

Suntory's Sustainable Management

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.**



What only "Mizu To Ikiru" Suntory can do

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.

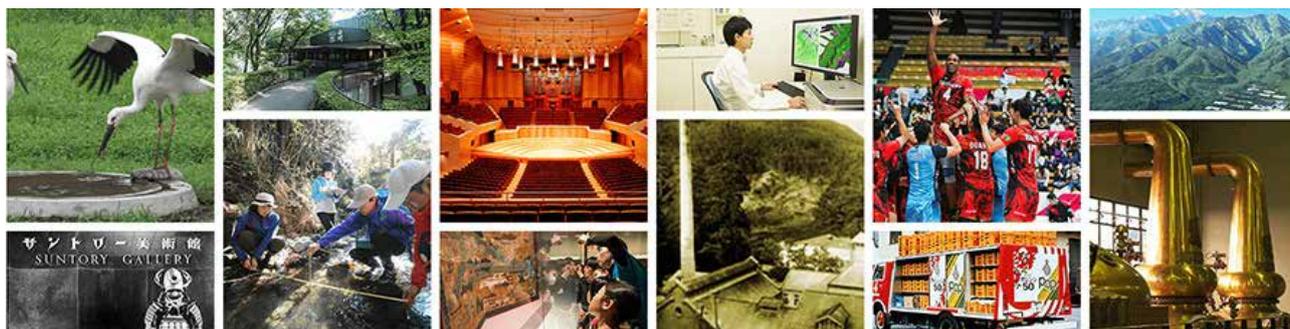
As part of these efforts, we are especially active in water sustainability incorporated into our environmental activities conducted under Suntory Follow Your Nature.

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 vision 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 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.

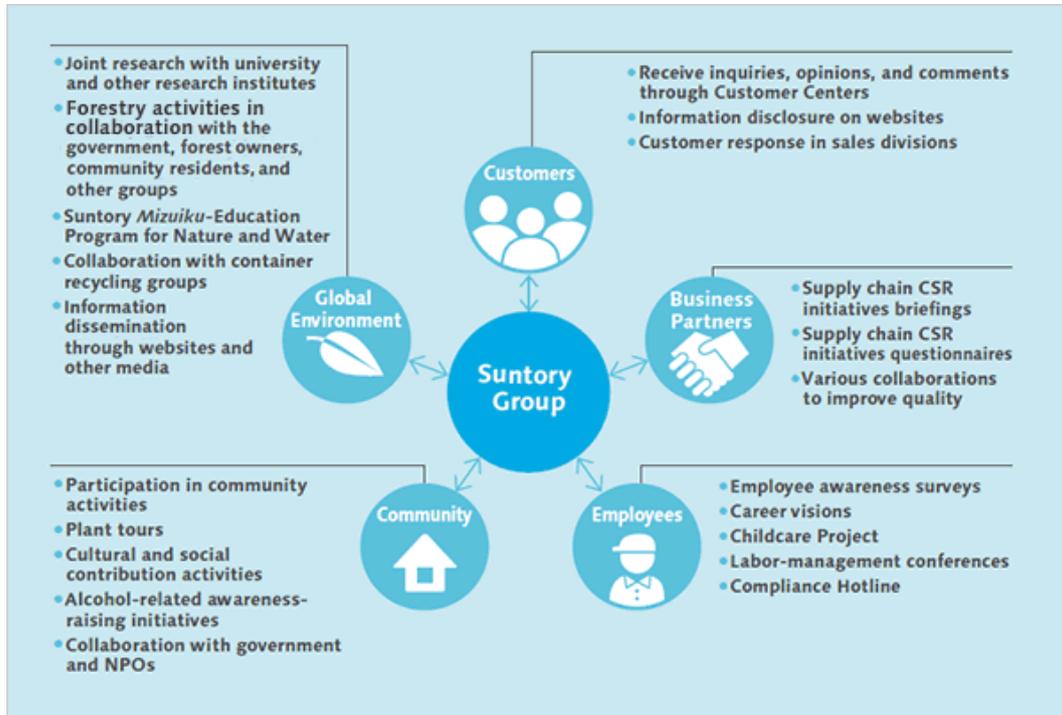
Move freely like water

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.

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.



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.

Endorsing The CEO Water Mandate

The Suntory Group endorsed The CEO Water Mandate global platform to address water resource issues, which is a United Nations Global Compact initiative to support the prevalence, practice and informational disclosure of water sustainable at companies.



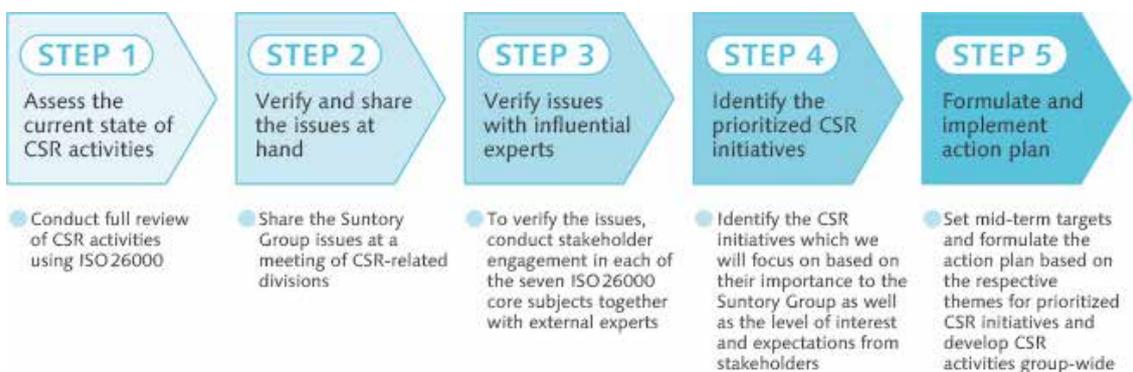
The CEO Water Mandate

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.

* 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.



General CSR Committee

■ 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 rawmaterials, 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 2022

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

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

- Environmental data covers 27 production plants in Japan and 64 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, 2021. 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”)
- Common Metrics and Consistent Reporting of Sustainable Value Creation

■ Published

July 2022 (next edition scheduled for June 2023)

