer walls. Excess energy is utilized by an on-site system.

## Water and Energy-Saving Initiatives at Production Sites

**Cognac, France:** Courvoisier has shifted more than half of its production from truck to trains traveling from Cognac to Le Havre. By switching from truck to train transport, the total greenhouse gas emissions were reduced by approximately 92% or about 763 tons.

### Kentucky Operations

In Kentucky, all bourbon barrels are effectively reused. Most are used by other distilled spirits producers, while others are refashioned into furniture and other wooden products. Bourbon barrels are made of white oak procured from sustainable stands of timber. Our suppliers actively support and cooperate in the sustainable procurement of white oak. The Jim Beam distillery in Clermont, Kentucky recently transitioned from coal to natural gas power.

Beam Suntory and its barrel supplier, Independent Stave Company, also provide sustainability education to loggers in Kentucky and Missouri.

At our distilleries, we recover and beneficially reuse spent grains, often as livestock feed. Additionally, biosolids (sludge) from our water treatment process are also reused.

### Jim Beam American Stillhouse

The Jim Beam American Stillhouse received the LEED Gold Certification. This certification is granted to facilities that have a superior record of leadership, innovation, environmental conservation, and social responsibility. The following are a few of the outstanding environmentally sustainable features of the Jim Beam American Stillhouse:

- 25% recycled building materials
- The use of water-saving equipment such as faucets and flush toilets that have resulted in a 50% annual reduction in water usage
- 79% of construction waste was recycled and not sent to landfill



### Tequila, Mexico

At Casa Sauza in Mexico, 99.8% of waste is recycled and reused, diverting an annual average of 47,000 cubic meters from landfill. Used agave (an ingredient of tequila) fibers are recovered and made into compost. This compost helps retain water in the soil and provides nutrients for new agave plants.

**Segovia, Spain:** Natural gas is used to fuel a combined heat and power plant – also known as a cogeneration plant. The heat and electricity produced are used in the distillation process and excess electrical power is sold to the local power company. This cogeneration process has been shown to be 30% more efficient than when heat and electricity are produced using separate facilities.

## Effective Use of Resources

Beam Suntory monitors and reports on the amount of waste it sends to landfill as well as the amount of material that is recycled and beneficially reused. We will continue reducing, reusing, and recycling production supplies, product packaging and containers.

### The 3Rs of containers

The Beam Suntory Design-to-Value team works on methods to reduce packaging materials while at the same time improving product design. Their end goal is to have a more positive impact on both the environment and consumers. This team has succeeded in creating lighter bottle designs, shifting from glass containers to polyethylene resin containers, and doing away with excess corrugated cardboard and packaging materials. This process reduced the total amount of packaging material that is utilized, the associated costs, and the environmental impact. Beam Suntory also promotes recycling and reuse initiatives.

Cooley Distillery in Ireland is a member of REPAK, a packaging compliance system supporting companies that contribute funds used in the recovery and recycling of packaging material waste products.

Also, Casa Sauza was awarded the Best Recycle Stock Warehouse Award in Mexico in 2014.

### **Employee environmental education**

We encourage employee participation in voluntary environmental sustainability activities. Our employees participate in larger industry groups like the Beverage Industry Environmental Roundtable (BIER) as well as smaller, local groups and programs such as the Kentucky Sustainable Spirits Initiative and Kentucky Excellence in Environmental Leadership (KY EXCEL). We also partner with educational and research institutions like the University of Kentucky and the Kentucky Water Resources Research Institute to create opportunities for employees, university students, and professors to collaborate on research, education, training, and technology transfer for water-related environmental issues. Our employees continue to make meaningful contributions in the communities where we work and live. We recognize these efforts in a variety of ways, including with our annual Vision Into Action (VIA) Awards.

### **Pollution Prevention and Management of Chemicals**

Beam Suntory uses safety data sheets in accordance with the global harmonization standards to properly manage the use, storage and transport of potentially hazardous materials. Casa Sauza participates in Clean Field Programs run by AMOCALI (commercial organization) and SEMARNAT (Environment Ministry) to help ensure the safe use and recycling of agriculture chemicals and containers.

### **Activities Designed to Conserve Biodiversity**

Employees are actively encouraged to support their local communities, such as volunteering in clean-up activities

### **Chicago**

Beam Suntory is forging a partnership with the Friends of the Chicago River, a 40-year-old organization working to improve the health of the Chicago River system for the benefit of people, plants and animals. The partnership is focused on preserving and protecting the local waterway, and will include regular employee volunteer commitments. The Chicago office has eliminated the use of straws, and is working to eliminate all single-use plastics for food and beverages at the office.

### **Kentucky**

Jim Beam has completed several riverbank revival projects in Kentucky – projects that utilize non-chemical natural methods and biotechnology. The distillery also partners with the University of Kentucky for watershed protection planning, and has created and protected many acres of wetlands.



An abundance of nature surrounds our plants

### **Kentucky Business Conservation Partner of the Year award**

The Maker's Mark Distillery has created a nature preserve on part of its 620-acre property. It has been recognized for its positive influence on wildlife and the environment, and was awarded the Kentucky Business Conservation Partner of the Year award by the Commissioner of the Kentucky Department of Fish & Wildlife Resources.

### **Implementing environmental conservation programs with the Kentucky Department of Environmental Protection**

All Beam Suntory plants located in Kentucky are active members of Kentucky Excel. Multiple, voluntary environmental projects are completed each year by employee-led environmental teams.

### Maker's Mark ECO Team

The ECO team at the Maker's Mark Distillery sets up bird houses on distillery land, plants native plants and trees, and works with the Kentucky Department of Fish & Wildlife Resources to maintain and improve natural habitat areas and biodiversity.

### Supporting the Nest Building of Bald Eagles Around the Plant

The area around the Booker Noe Plant in Kentucky is home to bald eagles. Employees at the plant help build nests during breeding season. Bird houses for barn owls are also set up in the Booker Noe Plant's storehouse to protect the endangered species.

### Protecting wild birds and bees

Beam Suntory's Ardmore Distillery (Scotland) is a corporate sponsor of the Royal Society for the Protection of Birds. It supports the East of Scotland Sea Eagle Reintroduction Program, and has sponsored the RSBP Nature of Scotland's Species Champion Award since 201. The Jim Beam Distillery and Maker's Mark Distillery are also active in the protection of wild birds. Both distilleries make and maintain bird houses for a variety of birds and bats. The Courvoisier and Jim Beam Distilleries support the protection of bees (each year they participate in the protection of two beehives at Courvoisier, and 12 at Jim Beam, and maintain wildflower gardens at both sites).



ECO Team



## Supporting the Communities Where our People Live and Work

### Employee Volunteer Activities

Beam Suntory is engaged in a variety of charitable activities and community support programs where our employees live and work. We provide critical financial support to important community activities such as environmental conservation, health research, higher education, and cultural organizations. In 2019, Beam Suntory is launching "Together for Good," an annual, global day for employee volunteering. First-year activities are focused on preserving and protecting local water sources.

Our Kentucky teams partner in an annual statewide program to raise funds for the United Way charities, which support causes critical in each local community. Beam Suntory employees have raised nearly \$1.8 million, including corporate matching funds, over the last 12 years for Kentucky United Way charities.

In addition, Beam Suntory supports individual employees' charitable activities. The Beam Suntory Cares Program encourages all employees to take two paid holidays per year to volunteer for community programs of their choice (if all employees participate, this could total more than 72,000 hours of activity per year). We additionally match employees' charitable contributions in the U.S.

### Growing for Good Committees

Our employees are always looking for ways to give back in their communities. Some corporate offices have established "Growing for Good" committees, which help harness employees' passion for supporting their communities, offering opportunities to volunteer, donate, or otherwise get involved.

### Support Activities for Disaster Victims

In recent years, natural disasters have occurred all too often. Beam Suntory provides both financial support and humanitarian aid to recovery activities in disaster areas through the Red Cross. We also provide safe, clean drinking water to many areas hit by natural disasters.



### Culture and Art Promotion Activities

Beam Suntory supports cultural organizations in the communities where our employees live and work. For example, we sponsor the Ravinia Festival, the oldest music festival in North America. Each year this festival hosts one of America's premier orchestras, the Chicago Symphony Orchestra, outside of Chicago. The 36-acre Ravinia Park is located within a quiet forest and is the perfect setting for enjoying music. Children up to the age of 15, high school students, and university students are not charged admission to the lawn area, which provides them with a great opportunity to enjoy classical music.

Beam Suntory also sponsors the Chicago Botanic Garden, a natural treasure that consists of four areas as well as a 26-section garden that sits on 385 acres of land. The garden hosts a variety of annual events and programs, is open year round, and admission is free.

### Plant Tours

Tours of production centers are available in the United States, Mexico, Scotland, Ireland, France, Spain, and Japan.

### Operation Homefront

Since 2008, Beam Suntory has provided more than \$3.4 million in cash and in-kind donations, and worked to raise awareness of Operation Homefront, a non-profit organization to build strong, stable, military families so they can thrive in the communities they've worked so hard to protect. This national program was inspired by a Beam Suntory employee in 2009. Over the last 10 years, Beam Suntory has helped Operation Homefront provide more than 350,000 family holiday meals.

## Promoting the Responsible Consumption of Our Products

### ■ Promoting Responsible Consumption

Beam Suntory's approach to responsible alcohol consumption is fundamental to everything we do. Thus, in addition to practicing responsible marketing and sponsoring alcohol education, we invest in a wide variety of programs, partnerships, and organizations throughout the world focused on the prevention alcohol misuse. Beam Suntory employees regularly receive information and encouragement to promote responsible alcohol consumption to family and friends as "ambassadors" of Beam Suntory and its brands.

### Global Commitments to Reduce the Harmful Use of Alcohol

Beam Suntory is a founding member of the International Alliance for Responsible Drinking (IARD), a not-for-profit organization dedicated to promoting responsible consumption worldwide. Through IARD, leading beverage alcohol producers put our commercial competitiveness aside to create a shared force in our Global Commitments to reduce alcohol misuse – the most ambitious and comprehensive set of initiatives the industry has undertaken to date.

Beam Suntory addresses each of these commitments in a variety of ways around the world, including founding membership in the Foundation for Advancing Alcohol Responsibility (FAAR; [www.responsibility.org](http://www.responsibility.org)); DWI Courts, a system that treats repeat DWI offenders in specialized courts, dramatically reducing the rate of repeat offenses; and Building Resilience in Campus Communities, a program at the University of Louisville and the University of Kentucky to reduce underage and binge drinking on those college campuses.

### Global Marketing Principles

Beam Suntory's leadership in responsible consumption starts by complying with all laws and regulations in all jurisdictions as well as industry codes and regulations. Beam Suntory's global marketing principles are uniform for all brands and in all regions and extend to advertising, marketing to consumers, merchandising, brand websites, POS, direct marketing, product development, product placement, and consumer events.

## Responsible Marketing

Beam Suntory is a proud leader in responsible marketing in the spirits industry. In 2007, we voluntarily adopted industry-leading media placement standards in the United States, with the goal of reducing exposure to consumers under legal drinking age. Compared to the industry standard of 71% of the media audience of legal purchase age, at least 75% of Beam Suntory's media audience must reasonably be expected to be of legal purchase age. Beam Suntory has additionally prohibited marketing programs related to "Spring Break", out-of-home advertising within 500 feet of parks and other recreational areas, and advertisements in video games.

## Drink Smart®

Drink Smart® is a global platform that educates consumers of legal purchase age to make responsible choices about alcohol. Drink Smart provides tools for consumers who want to take the lead in the responsible consumption of alcohol and provides information about our global commitments to reduce alcohol misuse.

Drink Smart, its website or its logo are included in all Beam Suntory marketing materials used around the world, from social media to television advertisements. Beam Suntory product labels include Drink Smart, and the website provides nutritional information about our products. Please learn more about Drink Smart at [www.drinksmart.com](http://www.drinksmart.com)



## Safe Rides

Beam Suntory and its brands regularly partner with Uber to offer consumers safe rides home after a night out on the town. Our employees may also "Take a Taxi on Us," when they or a friend are in a situation in which it would be unsafe to drive.

## Formulating the Code of Conduct & Ethics

Beam Suntory and our employees are committed to maintaining the highest ethical standards while aggressively competing in the market.

Our employees, executives, and directors abide by the sound business practices and ethical standards described in our Code of Conduct & Ethics. Our objective is to do business with integrity and the highest standards, and continuously earn the trust of all stakeholders.



The Code of Conduct & Ethics is available in seven languages.

## ■ Corporate Oversight

### Corporate Governance

Beam Suntory's "Code of Conduct & Ethics" is our guide to conducting business with integrity and the highest standards. The Code provides a set of policies governing business practices that reflect our commitment to Growing for Good while conducting business the right way - the Beam Suntory way.

In addition to industry regulations, our employees also abide by the rules imposed by company policies, procedures and standards that reflect our industry leadership position. Beam Suntory has established a "Global Risk and Compliance Committee" as well as "Risk and Compliance Committees" in each region where it does business, along with a separate committee for Global Operations and Supply Chain oversight.

### Promotion of Compliance

At quarterly Global Town Hall meetings and through other communications, employees are consistently reminded by our CEO that they are expected to "conduct business the right way, the Beam Suntory way," or always in compliance with requirements and, where possible, consistent with best practices. In addition, live training is provided and interactive compliance training seminars are available online. Beam Suntory also has hotlines available in all major languages to handle inquiries from anywhere in the world 24 hours a day, 7 days a week.

## Focus on Proactive Risk Management

Beam Suntory has created a system for senior management to take the lead in identifying, supervising, and managing risks to the business. The Enterprise Risk Management (ERM) program actively identifies major areas of potential risk, and the executive leadership team designates specific employees to supervise and mitigate the risk. The executive leadership team holds regular meetings to discuss strategy. When risks or crises do occur, the appropriate response is identified and implemented under Beam Suntory's global Major Incident Management (MIM) protocol.

### Crisis management

Major incidents are handled by the Global Major Incident Management (MIM) Team, to ensure swift and effective handling. The Global Technical Service Team facilitates the FACTS incident investigation process with engagement from General Managers in affected operations and the risk management leaders.

When a major incident occurs, the Global MIM Team convenes to understand the facts, assess risks and develop appropriate actions to mitigate risks. The MIM team also develops appropriate communications plans to inform key stakeholders. The safety of employees, customers, consumers and the local community is always the highest priority when responding to major incidents. In addition, the Global MIM Team oversees governance, integration, and instructions to local MIM teams. The Global Technical Services Team supports the location where any incident occurs, in cooperation with technical leaders from environment, safety, quality, security, brand protection, insurance/risk management, and other areas. The General Managers at production centers and regional risk management supervisors oversee the local MIM teams. The local MIM teams also handle preventative risk assessment, risk reduction plans, emergency contingency plans, emergency contingency actions, assessment of damages, business recovery, and more.

### Information security

Beam Suntory manages confidential personal data in accordance with legal requirements of each country where we do business.

### Management of intellectual property rights

Beam Suntory employs global intellectual property (IP) rights specialists in our legal department. The IP team deals with filing complaints related to protection of intellectual property rights, the prevention of copyright infringement, and other issues.

## In Harmony with Customers and Partners -Products and Services-

### ■ Quality Assurance Initiatives

#### Quality Management Policies and Indicators

Beam Suntory requires manufacturing sites to achieve ISO Certification for Quality and Food Safety standards. In addition, the company upholds global standards based upon an Integrated Management System policy that includes Quality, Food Safety, Environmental, Health and Safety. Each production facility has key performance indicators with established improvement plans to meet and exceed quality requirements. Continuous improvement protocols that follow TRACC (software-based guide used to implement continuous improvement through sustainable methods) are in place at all of our production facilities.

Beam Suntory's employees and stakeholders will continue to do their utmost to improve systems, processes, and all business activities while protecting the company's most important resources: Employees (safety), Brands (quality), and Reputation (compliance).

## Quality Management

Beam Suntory production facilities have obtained ISO 9001 quality management certification. Many production centers have also obtained ISO 22000 (food safety) and HACCP certification. In addition, the bottling companies with which we subcontract (co-manufacturing) are regularly required to perform technical audits that include the main items of ISO regulations, and rigorous internal inspections at all production locations.

## ■ Consumer Care

### Collecting customer feedback

Beam Suntory has several databases to gather customer and consumer feedback. Each concern is routed to the appropriate function to investigate and respond effectively.

## ■ Relations with Business Partners

As a responsible corporate citizen, Beam Suntory maintains standards to ensure that people are treated properly and fairly. The Beam Suntory Global Citizenship Policy provides guidance to the company, employees, suppliers and contractors.

This policy has provisions that prohibit forced labor, slave labor, and labor under confinement. Information disclosure is conducted in accordance with the California Transparency in Supply Chains Act of 2010. We comply with the United Kingdom Modern Slavery Act 2015 and ensure that Beam Suntory suppliers do not use slave labor or human trafficking.

### The Beam Suntory Global Citizenship Policy

At Beam Suntory, corporate values are an essential element of continued success in the marketplace. These values, which include integrity, quality, responsibility, agility, tenacity and Yatte Minahare, are vital to our success. The company's business results are dependent upon our reputation with our co-workers, suppliers, investors, business partners and the communities where we work and live.

#### BEAM SUNTORY GLOBAL CITIZENSHIP POLICY ELEMENTS:

1. Working Conditions/Health and Safety
2. Child Labor
3. Forced Labor
4. Discrimination
5. Working Hours
6. Wages and Benefits
7. Environmental
8. Management Systems
9. Suppliers and Contractors

Beam Suntory expects the same commitment from key suppliers and subcontractors. By complying with this policy, our company demonstrates its leadership within the business community. Further, this enhances each of our brands, improves our ability to attract and retain the best talent, and provides better supply chain management and performance.

## In Harmony with Employees -Diversity Management-

### ■ Relations with Employees

Beam Suntory is committed to creating a diverse environment and is proud to be an equal opportunity employer. All qualified applicants seeking employment with Beam Suntory will receive consideration without regard to race, color, religion, gender, sexual orientation, national origin, genetics, disability, age, or veteran status.

### Promotion of Work-Life Balance

Beam Suntory has prepared Global Guidelines to support flexible work hours and workplaces for its employees to promote work-life balance. Based on these guidelines, each regional HR department creates a protocol in accordance with its local region and offers support to maximize employee engagement and performance. Employees can also utilize flex work and flex rotation based in accordance with local laws.

### Flextime scheduling

The company has a Peak Time Flex Work system by which employees determine their standard daily work hours (core time) and allows them to shift their work time, pending their manager approval. It also has a "compressed workweek system" that allows them to determine their total weekly work hours to allow them to work fewer than the standard 5-days per week while fulfilling fulltime obligations, pending leadership approval.

### Creating an Employee-Friendly Workplace

Beam Suntory practices open communication and information sharing between labor and management. Each production center has routine training on health and safety topics. Production centers that are implementing lean manufacturing have daily "huddles" in which safety is the first item that is discussed. These and other discussions stress the importance of complete openness and free communication.

### Workplace Safety & Health and Employee Health Management

All Beam Suntory production centers have created Safety Management Systems in accordance with OHSAS 18001 Standard for Occupational Health and Safety Management. In addition, Global Safety Standards have been developed that clearly describe safety requirements and expectations. All production centers have developed safe working programs and procedures to meet these requirements.

Beam Suntory encourages employee health and wellness. Routine occupational health inspections are conducted and employees are provided access to a wide variety of mental and physical health checks and services.

# Château Lagrange S.A.S.

Head Office	33250, Saint-Julien Beychevelle, France
Established	December 15, 1983
Business activities	Production and sales of wines
Website	<a href="http://www.chateau-lagrange.com">http://www.chateau-lagrange.com</a>



## Company Overview and Philosophy

### ■ Excellence

Château Lagrange has long contributed to the development of "lifestyle culture" through the production of high quality wines. According to our records, this history goes back to at least 1631. Needless to say, quality wine is a true gift of nature, thanks to what we call terroir, a term used in the wine industry to refer to environmental factors including soil that can influence the quality of the wine. After joining the Suntory Group in 1983, we embraced the group philosophy, "To Create Harmony with People and Nature." In order to embody this, we always strive to produce one of the world's finest wines while respecting environmentally friendly production processes, from vine care to bottling.

## Primary CSR Activities

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

#### ■ Quality Management

##### Focusing on quality management and product safety

We believe that there are two aspects to "quality". One is the quality of the wine itself and the second is quality management in production processes. In terms of the quality of the wine, to ensure our vision of excellence and share that vision with our customers throughout the world, we use integrative farming techniques to produce truly excellent wines. We take meticulous care of each vineyard to let the grapes mature in an optimal manner and to draw out the best characteristics of the locality of the vineyard and the variety of grape. We fully engage in cultivation with reduced agricultural chemicals in which we only use the minimum amount of agricultural chemicals required at vineyards for the health of our customers.

Second is the quality management of manufacturing processes. We at Château Lagrange pursue rigorous quality control by appointing a quality manager to oversee quality control in all processes, from vine pruning to product shipment. In 2007, we installed a state-of-the-art bottling line to prevent broken glass, insects, or other foreign objects from entering the bottles. We provide safe and attractive products by rigorously conducting a variety of processes, record keeping, and checks that involve quality management.



Verifying grape quality



### Better product analysis and traceability

At Château Lagrange, we have great respect for the traditional sales system unique to fine Bordeaux wines, the Place de Bordeaux. In this system, wine merchants purchase wines mainly during the En Primeur (Futures) offer period in particular. It makes it difficult to maintain traceability of wines and attain direct responses from customers as products are pass from merchants to customers. Therefore, to make our products more traceable, we have introduced code numbers on bottle cap seals. Our products undergo a wide variety of product analyses during the manufacturing process and records are kept of the results. We inspect the materials used in all wines, corks, bottles, labels, and cases, and record the results along with these code numbers so that we can trace the history of every bottle of wine we produce.



Code number printed on each bottle's cap seal

### ■ Relations with Customers

#### Interacting with Customers and Partners

The En Primeur (Futures) system unique to Bordeaux makes it difficult for producers to have direct contact with consumers. However, wine merchants organize many wine tasting events all over the world, allowing us to directly communicate with wine lovers. Maintaining an excellent relationship with our partners—around 150 wine merchants in Bordeaux—allows us to use a worldwide promotional network to deliver wine to our customers around the globe.

#### Visitors

We welcome about 7,000 visitors every year. Visits are on appointment bases and oenologists, sommeliers, chefs, engineering and business school personnel, wine connoisseurs, and wine writers who come for tours and wine tastings. We welcome not only professionals but anyone who loves wine to see the Bordeaux Grand Cru Wine making process while touring the vineyard, fermentation facilities and the warehousing of our aging barrels.

#### Supplying healthier and reliable products

To help our customers lead healthy lives, we have been carrying out research in conjunction with ten other wineries aimed at reducing the use of pesticides at our vineyards and elsewhere.

## To Create Harmony with Nature -Environment-

### ■ Environmental Efforts

#### ISO14001 and HVE certification by the French Ministry of Agriculture

Château Lagrange received Terra Vitis certification for ecological integrated agriculture in 2005. We have furthered our activities and received ISO 14001 Environmental management system standard and the highest Level 3 in High Environmental Value (HVE) certification from the French Ministry of Agriculture in 2017. These certifications require compliance as annual audit for detailed and strict standards regarding biodiversity, plant disease and pest control measures, fertilizer and irrigation management, etc. These certify that we are producing high-quality grapes in a way that protect the environment and health of the workers as well as in a biologically sustainable method.

We have been increasing the area for organic farming and it has reached 30 ha in 2018.



ISO14001 certification



Highest Level 3 High Environmental Value (HVE) certification from the French Ministry of Agriculture



HVE logo

### Amount of water usage reduced

Château Lagrange has been working to protect our water resources by determining how much water we use, using it better, and engaging in rigorous conservation efforts.

### Reducing CO<sub>2</sub> emissions to help combat global warming

Château Lagrange S.A.S. is one of five environmentally-friendly wineries in France that began measuring the CO<sub>2</sub> emissions. We always strive to revise the production process to reduce greenhouse gas emissions. For example, in 2007 we reduced electricity consumption by 8.5% by modifying our fermentation process.

### Promoting reuse and recycling of materials

We compost pruned vine branches and the pressed skins remaining after fermentation to reduce the quantity of fertilizer we purchase.

Also, Château Lagrange promotes the 3Rs in resource conservation throughout its operations, utilizing used wine casks, empty chemical product containers, and other materials in an effective manner. In 2011, we stopped using plastic packaging film previously used in the procurement of wine casks. We have received the ISO14001 certification in 2017 due to our continued consideration for the environment and improvements.

### Preservation of Biodiversity

We strive to cultivate sustainable grapes while preserving diversity of species by adopting hedge and dense growth cultivation at vineyards. A French garden known for the use of colorful plants, pond where wild birds rest, and forest where small critters live along each other stretch in front of the château. There are bee nest for beekeeping in the premises and honey bees fly about from spring to summer.

## To Create Harmony with Society -Cultural and Social Contributions-

### ■ Relations with the Local Community

#### Public relations activities

Château Lagrange has a dedicated public relations manager and staff who organize and participate in events attended by various organizations, journalists, sommeliers, and wine schools, helping them to understand the secrets of our terroir and our pursuit of quality.

#### Actively involved in the local community

Participating in charity auctions, providing donations to local sporting event organizations, and hosting music festivals in the château grounds are some of the ways that Château Lagrange is actively involved in the local community. We supported the construction of the La Cité du Vin wine complex that opened in June 2016 which is shaping the Bordeaux, the holy land of wines worldwide, in cooperation with other châteaux. We also support the internationally famous Medoc Marathon by supplying water stations for the approximately 8,500 runners who participate each year, as we did in September 2017 with the 33rd Medoc Marathon.



Music Festival at Château Garden



La Cité du Vin



Interior of La Cité du Vin

## Diversity Management

### ■ Relationship with Employees

#### Creating employee-friendly workplaces

Château Lagrange S.A.S. works to respect the rights of employees by putting in place internal employee unions. This is very unusual as a standard French company which rarely connect employees throughout the company. This organization follows-up with internal events in order to deepen the friendliness between employees. More than 60 employees and their families participated in the sky tripped planned in the winter of 2018.



Internal employee union sky trip

#### Guaranteeing safety and staying healthy

Our Health and Safety Committee is responsible for ensuring employees' safety in the workplace, for example, with regards to equipment and tool inspections, verification of workplace ergonomics, product handling, safety testing, and wearing of safety gear such as shoes, hearing protection, and safety goggles. Also, the committee helps the employees manage their health by offering regular medical checkups.

# Weingut Robert Weil

Head Office	Muhlberg 5D-65399 Kiedrich Rheingau, Germany
Established	1868 (invested in by the Suntory Group in 1988)
Business activities	Production and sales of wines
Website	<a href="https://www.weingut-robot-weil.com">https://www.weingut-robot-weil.com</a>



## Company Overview and Philosophy

### ■ Dedicated to the highest quality standards

Since its founding in 1868, Weingut Robert Weil has pursued a philosophy toward high-quality. This is a tradition that has lasted for over 140 years, and has resulted in acclaim from even the German Emperor Wilhelm II. To maintain the quality of the grapes harvested at our Gräfenberg vineyards, we have lowered average yields to 40 hL/ha\*, less than one-half the German average. The grapes for our noble wines are carefully handpicked by the individual cluster. Fermentation tanks are separated for use by specific fields so that the unique characteristics of their grapes can be maintained, and fermentation occurs with care from the miniature vats used for noble wines to our various larger tanks.

\*Unit that express labor efficiency



## Primary CSR Activities

### ■ CSR Management

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

#### Providing the highest quality with safety

Building a system that allows us to create a safe product that our customers can enjoy with peace of mind is one of Weingut Robert Weil's top priorities. We are members of the VDP (Verband Deutscher Prädikatsweingüter), an association of top quality wine producers who self-impose harsh standards for product quality, particularly during grape cultivation and fermentation.



### ■ Relations with Business Partners

When locating sources for such items as packaging materials, warehouse refits, and bottling line equipment, we always use a fair and impartial bidding process while still maintaining our utmost priority on product quality and safety.

## To Create Harmony with Nature -Environment-

### ■ Environmental Efforts

Our vineyards are engaged in grape cultivation using environmentally-friendly methods. We only use organic fertilizers and restrict all use of herbicides. In addition, we protect the qualities of our grapes from insect pests and diseases. We are also working to protect the environment in other ways, i.e. saving water resources.

### ■ Relations with the Local Community

#### Contribution activities to the local community

Weingut Robert Weil stays in close contact with the local authorities, the wine authorities and other wineries in the Rheingau area to be actively involved in local activities.



## To Create Harmony with Employees -Diversity Management-

### ■ Relationship with Employees

#### Supporting various styles of work

As a company, we are a small winery with 30 employees. This makes it all more important that we provide a comfortable workplace that promotes the long-term employment of those who represent the accumulation of our knowledge of winemaking. We are promoting maternity and child raising leave for our employees (several months of paid leave as stipulated by German labor laws) and we support various styles of work for our employees to focus both on their professional and personal lives from the establishment of these programs to a two-month telework system.



Employees of Weingut Robert Weil

#### Supporting career development

We actively help our employees to develop new skills to help further their careers, such as by planning technical training courses at other notable wineries.

# Respect for Human Rights

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

## Formulation of the Suntory Group Human Rights Policy

The Suntory Group establishes a policy on human rights and promotes its compliance.

### Suntory Group Human Rights Policy

The Suntory Group's mission is "to Create Harmony with People and Nature," while enriching people's lives, contributing to the coexistence of society and nature, and helping realize a thriving society.

The Suntory Group recognizes that it may directly or indirectly affect human rights in the course of its business activities, and in order to respect the human rights of all people involved in its business activities, the Suntory Group Human Rights Policy (Hereafter, this policy) set here will promote our efforts to respect human rights.

#### 1. Basic thinking

As a member of society, the Suntory Group recognizes the importance of respecting human rights in all business activities. Based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) as a framework for implementation, we comply with relevant laws and regulations in each country or region where we operate, respect international standards of conduct and fully respect the following international human rights principles. We also support and respect the 10 principles of the UN Global Compact as a Global Compact signatory company.

- United Nations (UN) Universal Declaration of Human Rights
- OECD Guidelines for Multinational Enterprises
- ILO Tripartite declaration of principles concerning multinational enterprises and social policy and ILO Declaration on Fundamental Principles and Rights at Work

#### 2. Scope

The Suntory Group applies this policy to all Suntory Group executives and employees. We also require all business partners involved in our products and services to understand and comply with this policy.

#### 3. Responsibility for respect for human rights

The Suntory Group strives not to violate the human rights of anyone involved in its business activities, and takes appropriate measures to correct any negative impact on human rights, thereby taking responsibility for respect for human rights to build a sustainable supply chain.

#### 4. Due Diligence & Remedy

The Suntory Group will establish a human rights due diligence system, identify its potential negative impact on human rights, and work to prevent and mitigate such negative effects. In addition, if it becomes clear that any of its business activities have directly caused negative impacts on human rights, or if indirect effects through business relations become clear, The Suntory Group will commence dialogue based on international standards through appropriate procedures.



## **5. Disclosure**

The Suntory Group will disclose the progress and results of its efforts to respect human rights on its website, etc.

## **6. Dialogue**

In the course of implementing this policy, the Suntory Group takes the advice of independent experts, and will diligently engage in dialogue and consultation with stakeholders.

## **7. Education and training**

The Suntory Group provides appropriate education and training to all officers and employees so that this policy will be integrated into all business activities and implemented effectively.

## **8. Officer in charge**

The Suntory Group will clarify the officer responsible for the implementation of this policy and ensure its effectiveness.

## **9. Important themes regarding human rights**

The Suntory Group aims to realize a corporate group that is rewarding, respects diversity and human rights, and positions the following items based on the Suntory Group Code of Business Ethics as key themes in human rights compliance.

### **● Child Labor and Forced Labor**

We strictly prohibit the use of child labor or other illegal labor practices in any of our corporate activities.

### **● Discrimination and Harassment**

We will respect the rights and personalities of each individual and will eliminate any and all discrimination and harassment based on reasons from ethnicity, religion and gender to age, nationality, language or disability to build a workplace where everyone is treated fairly. In the event a violation to human rights is discovered, Suntory will execute the appropriate response immediately and make sure to prevent recurrence while protecting the privacy of the concerned parties.

### **● Freedom of Association**

We will respect the basic rights of our employees to engage in freedom of association and collective bargaining.

### **● Employee-friendly Workplaces**

We will promote work styles that find balance between the professional and private lives of our employees while building a workplace that allows each person to work safely, securely and with enthusiasm in ways that are healthy both mentally and physically.

### **● Open-minded Workplaces**

We will foster an open-minded workplace that respects one another's beliefs, values, and diversity and where each and every employee can candidly express and share their views. We will also build cooperative relationships founded with unity through active communication throughout the Suntory Group.

### **● Perseverance and Growth**

We will realize the growth of individuals by fostering a feeling of pride and responsibility toward work in each and every individual so that they may independently persevere in achieving their goals.

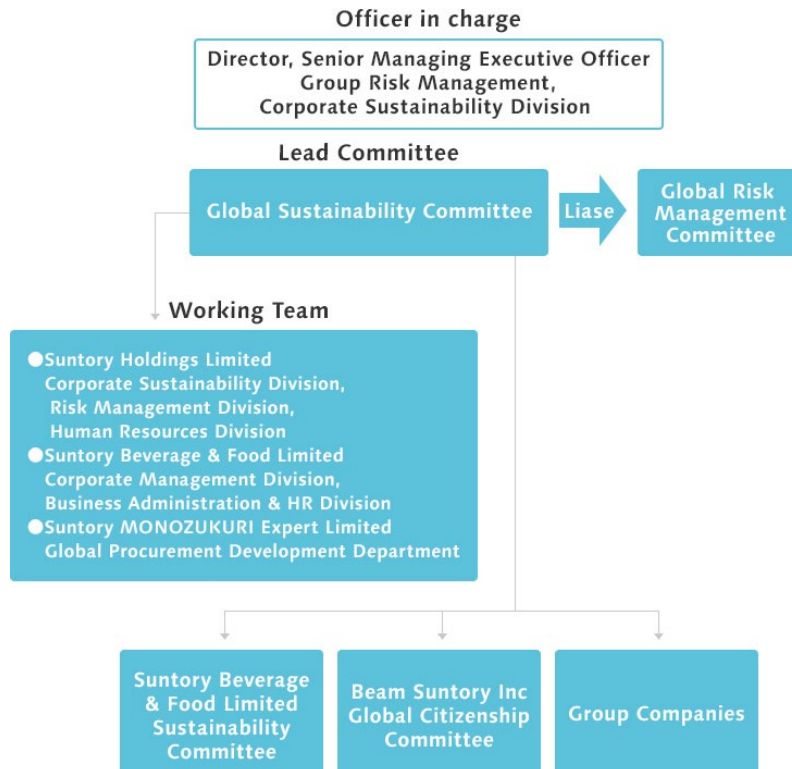
This policy has been approved by the Board of Directors of Suntory Holdings

Established: 10th July 2019

## Organization to Promote Respect for Human Rights

With the formulation of the Suntory Group Human Rights Policy, we promote respect for human rights globally through due diligence under the following organization. In addition, we will continue to respond to human rights issues in Japan through our Human Rights Education Promotion Committee, which consists of a central committee and Human Rights Promotion Committee members from each business location.

### ■Promotion Organization



## Prevention of Harassment

An employee awareness survey, which includes questions on harassment, is carried out to understand the current status and improve current initiatives. A Compliance Hotline is also put in place as a reporting system covering both inside and outside the company. We strive to find and solve issues as early as possible by allocating women staff on our Compliance Hotline, therefore making it easier for employees to share their concerns on harassment or other labor issues that go against our Code of Business Ethics principles.

### ■Preventing Sexual Harassment through Raising Awareness

Suntory Group has made a Sexual Harassment Prevention Manual and raises awareness among employees through the Intranet in Japan. Reminders about the prohibition of sexual harassment are continuously made through new manager training and e-learning.

### ■Prohibiting Harassment

We strive to eliminate the use of strong words backed by hierarchical position or difference in rank among the employees. Suntory has introduced new manager training and e-learning about harassment as it strives to provide the correct understanding and raise awareness of these issues.

We are promoting initiatives designed to eliminate all forms of harassment.

## Initiatives to Improve Awareness of employees

We carry out awareness and educational activities to improve awareness about human rights within the Suntory Group and build a corporate culture that respects human rights.

### ■ Human Rights Workshop between Suntory Employees and external experts

In April 2019, under the guidance of human rights experts (Caux Round Table Japan), we discussed global trends such as the approval of the United Nations Guiding Principles on Business and Human Rights and the efforts of companies in Japan and overseas, and related departments exchanged opinions regarding the importance of human rights in today's world and the key themes for the Suntory Group.



### ■ Broadening Human Rights Lectures with Human Rights for a Healthy Workplace theme

The Suntory Group is holding human rights lectures and seminars at a departmental level in addition to conducting human rights training for new managers, new employees, and other staff in Japan. A human rights lecture entitled "Population Trends, Artificial Intelligence, and Corporate Management; From a Human Rights Perspective" was held in 2016. This was a great opportunity to think about understanding ethics from a human rights perspective with the rise of social issues due to shifts in the population and the evolution of artificial intelligence. We also held seminars at sales offices throughout Japan, including contents such as show a DVD lecture.



Human rights seminar

### ■ Introduction of e-Learning Course on Harassment Prevention

Suntory Group introduced e-learning course on harassment prevention for graduate and mid-career employees who join the company as part of our onboarding education program, implemented every year in Japan to drive the basic understanding of harassment issues. In 2019, we held e-learning about harassment prevention for all of the employees at the Suntory Group in Japan.

## Sustainable Procurement with Suppliers

### ■ Monitoring through Supplier Assessment Questionnaires

The Suntory Group conducts sustainable procurement questionnaires targeting major business partners of the Raw Material Department, Packaging Material Department, and Logistics Department. These questionnaires evaluate the potential social risks in the supply chain by focusing on the respect of human rights as well as considerations toward the work environment and occupational safety. We examine not only our existing suppliers to identify those that are at high risk, but also assess potential new suppliers before we start business relationships.

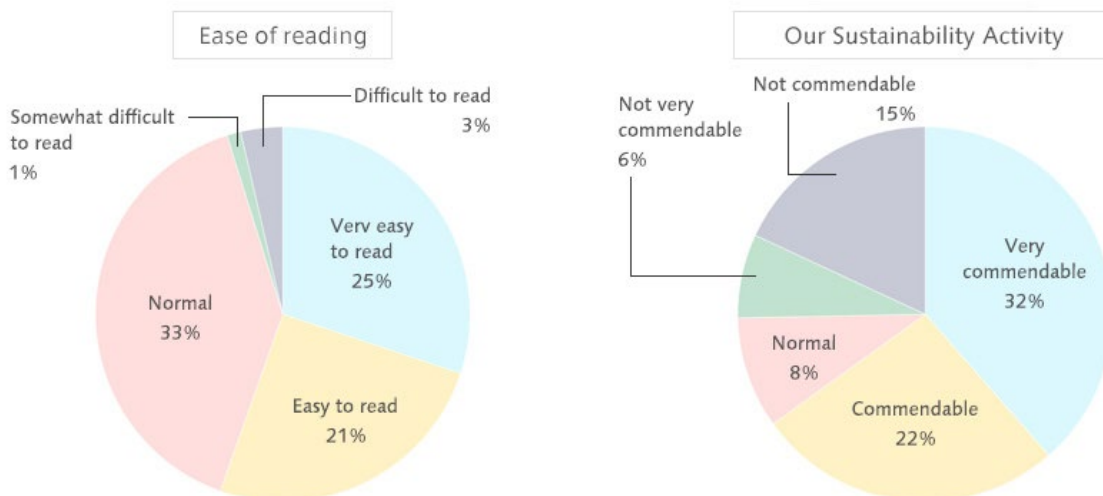
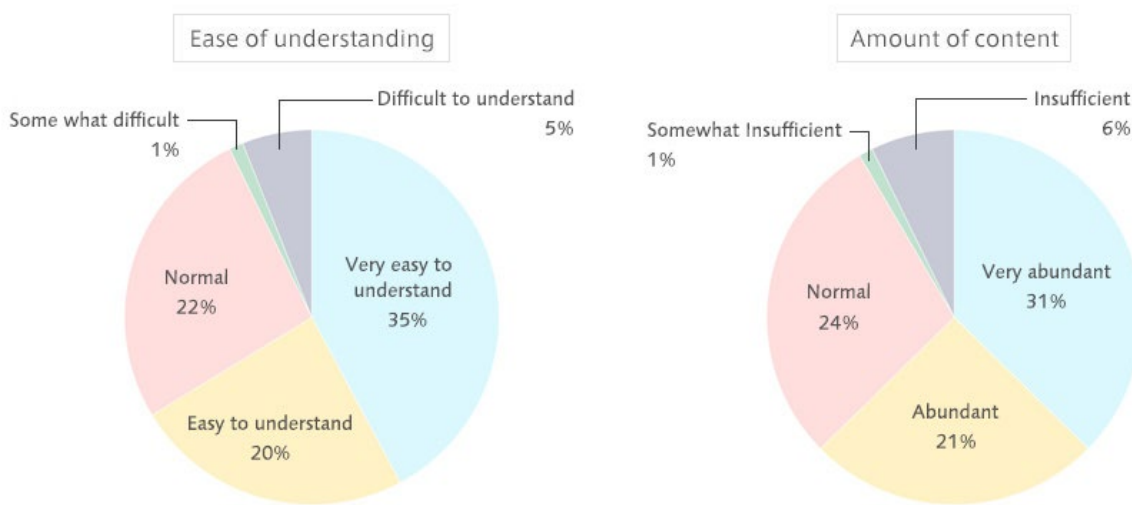
In addition, the Suntory Group shares the Suntory Group Supplier Guidelines with our overseas Group companies and verifies initiatives toward sustainability at each company at the Global Procurement Conference in which our overseas Group companies participate. From 2014, the Suntory Group has started to visit and interview its overseas suppliers, asking them about human rights issues such as child labor and forced labor.

# Questionnaire Results

We received feedback about Suntory Group Sustainability Report 2017 from the total of 159 readers (as of end of April 2018).

We are glad to receive high praise and many valuable opinions from the readers. We welcome any opinions or impressions you may have so that we may refer to them in our future reporting and activities. We are happy to receive high evaluation and many precious opinions from the readers.

## Questionnaire results of Suntory Group Sustainability Report 2018



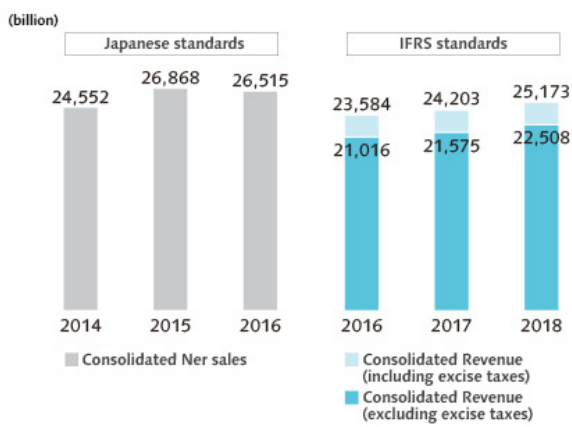
# Major Sustainability Data

The Suntory Group has brought together its performance for the main indicators (management, environment, and society) on our sustainability site and other media.

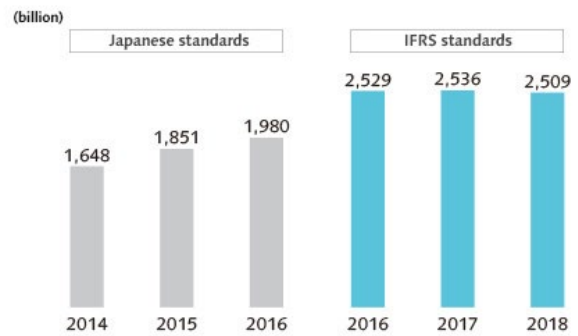
## Main Management Data

### Consolidated financial Results

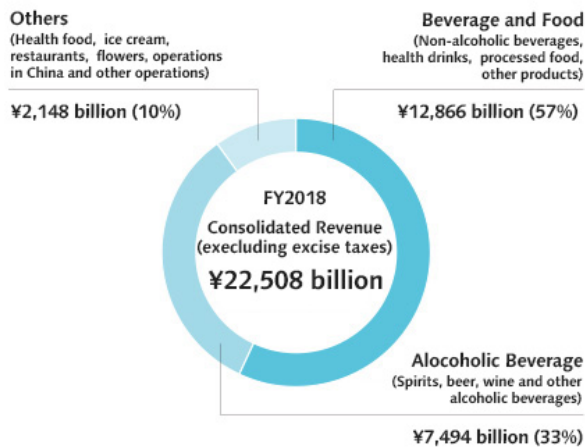
#### Consolidated Revenue



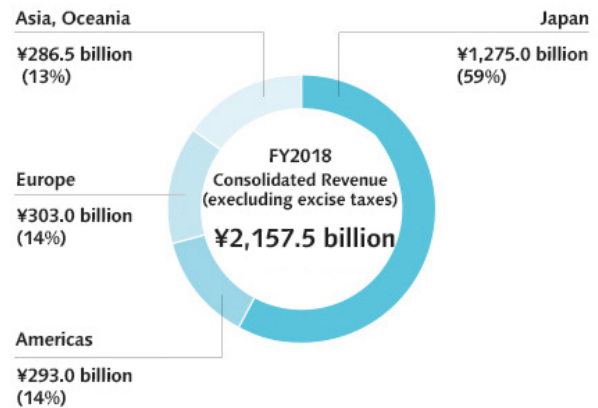
#### Consolidated operating income



#### Sales by Business Segment



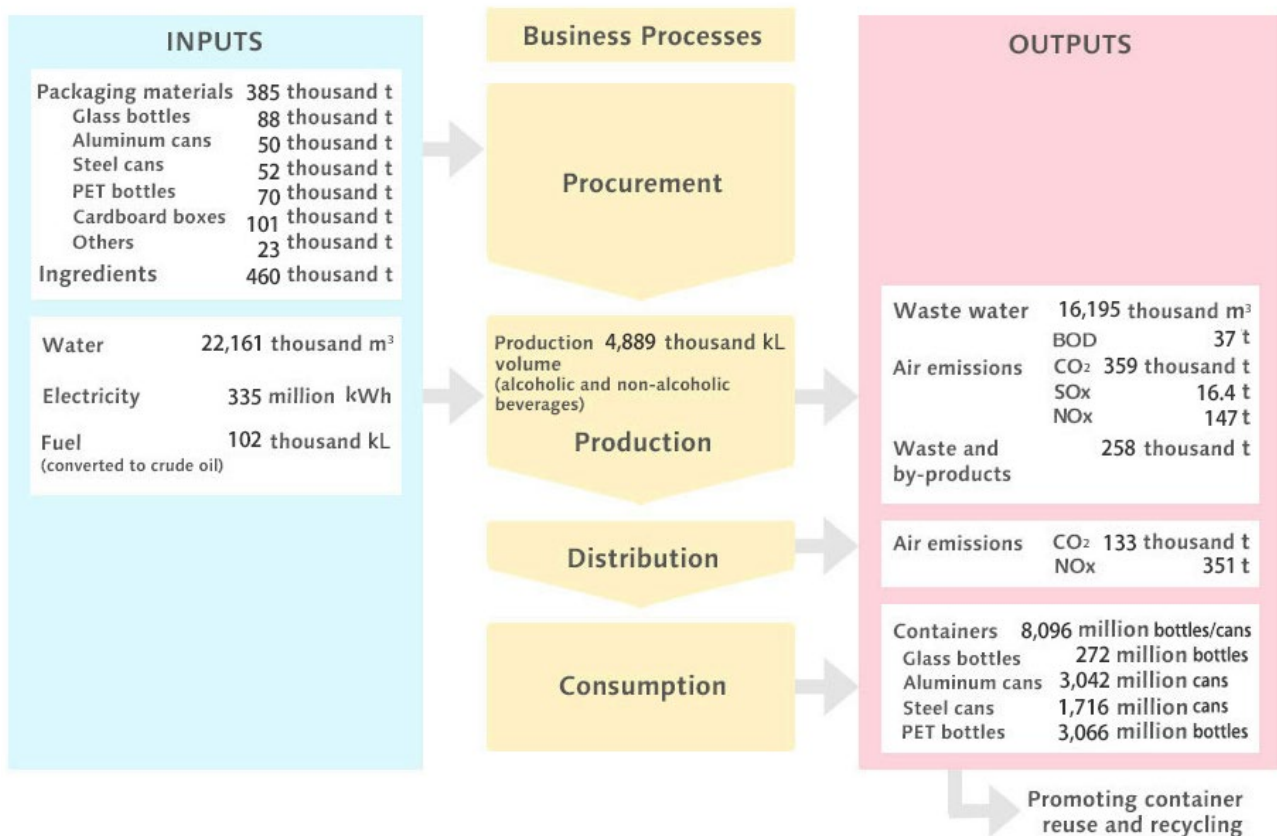
#### Sales by Area



## Environmental Data

The data mainly covers 25 production plants in Japan, 56 production plants overseas owned by Suntory Group. The data for Scope 1 and Scope 2 emissions from 25 production plants in Japan, 56 production plants overseas, and other sites in Japan (base of operations, R&D facilities, sales sites, restaurants and development sites) owned by the Suntory Group's; water usage and waste generation at 25 production plants in Japan and 56 production plants overseas of the Suntory Group, and Scope 3 emissions (Category 1) of the Suntory Group which include Suntory Beverage & Food Group companies received independent assurance from KPMG AZSA Sustainability. The numerical values assured are indicated with ★.

### Overview of business activities and environmental impact (from January 1 to December 31 in 2018; manufacturing facilities in Japan, excluding outsourcing contractors)



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

\*2 Emission factors for GHG calculation are as follows:

Fuel: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

CO<sub>2</sub> from Electricity consumption: The adjusted emission factors for each electric company specified by the Act on Promotion of Global Warming Countermeasures.

GHG other than CO<sub>2</sub>: Factors specified by the Act on Promotion of Global Warming Countermeasures.



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

(Period: January 1 to December 31, 2018)

(million yen)

Item			FY2016		FY2017		FY2018	
			Environmental investment	Environmental costs	Environmental investment	Environmental costs	Environmental investment	Environmental costs
Business area cost	Pollution prevention cost	<ul style="list-style-type: none"> <li>Preventing water pollution</li> <li>Air pollution prevention cost, etc.</li> </ul>	261	1,903	326	2,001	528	2,207
	Global environmental preservation cost	<ul style="list-style-type: none"> <li>CO<sub>2</sub> reduction</li> <li>Energy conservation</li> <li>Cogeneration</li> <li>Air treatment, etc.</li> </ul>	871	3,491	266	3,444	198	3,020
	Resource circulation cost	<ul style="list-style-type: none"> <li>Conserving water through recirculation</li> <li>Reducing sludge</li> <li>Reusing waste</li> <li>Wastewater treatment cost, etc.</li> </ul>	17	2,807	67	2,612	287	2,720
	Total		1,148	8,201	659	8,058	1,013	7,946
Upstream and downstream cost	<ul style="list-style-type: none"> <li>Commission for resource recycling containers and packaging</li> <li>Environmentally-friendly containers and packaging measures</li> </ul>	0	1,195	0	1,133	0	1,290	
Management activities costs	<ul style="list-style-type: none"> <li>Building and maintaining Environmental Management System</li> <li>Sustainability Reports, Exhibits</li> <li>Factory greenification, etc.</li> </ul>	0	1,128	0	670	0	900	
Research and development costs	<ul style="list-style-type: none"> <li>Research and development activities to reduce environmental impact</li> </ul>	73	323	1	369	8	379	
Social activities costs	<ul style="list-style-type: none"> <li>Suntory NaturalWaterSanctuary</li> <li>Bird Conservation Activities</li> <li>Suntory Mizuiku - Natural Water Education Program, etc.</li> </ul>	86	410	90	569	77	504	
Environmental damage response cost		0	0	0	0	0	0	
Total			1,307	11,258	751	10,798	1,098	11,019

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

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

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

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

(Period: January 1 to December 31, 2018)

Item				Unit	2016	2017	2018	Reduction against previous fiscal year per unit production basis
In business area costs	Pollution prevention	Reduction of pollutant emissions	SOx	Total (t)	12.6	14.4	16.4	-1.5t/year
				Per Unit (g/kℓ)	2.7	3.0	3.4	
			NOx	Total (t)	132.4	134.5	147	-7.9t/year
				Per Unit (g/kℓ)	28.3	28.5	30.1	
	Preserving global environment	CO2 emission reduction	CO2 (Fuel + Electricity) Derivation	Total (thousand t)	354.5	369.7	355.9	26.6 thousand t/year
				Per Unit (kg/kℓ)	75.7	78.2	72.8	
		Reduction of energy consumption	Fuel	Crude oil conversion (thousand kℓ)	102	104	102	6192kℓ/year
				Per Unit (L/kℓ)	21.9	22.1	20.8	
			Electricity	Total amount (million kWh)	306	332	335	8033thousand kWh/year
				Per Unit (kWh/kℓ)	65.3	70.2	68.6	
	Resource circulation	Reduction of water resource use	Water	Total amount (thousand m <sup>3</sup> )	21,332	22,361	22,161	971thousandm <sup>3</sup> /year
				Per Unit (m <sup>3</sup> /kℓ)	4.5	4.7	4.5	
		Reduction of waste emissions	By-products and waste emissions	Total (t)	244,604	258,027	257,951	8.984t/year
				Per Unit (kg/kℓ)	52.3	54.6	52.8	
Resource recycling rate		(%)	100	100	100	100		

\*Electricity based CO2 emissions are calculated by the adjusted emission factors for each electric power company as specified by the Act on Promotion of Global Warming Countermeasures.

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

(million yen)

Item	FY2016	FY2017	FY2018
Income from recycling (sales of byproducts)*1	339	380	355
Cost saved by conserving energy*2	496	510	429

\*1 The calculation method is the same as the costs saved for waste disposal

< Previous Year's Capital Gains × Ratio Compared to Previous Year's Production Volume - Current Year's Capital Gains >

\*2 The calculation method is the same as the costs saved for waste disposal

< Yearly Costs Before Utility × Ratio Compared to Previous Year's Production Volume - Current Year's Costs >

## Water Use Performance 2018

Area	Water use (thousand m <sup>3</sup> )	Change in amount of usage per unit production*
Japan	22,161	4.2% decrease
Americas	8,366	8.4% increase
Europe	5,780	0.4% decrease
Asia	5,809	0.5% decrease
Oceania	576	8.6% decrease
Total	42,692★	2.2% decrease

\*Data covers 25 production plants in Japan and 56 production plants overseas

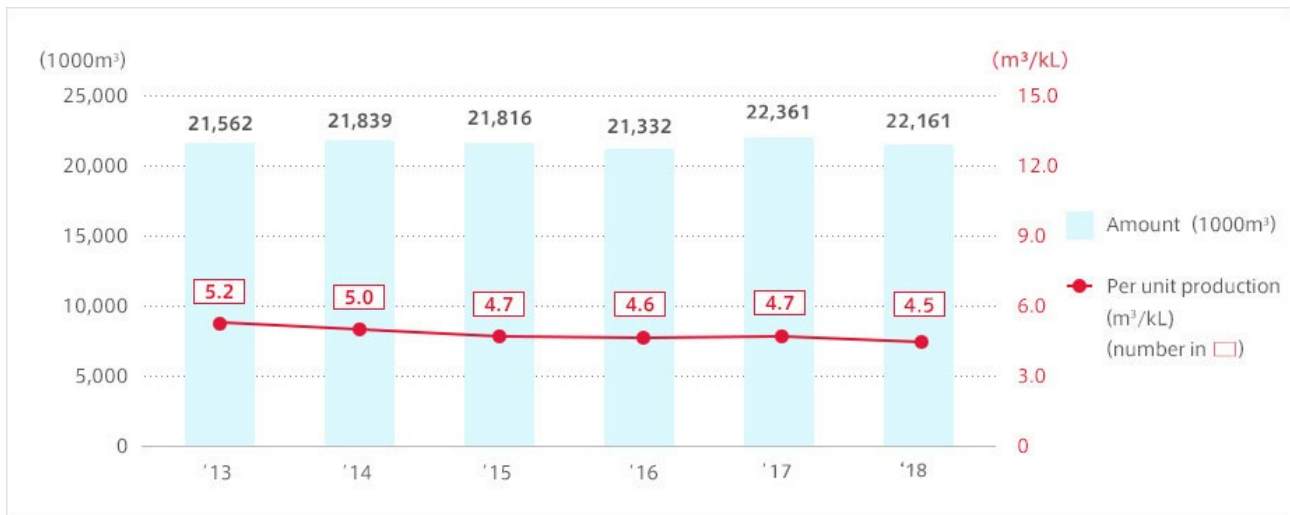
\*Per unit production is the amount of usage per kiloliter produced; the reduction rate is shown as a comparison to the previous year

\*The reduction rate was 6.4% from 2015, which is the base year.

\*Therein, the water use by Suntory Beverage & Food Group companies in Japan and overseas was 22,526 thousand m<sup>3</sup>★

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

### Water use



\*Data covers 25 production plants in Japan

\*Per unit production is the amount of usage per kiloliter produced

-Result: Total amount decreased by 0.9% and 4.2% per unit production compared to previous year

## ■ Preventing Global Warming

### Scope 1/Scope 2 emissions

Area	CO <sub>2</sub> emissions (thousand tons)	Per unit reduction rate*
Japan	454	3.1% reduction
Americas	236	13.7% increase
Europe	126	6.3% increase
Asia	122	16.3% reduction
Oceania	15	34.3% reduction
Total	953★ (Scope 1: 579★; Scope 2: 374★)	2.4% reduction

\*Data covers 25 production plants in Japan and 56 production plants overseas, and non-production sites in Japan (base of operations, R&D facilities, sales sites, restaurants and development sites).

\*The above emissions do not take into account the emissions offset by purchasing carbon credits.

\*CO<sub>2</sub> emissions per unit production are the amount of emissions per kiloliter produced; the rate of reduction is shown as a comparison to the previous year

\*Emission factors for GHG calculation are as follows:

Fuel:

For Japan: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

For overseas: Factors obtained from fuel suppliers or factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

CO<sub>2</sub> from Electricity consumption:

For Japan: The adjusted emission factors for each electric company specified by the Act on Promotion of Global Warming Countermeasures.

For Overseas: As a general rule, emissions factors obtained from electricity suppliers were used. When those could not be obtained, emission factors for each country in 2016 from IEA 2018 were used.

GHG other than CO<sub>2</sub>:

For 25 plants in Japan: Factors specified by the Act on Promotion of Global Warming Countermeasures.

\*Of which, CO<sub>2</sub> emissions from the Suntory Beverage & Food Group are 462 thousand tons★ (Scope 1: 241 thousand tons★ Scope 2: 221 thousand tons★).

\*The change in the amount of emissions from the base year 2015 was a 0.8% increase.

\*The total may not match the sum of each figure due to rounding.

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

### CO<sub>2</sub> emission



\*Data covers 25 production plants in Japan

\*Electricity based CO<sub>2</sub> emissions are calculated by the adjusted emission factors for each electric power company as specified by the Act on Promotion of Global Warming Countermeasures.

-The total amount of CO<sub>2</sub> emissions decreased by 3.2% and CO<sub>2</sub> emissions per unit production decreased by 8.5% compared to 2015.

### Fuel (crude oil conversion) consumption



\*Data covers 25 production plants in Japan

\*Crude oil conversion consumption are calculated using a method specified by the Act on the Rational Use of Energy.

-The total amount of fuel decreased by 4.0% and fuel amount per unit production decreased by 9.6% compared to 2017.

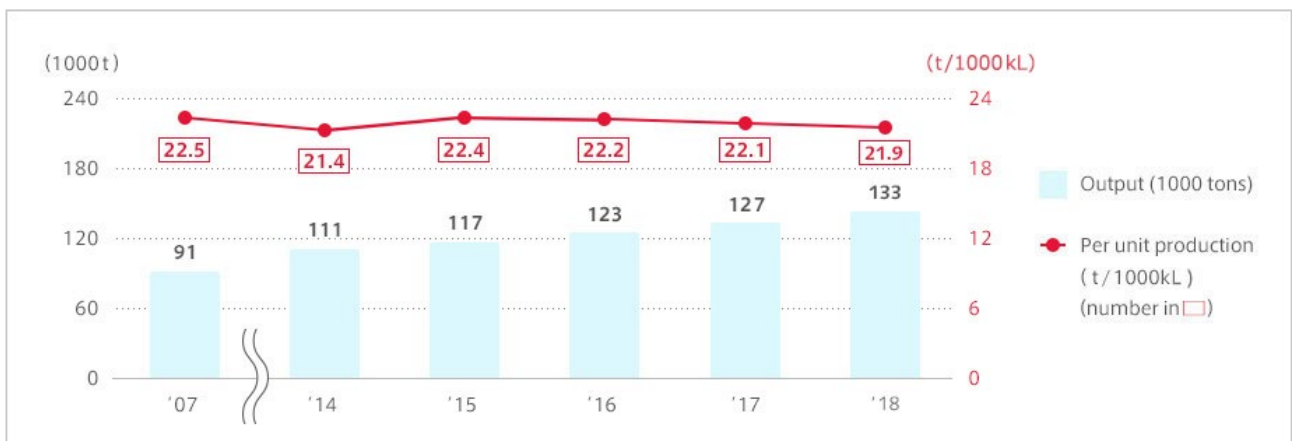
### Power consumption



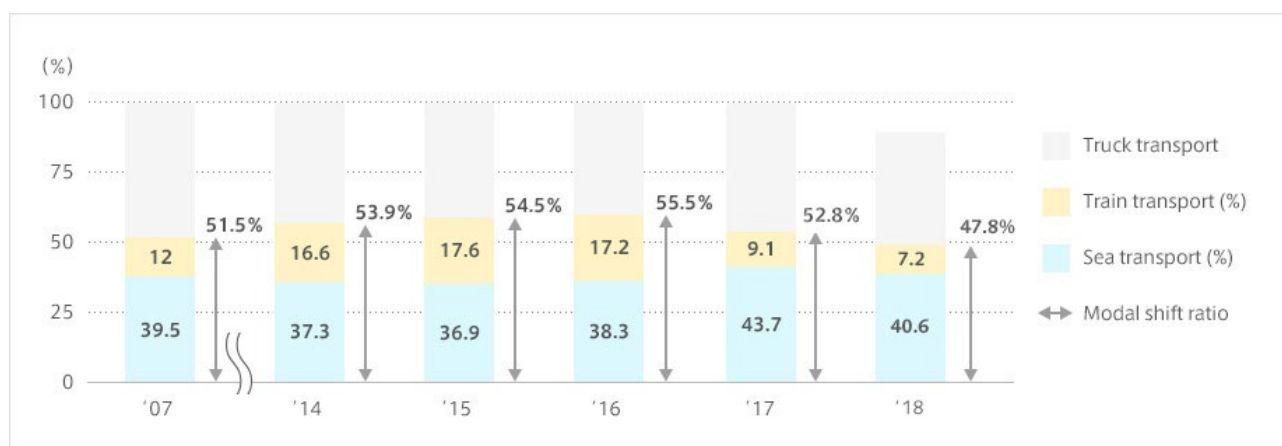
\*Data covers 25 production plants in Japan

-The total amount of power consumption increased by 1.0% and power consumption amount per unit production decreased by 2.3% compared to 2017.

### CO2 emissions during transportation (business in Japan)



## Changes in modal shift ratio



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

## ■ Preventing Air Pollution

### SOx emissions

	2016	2017	2018
Emissions (t)	12.6	14.4	16.4
Per Unit (g/kℓ)	2.7	3.0	3.4

\*Data covers 25 production plants in Japan

### NOx emissions

	2016	2017	2018
Emissions (t)	132.0	134.6	147.0
Per Unit (g/kℓ)	28.3	28.5	30.1

\*Data covers 25 production plants in Japan

### Quantity of equipment that uses PCB (as of January 2019)

	Stored	Used	Total owned
Capacitor	13	0	13
Transformer	9	4	13
Stabilizer for lighting device	317	0	317



## ■ Byproducts and Waste Generation Performance 2018

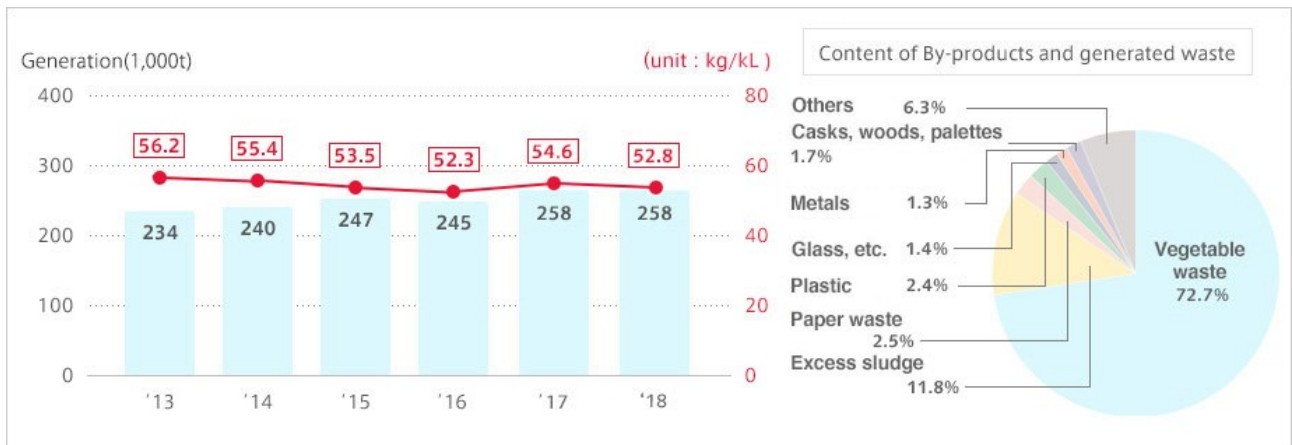
Area	Emissions (thousand tons)
Japan	258
Americas	187
Europe	95
Asia	28
Oceania	6
Total	574★

\*Data covers 25 production plants in Japan and 56 production plants overseas

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

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

### By-products and waste generation



\*Data covers 25 production plants in Japan

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

Type of waste	Main Purpose of Use	2013		2014		2015		2016		2017		2018	
		Amount of generated waste (t)	Recycling Rate (%)	Amount of generated waste (t)	Recycling Rate (%)	Amount of generated waste (t)	Recycling Rate (%)	Amount of generated waste (t)	Recycling Rate (%)	Amount of generated waste (t)	Recycling Rate (%)	Amount of generated waste (t)	Recycling Rate (%)
Vegetable (glycation, tea, coffee dregs, etc.)	- Animal feed - Fertilizer	181,515	100	187,439	100	186,184	100	185,227	100	195,334	100	187,818	100
Sludge (excess sludge, etc.)	- Fertilizer	30,100	100	29,522	100	27,194	100	27,574	100	30,351	100	30,472	100
Wood waste (cask, palette)	- Animal feed - Fertilizer	3,266	100	2,693	100	1,610	100	2,123	100	1,314	100	4,435	100
Glass and ceramic scrap	- Glass materials - Base course material	4,109	100	3,928	100	4,136	100	3,772	100	3,508	100	3,216	100
Paper scraps (cardboards, paper labels, etc.)	- Recycled paper - Cardboard materials	5,727	100	6,192	100	6,175	100	5,184	100	6,349	100	6,228	100
Plastic	- Palette - Solid fuel - Supplementary fuel	4,026	100	4,287	100	4,938	100	4,956	100	5,918	100	6,138	100
Metal scraps (aluminum, steel)	- Aluminum - Steel ingredients	2,600	100	3,016	100	3,277	100	3,039	100	2,958	100	3,240	100
Other		2,870	100	2,725	100	3,182	100	12,729	100	12,632	100	16,405	100
Total		234,214	100	239,801	100	236,697	100	244,604	100	258,365	100	257,951	100

\*Data covers 25 production plants in Japan

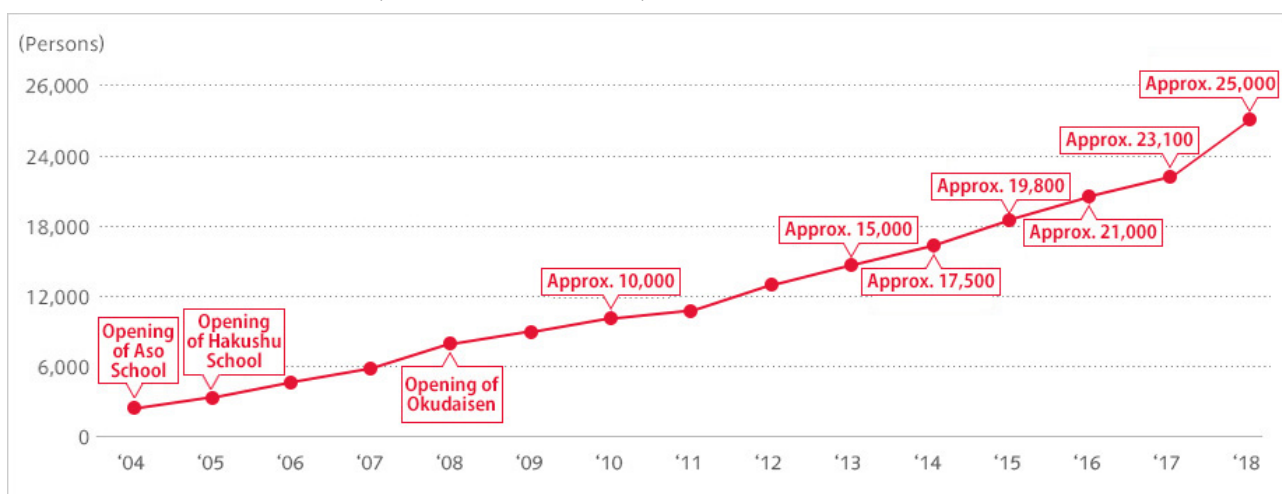
## Environmental Education for Employees

### ■ FY2018 Environmental Training

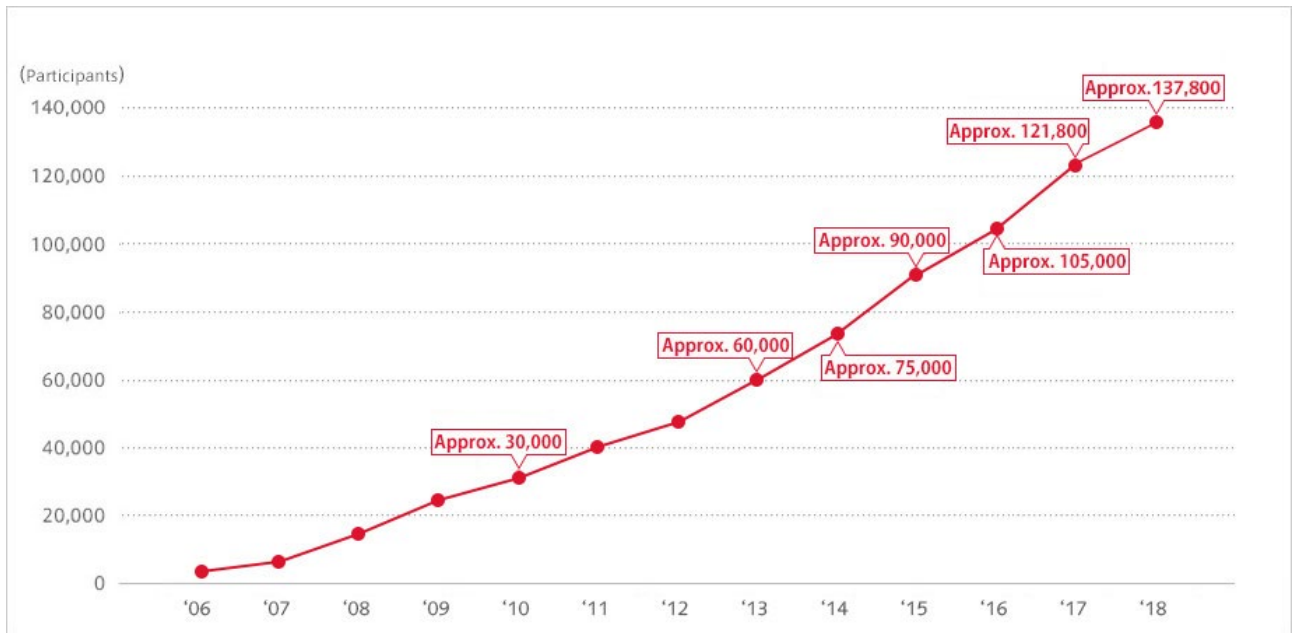
Name	Target	Number of participating employees
Onboarding training (environmental management class)	New employees	All
ISO14001 awareness and special education	Plant employees	All
Environmental management training (e-learning, etc.)	Group employees in Japan	19,701
Training for newly appointed employees in charge of ISO14001	Employees in charge of ISO14001	5
Internal ISO14001 auditor training	Internal ISO14001 auditor	118
Eco-products seminar	Employees in charge of product development	42
Environmental Law Training	Employees from relevant departments	32
Wastes Disposal and Public Cleansing Act seminar	Employees from relevant departments	140
Training held for on-site confirmation of industrial waste	Employees from relevant departments	33

## Outdoor School of Forest and Water

### ■ Total number of participants at the Suntory Mizuiku - Natural Water Education Program Outdoor School of Forest and Water (total of three schools)



■ Total number of participants for Teaching about Water at Schools



## Social Data

### ■ Employment Status

Personnel data includes employees who have employment contracts with Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

### ■ Number of Employees (as of December 31, 2018)

(employees)

	2014			2015			2016			2017			2018		
	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total
Male	43	15	58	42	13	55	41	14	55	45	13	58	43	14	57
Female	2	0	2	3	1	4	4	1	5	2	3	5	2	3	5
Executives	45	15	60	45	14	59	45	15	60	47	16	63	45	17	62
Male	1,348	628	1,976	1,392	607	1,999	1,422	627	2,049	1,432	643	2,075	1,459	654	2,113
Female	146	31	177	166	33	199	185	34	219	200	40	240	217	40	257
Managers	1,494	659	2,153	1,558	637	2,195	1,607	661	2,268	1,632	683	2,315	1,676	694	2,370
Male	2,398	737	3,135	2,432	741	3,173	2,429	745	3,174	2,438	741	3,179	2,420	729	3,149
Female	959	168	1,127	964	188	1,152	976	205	1,181	995	224	1,219	1,011	239	1,250
Members	3,357	905	4,262	3,396	932	4,328	3,405	950	4,355	3,433	965	4,398	3,431	968	4,399
Employees	4,851	1,564	6,415	4,954	1,569	6,523	5,012	1,611	6,623	5,065	1,648	6,713	5,107	1,662	6,769
Male	296	55	351	205	45	250	161	42	203	106	31	137	80	28	108
Female	88	18	106	81	15	96	82	22	104	79	19	98	87	113	200
Contract employees, etc.*	384	73	457	286	60	346	243	64	307	185	50	235	167	141	308
Temporary staff	516	44	560	542	49	591	560	52	612	567	63	630	573	66	639

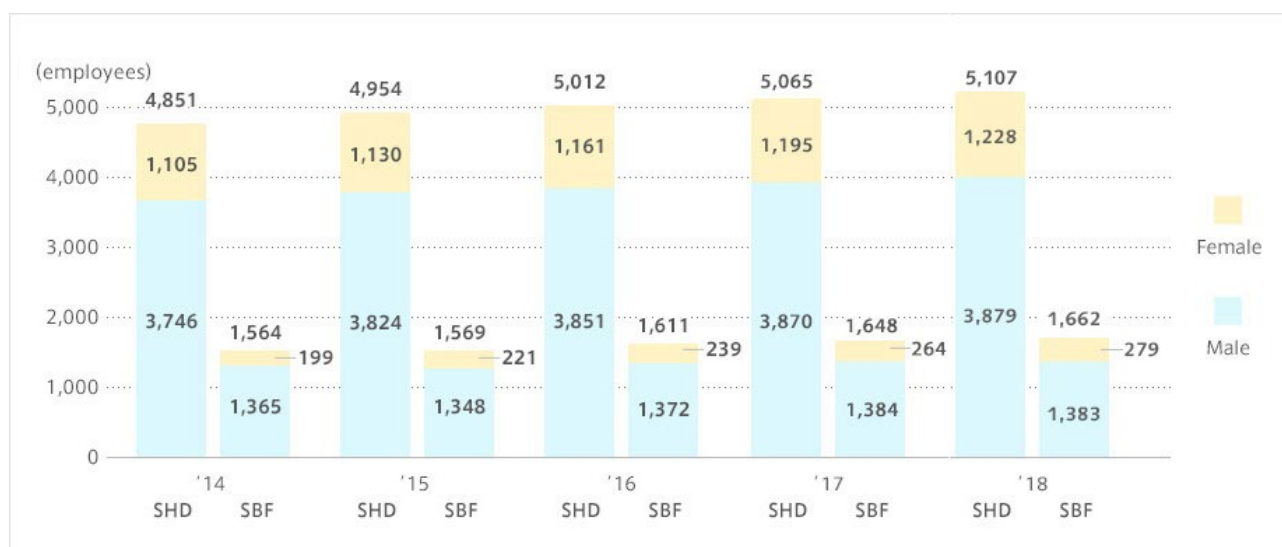
\*Contractors and temporary employees: Special contract employees, part-time employees, added SBF partner employees from 2018.

\*SBF Partner Employees: Temporary staff that have become permanent employees.

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Number of Employees (as of December 31, 2018)



\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Average age and average length of employment (as of December 31, 2018)

	2014		2015		2016		2017		2018	
	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
Average age	39.0	40.9	39.6	41.7	40.8	42.0	41.3	42.3	41.7	42.6
Average tenure	15.8	17.4	16.3	17.3	16.6	17.6	17.1	17.8	17.5	18.1

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Number of employees

(employees)

			2014		2015		2016		2017		2018	
			SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
New graduates	Male		75	26	81	20	79	20	68	17	69	16
	Female		51	16	43	18	43	19	48	20	45	16
Experienced workers	Male		20	0	19	2	17	0	13	4	14	5
	Female		11	9	8	6	7	5	3	7	11	5
Total			157	51	151	46	146	44	132	48	139	42

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.



## Number of resignees and reasons/turnover rate

(employees)

	2014	2015	2016	2017	2018
Retirement* <sup>1</sup>	29	42	39	39	66
Personal circumstances* <sup>2</sup>	45	42	53	43	57
Corporate circumstances* <sup>3</sup>	0	0	0	2	1
Other	7	5	7	4	8
Total* <sup>4</sup>	81	89	99	88	132
Turnover rate* <sup>5</sup>	0.70%	0.64%	0.80%	0.67%	0.86%

\*1 Retirement includes flexible-age retirement

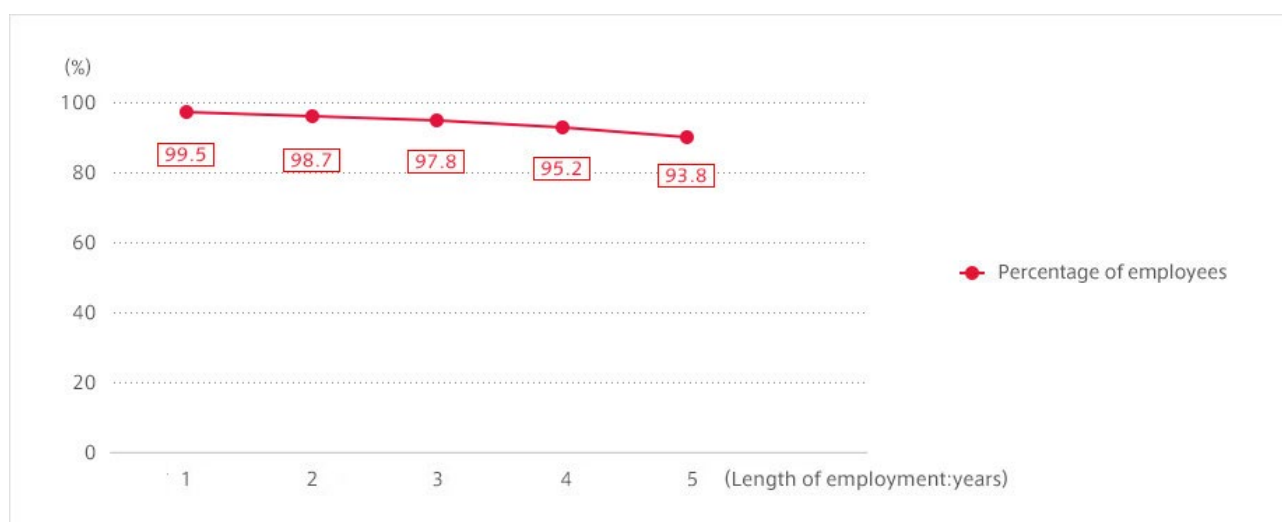
\*2 Resignees of Sunoty Beverage & Food (domestic) is 8 in 2015, 6 in 2016, 11 in 2017, and 7 in 2018.

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

\*4 Covers employees

\*5 The turnover rate is calculated excluding mandatory age retirement

## Retention rate of new graduate hires



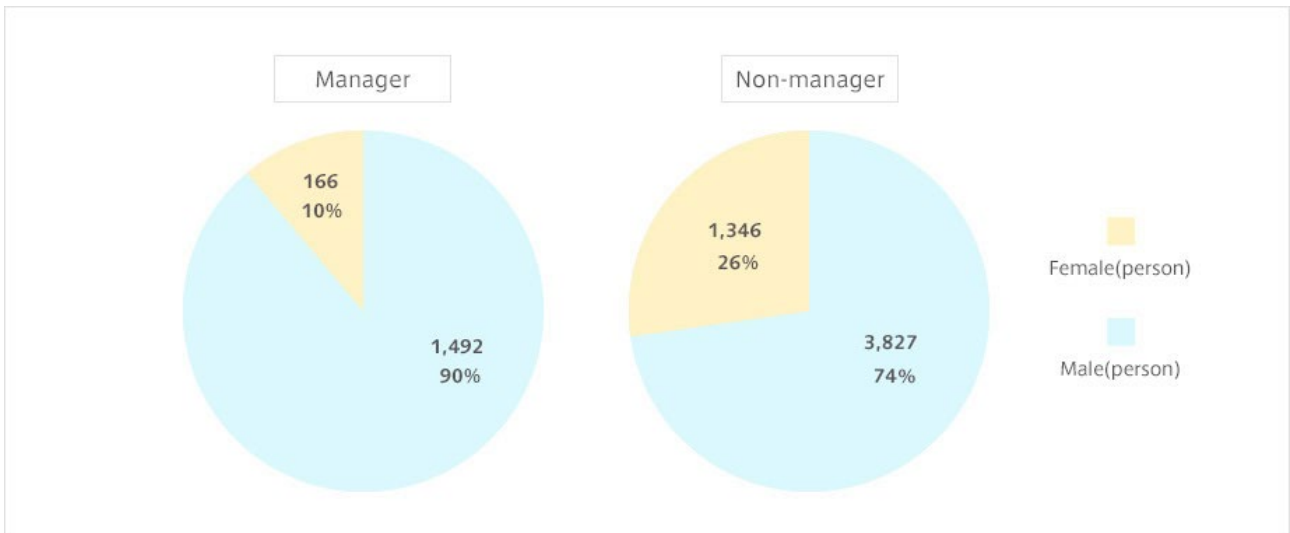
\*Calculated for new graduates hired by Suntory Holdings Ltd. that entered the company from 2011 to 2013.

\*Hiring of new graduates by Suntory Beverage & Food Ltd. started in 2013 with 91% of the new graduates hired in 2013 remaining with the company after five years.

## Female employment data



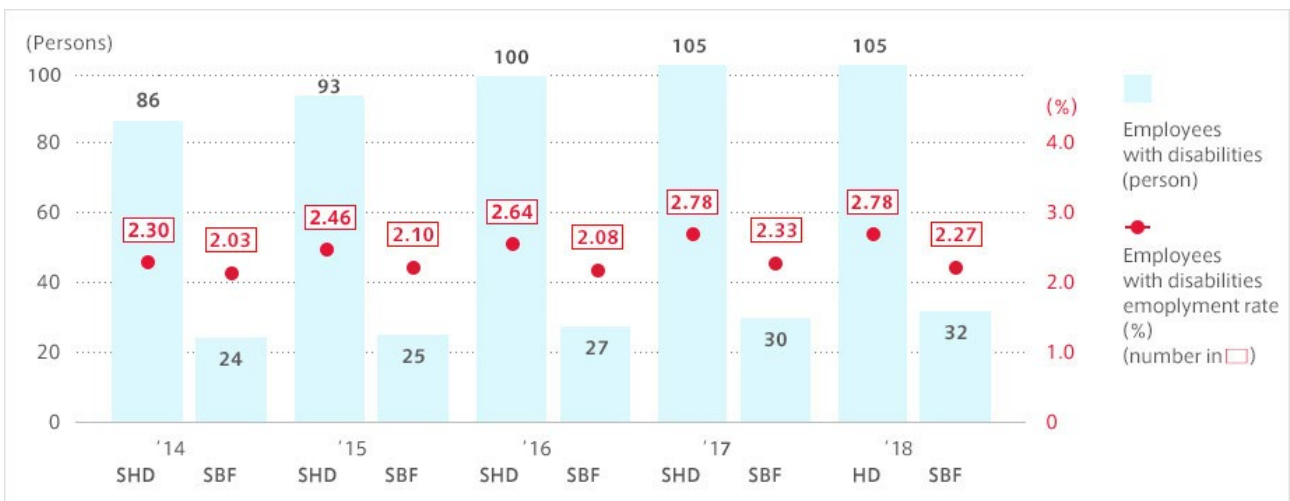
### Number of male and female employees by Management or Non-management position



\*December 31, 2018

\*This is the total of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

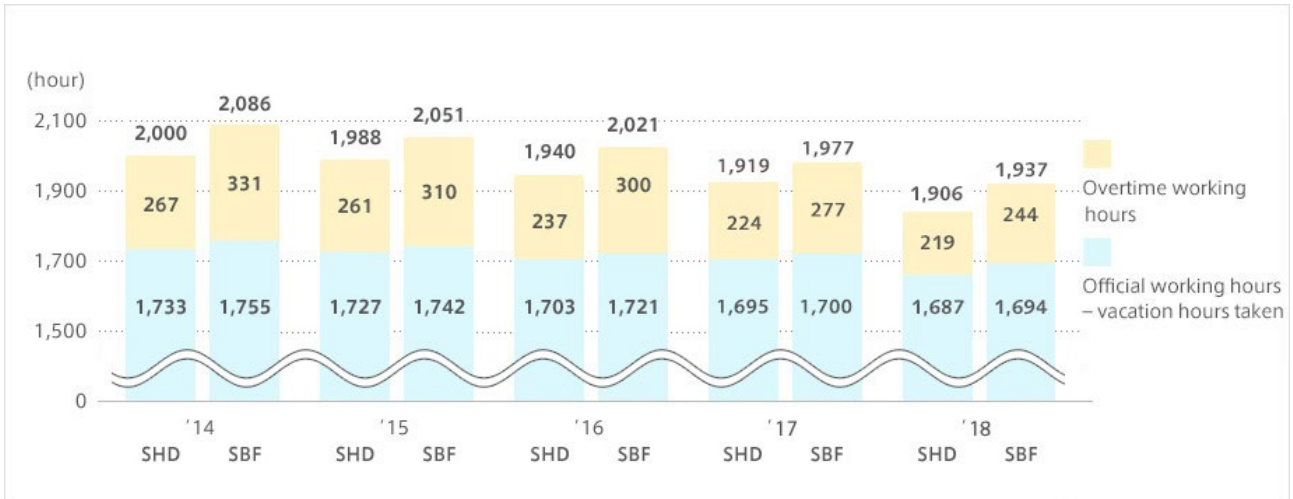
### Number of employees with disabilities and employment rate (as of June 1, 2018)



\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

### Total actual annual working hours

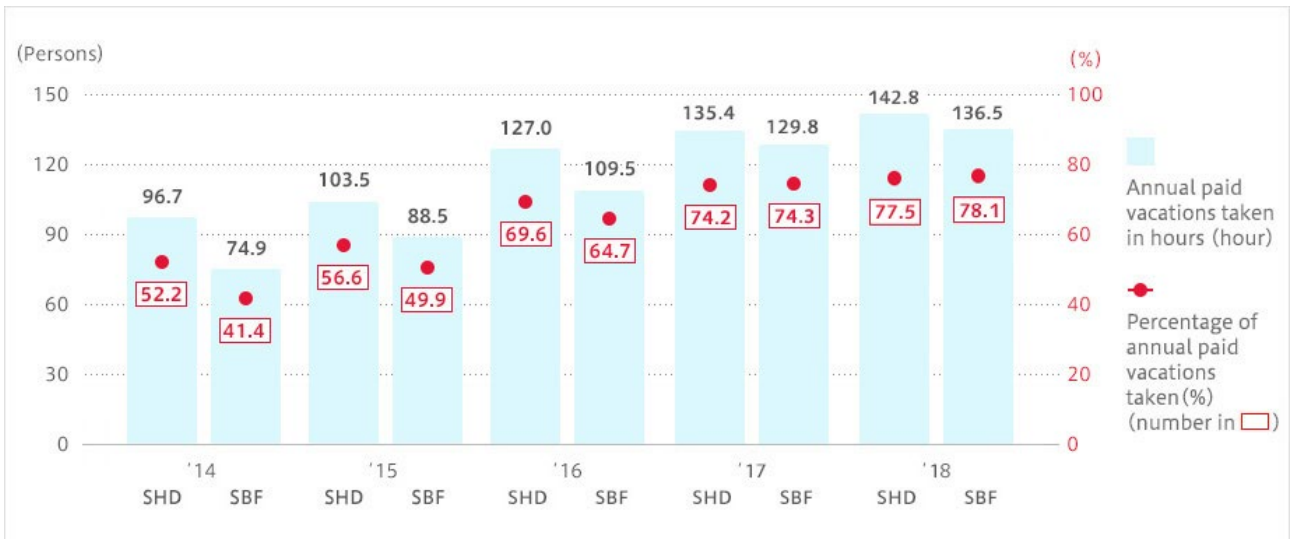


\*Official working hours in the standard Suntory Group offices are 7.5 hours a day, 121 vacation days and the annual total official working hours is 1,830 hours.

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

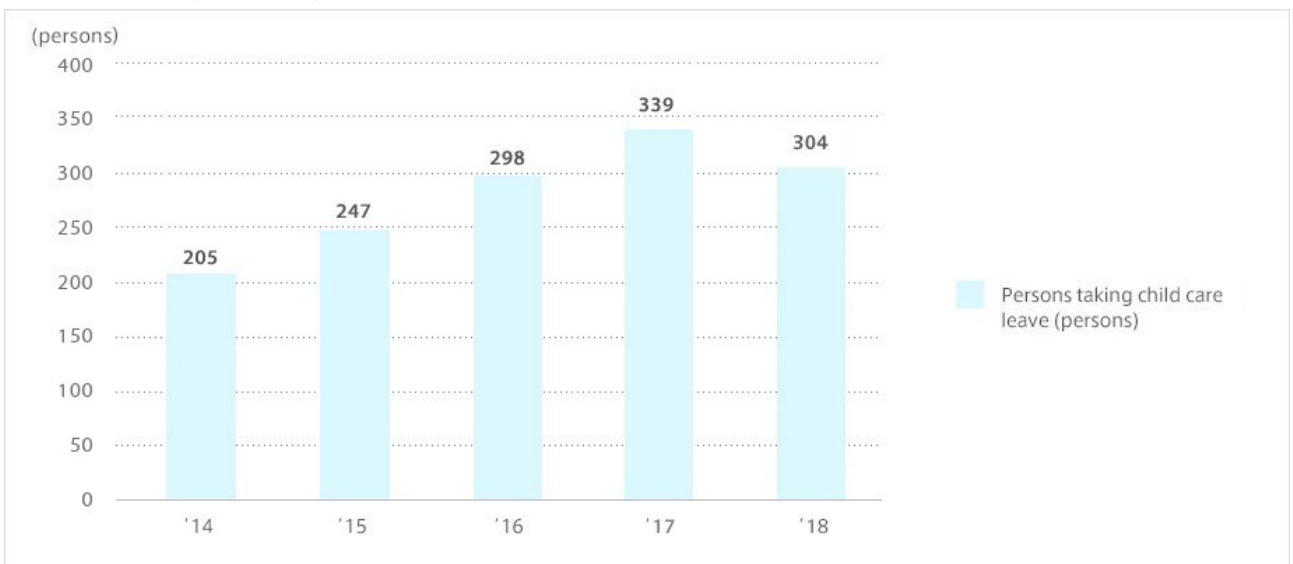
### Annual paid vacations taken



\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

### Results of Employees Taking Child Care Leave



Change in the number of employees that took advantage of child or nursing care policies

(employees)

		2014	2015	2016			2017			2018			
				SHD	SBF	SHD+SBF	SHD	SBF	SHD+SBF	SHD	SBF	SHD+SBF	
Child and nursing care	Childcare leave	205	247	252	46	298	275	64	339	251	53	304	
	Shortened and staggered working hour for child care	Male	-	-	80	22	102	22	34	56	107	26	133
		Female	-	-	172	24	196	24	30	54	144	27	171
	Newly taking childcare leave	118	143	148	32	180	179	50	229	63	12	75	
	Number of employees returning after childcare leave	Male	-	-	-	-	-	122	33	155	93	24	117
		Female	-	-	-	-	-	61	9	70	62	13	75
	Number of employees that resigned during childcare leave	Male	-	-	-	-	-	0	0	0	0	0	0
		Female	-	-	-	-	-	2	1	3	0	0	0
	Ratio of employees returning after childcare leave	Male	-	-	-	-	-	100%	100%	100%	100.0%	100.0%	100.0%
		Female	-	-	-	-	-	96.8%	90.0%	95.9%	100.0%	100.0%	100.0%
	Number of employees remaining at end of the year after taking childcare leave previous year	Male	-	-	-	-	-	80	22	102	118	34	152
		Female	-	-	-	-	-	172	24	196	144	25	169
	Number of Employees Returning from Child Care Leave	Male	-	-	-	-	-	100%	100%	100%	96.7%	100.0%	97.44%
		Femal	-	-	-	-	-	98.8%	95.8%	98.5%	94.1%	83.33%	92.35%
	Shortened and staggered working hour for child care		195	192	187	38	225	183	33	216	180	37	217
Nursing leave		2	1	2	0	2	2	0	2	3	0	3	
Shortened and staggered working hour for nursing care		2	3	0	0	0	0	0	0	0	0	0	
Telecommuting Program*		3,196	3,577	3,390	1,070	4,460	3,657	1,188	4,845	3,847	1,329	5,176	
Vacation	Child support leave	663	464	474	65	539	500	83	583	524	75	599	
	Home helper	0	2	1	0	1	2	0	2	1	0	1	
	At home child care service	37	16	24	2	26	27	2	29	29	5	34	
Refresh leave	791	933	525	177	702	603	198	801	630	194	824		

## Development of Human Resources

Name	Description	Number of participants 2018	2010~2018
Career Challenge Program	Individual tailored program for junior employees to enhance skills needed for global business (language, cultural awareness, cross-cultural communication, leadership, logical thinking, management through figures, etc.)	10	65
Company sponsored MBA	Sending talented high potential employees to overseas top business schools to study in global environment.	3	22
Trainee program	Trainees brush up their professional skills, gain language and communication skills, global business skills, and leadership skills through on the job training at overseas companies.	13	80

## Main self-development programs and the number of participants in FY2018

Type of training	Description	People
Elective training*	Elective training provides approximately 30 different types of courses (twice/year) with training designed to teach the necessary business skills to succeed in the career plans envisioned by our employees	822
Enhancing English ability*	This program provides various courses such as in-office English lessons and online lessons aimed to enhance business communications skills in English. A wide range of support content is available so that students can effectively take the course best suited for their skill level.	247
e-Learning	This training program aims to heighten the ability to execute operations and gain the knowledge required for operational innovation. The courses include business skills, language acquisition, and computer skills.	298
Financial Support System for Attending School and Distance Learning	Suntory provides support for up to half the costs of schools and distance learning programs aimed at improving students skills (up to maximum limit). The courses that can be taken range from the skills necessary to execute operations (accounting, legal knowledge, etc.) to improving language skills and acquiring certifications	84

\*These are elective programs that employees can participate on their own accord which the company will take on some of the training costs

## ■ Number of workplace accidents

(accidents)

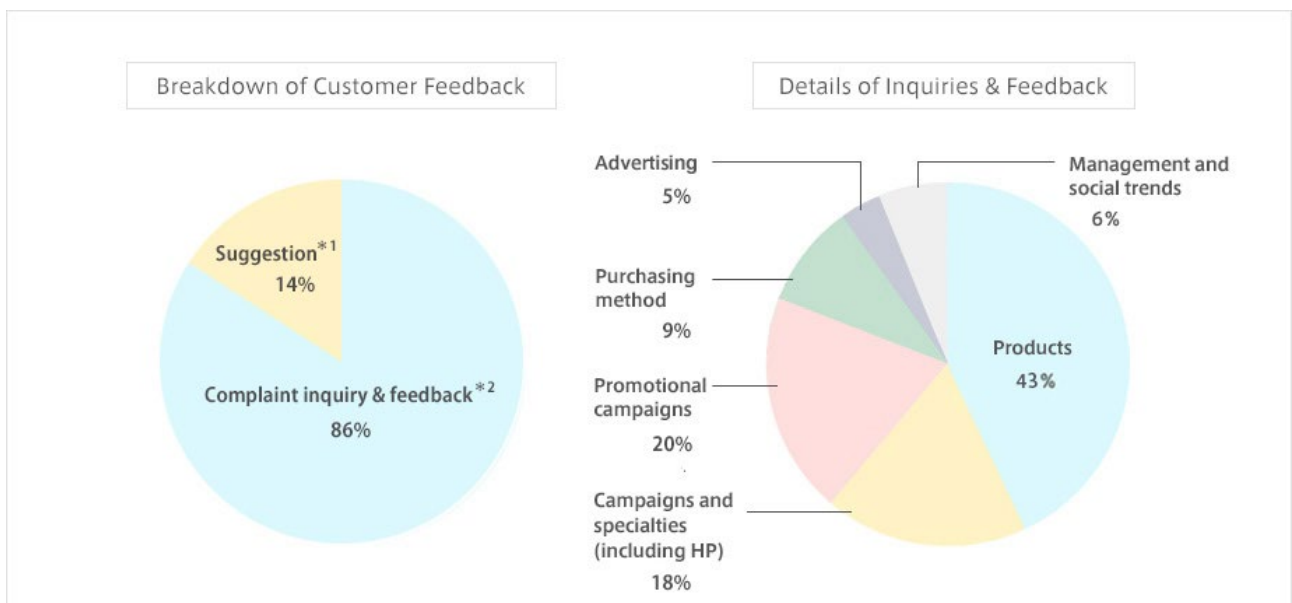
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of occupational accidents (including paid leave and substitute leave)	3	3	2	3	4	0	6	1	3
Number of occupational accidents not accompanied by lost work time	14	10	8	12	13	8	18	12	21
Number of accidents resulting fatality				0	0	0	0	0	0
Total	17	13	10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

\*Figures through 2012 are only for Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. The figures from 2014 onwards include data on workplace accidents involving full-time employees, special contract employees, and part-time employees for the following Suntory Group companies in Japan: Suntory Holdings Ltd., Suntory Beverage & Food Group companies (Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Products Ltd.), Suntory BWS Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Wine International Ltd., Suntory Liquors Ltd., Suntory Wellness Ltd., Suntory MONOZUKURI Expert Ltd., Suntory Business Systems Ltd., Suntory Communications Ltd., and Suntory Global Innovation Center Ltd.

\*From FY2016, Suntory has received independent assurance from KPMG AZSA Sustainability, Co., Ltd. The assured value is indicated with ★.

\*Three occupational accidents (including accidents during commuting) occurred in 2018. We took measures including distributing accident reports to employees who handle similar operations to prevent reoccurrences of similar accidents.

## Details on consumer inquiries, feedback, and complaints (Results of 2018: 80,593)



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

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



## ■ Disaster Recovery Support

### Main Donations

Year	Incident	Amount Donated	Beneficiary	News release
2010	2010 Canterbury (Christchurch) Earthquake (New Zealand's South Island)	3.25 million yen	Cristchurch earthquake appeal fund	
2010	Foot-and-Mouth Disease Outbreak in Miyazaki Prefecture	10 million yen	Miyazaki Prefecture, and the Miyazaki Community Chest Association Social Welfare Organization	Suntory Relief Aid for Foot-and-Mount Disease in Miyazaki Prefecture (in Japanese only)
2010	Chile Earthquake	50 million yen	Chile Embassy	Suntory Relief Aid for Earthquake Recovery in Chile
2010	Haiti Earthquake	10 million yen	The Japanese Red Cross Society	Suntory Haiti Earthquake Aid
2011	Thailand floods	Approx. 2.5 million yen	The Government of the Kingdom of Thailand	Support for Recovery from Flood Damage in Thailand
2011	2011 Canterbury (Christchurch) Earthquake (New Zealand's South Island)	6.2 million yen	New Zealand Red Cross	Earthquake Relief Donation to New Zealand
2011	Floods in Queensland, Australia	8 million yen	Queensland The Premier's Disaster Relief Appeal	Flood Relief Donation to Queensland Australia
2011~	Great East Japan Earthquake	4.3 billion yen in 2011 2.0 billion yen in 2012 2.5 billion yen in 2013 2.0 billion yen in 2014 (total: 10.8 billion yen)	Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Save The Children Japan, et al.	Relief Donation for Earthquake in the Tohoku Region of Japan
2014	Landslide disasters in Hiroshima	1 million yen	Chugoku Shimbun Social Welfare Services Corporation	
2015	Nepal Earthquake	3 million yen	Nepal Earthquake	
2016	Kumamoto Earthquake	100 million yen in April 2016 300 million yen in October 2016	Kumamoto Prefecture	Release of Contributions to Kumamoto Prefecture
2017	Storm Disaster in Northern Kyushu	Fukuoka Prefecture (5 million yen) Oita Prefecture (5 million yen)	Fukuoka Prefecture/Oita Prefecture	Relief Donation for the Storm Disaster in Northern Kyushu
2017	Aid Following the Massive Hurricane Disaster in the United States	Approx. 110 million yen (1 million dollars)	American Red Cross	About Aid Following the Massive Hurricane Disasters in the United States
2017	Aid Following the Earthquake in Mexico	Approx. 22 million yen (200,000 dollars)	Mexican Red Cross	About Aid Following the Earthquake in Mexico
2017	Hurricane Maria Which Impacted the Virgin Islands	Approx. 55 million yen (500,000 dollars)	Virgin Islands Aid Fund	
2018	Torrential Rains of July 2018 (in Western Japan)	900 million yen (Hiroshima, Okayama, and Ehime Prefectures received 300 million yen each)	Hiroshima Prefecture: Japanese Red Cross Society Hiroshima Okayama and Ehime Prefectures: Aid provided directly to each prefectural government	Information About the Donations for the Torrential Rains of July 2018
2018	2018 Hokkaido Eastern Iburi Earthquake	100 million yen	Hokkaido	Information About Support Provided for the 2018 Hokkaido Eastern Iburi Earthquake

# GRI Standards Content Index

This website is created in accordance with "Core" level of the Sustainability Reporting Standard of the Global Reporting Initiative (GRI).

## Universal Disclosures

No	Disclosure Title	Description	Reference page title
<b>Organizational profile</b>			
102-1	Name of the organization	a. Name of the organization	• Company Profile
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	• Our Business
102-3	Location of headquarters	a. Location of the organization's headquarters.	• Corporate Overview
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	• Group Companies
102-5	Ownership and legal form	a. Nature of ownership and legal form.	• Corporate Overview
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	• Group Companies
102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	• Corporate Overview
102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	• Employment Status

102-9	Supply chain	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	<ul style="list-style-type: none"> <li>• Sustainable Procurement</li> <li>• Quality Assurance from a Customer Perspective in All Processes</li> </ul>
102-10	Significant changes to the organization and its supply chain	<p>a. Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>Markets served, including:</p> <p>i. changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</p> <p>ii. changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>iii. changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	Not applicable within this reporting period
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.	<ul style="list-style-type: none"> <li>• Business Activities and Environmental Impact</li> <li>• Environmental Management</li> </ul>
102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	<ul style="list-style-type: none"> <li>• Suntory Group's Philosophy on Sustainability: Joining the United Nations Global Compact, Signing the CEO Water Mandate</li> <li>• Suntory Group's Philosophy on Sustainability Founder's Spirit and Sustainability</li> </ul>
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	<ul style="list-style-type: none"> <li>• Top Commitment</li> </ul>
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	<ul style="list-style-type: none"> <li>• Suntory Group's Philosophy on Sustainability: Initiatives as a Global Company</li> <li>• Business Activities and Environmental Impact: Assessing Water Risk</li> </ul>
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	<ul style="list-style-type: none"> <li>• Suntory Group's Philosophy on Sustainability: Suntory Group's Corporate Philosophy</li> <li>• Suntory Group's Philosophy on Sustainability Founder's Spirit and Sustainability</li> </ul>
102-17	Mechanisms for advice and concerns about ethics	<p>a. A description of internal and external mechanisms for:</p> <p>i. seeking advice about ethical and lawful behavior, and organizational integrity;</p> <p>ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.</p>	<ul style="list-style-type: none"> <li>• Compliance: Enhancing the Hotline for Early Discovery and Resolution of Problems</li> </ul>

Governance			
102-18	Governance structure	<p>a. Composition of the highest governance body and its committees</p> <p>b. Committees responsible for decision-making on economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>· Suntory Group's Philosophy on Sustainability: Promoting Sustainability Management</li> <li>· Corporate Governance</li> <li>· Environmental Management: Sustainability Management Promotion System</li> </ul>
102-19	Delegating authority	<p>a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p>	<ul style="list-style-type: none"> <li>· Suntory Group's Philosophy on Sustainability: Promoting Sustainability Management</li> <li>· Environmental Management: Sustainability Management Promotion System</li> </ul>
102-20	Executive-level responsibility for economic, environmental, and social topics	<p>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>b. Whether post holders report directly to the highest governance body.</p>	<ul style="list-style-type: none"> <li>· Suntory Group's Philosophy on Sustainability: Promoting Sustainability Management</li> <li>· Corporate Governance</li> <li>· Environmental Management: Sustainability Management Promotion System</li> </ul>
102-21	Consulting stakeholders on economic, environmental, and social topics	<p>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p>	
102-22	Composition of the highest governance body and its committees	<p>a. Composition of the highest governance body and its committees</p> <p>i. executive or non-executive;</p> <p>ii. independence;</p> <p>iii. tenure on the governance body;</p> <p>iv. number of each individual's other significant positions and commitments, and the nature of the commitments;</p> <p>v. gender;</p> <p>vi. membership of under-represented social groups;</p> <p>vii. competencies relating to economic, environmental, and social topics;</p> <p>viii. stakeholder representation.</p>	
102-23	Chair of the highest governance body	<p>a. Whether the chair of the highest governance body is also an executive officer in the organization.</p> <p>b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.</p>	
102-24	Nominating and selecting the highest governance body	<p>a. Nomination and selection processes for the highest governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <p>i. stakeholders (including shareholders) are involved;</p> <p>ii. diversity is considered;</p> <p>iii. independence is considered;</p> <p>iv. expertise and experience relating to economic, environmental, and social topics are considered.</p>	

102-25	Conflicts of interest	<p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>Whether conflicts of interest are disclosed to stakeholders,</p> <p>b. including, as a minimum:</p> <p>i. cross-board membership;</p> <p>ii. cross-shareholding with suppliers and other stakeholders;</p> <p>iii. existence of controlling shareholder;</p> <p>iv. related party disclosures.</p>	
102-26	Role of highest governance body in setting purpose, values, and strategy	<p>a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>• Suntory Group's Philosophy on Sustainability: Promoting Sustainability Management</li> </ul>
102-27	Collective knowledge of highest governance body	<p>a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.</p>	
102-28	Evaluating the highest governance body's performance	<p>a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>Whether such evaluation is independent or not, and its</p> <p>b. frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</p>	
102-29	Identifying and managing economic, environmental, and social impacts	<p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities — including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	
102-30	Effectiveness of risk management processes	<p>a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>
102-31	Review of economic, environmental, and social topics	<p>a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<ul style="list-style-type: none"> <li>• Suntory Group's Philosophy on Sustainability: Promoting Sustainability Management</li> </ul>
102-32	Highest governance body's role in sustainability reporting	<p>a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.</p>	
102-33	Communicating critical concerns	<p>a. Process for communicating critical concerns to the highest governance body.</p>	
102-34	Nature and total number of critical concerns	<p>a. Total number and nature of critical concerns that were communicated to the highest governance body.</p> <p>b. Mechanism(s) used to address and resolve critical concerns.</p>	

102-35	Remuneration policies	<p>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <p>i. fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;</p> <p>ii. sign-on bonuses or recruitment incentive payments;</p> <p>iii. termination payments;</p> <p>iv. clawbacks;</p> <p>v. retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.</p> <p>b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.</p>	
102-36	Process for determining remuneration	<p>a. Process for determining remuneration</p> <p>b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.</p> <p>c. Any other relationships that the remuneration consultants have with the organization.</p>	
102-37	Stakeholders' involvement in remuneration	<p>a. How stakeholders' views are sought and taken into account regarding remuneration.</p> <p>b. If applicable, the results of votes on remuneration policies and proposals.</p>	
102-38	Annual total compensation ratio	<p>a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	
102-39	Percentage increase in annual total compensation ratio	<p>a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	<p>a. A list of stakeholder groups engaged by the organization.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Suntory Group's Philosophy on Sustainability: Relations with Stakeholders</li> </ul>
102-41	Collective bargaining agreements	<p>a. Percentage of total employees covered by collective bargaining agreements.</p>	<ul style="list-style-type: none"> <li>• Labor/Management Relations: Creating Employee-Friendly Workplaces</li> </ul>
102-42	Approach to stakeholder engagement	<p>a. The basis for identifying and selecting stakeholders with whom to engage.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Suntory Group's Philosophy on Sustainability: Relations with Stakeholders</li> </ul>
102-43	Approach to stakeholder engagement	<p>a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society: Brainstorming sessions held in 2018</li> </ul>



102-44	Key topics and concerns raised	<p>a. Key topics and concerns that have been raised through stakeholder engagement, including:</p> <p>i. how the organization has responded to those key topics and concerns, including through its reporting;</p> <p>ii. the stakeholder groups that raised each of the key topics and concerns.</p>	<ul style="list-style-type: none"> <li>Dialogue with Society: Brainstorming sessions held in 2018</li> </ul>
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	<p>a. A list of all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	
102-46	Defining report content and topic Boundaries	<p>a. An explanation of the process for defining the report content and the topic Boundaries.</p> <p>b. An explanation of how the organization has implemented the Reporting Principles for defining report content.</p>	<ul style="list-style-type: none"> <li>Suntory Group's Philosophy on Sustainability: Four Sustainability Initiatives, Identification of Priority Initiatives</li> <li>Enhancing Sustainability Activities using ISO26000: Six Prioritized Sustainability Initiatives</li> </ul>
102-47	List of material topics	<p>a. A list of the material topics identified in the process for defining report content.</p>	<ul style="list-style-type: none"> <li>Suntory Group's Philosophy on Sustainability: Four Sustainability Initiatives, Identification of Priority Initiatives</li> <li>Enhancing Sustainability Activities using ISO26000: Six Prioritized Sustainability Initiatives</li> </ul>
102-48	Restatements of information	<p>a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.</p>	Not applicable within this reporting period
102-49	Changes in reporting	<p>a. Significant changes from previous reporting periods in the list of material topics and topic boundaries.</p>	Not applicable within this reporting period
102-50	Reporting period	<p>a. Reporting period for the information provided.</p>	<ul style="list-style-type: none"> <li>Editorial Policy on Sustainability Information: Time Frame</li> </ul>
102-51	Date of most recent report	<p>a. If applicable, the date of the most recent previous report.</p>	<ul style="list-style-type: none"> <li>Editorial Policy on Sustainability Information: Published</li> </ul>
102-52	Reporting cycle	<p>a. Reporting cycle</p>	<ul style="list-style-type: none"> <li>Editorial Policy on Sustainability Information: Published</li> </ul>
102-53	Contact point for questions regarding the report	<p>a. The contact point for questions regarding the report or its contents.</p>	<ul style="list-style-type: none"> <li>Editorial Policy on Sustainability Information: We welcome your feedback</li> </ul>
102-54	Claims of reporting in accordance with the GRI Standards	<p>a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:</p> <p>i. 'This report has been prepared in accordance with the GRI Standards: Core option';</p> <p>ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'</p>	Our sustainability reporting is done in accordance with "Core" level of the GRI Standards.

102-55	GRI content index	<p>a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</p> <p>b. For each disclosure, the content index shall include:</p> <p>i. the number of the disclosure (for disclosures covered by the GRI Standards);</p> <p>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p>	<ul style="list-style-type: none"> <li>• GRI Standards Content Index</li> </ul>
102-56	External assurance	<p>a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <p>i. a reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii. the relationship between the organization and the assurance provider;</p> <p>iii. whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.</p>	<ul style="list-style-type: none"> <li>• Reducing CO2 Emissions throughout the Value Chain: Scope 1/Scope 2 emissions, Scope 3 Emissions (Independent assurance report)</li> <li>• Occupational Health and Safety: Number of workplace accidents (Independent assurance report)</li> </ul>
<b>103 : Management Approach</b>			
103-1	Explanation of the material topic and its Boundary	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>• Suntory Group's Philosophy on Sustainability: Four Sustainability Initiatives, Identification of Priority Initiatives</li> <li>• Enhancing Sustainability Activities using ISO26000: Six Prioritized Sustainability Initiatives</li> <li>• Business Activities and Environmental Impact</li> </ul>

103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.  b. A statement of the purpose of the management approach.  c. A description of the following, if the management approach includes that component:</p> <p>i. Policy  ii. commitments  iii. goals and targets  iv. Responsibility  v. resources  vi. Customer Complaint Response Mechanism  vii. specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>• Enhancing Sustainability Activities using ISO26000: Sustainability Action Plan</li> <li>• Environmental Vision: Suntory Environmental Vision toward 2050, Targets Toward 2020</li> <li>• Environmental Vision: Basic Principles of Suntory Group's Environmental Policy</li> <li>• Sustainable Procurement: The Suntory Group's Basic Policy on Supply Chain Sustainability</li> <li>• Respect for Human Rights: Suntory Group Human Rights Policy</li> <li>• Promotion of Group Quality Management: Suntory Quality Policy</li> <li>• Basic Policy on Social Activities: Suntory Group Basic Policy on Social Activities</li> <li>• Communicating with Customers: Basic Policy on Customer Satisfaction</li> <li>• Suntory Group's Philosophy on Sustainability: Promoting Sustainability Management</li> <li>• Environmental Management: Sustainability Management Promotion System</li> <li>• Promotion of Group Quality Management</li> <li>• Compliance</li> </ul>
103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;  ii. the results of the evaluation of the management approach;  iii. any related adjustments to the management approach.</p>	<ul style="list-style-type: none"> <li>• Enhancing Sustainability Activities using ISO26000: Sustainability Action Plan</li> <li>• Quality Assurance from a Customer Perspective in All Processes</li> <li>• To Create Harmony with Customers and Partners: Sustainability Action Plan</li> <li>• To Create Harmony with Nature: Sustainability Action Plan</li> <li>• FY2018 Targets, Results and Evaluation</li> <li>• To Create Harmony with Society: Sustainability Action Plan</li> <li>• To Create Harmony with Employees: Sustainability Action Plan</li> <li>• Major Sustainability Data</li> </ul>

## Topic-specific Disclosures

No	Disclosure Title	Description	Reference page title
<b>Economic</b>			
201:Economic Performance			
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	
201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>	<ul style="list-style-type: none"> <li>• Environmental Management: Introducing Environmental Accounting</li> <li>• Business Activities and Environmental Impact: Quantitative Evaluation Through Natural Capital</li> <li>• Environmental Vision: Suntory Environmental Vision toward 2050</li> </ul>
201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	

201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance</p> <p>i. tax relief and tax credits;</p> <p>ii. subsidies;</p> <p>iii. investment grants, research and development grants, and other relevant types of grant;</p> <p>iv. awards;</p> <p>v. royalty holidays;</p> <p>vi. financial assistance from Export Credit Agencies (ECAs);</p> <p>vii. financial incentives;</p> <p>viii. other financial benefits received or receivable from any government for any operation.</p> <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	Not applicable within this reporting period
202:Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p> <p>d. The definition used for 'significant locations of operation'.</p>	Not applicable within this reporting period
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	<ul style="list-style-type: none"> <li>• Basic Policy on Human Resource: Commitment to Local Employment</li> </ul>
203:Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<ul style="list-style-type: none"> <li>• Suntory Natural Water Sanctuary</li> <li>• Bird Conservation Activities</li> <li>• Social Welfare</li> <li>• Arts, Culture and Academic Activities</li> </ul>
203-2	Significant indirect economic impacts	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	Not applicable within this reporting period

204:Procurement Practices			
204-1	Proportion of spending on local suppliers	<p>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p> <p>b. The organization's geographical definition of 'local'.</p> <p>c. The definition used for 'significant locations of operation'.</p>	<ul style="list-style-type: none"> <li>· Sustainable Procurement: Procurement Ratio by Supplier Region</li> </ul>
205:Anti Corruption			
205-1	Operations assessed for risks related to corruption	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	
205-2	Communication and training about anti-corruption policies and procedures	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<ul style="list-style-type: none"> <li>· Compliance</li> <li>· Risk Management: Anti-bribery</li> </ul>
205-3	Confirmed incidents of corruption and actions taken	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>	Not applicable within this reporting period
206:Anti competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Main outcomes of completed legal actions, including any decisions or judgments.</p>	Not applicable within this reporting period
Environment			
301:Materials			
301-1	Materials used by weight or volume	<p>a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <p>i. non-renewable materials used;</p> <p>ii. renewable materials used.</p>	<ul style="list-style-type: none"> <li>· Business Activities and Environmental Impact: Overview of business activities and environmental impact</li> </ul>



301-2	Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	
301-3	Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	<ul style="list-style-type: none"> <li>Promoting the Reduction and Recycling of Waste: Maintaining a 100% Resource Recycling Rate</li> </ul>
<b>302 : Energy</b>			
302-1	Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. Power consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	<ul style="list-style-type: none"> <li>Data Sheet (Major Sustainability Data): Fuel (crude oil conversion) consumption, Power consumption</li> </ul>
302-2	Energy consumption outside of the organization	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	
302-3	Energy intensity	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	<ul style="list-style-type: none"> <li>Data Sheet (Major Sustainability Data): Fuel (crude oil conversion) consumption, Power consumption</li> </ul>
302-4	Reduction of energy consumption	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	<ul style="list-style-type: none"> <li>Data Sheet (Major Sustainability Data): Environmental Preservation Effect of Suntory Group (production sites in Japan)</li> </ul>

302-5	Reductions in energy requirements of products and services	<p>a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.</p> <p>b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	
303:Water			
303-1	Water withdrawal by source	<p>a. Total volume of water withdrawn, with a breakdown by the following sources:</p> <p>i. surface water, including water from wetlands, rivers, lakes, and oceans;</p> <p>ii. Groundwater</p> <p>iii. rainwater collected directly and stored by the organization;</p> <p>iv. waste water from another organization;</p> <p>v. municipal water supplies or other public or private water utilities.</p> <p>b. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): Reduction of water resource use</li> <li>• Effective Use of Water Resources: Water use</li> </ul>
303-2	Water sources significantly affected by withdrawal of water	<p>a. Total number of water sources significantly affected by withdrawal by type:</p> <p>i. size of the water source;</p> <p>ii. whether the source is designated as a nationally or internationally protected area;</p> <p>iii. biodiversity value (such as species diversity and endemism, and total number of protected species);</p> <p>iv. value or importance of the water source to local communities and indigenous peoples.</p> <p>b. Standards, methodologies, and assumptions used.</p>	
303-3	Water recycled and reused	<p>a. Total volume of water recycled and reused by the organization.</p> <p>b. Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.</p> <p>c. Standards, methodologies, and assumptions used.</p>	
304:Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <p>i. geographic location;</p> <p>ii. subsurface and underground land that may be owned, leased, or managed by the organization;</p> <p>iii. position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;</p> <p>iv. type of operation (office, manufacturing or production, or extractive);</p> <p>v. size of operational site in km<sup>2</sup> (or another unit, if appropriate);</p> <p>vi. biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);</p> <p>vii. biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).</p>	

304-2	Significant impacts of activities, products, and services on biodiversity	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> <li>i. construction or use of manufacturing plants, mines, and transport infrastructure;</li> <li>ii. pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);</li> <li>iii. introduction of invasive species, pests, and pathogens;</li> <li>iv. reduction of species;</li> <li>v. habitat conversion;</li> <li>vi. changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).</li> </ul> <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> <li>i. species affected;</li> <li>ii. extent of areas impacted;</li> <li>iii. duration of impacts;</li> <li>iv. reversibility or irreversibility of the impacts.</li> </ul>	
304-3	Habitats protected or restored	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>· Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)</li> </ul>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> <li>i. critically endangered</li> <li>ii. endangered</li> <li>iii. vulnerable</li> <li>iv. near threatened</li> <li>v. least concern</li> </ul>	Not applicable within this reporting period
305: Emissions			
305-1	Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> <li>i. the rationale for choosing it;</li> <li>ii. emissions in the base year;</li> <li>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ul> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>· Data Sheet (Major Sustainability Data): Scope 1/ Scope 2 emissions</li> </ul>

305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): Scope 1/ Scope 2 emissions</li> </ul>
305-3	Other indirect (Scope 3) GHG emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>• Reducing CO<sub>2</sub> Emissions throughout the Value Chain: Scope 3 emissions</li> </ul>
305-4	GHG emissions intensity	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): CO<sub>2</sub> emissions</li> </ul>
305-5	Reduction of GHG emissions	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): Environmental Preservation Effect of Suntory Group (production sites in Japan)</li> </ul>
305-6	Emissions of ozone-depleting substances (ODS)	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	

305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <ul style="list-style-type: none"> <li>i. NO<sub>x</sub></li> <li>ii. SO<sub>x</sub></li> <li>iii. persistent organic pollutants (POP)</li> <li>iv. volatile organic compounds (VOC)</li> <li>v. hazardous air pollutants (HAP)</li> <li>vi. particulate matter (PM)</li> <li>vii. other standard categories of air emissions identified in relevant regulations</li> </ul> <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): Preventing Air Pollution</li> </ul>
306: Effluents and Waste			
306-1	Water discharge by quality and destination	<p>a. Total volume of planned and unplanned water discharges by:</p> <ul style="list-style-type: none"> <li>i. destination;</li> <li>ii. quality of the water, including treatment method;</li> <li>iii. whether the water was reused by another organization.</li> </ul> <p>b. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>• Effective Use of Water Resources: Water discharge</li> </ul>
306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> <li>i. reuse</li> <li>ii. recycling</li> <li>iii. composting</li> <li>iv. recovery, including energy recovery</li> <li>v. incineration (mass burn)</li> <li>vi. deep well injection</li> <li>vii. landfill</li> <li>viii. on-site storage</li> <li>ix. other (to be specified by the organization)</li> </ul> <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> <li>i. reuse</li> <li>ii. recycling</li> <li>iii. composting</li> <li>iv. recovery, including energy recovery</li> <li>v. incineration (mass burn)</li> <li>vi. deep well injection</li> <li>vii. landfill</li> <li>viii. on-site storage</li> <li>ix. other (to be specified by the organization)</li> </ul> <p>c. How the waste disposal method has been determined:</p> <ul style="list-style-type: none"> <li>i. disposed of directly by the organization, or otherwise directly confirmed</li> <li>ii. information provided by the waste disposal contractor</li> <li>iii. organizational defaults of the waste disposal contractor</li> </ul>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): By-products and Waste Generation, Recycling rate and the purpose of use for recycled products</li> </ul>

306-3	Significant spills	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <p>i. location of spill;</p> <p>ii. volume of spill;</p> <p>iii. material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).</p> <p>c. Impacts of significant spills.</p>	Not applicable within this reporting period
306-4	Transport of hazardous waste	<p>a. Total weight for each of the following:</p> <p>i. hazardous waste transported</p> <p>ii. hazardous waste imported</p> <p>iii. hazardous waste exported</p> <p>iv. hazardous waste treated</p> <p>b. Percentage of hazardous waste shipped internationally.</p> <p>c. Standards, methodologies, and assumptions used.</p>	Not applicable within this reporting period
306-5	Water bodies affected by water discharges and/or runoff	<p>a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:</p> <p>i. the size of the water body and related habitat;</p> <p>ii. whether the water body and related habitat is designated as a nationally or internationally protected area;</p> <p>iii. the biodiversity value, such as total number of protected species.</p>	Not applicable within this reporting period
<b>307: Environmental Compliance</b>			
307-1	Non-compliance with environmental laws and regulations	<p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions;</p> <p>iii. cases brought through dispute resolution mechanisms.</p> <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	Not applicable within this reporting period
<b>308: Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria	<p>a. Percentage of new suppliers that were screened using environmental criteria.</p>	<p>• Sustainable Procurement: Promoting Sustainability Activities Throughout the Entire Supply Chain</p>
308-2	Negative environmental impacts in the supply chain and actions taken	<p>a. Number of suppliers assessed for environmental impacts.</p> <p>b. Number of suppliers identified as having significant actual and potential negative environmental impacts.</p> <p>c. Significant actual and potential negative environmental impacts identified in the supply chain.</p> <p>d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.</p>	



Social			
401:Employment			
401-1	New employee hires and employee turnover	<p>a.Total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b.Total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>	<p>· Data Sheet (Major Sustainability Data): Number of employees, Number of resignees and reasons/ turnover rate</p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <ul style="list-style-type: none"> <li>i.life insurance;</li> <li>ii.health care;</li> <li>iii.disability and invalidity coverage;</li> <li>iv.parental leave;</li> <li>v.retirement provision;</li> <li>vi.stock ownership;</li> <li>vii.Other</li> </ul> <p>b.The definition used for 'significant locations of operation'.</p>	
402:Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	<p>a.Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.</p> <p>b.For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p>	

403:Occupational Health and Safety			
403-1	Workers representation in formal joint management-worker health and safety committees	<p>a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.</p> <p>b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.</p>	<ul style="list-style-type: none"> <li>Occupational Health and Safety: Commitment to Workplace Safety</li> </ul>
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:</p> <p>i. region;</p> <p>ii. gender.</p> <p>b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:</p> <p>i. region;</p> <p>ii. gender.</p> <p>c. The system of rules applied in recording and reporting accident statistics.</p>	<ul style="list-style-type: none"> <li>Data Sheet (Major Sustainability Data): Number of workplace accidents</li> </ul>
403-3	Workers with high incidence or high risk of diseases related to their occupation	<p>a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.</p>	
403-4	Health and safety topics covered in formal agreements with trade unions	<p>a. Whether formal agreements (either local or global) with trade unions cover health and safety.</p> <p>b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.</p>	
404:Training and Education			
404-1	Average hours of training per year per employee	<p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <p>i. gender.</p> <p>ii. employee category.</p>	
404-2	Programs for upgrading employee skills and transition assistance programs	<p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	<ul style="list-style-type: none"> <li>Data Sheet (Major Sustainability Data): Main self-development programs and the number of participants in FY2017</li> <li>Promoting Diversity: Extension of Retirement to Age 65</li> </ul>
404-3	Percentage of employees receiving regular performance and career development reviews	<p>a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	<ul style="list-style-type: none"> <li>Development of Human Resources: Introduction of "Career Vision"</li> </ul>

405:Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	<p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <p>i. gender.</p> <p>ii. age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. other indicators of diversity where relevant (such as minority or vulnerable groups).</p> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <p>i. gender.</p> <p>ii. age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. other indicators of diversity where relevant (such as minority or vulnerable groups).</p>	<ul style="list-style-type: none"> <li>• Data Sheet (Major Sustainability Data): Number of male and female employees by Management or Non-management position (entire Group)</li> <li>• Employment Status: Number of Employees (as of December 31, 2018)</li> </ul>
405-2	Ratio of basic salary and remuneration of women to men	<p>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. The definition used for 'significant locations of operation'.</p>	
406:Non discrimination			
406-1	Incidents of discrimination and corrective actions taken	<p>a. Total number of incidents of discrimination during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. incident reviewed by the organization;</p> <p>ii. remediation plans being implemented;</p> <p>iii. remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. incident no longer subject to action.</p>	
407:Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>	
408:Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>a. Operations and suppliers considered to have significant risk for incidents of:</p> <p>i. child labor;</p> <p>ii. young workers exposed to hazardous work.</p> <p>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>	

409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	
410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	<p>a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</p> <p>b. Whether training requirements also apply to third-party organizations providing security personnel.</p>	
411: Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous peoples	<p>a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. incident reviewed by the organization;</p> <p>ii. remediation plans being implemented;</p> <p>iii. remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. incident no longer subject to action.</p>	Not applicable within this reporting period
412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>	
412-2	Employee training on human rights policies or procedures	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<ul style="list-style-type: none"> <li>Respect for Human Rights: Establishing a Committee to Promote Respect for Human Rights</li> </ul>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. The definition used for 'significant investment agreements'.</p>	

413:Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p> <p>ii. environmental impact assessments and ongoing monitoring;</p> <p>iii. public disclosure of results of environmental and social impact assessments;</p> <p>iv. local community development programs based on local communities' needs;</p> <p>v. stakeholder engagement plans based on stakeholder mapping;</p> <p>vi. broad based local community consultation committees and processes that include vulnerable groups;</p> <p>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</p> <p>viii. formal local community grievance processes.</p>	<ul style="list-style-type: none"> <li>• To Create Harmony with Society: Cultural and Social Contribution</li> <li>• Suntory Natural Water Sanctuary</li> <li>• Bird Conservation Activities</li> <li>• Suntory Mizuiku-Education Program for Nature and Water</li> <li>• Sports Activities</li> <li>• Social Welfare</li> <li>• Developing the Next Generation</li> </ul>
413-2	Operations with significant actual and potential negative impacts on local communities	<p>a. .Operations with significant actual and potential negative impacts on local communities, including:</p> <p>i. the location of the operations;</p> <p>ii. the significant actual and potential negative impacts of operations.</p>	
414:Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	<p>a. Percentage of new suppliers that were screened using social criteria.</p>	<ul style="list-style-type: none"> <li>• Sustainable Procurement: Promoting Sustainability Activities Throughout the Entire Supply Chain</li> </ul>
414-2	Negative social impacts in the supply chain and actions taken	<p>a. Number of suppliers assessed for social impacts.</p> <p>b. Number of suppliers identified as having significant actual and potential negative social impacts.</p> <p>c. Significant actual and potential negative social impacts identified in the supply chain.</p> <p>d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.</p>	
415:Public Policy			
415-1	Political contributions	<p>a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</p> <p>b. If applicable, how the monetary value of in-kind contributions was estimated.</p>	
416:Public Policy			
416-1	Assessment of the health and safety impacts of product and service categories	<p>a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</p>	<ul style="list-style-type: none"> <li>• Quality Assurance from a Customer Perspective in All Processes</li> </ul>

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<ul style="list-style-type: none"> <li>• Appropriate Information Disclosure: Voluntary Recalls</li> </ul>
417: Marketing and Labeling			
417-1	Requirements for product and service information and labeling	<p>a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:</p> <p>i. the sourcing of components of the product or service;</p> <p>ii. content, particularly with regard to substances that might produce an environmental or social impact;</p> <p>iii. safe use of the product or service;</p> <p>iv. disposal of the product and environmental or social impacts;</p> <p>v. other (explain).</p> <p>b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>	<ul style="list-style-type: none"> <li>• Appropriate Information Disclosure</li> </ul>
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<ul style="list-style-type: none"> <li>• Appropriate Information Disclosure: Voluntary Recalls</li> </ul>



417-3	Incidents of non-compliance concerning marketing communications	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning;</p> <p>iii. incidents of non-compliance with voluntary codes.</p> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	
418:Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <p>i. complaints received from outside parties and substantiated by the organization;</p> <p>ii. complaints from regulatory bodies.</p> <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	Not applicable within this reporting period
419:Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions;</p> <p>iii. cases brought through dispute resolution mechanisms.</p> <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	Not applicable within this reporting period

### Aspects with High Relevance to the Four Initiatives

- To Create Harmony with Customers and Partners: Products and Services
- To Create Harmony with Nature: Environment
- To Create Harmony with Society: Cultural and Social Contribution
- To Create Harmony with Employees: Diversity Management

**Suntory Group actively engages in initiatives to address following aspects which are closely related to the above four initiatives.**

[Customer Health and Safety] [Product and Service Labeling] [Energy] [Water] [Biodiversity] [Local Communities] [Training and Education] [Diversity and Equal Opportunity] [Supplier Environmental Assessment] [Supplier Assessment for Labor Practices] [Supplier Human Rights Assessment] [Supplier Assessment for Impacts on Society] [Marketing Communications]