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

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

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

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

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

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

Promotion of Group Quality Management

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

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

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

Nurturing Employees that are Consumer Oriented

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

Reducing Harmful Drinking

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

Measures for Healthy and Comfortable Lifestyles

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

Voluntary Declaration toward Consumer Orientation

April 2017
Takeshi Niinami
President, and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Ltd.

Philosophy
Under the corporate mission of “To create harmony with people and nature,” we will offer products and services that pursue highest quality and enrich the lifestyles of people around the world and contribute in realizing a sustainable natural environment.
We strive to be a Growing for Good company that is a good corporate citizen and trusted by the customers following this corporate mission.

Initiative Policies

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

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

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

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

(5) We will nurture corporate culture and awareness take action from the viewpoint of customers
The Suntory Group will continue its Customer Satisfaction Cultivation Activities in our attempt to nurture a corporate culture in which all of our employees keep the viewpoint of customers in mind in their work. We hold training programs for all employees, including those in divisions that have few opportunities to hear the views expressed directly by our customers.
This year marks the 120th anniversary of the Suntory Group. As stated in our corporate philosophy "To Create Harmony with People and Nature," the Suntory Group carries out business activities with its mission to create more affluent lifestyles while simultaneously giving gratitude toward the blessings of water and nature and realizing constant harmony with society and the beautiful global environment by delivering the highest quality products and services to people around the world.

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

Top Commitment

■Aiming to Realize Sustainability Management on a Global Level
The challenges we need to confront are serious and wide ranging. These challenges include global climate change and water shortages, stress on resources due to population growth, widening wealth gap, increasing amount of waste, and destruction of the natural environment.
The world is actively moving to find solutions to these problems as shown by the Sustainable Development Goals (SDGs) adopted at the 2015 United Nations Summit as well as Paris Accord established at the COP21 (United Nations Framework Convention on Climate Change). The Suntory Group sincerely confronts these same problems as it expands businesses globally and knows it must further accelerate initiatives able to contribute to resolving each issue.
In order for the entire Group to contribute to solving these issues, in June 2019 we formulated the Sustainability Vision in June which defines the type of sustainable society that the Suntory Group strives to realize and sets seven important sustainability themes that we must focus on.
In addition to environmental initiatives, including those focusing on water and CO₂, contributing to a recycling-oriented society, and contributing to healthy lifestyles that enrich the spirit, we intend to contribute to the realization of a sustainable and prosperous society based on our vision of "Growing for Good" while continuing to work on supply chain based human rights issues.

■In Pursuit Water Sustainability, Our Most Important Issue
Comparatively speaking, water is one of the most important issues as it is a valuable resource for supporting people’s lives and lives, and the source of Suntory Group’s corporate activities. In order to become a global top runner, we are working to give priority to water sustainability as a "Mizu To Ikiru" company.
We at the Suntory Group will continue to listen to the voices of our customers and other stakeholders, and, as a multi-faceted food and beverage company, look ahead 100 years into the future to continue to innovate and step up to challenges in order to pass down a sustainable society to future generations.
## Voluntary Declaration toward Consumer Orientation

### Philosophy

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

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

### Initiative Policies

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

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

As our customers spread across the world, we engage sustainability, an issue faced by the international society. As part of these efforts, we are especially active in water sustainability incorporated into our environmental activities conducted under Mizu To Ikiru. Water is the most important management resource for the Suntory Group as well as a vital resource shared by everyone around the world. That is why we are grateful for the bounty nature has given us as a source for our products. To ensure a healthy natural ecosystem giving us these blessings from nature, we will always endeavor in a variety of initiatives, including the Natural Water Sanctuary projects, Mizuiiku - 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 Plastic Policy**

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

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

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

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

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

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

**Four Initiatives in Social Responsibility**

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

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

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

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

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

To build a bright future with initiatives rooted in the region
Based on the founding spirit of “Giving back to Society”, we engage in wide range of cultural and social contribution activities that best suit the time, centered in the fields of arts and culture, sports and social welfare such as developing the next generation, supporting disaster affected areas and contributing to local communities.

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.

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

Important sustainability themes for the Suntory Group
We used the SDGs to identify priority areas for future activities. With the cooperation of external consultants and supported by reports from organizations such as the World Economic Forum, we analyzed important issues at our company. We assessed their importance both for stakeholders and for the Suntory Group, and identified four high priority initiatives: Target 6 - Water and Sanitation, Target 3 - Health and Welfare, Target 12 - Responsible Production and Consumption, and Target 13 - Climate Action. In addition, with the recognition that water is the most important area for our business as a “Mizu To Ikiru” company, we will work across the Group to protect water. In addition to environmental conservation, Suntory Group emphasizes “enriching people's lives,” which includes providing goods and services to customers and promoting innovation that contribute to a society in which we coexist “To Create Harmony with People and Nature.”
## The Suntory Group's 7 sustainability themes

<table>
<thead>
<tr>
<th>Theme</th>
<th>Commitment</th>
<th>Related SDGs</th>
</tr>
</thead>
</table>
| **Water**           | 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.  

[Initiative]  
- Sustainable Water Philosophy  
- Target towards 2030, Environmental Vision toward 2050                                                                                   | ![SDG6](image) ![SDG15](image) ![SDG4](image) |
| **CO₂**             | 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.  

[Initiative]  
- Target towards 2030, Environmental Vision toward 2050                                                                                   | ![SDG13](image) ![SDG7](image) ![SDG11](image) |
| **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                                                                                                                  | ![SDG12](image) ![SDG15](image) ![SDG10](image) |
| **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                                                                                                            | ![SDG12](image) ![SDG13](image) ![SDG14](image) |
<table>
<thead>
<tr>
<th>Theme</th>
<th>Commitment</th>
<th>Related SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>To enrich society, the Suntory Group promotes activities under the following three themes:</td>
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<tr>
<td><strong>Alcohol products</strong></td>
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<tr>
<td>We contribute to a richer society through beer, wine and spirits, and other alcohol products that bring enjoyment to people, inspire human connections, and play a role in the celebrations and events that mark the milestones of their lives. We are committed to promoting the moderate consumption of our products and encouraging responsible choices about alcohol. We are a leader in working individually and in partnership with industry peers and other partners to reduce harmful consumption of alcohol, including overconsumption, drunk driving, underage drinking, and drinking during and after pregnancy, based on our Drink Smart alcohol responsibility program. We also offer non-alcoholic and low-alcohol products to meet consumer preferences.</td>
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<tr>
<td><strong>Soft drinks</strong></td>
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<tr>
<td>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.</td>
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<tr>
<td><strong>Health foods</strong></td>
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<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Initiative]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Reducing Harmful Drinking</td>
<td></td>
<td></td>
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<tr>
<td>● Measures for Healthy and Comfortable Lifestyles</td>
<td></td>
<td></td>
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<tr>
<td><strong>Group Employees</strong></td>
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<tr>
<td>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.</td>
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<tr>
<td>Value chain</td>
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<tr>
<td>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.</td>
<td></td>
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<tr>
<td>[Initiative]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● To Create Harmony with Employees</td>
<td></td>
<td></td>
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<tr>
<td>● Sustainable Procurement</td>
<td></td>
<td></td>
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<tr>
<td>● Respect for Human Rights</td>
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</tr>
</tbody>
</table>
We provide products and services that enrich peoples' minds and bodies, promote innovation and create new value, and contribute to the creation of a more "human" society. Based on our founding spirit "Giving Back to Society," we address social issues and contribute to enhancing social welfare, including the arts, culture, science, sports, and next generation education. In the regions where we do business, we value dialogue with the local community, and strive to help address local issues to enrich peoples' lives. Based on our founding spirit "Giving Back to Society," we address social issues and contribute to enhancing social welfare, including the arts, culture, science, sports, and next generation education. In the regions where we do business, we value dialogue with the local community, and strive to help address local issues to enrich peoples' lives.

【Initiative】
● To Create Harmony with Society: Social Contribution

<table>
<thead>
<tr>
<th>Theme</th>
<th>Commitment</th>
<th>Related SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enriching life</td>
<td>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 &quot;human&quot; society. Based on our founding spirit &quot;Giving Back to Society,&quot; we address social issues and contribute to enhancing social welfare, including the arts, culture, science, sports, and next generation education. In the regions where we do business, we value dialogue with the local community, and strive to help address local issues to enrich peoples' lives. Based on our founding spirit &quot;Giving Back to Society,&quot; 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.</td>
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</tbody>
</table>
Suntory Group offers products such as soft drinks, beers, spirits and liquors (whiskey, chu-Hi, cocktails, shochu, etc.), wines, health foods, and flowers as well as restaurants and other services considering customer perspective. Furthermore, we also engage in art, sports, and social welfare to realize a truly enriched society.
The Suntory Group has always striven to better the quality of its products and services with a customer first approach since its founding. Every employee always endeavors to sustain and improve quality according to the Suntory Quality Policy of “All for the Quality”, which clarifies our approach to quality, to earn even greater trust from customers.

Our Philosophy Underpins Quality Assurance

Following the acceleration of its own global development and expansion into new fields of business, the Suntory Group has been enhancing its Quality Management Systems as part of its Group Governance. We installed the Quality Assurance Committee at Suntory Holdings Limited to promote quality management throughout the entire Group. This committee identifies quality risks and prevents trouble before it occurs in priority issues across the organization based on the Group quality strategy. The Chief Quality Officer (CQO) of Suntory Holdings Ltd. plays a vital role in this process by strengthening the quality management capacities through holding meetings on product quality with each Group company.

Promotion of Quality Management

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

1. Each and every member of the Suntory Group wholeheartedly strives to offer products and services from the consumer’s and customer’s perspectives.

2. We strive to provide our consumers and customers with accurate information that is easy to understand. We earnestly listen to consumer and customer opinions and endeavor to reflect them in our products and services.

3. We abide by laws and regulations.

4. We place a very high priority on the safety of our products and services.

5. We continue to quest for even greater product quality by reference to recognized international quality standards.

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

Suntory Quality Policy

All for the Quality

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SUNTORY

2018
The Suntory Group values two-way communication with the consumers in the belief it has held since its founding that consumer satisfaction should be given top priority. We respond sincerely to the opinions and requests that we receive from the consumers based on the Voluntary Declaration of Consumer Orientation. We are strengthening initiatives to more widely reflect this feedback in our corporate activities, including improvement and development of better products and services.

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

*1 VOC (Voice of Customer) activities: Activity to reflect consumer feedback in management policy.
The Suntory Group believes information should be available in an accurate and easy to understand way for the customers to ensure customers’ peace of mind and trust in the products and services we provide. In doing so, information on quality assurance and related activities that we are engaged in should be disseminated through websites and other means.

### Realizing Easy to Understand and Accurate Product Labeling

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

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

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

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

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

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

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

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

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

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

■ Continuing to Meet Consumers Expectations

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

■ Consumers Oriented Behavior Promotion (Nurturing of Work Ethics)

Consumers Oriented Brush-up Seminar

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

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

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

In 2018, Suntory began appointing Consumers Service Leaders entrusted with the main role to further penetrate and grasp consumer-oriented business practices around the many sales sites. In 2019, we have been promoting consumer oriented behavior in each department through efforts including starting to place some Consumer Oriented Ambassadors also in locations other than sales officers.
Information through the "Monthly Report" on the intranet

Human Resource Development Program "Suntory University"

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

- Strengthening Point of Contact Between VOC and Employees

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

Transmission of Information via Intranet and Email

We share, via intranet and email, opinions and requests received from customers who are sent out on a weekly, monthly, or yearly basis so that all employees will look at customer feedback on our products and corporate activities to influence their own work and actions.
## FY2018 Results of Consumer Oriented Spirit Awareness Raising Activities and Nurturing Culture

### Overall Consumer Oriented Spirit Awareness Raising Activities

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

### Human resource development

<table>
<thead>
<tr>
<th>Activity (Suntory University)</th>
<th>Target</th>
<th>FY2018 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Manager Training Lecture on Nurturing Consumer Oriented Spirit</td>
<td>New managers</td>
<td>120 participants</td>
</tr>
<tr>
<td>Fourth Year Training Customer Experience Program</td>
<td>Fourth year employees</td>
<td>150 participants</td>
</tr>
<tr>
<td>New Employee Training Lecture on Basics of Consumer Oriented Spirit</td>
<td>New employees</td>
<td>180 participants</td>
</tr>
</tbody>
</table>

### Strengthening VOC* contact point

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Report (intranet)</td>
<td>All employees</td>
</tr>
<tr>
<td>Weekly Report (mail)</td>
<td>Management level</td>
</tr>
</tbody>
</table>

*VOC: Voice of Customer
Our Philosophy Underpins Quality Assurance

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

Suntory Quality Policy

All for the Quality*

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

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

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

Promotion of Quality Management

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

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

The Chief Quality Officer (CQO) of Suntory Holdings Ltd. plays a vital role in this process by strengthening the quality management capacities through holding meetings on product quality with each Group company.
Under the Group Quality Assurance Committee, the Suntory Group has established a Restaurant Quality Assurance Committee, which shares and promotes activities that guard against major issues at any Group restaurants, as well as identifies the cause of any quality-related issue that has already occurred. Suntory strives to always earn greater trust from our customers. The Restaurant Quality Assurance Committee enables us to do so by strengthening quality assurance activities across all Group restaurants.

We believe that it is our duty to continually deliver high quality products with new value, safety and reliability, able to bring joy to consumers worldwide. Thus, we are committed to producing high-quality, safe and reliable products that delight consumers across the globe. This promise is shared within the group through the Suntory’s MONOZUKURI Manufacturing Values and Code of Conduct, which we have held dear and consistently delivered on since our founding.

### Quality Assurance Activities at Group Restaurants

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

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

We believe that it is our duty to continually deliver high quality products with new value, safety and reliability, able to bring joy to consumers worldwide. Thus, we are committed to producing high-quality, safe and reliable products that delight consumers across the globe. This promise is shared within the group through the Suntory's MONOZUKURI Manufacturing Values and Code of Conduct, which we have held dear and consistently delivered on since our founding.
Grounded in the Suntory Group Quality Policy, our employees are continually working to maintain and improve quality in all of our processes, from product planning and development to material procurement, manufacturing, distribution, sales, and services.

**Assuring Quality in All Processes**

- Identifying and improving all processes elements that maintain and increase quality
- Risk evaluation of the ingredient, products, etc. that we manufacture and sell, and analysis and inspection of safety, from the perspectives of analytical science, microbial guarantees, and biological safety
- Ingredient traceability system such as using two-dimensional codes and social quality assurance activities related to sustainable procurement to realize a sustainable society

**Planning and development**
- Designs that pursue good taste and functionality
- Confirmation of safety and compliance with regulations, through scientific research, investigation, testing and analysis

**Procurement**
- Regular analysis and inspection
- Development of new water resources
- Research into water quality in Japan and overseas
- Evaluation and selection of suppliers
- Quality auditing of suppliers
- Developing new ingredients and sustainable procurement
- Evaluation of regulatory conformity for constituent materials
- Developing new containers and sustainable procurement
- Performance and safety evaluation

**Manufacturing**
- Acquisition of ISO9001 certification, HACCP (Hazard Analysis Critical Control Point) recognition, and FSSC22000 recognition
- Adoption of TPM (Total Productive Maintenance, i.e., the maintenance of production by all personnel)
- Preventing and checking damage to containers, spillage of contents, and contamination of contents by foreign objects
- Strengthening of food defense, including room exit/entrance management and installation of cameras
- Safety, function, and other inspections by expert teams of premium gifts
- Compliance of food labeling regulations and standards for all products

**Premium gifts**
- Sharing quality assurance knowledge with distribution companies
- Checking of equipment, temperature, and health and safety at product storage warehouses
- Support for sanitation management and quality control at restaurants
- Seminars on improving quality at the point of consumption aimed at businesses serving log draft beer

For details about initiatives for all processes, please see Suntory Group's Quality Initiatives.
Realizing Easy to Understand and Accurate Product Labeling

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

Examples of Labeling on Products

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

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

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

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

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

Voluntary Recalls

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

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

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

Basic Policy on Customer Satisfaction and Course of Action

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

Basic Policy on Customer Satisfaction

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

Course of Action for Customer Center

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

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


■ CREDO (SUNTORY MIND for Customer Service)

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

Responding, Sharing and Utilizing Customer Feedback

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

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

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

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

■ Flow of Consumer information

![Flow of Consumer information diagram]

Consumers

Inquiries, Feedback and Complaints

Response

Consumer Relations Division

Sales division

Quality division

VOC activities to utilize feedback in management

Related divisions

Product planning

Development

Procurement

Production

Logistics

Sales

Improve products, services, employees actions
Details on customer inquiries, feedback, and complaints (Results of 2018: 80,593)

Utilizing the "Voice Card"

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

Making Use of Customer Opinions

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

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

Examples Utilizing Feedback in Products>

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

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

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

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

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

Spreading the Word About Our Consumer Oriented Initiatives Throughout Society

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

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

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

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

■ Workshops for University Students

A workshop for learning about Consumer orientation is held annually for approximately 150 university students who will be working in the near future.

Through the work of learning about Suntory’s Consumer oriented spirit and experiencing product development from a Consumer perspective, we are creating opportunities for each individual to think about being customer orientation and incorporating this mindset in work activities.

■ Spreading Information About Our Activities to Consumer Through Quiz Campaign

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

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

■ Overview of Internal Enlightenment Activities

### Cultivating Climate

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Target</th>
<th>FY2018 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Commitment (Homepage/Video)</td>
<td>All employees</td>
<td>All year</td>
</tr>
<tr>
<td>Consumer oriented spirit development seminar</td>
<td>All employees</td>
<td>126 seminars a year</td>
</tr>
<tr>
<td>Consumer oriented spirit enhancement month</td>
<td>All employees</td>
<td>May</td>
</tr>
<tr>
<td>Consumer oriented spirit promotion leader program</td>
<td>All sales sites</td>
<td>Held year-round</td>
</tr>
<tr>
<td>Consumer oriented spirit ambassador program</td>
<td>Department with ambassadors</td>
<td>Held year-round</td>
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### Human resource development

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<th>Initiative</th>
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</thead>
<tbody>
<tr>
<td>Suntory University</td>
</tr>
<tr>
<td>New manager training Lecture on nurturing consumer oriented spirit</td>
</tr>
<tr>
<td>4th year training Customer experience program</td>
</tr>
<tr>
<td>New employee training Lecture on basics of consumer oriented spirit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target</th>
<th>FY2018 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>New managers</td>
<td>Twice a year</td>
</tr>
<tr>
<td>4th year employees</td>
<td>15 times a year</td>
</tr>
<tr>
<td>New employees</td>
<td>Twice a year</td>
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### Enhancing VOC* contact point

<table>
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<tr>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly and yearly reports (Homepage)</td>
</tr>
<tr>
<td>Weekly report (e-mail)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target</th>
<th>FY2018 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees</td>
<td>Once a month</td>
</tr>
<tr>
<td>Management level</td>
<td>Once a week</td>
</tr>
</tbody>
</table>

※ VOC : Voice of Customer
■ Consumer Oriented Behavior Promotion (Nurturing of Work Ethics)

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

Consumer Oriented Brush-up Seminar

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

In-house lecture given by outside lecturer  Poster designed to encourage employees to possess a Consumer oriented spirit

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

Customer Service Leader meeting  Consumer Oriented Ambassador meeting
Human Resources Development at Every Level

- **New managers**
  
  Learn about decision making in consumer-oriented spirit
  
  Lecture on nurturing consumer-oriented spirit

- **4th year**

  Learn customer perspective with five senses
  
  Customer experience program

- **New employee**

  Learn the basics of consumer-oriented spirit
  
  Lecture on basics of consumer-oriented spirit

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

Improving Opportunities for Employees to Listen to Customers

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

Transmission of Information via Intranet and Email

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

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

**Basic policy on sustainable procurement**

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

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

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**The Suntory Group’s Basic Policy on Supply Chain Sustainability (Established 2011)**

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

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

1. **Legal Compliance and Respect for International Standards of Conduct**
   We will promote fair and equitable procurement activities that comply with each country’s laws and respect international standards of conduct.

2. **Consideration for Human Rights, Labor, and Safety and Health**
   We will promote supply chain CSR initiatives that respect basic human rights and are mindful of labor conditions and safety and health.

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

4. **Consideration for the Global Environment**
   Aligned with the Basic Principles of Suntory Group’s Environmental Policy, we will promote procurement activities mindful of the global environment.

5. **Preservation of Information Security**
   Confidential information regarding procurement dealings and personal information will be strictly controlled.

6. **Coexistence with Society**
   We will promote social contribution initiatives directed toward coexisting within society.
Promoting Sustainability Activities Throughout the Entire Supply Chain

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

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

Establishing Supplier Guidelines

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

Collaboration with Overseas Group Companies

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

Monitoring of Suppliers

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

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

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

Contract Farms to promote High-quality and Stable Supply

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

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

Improving Cooperation with Business Partners

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

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*1 Rainforest Alliance: International non-profit organization established with purpose of preserving the global environment through protecting the rainforests in 1987.
*2 UTZ: International certification program for sustainable agriculture. Certification is only give to those that fulfill all standards in appropriate farming practices and farm maintenance, safe and healthy labor conditions, abolition of child labor, etc.
We base our relationship with raw material suppliers on just evaluations, selection and fair competitive opportunities.

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

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

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

**Bookkeeping System that Corresponds to the Subcontract Act**

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

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

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

Enhancing Safety at Partner Companies

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

**Five Principles for Distribution Safety**

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

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

The Safety Committee's Joint Activities

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

- Safety Promotion conference
- Receiving an award at the Safety Promotion conference
- Discussion at the Safety Promotion Conference
Promoting Safety Management

We are pursuing certifications under the Top Safety Site Program led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Our goal in doing this is to maintain a minimum standard in the safety management organizations of our distribution affiliates at all times and continually improve these systems. Certifications have been obtained by 81 out of the 82 dispatching and shipping sites operated by the Suntory Group’s distribution affiliates (as of the end of 2018), for a certification rate of 99%. This greatly exceeds the average certification rate of 29.6% (according to a December 2018 Japan Trucking Association survey) for the trucking industry as a whole. In 2008, we expanded the scope of certification from direct contractors to include secondary affiliates, and we strive to enhance safety management in dispatching and transport.

Preparing for Disasters and Emergencies

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

Ideal DRINK SMART Approach of the Suntory Group

Alcohol has been brewed in variety of regional cultures and climates around the world since long ago. It has played a large role in a variety of celebrations and auspicious events while bringing joy and cheer to daily life. However, alcohol can lead to various negative consequences when consumed inappropriately. Having the correct knowledge about alcohol and enjoying it appropriately brings people healthier and richer lifestyles. This is our DRINK SMART ideal.

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

Basic Principle

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

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

Course of Action

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

A Dedicated Body for Addressing Issues

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

*ARS: Alcohol Responsibility and Sustainability
1. Practice responsible marketing

**Practice responsible marketing**

The ARS Department runs a prior internal review on every marketing activity for alcoholic products to check its legality and validity. Inappropriate marketing activities are prevented beforehand through this review. In 2006, we have systemized a prior review for product labeling and in 2007, marketing code for ads and commercials was revised to further enhance the initiative. We keep revising these voluntary standards through involvement with industry associations even after 2007 to continue the promotion of responsible marketing activities.

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

We support and continuously revise voluntary standards of the alcohol industry formulated by the Liaison Council On Alcohol Consumption, as well as follow our own internal voluntary standards so that they are in-line with the social demands. We introduced captions to warn pregnant and nursing mothers in commercials in 2010. We are also conducting self-censorship of television advertisements between 5:00 am and 6:00 pm by expanding our self-censorship of television commercials on weekends and holidays from 5:00 am to 12:00 pm to 5:00 am to 6:00 pm around the year. Based on the “Alcohol Health Disorder Countermeasures Basic Law” enacted in 2014, we are taking independent measures to prevent the abuse of alcohol such as setting the age of actors that appear in our TV commercials to 25 or older, and removing the sound effect of "gulp" when drinks go down the throat.

2. Activities to raise awareness of responsible drinking

**Raising Awareness of Responsible Drinking among Employees**

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

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

**Raising Awareness of Responsible Drinking Among customers**

**Initiatives Unique to Suntory**

As a company that manufactures alcoholic beverages, we engage in initiatives to make our customers to have proper understanding of the characteristics of alcohol and appropriate way of drinking.
Suntory has received multiple awards for its activities to raise awareness of responsible drinking

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

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

Published in 2018, in response to the needs of educational sites, in collaboration with Gakken Plus Co., Ltd. and Tezuka Productions, we produced a comic booklet for university students who are at least 20 years old to learn how to drink responsibly. It is distributed free of charge to educational institutions. We are also conducting visits to universities, etc. during which we use these educational materials. It is possible to view this comic on our DRINK SMART site.

Published a Family Guide to Preventing Underage Drinking

Published in 2005, we publish a Family Guide to Preventing Underage Drinking education materials in cooperation with Gakken Plus Co., Ltd. for children and their guardians and freely distribute these educational materials with focus on elementary schools throughout Japan. In 2017, we also created educational videos to prevent underage drinking in response to the need for an educational site. We are also conducting school visits during which we use these educational materials. It is possible to view pamphlets and videos on our DRINK SMART site.

Raising Awareness to Prevent Drinking and Driving

At our overseas companies, we introduced a “Designated Driver Program” - a system wherein at least one person per vehicle is designated as a sober driver at restaurants, etc. which we implement when we hold tours at our plants. Upon the arrival of visitors, we confirm the names of people who will be driving, and double-check them in the tasting room, so that the drivers are given only non-alcoholic drinks. Furthermore, Dynac Corporation which operates restaurants posts “No underage drinking” and “No drunk driving” sticker in every store.

Initiatives to prevent underage drinking

- 2005: We engage in the STOP! Underage Drinking project twice a year (spring/winter) primarily on transportation advertisements (train stations/stickers).

- 2002: We are putting out posters, slogans, and school nomination campaigns since 2002. In 2017, this program was renamed the School Competition to Prevent Underage Drinking. This competition solicits and commemorates school efforts to prevent underage drinking.
| Initiatives to prevent underage drinking | 2015 | We have been establishing age verification gates to confirm people entering alcohol brand homepages and websites are at least 20 years of age starting in 2015. |
| Initiatives to prevent drinking by pregnant and nursing mothers | 2008- | We have been adding warning messages on media such as the labeling of product containers, materials to promote alcohol like POP as well as television commercials. |
| Activities to raise awareness of responsible drinking for women | 2017 | We are promoting the correct knowledge on homepages and introducing alcohol tolerance tests to prevent at-risk women from using alcohol inappropriately as the number of at-risk women grows with the increasing number of professional women and the changes in their lifestyles. |

**Global Initiatives to Reduce Alcohol Issues**

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

The Suntory Group is participating in the IARD organization (http://www.iard.org/) that makes efforts to promote responsible drinking internationally to respond to these alcohol-related issues. Since 2013, we have been working to promote the Industry Commitment for Reducing Harmful Use of Alcohol which involves major alcohol beverage manufacturers from around the world. The progress of the Industry Commitment is published as a Progress Report after annual audits by an auditor.

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

The Suntory Group Drink Smart® global program is expanding priorities such as preventing underage drinking and drunk driving, as well as raising awareness of drinking in moderation and consideration for people that choose not to drink, and promotes responsible decision making through its proprietary platform.
The IARD (International Alliance for Responsible Drinking) is a non-profit organization headquartered in Washington D.C. in which 11 of the major alcoholic beverage manufacturers from around the world participate. Suntory Group has participated in the IARD since its establishment as Beam Suntory and has also been deeply involved in the formulation of the Industry Commitment for Reducing Harmful Use of Alcohol, an effort by the alcoholic beverage industry in response to the World Health Organization’s Global Strategy to Reduce Harmful Use of Alcohol (adopted in 2010).

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

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

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

In addition, an IARD CEO meeting is held annually during which serious discussions take place on matters that the liquor industry should tackle over the medium-to-long term and on a global level.
The Suntory Group provides a range of products and services to support healthy and comfortable lifestyles.

**Contributing to Healthy Lifestyle through Products and Services**

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

■ Developing Food for Specified Health Uses Based on Research

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

■ Expanding our Lineup of Natural and Healthy Products

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

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

■ Functional Analysis of Sesamin to Health Food Sales

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

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

Suntory Wellness Ltd. is also selling a wide range of other health foods.
Promoting Communication with Customers
We are delivering a wide-range of information to customers through our website and booklets.

Suntory Global Innovation Center website
Health information booklet
Healthy Drink NAVI website
Suntory Wellness Online website