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

**Suntory Group Sustainability Vision**

The Suntory Group's vision on sustainability

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

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

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

**Suntory Group’s Promise**

**Mizu To Ikiru**

**Suntory Group’s Philosophy**

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**Our Mission**

To create harmony with people and nature

**Our Vision**

Growing for Good

**Our Values**

Yatte Minahare  |  Giving back to society

**The Suntory Group Way**

Nature / Humanity / Consumers / Quality / Challenger spirit

**Suntory Group Code of Business Ethics**
Important sustainability themes for the Suntory Group

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

The Suntory Group's 7 sustainability themes

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<thead>
<tr>
<th>Theme</th>
<th>Commitment</th>
<th>Related SDGs</th>
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<tbody>
<tr>
<td>Water</td>
<td>Based on Suntory’s “Sustainable Water Philosophy,” we as a group promote activities to preserve water including understanding of the water cycle, reduction, recycling and wastewater management, watershed conservation, and work with external stakeholders to achieve water sustainability.</td>
<td><img src="#" alt="Related SDGs" /></td>
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<td><img src="#" alt="Initiative" /></td>
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<tr>
<td></td>
<td>● Suntory Group’s Sustainable Water Philosophy</td>
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<td>CO₂</td>
<td>In order to promote a decarbonized society and to address climate change, we reduce carbon emissions through the introduction of the latest energy-saving technologies and the use of renewable energy at our facilities as well as in our operations throughout the value chain.</td>
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<td>Target towards 2030, Environmental Vision toward 2050</td>
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## Theme

### Raw ingredients

With regard to agricultural products and other raw ingredients that are essential to our products, we cooperate with business partners across the supply chain, identify social and environmental issues, and promote sustainability initiatives that enable us to grow together, thereby enriching our communities.

[Initiative]
- Sustainable Procurement

### Containers and packaging

We consider the environment throughout the product life cycle—from product design, packaging materials, and containers, to transportation and recycling after consumption—and work to achieve a circular economy.

[Initiative]
- Suntory Group Plastic Policy
- 3R in Containers and Packaging

### Health

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

#### Alcohol products

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

#### Soft drinks

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

#### Health foods

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

[Initiative]
- Reducing Harmful Drinking
- Measures for Healthy and Comfortable Lifestyles

### Related SDGs

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### Theme Related SDGs

- [Initiative](#)
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| **Human Rights** | **Group Employees**  
In addition to promoting a safe work environment, we promote health management and provide growth opportunities with a long-term perspective. In addition to respect for people and prevention of harassment and other related issues, we promote diversity (including of race, religion, gender, sexual orientation, age, nationality, language, and disability) and inclusion (accepting and valuing the differences between each individual as an important part of who they are). We also ensure labor safety to promote an environment that is easy to work in and full of the “Yatte Minahare” spirit. |  |
| **Value chain** | **Value chain**  
In order to contribute to the well-being of all people involved in the value chain, we carefully review and understand our impact on human rights, and cooperate with external stakeholders including suppliers to conduct activities for the protection of human rights. |  |
| **Initiative** | ● To Create Harmony with Employees  
● Sustainable Procurement  
● Respect for Human Rights |  |
| **Enriching life** | **Value chain**  
We provide products and services that enrich peoples’ minds and bodies, promote innovation and create new value, and contribute to the creation of a more “human” society. Based on our founding spirit “Giving Back to Society,” we address social issues and contribute to enhancing social welfare, including the arts, culture, science, sports, and next generation education. In the regions where we do business, we value dialogue with the local community, and strive to help address local issues to enrich peoples’ lives. |  |
| **Initiative** | ● To Create Harmony with Society Cultural and Social Contribution |  |
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.
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.
Suntory Group's Philosophy on Sustainability
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

1. Assess the current state of CSR activities
   - Conduct full review of CSR activities using ISO26000

2. Verify and share the issues at hand
   - Share the Suntory Group issues at a meeting of CSR-related divisions

3. Verify issues with influential experts
   - To verify the issues, conduct stakeholder engagement in each of the seven ISO26000 core subjects together with external experts

4. Identify the prioritized CSR initiatives
   - Identify the CSR initiatives which we will focus on based on the importance to the Suntory Group as well as the level of interest and expectations from stakeholders

5. Formulate and implement action plan
   - Set mid-term targets and formulate the action plan based on the respective themes for prioritized CSR initiatives and develop CSR activities group-wide

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.

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.
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.

Confirming Key Figures and Priority Issues

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

We have introduced and confirmed external key figures and an exchange of opinions from March to April 2012 for the priority initiatives of each core subject debated internally. We are facilitating an even higher level of interaction by holding an ongoing exchange of opinions.

Identification of Priority Initiatives

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

Six Prioritized CSR Initiatives

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

Amid accelerating globalization and expansion of business domains at the Suntory Group, our responsibility to provide the highest quality of healthy, safe and reliable products and services is taking on more weight than ever. Under the Suntory Group Quality Policy, “All for the Quality,” we have established the Suntory Group Quality Assurance Code. Through this code, we have engaged in the maintenance and improvement of quality in all processes, from development and planning of products and services, to procurement of water, crops, packaging materials, and other raw materials, and on to manufacturing, distribution, and sales and servicing.

In addition, paying heed to quality assurance from the customer’s perspective, we are actively engaging in Voice of Customer (VOC) activities that incorporate customer feedback into management policies, with “Improving food and beverage quality at the point of consumption” as our motto.

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


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.
Suntory Group's Philosophy on Sustainability

Editorial Policy on Sustainability Information

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

Suntory Group's Sustainability website 2019

This website provides comprehensive information about important activities to realize our "In Harmony with People and Nature" mission and unique Suntory initiatives. Information such as sustainability-related data, unique Group company initiatives and dialogue with society are available. Please browse through the information based on your needs.

■ Scope of Subjects Covered

Organizations

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

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

Time Frame

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

Guidelines Referenced

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

■ Published

September 2019 (next edition scheduled for June 2020)