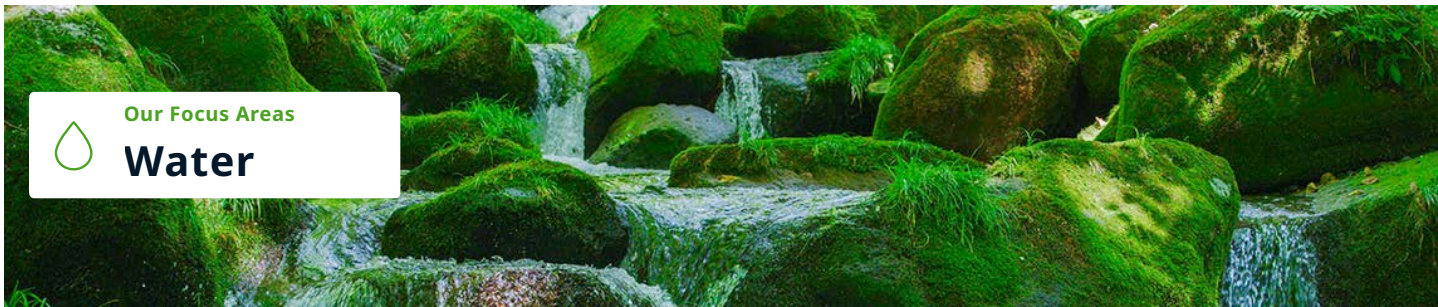


Our Focus Areas

● Our Focus Areas - Water	019
● Our Focus Areas - Containers and Packaging	027
● Our Focus Areas - Climate Action	030
● Our Focus Areas - Raw Ingredients	034
● Our Focus Areas - Health	037
● Our Focus Areas - Human Rights	041
● Our Focus Areas - Enriching Life	044

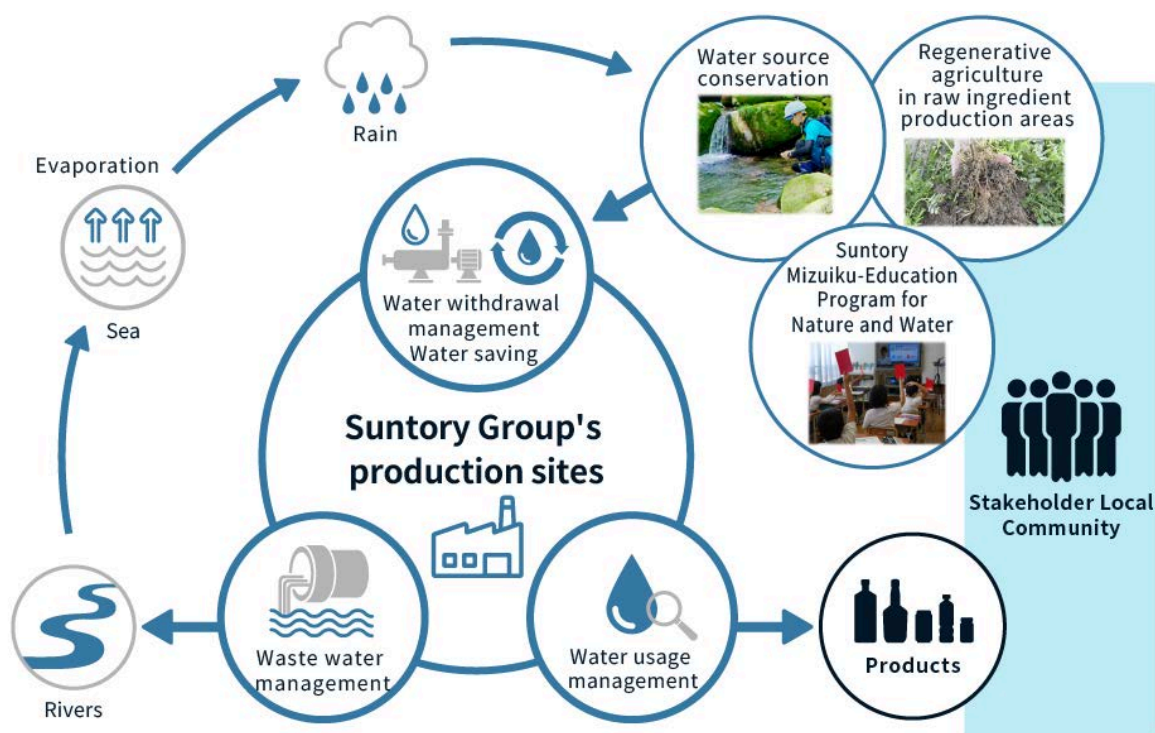


Context

Water is a vital resource that supports human life and livelihoods, and the foundation of Suntory Group's business activities. While water is a renewable resource that will never disappear from Earth, only about 0.01% of the planet's water is freshwater accessible to humans. On the other hand, global issues concerning water resources have arisen due to factors such as population growth, economic development in developing countries, and climate change. It is predicted that by 2050, approximately 5 billion people worldwide will face severe water shortages.* This worldwide water scarcity is intertwined with numerous issues, as water is used not only for drinking and domestic purposes but also extensively in food production.

At the top of Suntory Group's Environmental Principles is "achieving water security." We are advancing various initiatives to contribution to the healthy circulation of water in nature, with a view that encompasses the entire value chain.

* World Meteorological Organization (WMO) "The State of Climate Services 2021"



➤ For more information on Suntory's Environmental Principles, Environmental Vision toward 2050, and Environmental Targets toward 2030, see Environmental Management.

Governance

Global Sustainability Committee

At Suntory Group, we have established a system to promote environmental management centered around the Global Sustainability Committee (GSC). Under the supervision of the Chief Sustainability Officer, GSC formulates strategies related to the 7 key themes of sustainability, which include water, climate action, raw ingredients, containers and packaging, health, human rights, and lifestyle culture. GSC also oversees the progress of these strategies and analyzes the business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.

➤ For more information on the Global Sustainability Committee, see [Environmental Management](#).

Strategy

Suntory Group Sustainable Water Philosophy

As a globally-operating company that depends on and benefits from the water and as a company that operates globally, Suntory Group must earnestly address worldwide challenges and contribute to building a sustainable society.

Based on Suntory Group's Environmental Principles, we have established the Suntory Group "Sustainable Water Philosophy" to guide our efforts in addressing water challenges in various regions around the world. Based on this philosophy, we develop and promote initiatives that are tailored to the water resources conditions in each area where we do operate.

Suntory Group's Sustainable Water Philosophy (Established January 2017)

Water is the most important ingredient of our products, as well as a precious shared resource. In pursuit of "achieving water security," which is at the top of Suntory Group's Environmental Principles, we share the following philosophy across the Group to meet stakeholder 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 Stewardship

Water is a local resource. Precipitation, a major factor in determining water volumes, varies greatly depending on geographical conditions, seasons, and weather conditions in different regions. Moreover, since rain that hits the ground flows differently based on differences in elevation, the situation regarding water varies by each watershed determined by these dividing lines.

Even in areas with sufficient rainfall, effective use of water resources can become difficult if there is significant seasonal variability in flow, if climate change causes substantial changes in flow, or if facilities for sanitation treatment and storage are inadequate. Therefore, water issues need to be examined according to each watershed.

Suntory Group strongly recognizes the importance of water stewardship and is committed to responsibly safeguarding natural capital, which is

a regional asset, in the watersheds of each factory and in the areas of our value chain, promoting integrated water resources management together with the community.

Risk Management

Water is the most vital resource for our business. Suntory Group, which operates businesses globally, relies on high-quality freshwater sourced from local ecosystems. Water is not only the most important input resource for Suntory's products, but it is also essential for the operation of production facilities and cooling. However, this dependency on water poses a significant risk to Suntory's financial future.

Suntory Group identifies suppliers and production areas that have a significant impact on its business from the production regions of key raw ingredients, and identifies risks such as drought, flood, and reputation. In addition, we conduct risk assessments on the sustainability of water supply for our own plants.

Regarding these risks, under the whole group risk management promotion system, the Global Risk Management Committee (GRMC), as well as the risk management committees and teams established at each operating company, continuously conduct risk assessment, formulation and implementation of response plans, and monitoring.

➤ [For information on the progress of the assessment process and risk management, see the Water Risk Assessment.](#)

Indicators and Targets

Environmental Vision toward 2050





As a unique multifaceted beverages company supported by the blessings of nature such as water and agricultural products, Suntory Group has been dedicated to realizing a sustainable society where people and nature resonate harmoniously since its founding. In 1997, we established Suntory Group's Environmental Principles, and in 2014, formulated Environmental Vision toward 2050 with a focus on water sustainability and climate action measures.

Regarding water sustainability, we have created the following vision toward 2050.

- Reduce the amount of water used in our plants around the world by 50%*
- Conservation of water resources and ecosystems to replenish more water than is withdrawn from our own plants around the world
- Realize sustainable water use at primary raw material farms.
- Share the Sustainable Water Philosophy broadly in communities of the main countries where we operate

* Reduction water intensity based on the business fields in 2015

Targets and Progress toward 2030

Theme	Environmental Targets toward 2030	2024 Results
Reduction of water used in direct operation 	<p>Reduce the water intensity of production at our owned plants by 35%*¹ globally.</p> <p>In addition, explore reduction of absolute amount of water withdrawn in highly water stressed areas</p>	<ul style="list-style-type: none"> ● Reduced the water intensity of production by 30% compared to 2015. ➤ Initiatives to Reduce the Amount of Water Used in Direct Operation
Water replenishment 	<p>Replenish more than 100% of water used in at least 50% of our owned plants^{*2} globally, including all those in highly water stressed areas, through local water source conservation efforts.</p>	<ul style="list-style-type: none"> ● Water resource cultivation activities implemented in 36% of all owned plants globally. ● For the plants located in highly water stressed areas, activities have been implemented in 31%. ➤ Initiatives at the Water Source
Sustainable water use in raw ingredients 	<p>Collaborate with suppliers to improve water-use efficiency in the production of water-intensive key ingredients^{*3} in highly water stressed areas.</p>	<ul style="list-style-type: none"> ● As part of our efforts in barley production through regenerative agriculture, we are continuously working with our suppliers to verify the improvement of water use efficiency by enhancing soil water retention. ● Implemented a pilot program to assess and support water use through regenerative agriculture for coffee farmers in the Cerrado region of Brazil. ➤ Raw Ingredient Production-related Initiatives
Water education and access to safe water 	<p>Expand water education programs and initiatives to provide safe water access for more than 5 million people.</p>	<ul style="list-style-type: none"> ● Total 1,750,000 people Water education program: 1,330,000 people Provision of safe water: 420,000 people ➤ Initiatives for Water Education

*1 Reduction of water intensity of production based on 2015 baseline year

*2 Suntory Group plants that manufacture finished products: 24 plants in Japan, 45 plants overseas

*3 Coffee, barley, grapes

Our Initiatives

Integrated Water Resource Stewardship based on Our Sustainable Water Philosophy

Suntory Group created the Sustainable Water Philosophy to contribute to a healthy water cycle in the watersheds according to 4 pillars—understanding the natural cycle of water, promoting environmentally conscious water use, conserving watersheds, and engaging with the local

community. Under this, we are advancing initiatives for healthy water cycles across the entire value chain.

Understanding Watersheds

Our Sustainable Water Philosophy begins with understanding the natural water cycle. Suntory Group uses a scientific approach to understand the different water cycles on a watershed basis, allowing us to develop tailored strategies.

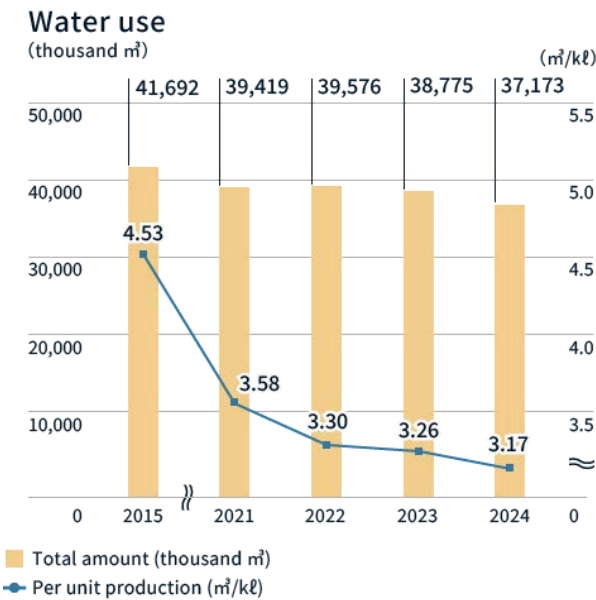
➤ **For more information on this scientific approach to watershed understanding, see Suntory Global Innovation Center - Institute for Water Science.**

Water Management and Conservation

Owned Plants

The second pillar of our Sustainable Water Philosophy is promoting environmentally conscious water use. Based on rigorous water risk assessments, Suntory Group tailors water use initiatives such as water conservation activities and wastewater management to the specific plants we directly operate.

Trends in Water Withdrawal and Water Intensity of Production (Whole Group)



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

Water Withdrawal

Since water withdrawal increases with the production volume (the amount of water shipped as products), Suntory Group aims to reduce water intensity in line with production growth. We also strive to reduce water withdrawal through water conservation and recycling activities.

Particularly in areas with high water stress, we assess the actual water challenges and evaluate the necessity of reducing total water usage, and control the amount of water withdrawal accordingly.

Consumption

In Suntory Group's plants, water is used not only as an ingredient but also for cleaning and cooling manufacturing equipment. To conserve limited water resources, we implement the "3Rs of Water": reducing consumption (Reduce), using water repeatedly

(Reuse), and treating it for repeated usage (Recycle). These efforts support our goal to “reduce water consumption at our owned plants worldwide by 35%”*

* Reduction water intensity based on the business fields in 2015

Wastewater

We aim to control wastewater volume by reducing the unit of water withdrawal, and strive to decrease wastewater through advancements through water conservation and recycling activities. With regard to wastewater quality, Suntory Group established voluntary standards that are equally or stricter than the legal requirements and thoroughly manages quality so that wastewater is returned to nature in a state as close to natural as possible. Wastewater from our factories is first purified using anaerobic waste water treatment plants* and other equipment before it is released into sewerage systems or rivers. To maintain these standards, we conduct continuous monitoring with measuring devices and daily water quality inspections by personnel.

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

Upstream Value Chain

Suntory Group uses collaboration with suppliers to improve water-use efficiency in the production of water-intensive key raw ingredients (i.e., coffee beans, barley and grapes) in highly water stressed areas.

Also, we are promoting regenerative agriculture initiatives, focusing on key raw ingredients. Regenerative agriculture is attracting attention for its potential to mitigate and adapt to climate change by reducing GHG emissions through reduced use of chemical fertilizers and pesticides, as well as restoration of soil biodiversity which boosts soil fertility and effective water use.

➤ For more information, see Sustainable Procurement.

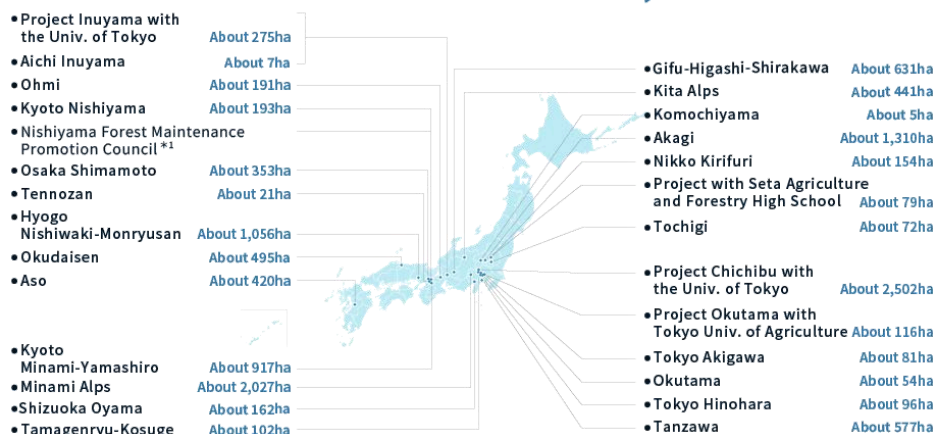
Replenishment and Preservation of Water Resources

The third principle in our Sustainable Water Philosophy is conserving watersheds. Suntory Group works with local authorities and communities, not only at its owned plants and business premises, but also across the entire watershed where plants are located, investing in conservation and restoration tailored to the specific circumstances of each region in which we operate globally.

In 2003, Suntory Group launched the Natural Water Sanctuary Initiative aimed at enhancing water source recharge capabilities and preserving biodiversity. The initiative has now expanded to over 12,000 hectares in 26 locations in 16 prefectures across Japan, and is replenishing twice the volume of groundwater extracted by our owned plants in Japan. As we advance these efforts, we collaborate with leading researchers from various fields to ensure that our activities are scientifically grounded and sustainable for the next 100 years and beyond.

Suntory Natural Water Sanctuary

26 areas nationwide Around 12,000ha (As of July 2025)



*1 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.

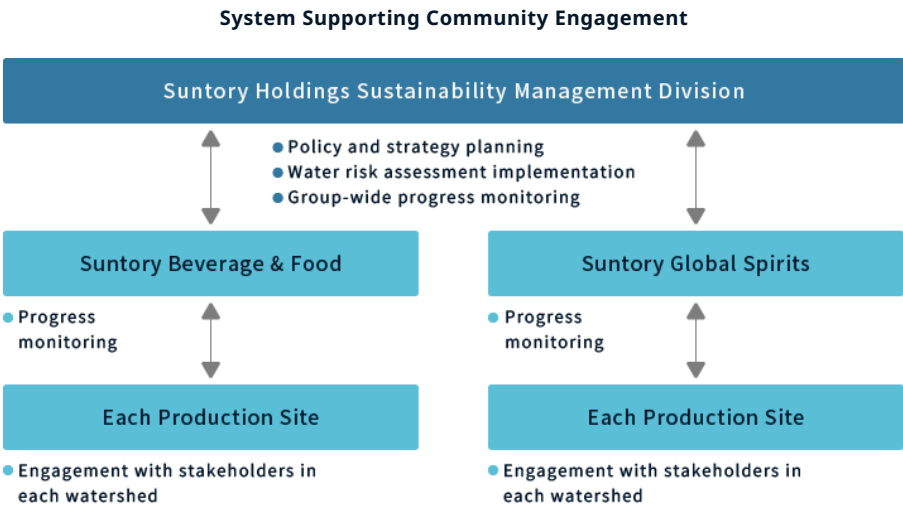
➤ For more information, see Suntory Natural Water Sanctuary.

Suntory Group practices coexistence with nature in all regions where we conduct business worldwide. We will continue to engage in various initiatives as we strive to be a global leader in water sustainability.

➤ For details, see [Water Initiatives Around the World](#).

Community Engagement

The fourth pillar of our Sustainable Water Philosophy is engaging with the local community. Suntory Group works with stakeholders including local government, NGOs, educational institutions, and the local community based on the annual water risk assessments conducted at each production site to address water issues in the local watershed.



➤ For more information, see [Identifying and Resolving Watershed Issues, and Community Engagement](#).

Awareness-Raising Activities

Suntory Group believes that it is our important responsibility to pass on a vibrant global environment to the next generation. We have set targets to implement programs that raise awareness of water issues and provide safe water to over 5 million people by 2030.

Suntory Mizuiku-Education Program for Nature and Water

Suntory “Mizuiku”* — education program for nature and water started in 2004 in Japan. The program is unique to Suntory Group and designed to help children appreciate the wonders of nature, recognize the importance of water and forests that nurture it, and think about each of them can do to pass on water to future generations.

In addition to Japan, Mizuiku is currently offered in 9 countries worldwide, with cumulative participants exceeding 1,190,000 as of 2024.

* Mizuiku is a registered trademark of Suntory Holdings Limited.

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



➤ For more information, see [Suntory Mizuiku — Education Program for Nature and Water](#).

Participation in Initiatives

Suntory Group participates in various international water initiatives in order to promote the conservation of water resources. In addition to signing The CEO Water Mandate of the UN Global Compact, we have entered into a partnership agreement with the international water certification organization Alliance for Water Stewardship (AWS) and are playing a leadership role in raising awareness about water management and building networks in Japan.

Collaboration with AWS

In 2018, Suntory Group's Suntory Okudaisen Bunanomori Water Plant (Tottori Prefecture) became the first in Japan to receive AWS International Certification, followed by the Suntory Kyushu Kumamoto Plant (Kumamoto Prefecture) in 2019 and the Suntory Minami Alps Hakushu Water Plant (Yamanashi Prefecture) in 2021. The Suntory Kyushu Kumamoto Plant obtained the highest "Platinum" certification in 2023, followed by the Suntory Okudaisen Bunanomori Water Plant and Suntory Minami Alps Hakushu Water Plant in 2025. Additionally, we are accelerating our collaboration with AWS, including the signing of a partnership agreement with the AWS International Secretariat. In 2025, we launched a working group called Japan Water Stewardship Leadership Group (JWS) together with 4 other Japanese member companies*.



* MS&AD Insurance Group Holdings, Inc., Kurita Water Industries Ltd., Coca-Cola (Japan) Company, Limited, and Yachiyo Engineering Co., Ltd.

Achieving the AWS Certification by Suntory

2018	<ul style="list-style-type: none"> Suntory Okudaisen Bunanomori Water Plant achieved AWS Certification (first in Japan)
2019	<ul style="list-style-type: none"> Suntory Kyushu Kumamoto Plant achieved the AWS Certification
2021	<ul style="list-style-type: none"> Signed partnership agreement with AWS Asia Pacific (first in Japan) Member of the AWS supporting companies (first in Japan) Suntory Minami Alps Hakushu Water Plant achieved the AWS Certification
2023	<ul style="list-style-type: none"> Suntory Kyushu Kumamoto Plant achieved the AWS "Platinum" Certification (first in Japan) Signed a collaboration agreement with AWS International Secretariat
2025	<ul style="list-style-type: none"> Start of Japan Water Stewardship Leadership Group Suntory Okudaisen Bunanomori Water Plant achieved the AWS "Platinum" Certification Suntory Minami Alps Hakushu Water Plant achieved the AWS "Platinum" Certification

➤ [For more information on AWS, see Achieving the AWS Certification for Water Stewardship.](#)

Taskforce on Nature-related Financial Disclosures (TNFD) Forum

Suntory Group joined the Taskforce on Nature-related Financial Disclosures (TNFD)*¹ Forum in April 2022 to accelerate initiatives that contribute to nature-positive outcomes. We also registered as a TNFD Adopter*² in December 2023.



*1 Abbreviation for Taskforce on Nature-related Financial Disclosures

*2 Organizations (report preparers) who intend to start making disclosures aligned with the TNFD Recommendations in their corporate reporting.

➤ [For more information, see Disclosures Based on TNFD & TCFD Recommendations.](#)



Context

Containers and packaging play a crucial role in protecting and preserving the quality of products until they reach customers. However, much of this packaging becomes waste after consumption. In particular, environmental pollution resulting from the improper handling of used plastics has become a significant social issue.

In Japan, the Ministry of the Environment has formulated the Plastic Resource Recycling Strategy which recognizes the convenience of plastic products while comprehensively promoting resource recycling. In August 2024, Japan's 5th Fundamental Plan for Establishing a Sound Material-Cycle Society was established, encouraging the circulation of plastic resources and the use of biomass plastics. It also calls for enhancing Extended Producer Responsibility (EPR) and increased initiatives across the entire supply chain.

Globally, many countries and regions are accelerating efforts to restrict the use of single-use plastics. In the EU, regulations on single-use plastic products are being strengthened under its plastics strategy, and the Packaging and Packaging Waste Regulation (PPWR) was adopted by the EU Council in December 2024.

Aiming to realize a circular economy, Suntory Group is committed to environmental considerations throughout the entire product lifecycle, from design and transportation to post-consumption recycling. We actively collaborate with diverse stakeholders to address and resolve these issues.

Core Policy

Suntory Group recognizes addressing the plastic issue in packaging as an urgent priority and strongly leads the transition to a circular and net-zero society. To this end, we established our Plastic Policy in 2019.

Suntory Group Plastic Policy

Expressing gratitude toward the gifts of nature that are the source of our products, Suntory Group is firmly committed to leading the transformation towards a circular and net-zero society, fostering a world where diverse life thrives harmoniously. While plastics offer numerous benefits due to their utility, we aim to ensure that the plastic containers and packaging we use maintain their useful functions without negatively impacting the global environment. Together with various stakeholders, we are actively pursuing solutions to these challenges. Additionally, each employee within the Suntory Group is encouraged to act responsibly, taking the lead in creating 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 bio-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.

Governance

Global Sustainability Committee

Suntory Group has established a system for promoting environmental management centered on the Global Sustainability Committee (GSC). Under the supervision of the Chief Sustainability Officer, the GSC formulates strategies related to the 7 key themes of sustainability, which include water, climate action, raw ingredients, containers and packaging, health, human rights, and lifestyle culture. The GSC also oversees the progress of these strategies and analyzes related business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.

In addition, with regard to containers and packaging, our Containers and Packaging Task Force meets 6 times a year as a forum for discussing more specific strategies and initiatives, mainly involving employees from the business sector and functional departments.

➤ [For more information on the Global Sustainability Committee, see Environmental Management.](#)

Strategy and Risk Management

Environmental pollution and increased GHG emissions resulting from the improper handling of used plastics have become significant social issues. While there are risks such as cost increases due to taxes on single-use plastics, there are also opportunities to reduce the use of petroleum-based materials through the development and adoption of new technologies.

Strategy

Toward the realization of a circular society, Suntory Group has established the Plastic Policy under which we aim to make our PET bottles from 100% recycled or bio-based material, eliminating the use of virgin petroleum-based materials in all of our PET bottles globally —by 2030. In addition to proactively advancing “bottle to bottle” horizontal recycling, in which used PET bottles are turned into new ones, we are also engaged in developing technologies to replace materials with bio-based alternatives. Additionally, we are pursuing technological innovations to reduce GHG emissions, including developing the world’s first F-to-P direct recycling technology.*

* Joint development among 4 companies including Kyoei Sangyo Co., Ltd.

➤ [For more information, see Recycle: “Bottle to Bottle” Horizontal Recycling](#)

Risk Management

In the EU, regulations on single-use plastic products are being strengthened, including the adoption of the Packaging and Packaging Waste Regulation (PPWR). We recognize that failing to adapt product design and environmental responses to these changes can have a direct impact on manufacturing costs and Suntory Group’s reputation.

With this understanding, Suntory Group is advancing risk identification and implementing countermeasures through collaboration between GRMC and GSC.

Additionally, we actively participate in alliances and initiatives aimed at addressing environmental challenges caused by plastics, such as the Japan Clean Ocean Material Alliance (CLOMA) and the Global Plastic Action Partnership (GPAP). We view participation in these initiatives as a crucial element for environmental risk management enabling us to address a wide range of issues through information exchange, sharing of best practices globally, and collaborating with diverse industries, governments, and international organizations.

Indicators and Targets

Our Goals	Targets	Results
Percentage of sustainable materials used in PET bottles*	2030 100%	2024 35%

* Percentage of sustainable materials (e.g., recycled materials or bio-based materials) in terms of PET bottle weight

Our Initiatives

Initiatives for Plastic

Based on our Plastic Policy and “2R+B” (Reduce, Recycle + Bio) strategy, we aim to make our PET bottles 100% sustainable converting all PET bottles used globally to 100% recycled or bio-based, materials, eliminating the use of virgin petroleum-based materials —by 2030.

➤ [For more information, see Packaging & Resource Efficiency.](#)

Cans/Bottles/Barrels/Paper Packaging/Cardboard

Under the 3R principles of Reduce, Reuse, and Recycle, we are advancing efforts toward environmentally conscious packaging. We are strengthening efforts across all 3 aspects: making containers and packaging lighter to Reduce, collecting and reusing containers for Reuse, and promoting container recycling for Recycle.

➤ [For more information, see Packaging & Resource Efficiency.](#)



Context

Addressing climate change is one of the most critical challenges for Suntory Group in terms of business continuity and sustainable growth. Suntory Group's operations, supported by natural resources such as water and crops, could be significantly affected by risks such as water shortages and reduced crop yields due to climate change. For example, a shortage of water, our principal ingredient, could lead to a temporary halt in plant operations, potentially leading to missed opportunities, while decreased agricultural yields may increase the cost of procuring ingredients.

On the other hand, rising temperatures also present new business opportunities, such as the growing demand for bottled water and beverages that prevent heat stroke.

Given the presence of both risks and opportunities, Suntory Group declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2019 and have incorporated the analysis of business impacts from climate change and corresponding measures into our management strategy.

Governance

Suntory Group has established a clear governance structure, overseen by our Board of Directors, to address climate change challenges. Our Board of Directors regularly monitors our strategies and initiatives related to climate change, receiving reports from our Global Sustainability Committee (GSC) and Global Risk Management Committee (GRMC). The GSC deliberates on mid- to long-term strategies relating to water resources, climate action, and other sustainability issues, while the GRMC is the central element of our Group-wide risk management system, discussing and monitoring key risks, including those related to climate change. The GSC and GRMC are also responsible for establishing Risk Management Committees and Sustainability Committees at each of our key operating companies, and drafting and implementing concrete strategies and measures relating to climate change at the individual business level. Key issues explored by these 2 Committees are brought before the Board of Directors, who conduct the ultimate deliberations and decision-making.

Responsibility for and initiatives around climate action are also incorporated into our business strategy at the senior management team level. Our President takes ultimate responsibility for our climate action, while our Chief Sustainability Officer is in charge of evaluating and managing climate change-related risks and opportunities. Sustainability targets are part of the evaluation criteria for executive compensation, and the degree to which climate action targets are being met is reflected in evaluations and compensation of our senior management team. Every quarter, our Board of Directors also receives reports on the progress of our climate action measures and risk status, alongside which they hold regular seminars with external expert guests, allowing them to integrate advice based on the latest information into their management practices. With this structure, we have firmly anchored our initiatives on climate change within the Group's business strategy and decision-making process.

Strategy and Risk Management

Suntory Group's climate action strategy involves approaching the issue from 2 angles: promoting decarbonization and strengthening our business resilience (our ability to adapt to climate change). We began by investigating and identifying a comprehensive list of the risks and opportunities that may be brought about by climate change, then conducting scenario analyses that evaluates the degree of business impact and likely incidence of these risks over the short- (0–3 years), mid- (3–10 years), and long-term (10–30 years).

We hypothesized various sets of future business conditions, using the Intergovernmental Panel on Climate Change (IPCC)'s RCP8.5 scenario to represent a situation in which global warming progresses, and the International Energy Agency (IEA)'s Net Zero Emissions by 2050 Scenario (NZE Scenario) to represent one in which decarbonization is advanced, among others.

This allowed us to identify rising costs due to the introduction of carbon taxation, insufficient water supply to our production sites, and increased costs for procuring ingredients due to reduced crop yields as risks that could potentially have a particularly significant impact on our business.

➤ [For more information on financial impacts, see our Disclosure Based on TNFD & TCFD.](#)

Suntory Group is taking the following strategic measures in response to the key risks we have identified.

- **Addressing Transition Risk (Increased Carbon Costs):**

Starting in 2021, we adopted an internal carbon pricing framework within the Group to incorporate carbon pricing into our capital investment decision-making. We plan to have invest approximately 100 billion yen by 2030 to promote decarbonization, actively transitioning to renewable energy and introducing energy-efficient equipment. These investments are expected to reduce annual greenhouse gas (GHG) emissions by approximately 1 million tons as of 2030.

- **Addressing Physical Risks (Water Resources):**

We conduct water risk assessments for all our owned production sites to evaluate the water resource conditions of their locations and identify water usage risks, including areas with high water stress. Our goal is to return more than 100% of the water used in our factories to the local communities through efforts to improve and reduce water usage efficiency at the plants, as well as through water resource conservation activities.

- **Addressing Physical Risks (Ingredient Procurement):**

We predict and evaluate future yield changes of agricultural raw materials based on climate models to develop stable procurement strategies for key ingredients. We are adopting measures to mitigate climate change impacts on our ingredient procurement, advancing initiatives including piloting sustainable agricultural practices in collaboration with our suppliers and other business partners.

- **Addressing Other Risks:**

We are also taking action on acute risks such as flooding caused by major typhoons or torrential rainfall, conducting hazard and risk assessments at all Suntory Group sites and incorporating the findings into our disaster plans and business continuity plans.

At the same time, climate change also presents new opportunities for Suntory Group. As average temperatures rise and heatwaves multiply, demand for beverages that prevent heat stroke and for bottled water is expected to grow. To meet this expanding demand, we are investing in enhancing production capacity and strengthening product line-up. Proactive initiatives to address climate change also enhances our corporate brand value and provides the opportunity to expand our support among environmentally conscious consumers.

For many years, Suntory Group has continued initiatives such as the Suntory Natural Water Sanctuary Initiative, which aims to enhance forest water resource recharge functions and restore biodiversity and Mizuiku - education program for nature and water, an environmental education program for the next generation. We strive to enhance social recognition of these activities to build trust in our brand and maintain market advantage. Additionally, from a resource circulation perspective, we pursue innovations such as the development of advanced recycling technologies for used PET bottles to achieve both raw material cost reductions and GHG emission reductions.

Suntory Group's climate action strategy and our action on risks and opportunities related to this issue are implemented within the framework of our integrated risk management system. This system comprehensively manages risk across the Group, with the GRMC playing a central role and Risk Management Committees and Teams in place at each of our operating companies. Through it, we identify, assess, and monitor major risks, including climate change risks, on an annual cycle. Key subjects discussed by the GRMC and GSC are brought before the Board of Directors, and planning, execution, and evaluation (PDCA) of measures are carried out on an ongoing basis, approved and overseen by our senior management. Through this governance system, we aim to enable agile and systematic responses to climate change risks while reliably incorporating climate-related opportunities into our business strategies.

Indicators and Targets

Suntory Group has set and disclosed clear indicators and numerical targets to measure progress in addressing climate change. In our long-term vision, Suntory Environmental Vision toward 2050, we aim for net-zero GHG emissions across the entire value chain. Our mid-term plan, Environmental Targets toward 2030, specifies concrete GHG reduction targets for 2030.

The GHG reduction targets outlined in the Environmental Targets 2030 have been certified by the Science Based Targets initiative (SBTi) as being aligned with the Paris Agreement's 1.5°C target.

Our key targets are outlined below.

- **Environmental Targets toward 2030:**

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

- **Environmental Vision toward 2050:**

Aim for net zero GHG emissions across the whole value chain

* Based on emissions in 2019.

To achieve these goals, we disclose our GHG emissions performance and progress annually and ensure thorough monitoring based on KPIs.

Using 2019 as the baseline year, we calculate GHG emissions (Scope 1, 2, and 3) and assess the numerical impact of reduction measures. As of fiscal year 2024, we have achieved a 32% reduction in Scope 1 and 2 emissions compared to 2019, and a 13% reduction across the entire value chain, putting us on track to meet our 2030 targets.

Additionally, we have accelerated our adoption of renewable energy at our business sites. By 2022, we achieved 100% renewable energy usage for electricity at 63 major company locations globally. We also set environmental KPIs, including energy efficiency, renewable energy ratio, and water usage, to quantitatively assess our climate change mitigation and adaptation efforts. Moving forward, we will continue to manage progress based on these indicators and implement measures according to our roadmap toward achieving net-zero by 2050.

Our Initiatives

Suntory Group is engaged in efforts to reduce GHG emissions across the entire value chain and to adapt to climate change. We aim to achieve net zero GHG emissions across our entire value chain by 2050 and have set out 2030 targets of reducing emissions from our own operations (Scope 1 and Scope 2) by 50% and emissions throughout our value chain (including Scope 3) by 30%, compared to 2019 levels. To achieve these targets, we are implementing measures at each stage, from procurement of ingredients to production and logistics, all the way to delivery to our customers.

- **Raw Material Procurement and Supply Chains:**

In the production and procurement stages of raw materials, we work with business partners to promote GHG emission reductions. Every year, we hold policy briefings for our major business partners where we share our sustainability initiatives, and conduct surveys and engage in dialogue to help them set emissions reduction targets. Additionally, we are incorporating methods such as regenerative agriculture to reduce GHG emissions and enhance climate resilience associated with raw material production. For example, in sourcing barley as a malt ingredient, we are collaborating with overseas partners and farmers to implement soil regeneration and agricultural improvements, balancing agricultural GHG emission reductions with biodiversity conservation. In packaging materials, we are also working to use recycled materials and reduce the weight to reduce the carbon footprint at the raw material procurement stage.

- **Production (Suntory Sites):**

We are accelerating energy conservation efforts and the introduction of renewable energy to reduce emissions from our plants and business sites (Scope 1 and 2). We have implemented internal carbon pricing in our investment decision-making, prioritizing projects with significant GHG reduction impacts. In Japan, we have installed photovoltaic systems and switched to biomass boilers, and are also venturing to leverage next-generation infrastructure, including adopting large-scale energy storage solutions and hydrogen systems at our plants.

For example, we are currently in the process of installing a 16-megawatt P2G system, which will use renewable energy to produce hydrogen, at our Hakushu facilities in Yamanashi Prefecture, aiming for operation in 2025. In addition, our mineral water plant in Nagano Prefecture has become Suntory's first production plant in Japan to achieve net zero CO₂ emissions by utilizing solar and biomass energy, sourcing additional energy from renewable sources, and offsetting. In addition to these advanced measures, we are also promoting energy efficiency improvements and equipment optimization across all sites to meet our 2030 goals.

- **Logistics:**

We are working together with our partner logistics companies to reduce GHG emissions associated with product transportation and delivery. We are advancing efforts to optimally position our production sites and sales areas in order to reduce the distance that products must travel from our plants to their delivery destinations, and are cooperating with other companies on joint distribution, shared container shipping, and other solutions to increase efficiency. Our approach to truck transportation includes increasing the load factors of the large vehicles we use and switching to alternative fuel vehicles or rail transport, allowing us to implement transportation with lower GHG emissions compared to conventional methods. At distribution centers for our products, we have collaborated with partner companies to obtain Green Management and ISO 14001 certification, and monitor energy usage and GHG emissions for individual warehouses and vehicles to facilitate improvements in these areas. These measures enable us to balance environmental impact reduction with efficiency improvements in logistics.

- **Product and Customer Contributions:**

As part of our adaptation measures to climate change, we aim to contribute to society through our products and services. For example, we are developing and providing functional beverages suitable for preventing heatstroke, addressing the risks posed by rising temperatures. We

continue to conduct awareness activities for consumers and communities, such as heatstroke prevention seminars in supermarkets and elementary schools. Moreover, we contribute to global action on climate change by participating in international initiatives. Suntory Group's goals have been approved to be aligned with 1.5°C targets by the Science Based Targets initiative (SBTi) and we signed onto the Business Ambition for 1.5°C campaign. We have also endorsed the TCFD recommendations and conduct scenario analysis and information disclosures in line with these.

➤ **For more information, see [Climate Action](#).**

➤ **For more information, see [Disclosure Based on TNFD & TCFD](#).**



Context

Due to the rise in average temperatures caused by climate change, extreme weather events such as droughts and floods are predicted to impact production activities significantly, affecting production volumes and shifting suitable cultivation areas. In production and procurement, social issues that may negatively affect the human rights of those working within the supply chain are evident. To offer our customers high-quality products and services, at 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.

Governance

Global Sustainability Committee

At Suntory Group, we have established a system to promote environmental management centered around the Global Sustainability Committee (GSC). Under the supervision of the Chief Sustainability Officer, GSC formulates strategies related to the 7 key themes of sustainability, which include water, climate action, raw ingredients, containers and packaging, health, human rights, and lifestyle culture. GSC also oversees the progress of these strategies and analyzes the business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.

➤ [For more information on the Global Sustainability Committee, see Environmental Management.](#)

Strategy and Risk Management

Strategy

Business Partner Selection and Collaboration

When doing business with business partners, we fairly evaluate the quality and supply capabilities of each business partner's products and services, their financial condition, safety measures, environmental conservation, and social contribution based on Suntory Group's Basic Policy on Sustainable Procurement.

Suntory Group's Basic Policy on Sustainable Procurement was established to further strengthen sustainability with regard to internationally recognized important issues, including the prohibition of child labor and forced labor, respect and support for the right of freedom of association and the right to collective bargaining, reduction of excessive working hours, and the guarantee of a living wage.

Under this policy, we also established the Suntory Group Partner Guidelines. These guidelines put in place specific compliance items required in each field from human rights and legal compliance to the environment for business partners of Suntory, including suppliers and customers, to confirm the same ethical values are shared between the Suntory Group and its partners. Compliance with these guidelines is a prerequisite for engaging in a business relationship with suppliers, and we require both new and current suppliers to sign off on their compliance with the guidelines. We hold annual policy briefings for our major business partners to inform and seek their understanding.

Collaboration with Business Partners

Suntory Group is promoting pioneering activities in collaboration with diverse partners to reduce GHG emissions and address environmental and social challenges, such as human rights, throughout the value chain.

Promotion of Sustainable Agriculture

- Initiative to Procure Barley, Corn and Sugarcane Produced through Regenerative Agriculture
- Initiatives in Collaboration with Green Tea Production Area
- Supporting Sustainable Agriculture of Blackcurrant Farmers
- Promoting Sustainable Procurement in Upstream Supply Chain for Coffee
- Engagement with Local Coffee Farm to Improve Community Resilience

Response to Climate Change

- Data Collection, Target Setting and Sharing of Best Practices
- Support for Transition to Sustainable Agricultural Practices

Water Resource Stewardship

Regenerative agriculture is attracting attention for its potential to mitigate and adapt to climate change by reducing GHG emissions through reduced use of chemical fertilizers and pesticides, as well as restoration of soil biodiversity which boosts soil fertility and effective water use. Suntory Group collaborates with suppliers to improve water-use efficiency in the production of water-intensive key raw ingredients in highly water stressed areas.

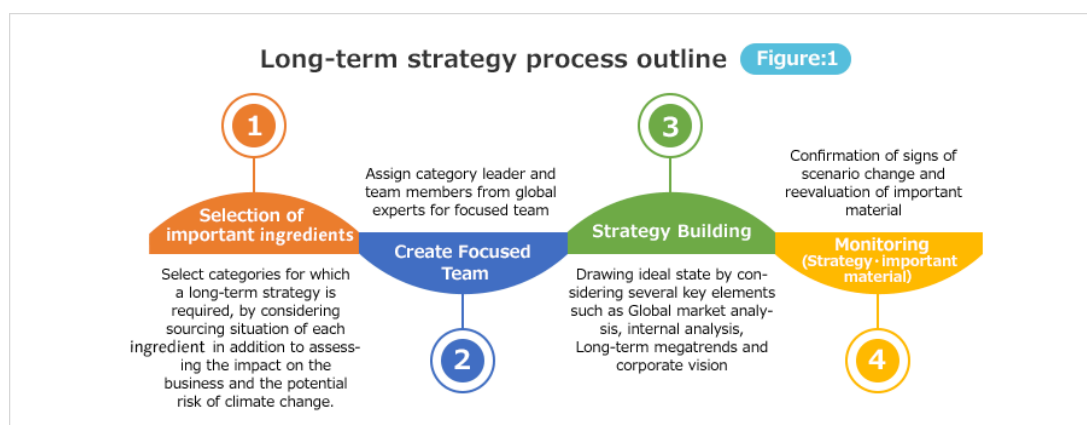
Risk Management

Stable Procurement of Raw Ingredients

Suntory Group considers the effects of extreme weather events caused by climate change, such as rising average temperatures, droughts, and floods, on essential crops and other raw materials as a significant risk. These conditions could lead to fluctuations in yield and shifts in optimal cultivation areas, greatly impacting production activities.

With this understanding, Suntory Group is identifying risks and opportunities while referring to scenarios from RCP2.6 (scenarios below 2°C), RCP 8.5 (4°C scenario) from the UN Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

As part of efforts to ensure stable procurement of raw ingredients, we conduct impact assessments of future yield predictions due to climate change based on the source of the raw ingredients, and develop strategies for stable procurement.



➤ [For more information on our strategy, see Sustainable Procurement.](#)

Respect for Human Rights in Supply Chains

We strive to respect the human rights of everyone involved in our business through dialogue and cooperation with various stakeholders, including employees, business partners, the local community, and NGOs. For human rights risks in raw ingredients, we have conducted a

potential risk assessment in collaboration with Verisk Maplecroft, a global risk consulting company, for our major ingredients using general country and industry data.

As a result, we have begun a risk assessment tracing back through the supply chain for the coffee beans where potential risks have been identified.

Additionally, we are a member of Sedex, the world's largest supplier ethical information sharing platform, and we conduct impact assessments using Sedex's SAQ*. These SAQs evaluate the potential social risks in the supply chain by focusing on child labor, forced labor and other human rights issues as well as considerations toward the work environment and occupational safety.

* SAQ:Self-Assessment Questionnaire

➤ [For more information, see Respect for Human Rights.](#)

Our Initiatives

Stable Procurement of Raw Ingredients

To ensure the sustained production of high-quality crops by producers, we are implementing supply chain initiatives for sustainable agriculture in 9 areas of agricultural production.

No.	Raw Ingredients	Source	Details of Initiative
1	Coffee	Guatemala	➤ Promoting Sustainable Procurement in Upstream Supply Chain for Coffee <Guatemala>
2	Coffee	Brazil	➤ Promoting Sustainable Procurement in Upstream Supply Chain for Coffee <Brazil>
3	Coffee	Uganda	➤ Promoting Sustainable Procurement in Upstream Supply Chain for Coffee <Uganda>
4	Corn	USA	➤ Collaborating with Corn Farmers to Pioneer Regenerative Agriculture
5	Barley	UK	➤ Initiative to Procure Malting Barley Produced through Regenerative Agriculture
6	Sugarcane	Thailand	➤ Suntory Launches Low Carbon Sugarcane Farming Project in Thailand in Collaboration with VIVE Programme and KTIS
7	Agave	Mexico	—
8	Blackcurrant	UK	➤ Supporting Sustainable Agriculture of Blackcurrant Farmers
9	Grape	Japan	➤ Challenging Climate Change with a New Cultivation Technique for Wine Grapes
10	Oranges	France	➤ For orange disease countermeasures, we carry out joint research with CIRAD (the French agricultural research and cooperation organization working for the sustainable development of tropical and Mediterranean regions)

➤ [For more information about initiatives related to raw materials, see Sustainable Procurement.](#)



Our Focus Areas

Health

Context

The food and beverage industry is being called on, more than ever before, to contribute to consumer health by providing products that take into account nutrition and health.

In 2022, the World Health Assembly adopted the Global alcohol action plan 2022–2030 to reduce harmful alcohol use, and Japan's Ministry of Health, Labour and Welfare announced its Guidelines on Health-Conscious Drinking in February 2024. For alcoholic beverages, these and similar moves have increased appeals to raise awareness around appropriate drinking practices and promote responsible marketing. Suntory Group is enhancing our initiatives for appropriate product labelling and responsible marketing, working through our wide-ranging business activities to enrich our portfolio of nutrition- and health-conscious products and otherwise promote innovation for value creation, and supporting rich and comfortable lifestyles aligned with all stages of life.

Governance

Suntory Group has established a system for promoting sustainability management centered on the Global Sustainability Committee (GSC) to formulate strategies, promote initiatives, and check on progress related to the 7 key themes of sustainability, which include water, climate action, raw ingredients, containers and packaging, health, human rights, and lifestyle culture. GSC also oversees the progress of these strategies and analyzes the business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis. Our expert body, the ARS Committee, deals with alcohol-related issues, developing strategies for and promoting initiatives around practicing responsible marketing, raising awareness of appropriate drinking practices both internally and externally.

- [For more information on the Global Sustainability Committee, see Environmental Management.](#)
- [For more information on the ARS Committee, see Responsible Drinking.](#)

Strategies and Risk Management

Suntory Group is dedicated to contributing to the physical and mental well-being and joy of our customers' lives. We are advancing the development of products that consider nutrition and health, expanding our portfolio of sugar-free, low-sugar, and non-alcoholic beverages. At Suntory Beverage & Food Limited, which oversees our food and beverage business, we have established our Health Policy to guide our efforts in supporting people to achieve healthier lifestyles.

Suntory Beverage & Food Limited Health Policy

1. In order to satisfy the health needs of consumers worldwide, we will continue to expand our portfolio of products which satisfy your taste buds, body and mind, as well as provide services to contribute to healthy and positive lifestyles.
2. We will perform research that contributes to the health of consumers and will develop more natural, healthy products for world by using the expertise we have cultivated in Japan over many years in developing beverages which are sugar-free, low-sugar,

and fortified for better health.

3. We will base labeling and communication on the guidelines from government agencies and industry groups in each country and region, and will endeavor to make it easier for consumers to select healthy beverages.
4. We will contribute to solving global health issues through joint research with external specialized institutions and through other communication with various stakeholders.

We also support mental and physical self-care through our beverages and promote healthy behaviors utilizing digital tools contributing to healthier choices that support daily wellbeing.

In addition, in response to nutrition labelling becoming mandatory in countries such as, as well as the strengthening of self-regulation in the beverage industry, we are focusing on opportunities to enhance health contributions in the global market.

Societal concerns and the trend toward stronger regulations around health risks are also becoming significant external factors for our business. In the alcohol sector, in particular, informed by the WHO's Global alcohol action plan 2022–2030 alcohol consumption guidelines from Japan's Ministry of Health, Labour and Welfare, there is demand for promoting responsible drinking and age-appropriate marketing practices. Suntory Group strictly enforces internal review systems and self-regulatory rules based on industry standards. In addition, through our global initiatives such as the DRINK SMART® program, we promote responsible communication and provision of information aligned with the cultural norms of each country and region in which we operate.

Indicators and Targets

Health-related indicators and targets are set by each of our companies and each of the countries in which we operate.

For more information, please refer to the following pages for specific initiatives, as well as each Group company's sustainability reports.

- [For more information, see Responsible Drinking.](#)
- [For more information, see Positive Choices.](#)
- [Suntory Beverage & Food Europe Sustainability Report](#) 
- [Suntory Global Spirits Sustainability Report](#) 

Our Initiatives

Product Portfolio

Soft Drinks

Suntory Beverage & Food Limited is enhancing its portfolio of products that satisfy the mind and body while delighting the taste buds. Worldwide, it is developing products that use less sugar, food for specified health uses (FOSHU) and foods with function claims (FFC) to address health issues, and products that minimize the use of artificial colorings and flavorings.

- [For more information on our product portfolio, see Soft Drinks.](#)
- [The Tokucha \(FOSHU Iyemon\) Development Story](#)
[Iyemon Tokucha: a Delicious FOSHU and a Major Hit, Developed Through Research into Polyphenols \(in Japanese\)](#) 

Alcoholic Beverages

In addition to promoting responsible drinking, Suntory Group is developing non-alcoholic beverages for a broad range of adult consumers of legal drinking age to enjoy without worrying about the effects of alcohol. In 2010, we launched "All Free" and in 2011 "Non-al-kibun", pioneering the creation of a market for non-alcoholic beverages with an alcohol content of 0.00%. In recent years, we have expanded our product lineup with the release of "All Free for Your Body," a food with functional claims, in response to growing health consciousness, "Non-al-

banshaku Lemon Sour Non-alcoholic," a lemon sour-flavored beverage, and "Non-al-de-wine-no-kyujitsu," a wine-flavored non-alcoholic beverage.

Health Foods

Scientific evidence is essential for health foods. Suntory Group bases its efforts on brewing technology cultivated over more than 100 years, continuously striving to harness nature's strength for maintaining health through foundational research. Suntory Institute for Science of Life undertakes research and development with a focus on the science of aging, including research on sesamin, a component found in miniscule quantities in sesame seeds—themselves an ingredient that has been considered beneficial for physical health since ancient times—and studies relating to brain and motor system health. Innovative products developed by the Institute include Sesamin EX, Omega Aid, and Locomre. These products are offered by Suntory Wellness, which handles the Group's health business, and their development continues through active customer engagement.

➤ [For more information, see Suntory Wellness. \(in Japanese\)](#) 

Responsible Marketing

Marketing for Alcoholic Beverages

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

In addition, as part of Suntory Group's global Drink Smart® initiative, we collaborate with relevant organizations to implement programs tailored to the specific needs and cultural aspects of each market, based on fundamental principles such as preventing underage drinking and drunk driving, promoting responsible drinking, and consideration for those who do not drink.

➤ [For more information, see Practice Responsible Marketing.](#)

Marketing to Children

Suntory Beverage & Food Europe (SBFE) is a signatory of the EU Code of Conduct on Responsible Food Business and Marketing Practices. SBFE also participates in UNESDA's* Responsible Marketing in Schools program and is audited on its implementation of the program.

In addition, the company does not market directly to children under the age of 16 in any country where it sells its products, in accordance with the SBFE Responsible Code of Marketing and Communications, which it established in December 2023. It also implements initiatives in line with the policies of the countries and regions in which it operates.

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

➤ [2024 Progress Report on the EU Code of Conduct on Responsible Food Business and Marketing Practices](#) 

➤ [For more information on our initiatives, see Responsible Marketing.](#)

Responsible Product Labelling

Soft Drinks

Suntory Group recognizes the importance of providing nutrition information about our products, enabling consumers to make informed choices. We strive to provide consumers with necessary information promptly and appropriately, including details related to safety and security. We also work to ensure that the phrasing used for our product labels, advertisements, publicity, and other materials is accurate, clear, and leaves no room for misunderstandings. Furthermore, Suntory Group's Code of Business Ethics stipulates that we must conduct responsible marketing as a corporate group that offers diverse products and services.

Regarding product labeling, the Quality Assurance Division collaborates with related divisions in charge of development and production across Group companies to establish a system that ensures legal compliance and accuracy, thereby promoting clear and precise labeling.

➤ [For more information on our beverage labels, see Appropriate Information Disclosure.](#)

Alcoholic Beverages

In accordance with voluntary standards established by the alcohol industry, all alcoholic products in Japan carry health warning labels to prevent underage drinking, as well as to caution pregnant and nursing women. Additionally, beer and ready-to-drink (RTD) products display an “alcohol” mark to ensure that they cannot be mistaken for juice.

Internationally, Suntory Global Spirits includes key nutrition information on both brand packaging and the Drink Smart website, along with symbols and messaging warning against drinking during pregnancy, drinking and driving, and underage drinking.

➤ [For more information, see Practice Responsible Marketing.](#)

Helping Build Healthy Lifestyles

Support for Mental and Physical Self-care

In 2024, Suntory Beverage & Food International launched the menphys Project, aimed at helping young people dealing with mental or physical conditions or concerns that they may find difficult to talk about, using beverages, a familiar presence, to encourage positive steps forward. Spearheaded by young Suntory Group employees who identify with these challenges, the initiative supports self-care by resonating with young people's desire to understand, respect, and confidently be themselves.

➤ [Official menphys website \(in Japanese\)](#) [🔗](#)

Promoting Health and Productivity Management

Today, engaging with health and productivity management and promoting the health of employees, who are vital resources, is indispensable for any business. Suntory Group operates SUNTORY+, a health management service that supports corporate health and productivity management. This app combines “real-world” and digital elements*¹ and delivers reminders effectively, boasting a high continuation rate.*² It contributes to improving health literacy and promoting behavioral changes employees of companies where it has been introduced.

*¹ The app displays various tasks related to healthy behaviors that users can complete to receive points, coupons, and other rewards that can be exchanged for beverages at vending machines set up at our locations

*² 84%. Definition of continuation: app used once or more in the second month after first use

➤ [Suntory's digital initiatives: SUNTORY+ \(in Japanese\)](#) [🔗](#)

Supporting Lifestyles that Shines at Any Age

We offer the Comado health-tracking app to Suntory Wellness customers. Downloaded by over 600,000 people within a year since its launch, this app allows users to earn points by engaging in healthy behaviors and contributes to behavior change and the establishment of healthy habits, particularly among seniors.

We are also promoting the “Be supporters!” project, which aims to encourage the elderly residents and individuals with dementia in senior care facilities to become supporters of local soccer clubs, invigorating them both mentally and physically.

➤ [For more information, see Be supporters! \(in Japanese\)](#) [🔗](#)



Context

For Suntory Group, which operates globally, respecting the human rights of everyone involved in our business is a crucial responsibility and a foundation for sustainable growth.

Under the Suntory Group Human Rights Policy, we emphasize dialogue with stakeholders and strengthen our efforts to promote respect for human rights across the entire value chain.

In this Human Rights Policy, Suntory Group clearly states our commitment to upholding internationally recognized standards for human rights, including the United Nations' International Bill of Human Rights and Guiding Principles on Business and Human Rights, as well as various labor standards (including the International Labour Organization's core labor standards: freedom of association and the right to bargain collectively, abolition of forced and child labor, and elimination of discrimination in employment).

Governance

The Suntory Group Human Rights Policy establishes a clear governance structure to ensure implementation of our human rights initiatives. Our Human Rights Policy is developed and revised with the approval of our Board of Directors, which also supervises the reporting and oversight of all important matters relating to human rights.

At the management level, our Chief Sustainability Officer takes Group-wide responsibility for ensuring respect for human rights and we guarantee commitment to these issues from our top management through measures such as incorporating progress on human rights initiatives and similar metrics into evaluations for executive compensation.

To deal with more practical aspects, we have established a multidisciplinary Human Rights Working Team that brings together functional divisions such as our sustainability, supply chain, human resources, legal, and compliance divisions, as well as major operating companies, to formulate strategies and monitor policy progress on a regular monthly basis. This Team relays its activities to the Global Sustainability Committee, and reports to and engages in discussion with the Board of Directors as necessary.

In addition, human rights issues have also been integrated into our Group-wide risk management process, and our Global Sustainability Committee collaborates with our Global Risk Management Committee to discuss actions to be taken, positioning human rights risks as one of the top priorities. In Japan, we have operated Human Rights Education Promotion Committees at individual business site level, and continue to promote human rights awareness and take action on any issues on a regional basis.

Strategy and Risk Management

Suntory Group carries out human rights due diligence (HRDD) at a global level. In the Suntory Group Human Rights Policy, we identified significant human rights risk areas within our operations, such as child labor, forced labor, long working hours, fair wages and benefits, discrimination and harassment, freedom of association and the right to bargain collectively, access to remedy, and occupational safety and health. With a focus on these priority themes, we carry out regular human rights risk assessments for both within our operations and throughout our value chain. During these assessments, we leverage dialogues with external human rights experts and NGOs, information from United Nations and industry body reports, and global risk data (for example, Verisk Maplecroft indices) to identify and prioritize potential risks. Particularly within the supply chain, we emphasize the risks of child and forced labor at raw material procurement sites, using platforms such as use the Sedex platform and SMETA auditing to monitor the working environments provided by our business partners. Our HRDD process

encompasses not only risk identification and evaluation, but also incorporates a PDCA cycle that includes preventative and corrective measures. If any negative human rights impact from Suntory Group's business activities becomes evident, we promptly implement corrective action to rectify the situation and offer remedy to those affected. These initiatives are integrated with our global operational risk management and are reflected in our strategy through regular reporting and reviews.

Human Rights Due Diligence

Suntory Group has identified key themes for global human rights, including forced labor and human trafficking, child labor and dangerous or hazardous work for young workers, discrimination, and foreign and migrant workers' rights, and promotes human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

This process is led principally by our Human Rights Working Team, which consists of members from functional divisions such as our sustainability, supply chain, human resources, legal, and compliance divisions. This Team regularly formulates strategies and monitors progress on various actions, reporting its activities to the Global Sustainability Committee and additionally to the Board of Directors when necessary.

Within our human rights due diligence process, we give particular consideration to the human rights of women, children, migrant workers, and other vulnerable groups. Our efforts take into account the United Nations Women's Empowerment Principles, the same organization's Children's Rights and Business Principles, and similar frameworks.

Identifying, Evaluating, Preventing, and Rectifying Adverse Impacts

Specifically, we identify and assess human rights risks within our own operations and across our supply chains on an ongoing basis, allowing us to take preventative and mitigatory measures. We regularly engage in dialogue with external experts and international NGOs, and incorporate the latest developments in global human rights risks into our strategies.

We utilize international risk data (such as indicators from Verisk Maplecroft) and Sedex's Self-Assessment Questionnaires (SAQ) and third-party audit information (SMETA) to evaluate potential human rights risks at approximately 90 of our production sites and key raw material procurement locations. Based on these assessments, we prioritize high-risk countries, regions, and materials for detailed investigations (impact assessments) and corrective support.

For issues found in the course of our ongoing monitoring, we engage in dialogues with our business partners, while coordinating with external expert bodies and NPOs to introduce measures for improvement.

Education and Training

Internally, we conduct training and ensure awareness of our Human Rights Policy among our employees, including executives. We also request that our business partners respect human rights by providing guidelines and incorporating relevant clauses into contracts.

Grievance Mechanism

At Suntory Group, if any negative human rights impacts stemming from our business activities are identified, we are committed to engaging in prompt corrective action through appropriate procedures that follow international standards. To this end, we have established several contact points for consultation and reporting both within and outside the Group, and a system for responding to any grievances or reports of harm. We ensure the protection of the privacy of any persons making a report and prohibit retaliation at all touchpoints, while relevant departments collaborate to resolve issues.

Internal Grievance System

We have set up a Compliance Hotline (internal reporting system) for employees both in Japan and overseas, which can be used for consultations or reporting on any issue, including those relating to human rights. In Japan, Hotline contact points include a third-party law firm,

while overseas, we have established a shared global contact point with 24-hour reporting in a range of languages (including Japanese, English, Chinese, and Spanish). To ensure that anyone making a report suffers no detrimental treatment as a result, our employment regulations stipulate a prohibition on any retaliatory behavior, and we follow up with those who submit reports afterward to ensure that they are fully protected. In 2024, the Group primarily related to labor, personnel, and management issues, with no reports related to child labor or forced labor. In all cases, including where these reports involve human rights issues, we engage in appropriate investigations and corrective actions.

External Grievance System

We have set up contact points for receiving human rights-related grievances from external stakeholders, including business partners and local communities. Our business partners—including our primary suppliers—and individuals from our local communities can currently make reports to our Customer Center or our Business Partner Compliance Hotline (in either Japanese or English). Reports are then handled by the appropriate internal department, according to the content.

We expect business partners to also establish similar grievance mechanisms within their own organizations and implement anti-retaliation measures, striving to ensure human rights are upheld throughout the supply chain. Further, in 2023, we joined the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI), to enhance access to remedy for our migrant workers, including technical intern trainees. JP-MIRAI is operated by an independent NPO and provides an anonymous consultation service with 9 supported languages so that migrant workers can use the service in their native languages. Suntory Group has a system in place to swiftly conduct risk analysis and take corrective action upon receiving consultation reports from the service.

Toward Corrective Action

Suntory Group engages in the appropriate investigations and corrective actions regarding any human rights issues brought to our attention through our internal or external grievance mechanisms, and provides feedback to those who reported the issue and all affected by it. We monitor the progress of corrective actions until their completion and apply a rigorous process for progressing onto measures that will prevent recurrence. For example, since 2019, we have confirmed the completion of corrective actions for 502 out of 544 major issues regarding w identified in audits of our suppliers. We continue to work with business partners to address the remaining issues.

As outlined above, Suntory Group has established due diligence and remedy processes based on our Human Rights Policy in accordance with international standards. We are advancing responsible initiatives to meet the expectations of our I stakeholders.

➤ **For more information on this subject, see [Respect for Human Rights](#)**



Our Focus Areas

Enriching Life

Suntory Group's Commitment and History

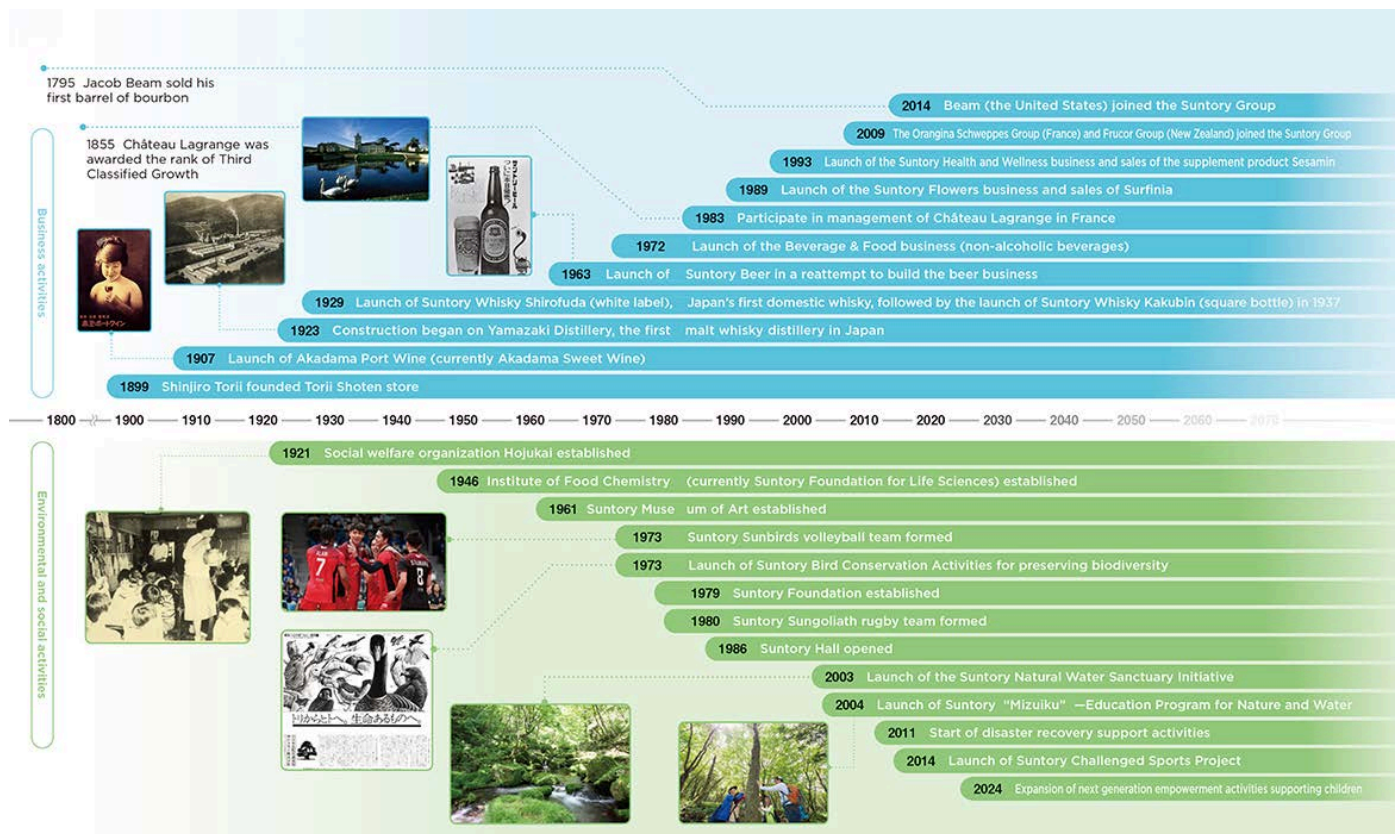
Our Mission is to Create Rich Experiences for People, in Harmony with Nature and Society

Suntory Group's origins can be traced back to founder Shinjiro Torii and his ambition to make grape wine.

At a time when Western liquors were a rare commodity in Japan, he tried and failed many times to create a taste that would suit the Japanese palate before eventually creating Akadama Port Wine (today Akadama Sweet Wine). After paving the way for Japan's Western liquor culture with the launch of Akadama Port Wine, Suntory embarked on the journey to create Japan's first whisky and also ventured into new areas such as beer and non-alcoholic beverage markets. The growth of Suntory Group is supported by a history of challenges and innovations aimed at creating new value to enrich lifestyle culture.

Sharing Business Success with Stakeholders and Society for Mutual Development and Growth

Under Shinjiro Torii's belief in the principle of Giving Back to Society, which holds that what we gain from our business activities should not only be reinvested in the company but also to caring for consumers and partners and contributing to society, Suntory Group has engaged in a various activities alongside our business operations for over a century. These activities encompass a wide range of areas, focusing on environmental conservation, but also including culture, arts, academia, welfare, sports, support for earthquake recovery, and nurturing the next generation. This enduring spirit of Giving Back to Society, which Suntory Group has upheld since its founding, remains a foundational value today.



Our Initiatives

Driving Force Behind New Value Creation

Based on the belief that R&D is the lifeblood of a manufacturer, Suntory Group has refined its distillation technology and the use of microorganisms and enzymes in the process of developing a variety of products, including alcoholic beverages.

Furthermore, we have accumulated technology and know-how in areas such as food processing and analysis. We also conduct extensive R&D, including the search for new health ingredients and studies on their health benefits.

Stemming from our desire to be a part of everyday life, enriching their daily experiences to inspire the brilliance of life, Suntory Group continues to take on challenges in a variety of fields beyond alcoholic beverages, including soft drinks, health foods, restaurants and flowers.

Providing Healthy Options to Consumers Everyday

To help address social issues such as the rise in lifestyle diseases like obesity and high blood pressure, Suntory Group offers a variety of products known in Japan as food for specified health uses (FOSHU) with proven benefits backed by research. This lineup includes: Kuro Oolong Tea OTPP, developed based on research showing oolong tea's polymerized polyphenols have the effect of inhibiting fat absorption; Suntory Goma Mugicha (barley tea), suited for people with high blood pressure; Pepsi Special Zero, which inhibits fat absorption; and Tokucha (FOSHU Iyemon) series, the world's first beverage to clarify the lipolytic action of quercetin glucoside. The portfolio also includes other products such as Iyemon Plus Cholesterol Control, a functional claim beverage that can lower LDL cholesterol. While seeking to eliminate negative health impacts and contribute positively to consumers' well-being, we also emphasize great taste, pursuing research and development to ensure that our products are both healthy and great-tasting.

Utilizing knowledge gained through many years of research in Japan regarding the development of low- and no-sugar beverages (such as tea and water), we are developing new beverages that are healthy for the mind and body.



Creating Enriching Moments for All, Whether They Enjoy Alcohol or Not

Our dedication to creation of new value is also reflected in the proposition of new dining and drinking culture.

We hope that everyone, whether they drink alcohol or not, can enjoy rich experiences with our discerning products that bring a smile to people's faces. To convey this message even more effectively, Suntory Group launched a new campaign in November 2024 in Japan, focusing on responsible, diverse ways to enjoy alcohol in moderation. The campaign explores the cultural roots of alcoholic beverages, and emphasizes the realization of a society in harmony with alcohol through awareness of responsible drinking.



Blue Rose and Sesamin Borne from Suntory's DNA

Suntory Group has many products created from its tireless efforts to boldly take on new challenges.

The development of the blue rose, which was said to be impossible, and Sesamin EX represent the culmination of Suntory's cutting-edge biotechnologies and the efforts of its scientists tirelessly dedicated to research, undeterred by setbacks. Even when they don't achieve the desired experimental results, they don't view it as merely a failure. Instead, they use it as a clue for the next experiment and continue their research.

This unwavering attitude of persistence is a key component of Suntory's DNA that has been passed down since founding.



Sesamin EX

This unique combination of sesamin, a rare dietary supplement found in small amounts in sesame seeds, vitamin E and other nutritional elements helps support vitality and youthfulness for people in their 40s and beyond. This anti-aging supplement was developed using Suntory Group's research into sesamin and solid technical expertise cultivated over its long history.



The term "blue rose" in English once signified "the impossible (a non-existent object)." The existence of the impossible--the blue rose--has now come to symbolize Suntory's DNA.

Bringing Color and Joy to More People's Lives

Suntory Group is actively involved in a variety of artistic and cultural endeavors to bring color and richness to people's lives and enrich people's lives and culture.

Suntory Museum of Art, with its basic philosophy of "Art in Life," hosts fascinating exhibitions of paintings, ceramics, lacquerware, glass, and more, centered around its approx. 3,000-piece collection that features national treasures and important cultural properties.

Suntory Hall opened as Tokyo's first full-fledged, dedicated concert hall with the concept of "pursuing the world's most beautiful sounds." It continues to preserve the acoustics that have earned it a strong reputation both in Japan and abroad, while hosting performances by world-class artists. Suntory Foundation engages in a variety of activities, including the Suntory Prize for Social Sciences and Humanities, recognizing research in the fields of social sciences and humanities, and the Suntory Prize for Community Cultural Activities, promoting local culture in Japan.

