Suntory Group's Sustainability

## **Top Commitment**

We are committed to building a sustainable society for future generations, filled with the brilliance of life.

Takeshi Niinami Representative Director, President & Chief Executive Officer Suntory Holdings Limited



Since our founding (more than 120 years ago), we have been driven by our corporate mission "To Create Harmony with People and Nature." This means that, we strive to enrich peoples' lives by providing customers with the highest quality products and services while working to achieve social diversity and balance with the environment.

For the future of humanity and earth, corporations must recognize our increasing responsibility to tackle social and environmental issues, including climate change, biodiversity loss and human rights, as a business imperative. At Suntory Group, we engage in sustainability initiatives as a corporate strategy and recently reorganized our Corporate Sustainability Division into a Sustainability Management Division to reflect the importance of accelerating our strategy and initiatives.

In 2019, the Suntory Group established a Sustainability Vision and committed to promote a sustainable business management strategy with seven key themes: Water, CO<sub>2</sub>, Raw Ingredients, Containers and Packaging, Health, Human Rights, and Enriching Life. Our business promise is "Mizu To Ikiru" (Living With Water) and as such, we understand our responsibility as a global leader to pioneer water sustainability initiatives and engage with other urgent issues, including the reduction of greenhouse gas emissions and implementation of plastic material solutions.

Water is our priority theme, as Suntory's products intrinsically rely on blessing on nature. We have been pursuing water initiatives across the entire group companies based on our Sustainable Water Philosophy, which defines our stance on water and outlines our understanding of its important role for our business and the world. In addition to continuous efforts to reduce the amount of water used at our production sites, we also promote water resource cultivation and water sustainability activities based on water risk assessments. We champion conservation in Japan's forests though our Natural Water Sanctuaries which promote rich biodiversity and improve the recharging of water resources - through this effort, we have replenished more than twice the amount of groundwater that is pumped into our domestic factories. Globally, we also collaborate with local communities to engage in water resource cultivation activities in order to realize our intention of becoming net water-positive at the majority of our factories around the world by 2030. Our *Mizuiku* Education Program for Nature and Water, which teaches the next generation about the importance of water, was developed first in Japan and then expanded to Vietnam, Thailand and Indonesia. We recently launched this education program in China in 2021 and in Spain during 2022.

Additionally, we aim for net zero greenhouse gas (GHG) emissions across the entire value chain by 2050. And by 2030, we aim to reduce GHG emissions from our direct operations by 50% and across our entire value chain by 30%. These goals are intended to help limit the global rise in temperature to 1.5°C. Inspired by Suntory's Yatte Minahare spirit of ambition to dream big and take on challenges, we've undertaken bold and innovative measures such as switching our purchased electricity to renewable energy and promoting capital investments through the use of internal carbon pricing.

We also plan to achieve zero use of virgin petroleum-based materials by transitioning all the PET bottles used globally for Suntory products to recycled or plant-based materials by 2030. The Suntory Group has worked to promote and implement "bottle-to-bottle" horizontal recycling, a process where used plastic bottles are recycled to make new bottles. And last year, we succeeded in developing plastic bottles composed of 100% plant-based materials. While plastics continue to fulfill a useful function in containers and packaging, we seek to avoid negative environmental impacts and achieve a circular economy for plastics by developing innovative technologies and engaging with various stakeholders to resolve problems.

The Suntory Group is committed to keeping sustainability at the center of our business, listening to the voices of our customers and stakeholders and contributing to a sustainable work as we deliver the highest quality products and services. As a multifaceted beverage and liquor company that continues to grow globally, we will take on new challenges and pursue further innovation as part of our commitment to "building a sustainable society for future generations, filled with the brilliance of life."

June 2022 Takeshi Niinami Chief Executive Officer Suntory Holdings Limited