

## Sustainability Initiatives

# To Create Harmony with Customers and Partners

## 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. In addition, we are actively engaged in tackling alcohol-related problems as a global multi-faceted food and beverage company.



Quality



Customer relations



Procurement



ARP



### 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.



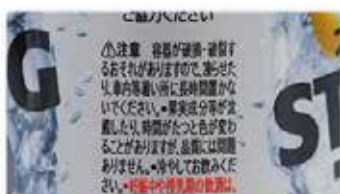
### Promotion of Group Quality Management

We are establishing and promoting a system for thorough quality assurance.



### Quality Assurance from a Customer Perspective in All Processes

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.



### Appropriate Information Disclosure

In order gain the confidence and trust of our customers, we will communicate information and activities related to quality assurance in an appropriate, accurate, and easy-to-understand manner.



### Communicating with Customers

We listen to the voice of customers and respond to them timely, accurately, and sincerely. These voices are reflected in business activities to develop and improve better products and services.



### Employees with Customer Oriented mindset

In order to promote Customer oriented management, we conduct enlightenment activities for employees for nurturing Customer Oriented mindset.



### Sustainable Procurement

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



### Just and Fair Transactions

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



### Promoting Distribution Considering Safety

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



### 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: Products and Services

# 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 manufacturing, 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 foster a culture and awareness among employees to take action from the viewpoint of customers

The Suntory Group will continue its Customer Satisfaction Cultivation Activities in our attempt to foster 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.

■ Voluntary Declaration toward Consumer Orientation Activity Report

<p><b>Voluntary Declaration of Consumer-orientation Activity Report</b></p> <p>(FY2021)</p> <p>PDF file: 23.7MB</p>		<p><b>Voluntary Declaration of Consumer-orientation Activity Report</b></p> <p>(FY2020)</p> <p>PDF file: 28.7MB</p>	
<p><b>Voluntary Declaration of Consumer-orientation Activity Report</b></p> <p>(FY2019)</p> <p>PDF file: 19.2MB</p>		<p><b>Voluntary Declaration of Consumer-orientation Activity Report</b></p> <p>(FY2018)</p>	
<p><b>Voluntary Declaration of Consumer-orientation Activity Report</b></p> <p>(FY2017)</p>			

To Create Harmony with Customers and Partners: Products and Services

## Promotion of Group Quality Management

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

### 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\*

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**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.

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## SUNTORY

### 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 Ltd. 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.



### Comprehensively Identifying and Minimizing Potential Risks

We are continuing to move ahead with our efforts to carefully identify and minimize risks from serious crises such as violations of law, negative health impacts, and quality hazards, as well as potential risks that have not yet manifested themselves. Since 2006, we have been holding Weekly Risk Review Meetings to share internal and external quality risks that were identified during the week, and discuss the countermeasures for management and executive personnel from Production Research and other divisions. We also monitor changes in potential risks.

### Quality Assurance Activities at Group Restaurants

At each Group restaurant, we carry out thorough control regarding kitchen equipment, ingredient, food allergy, food labeling and so on.



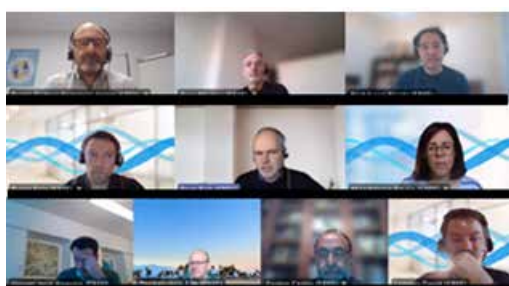
Inspection of kitchen equipment

## ■ Topics

### 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.



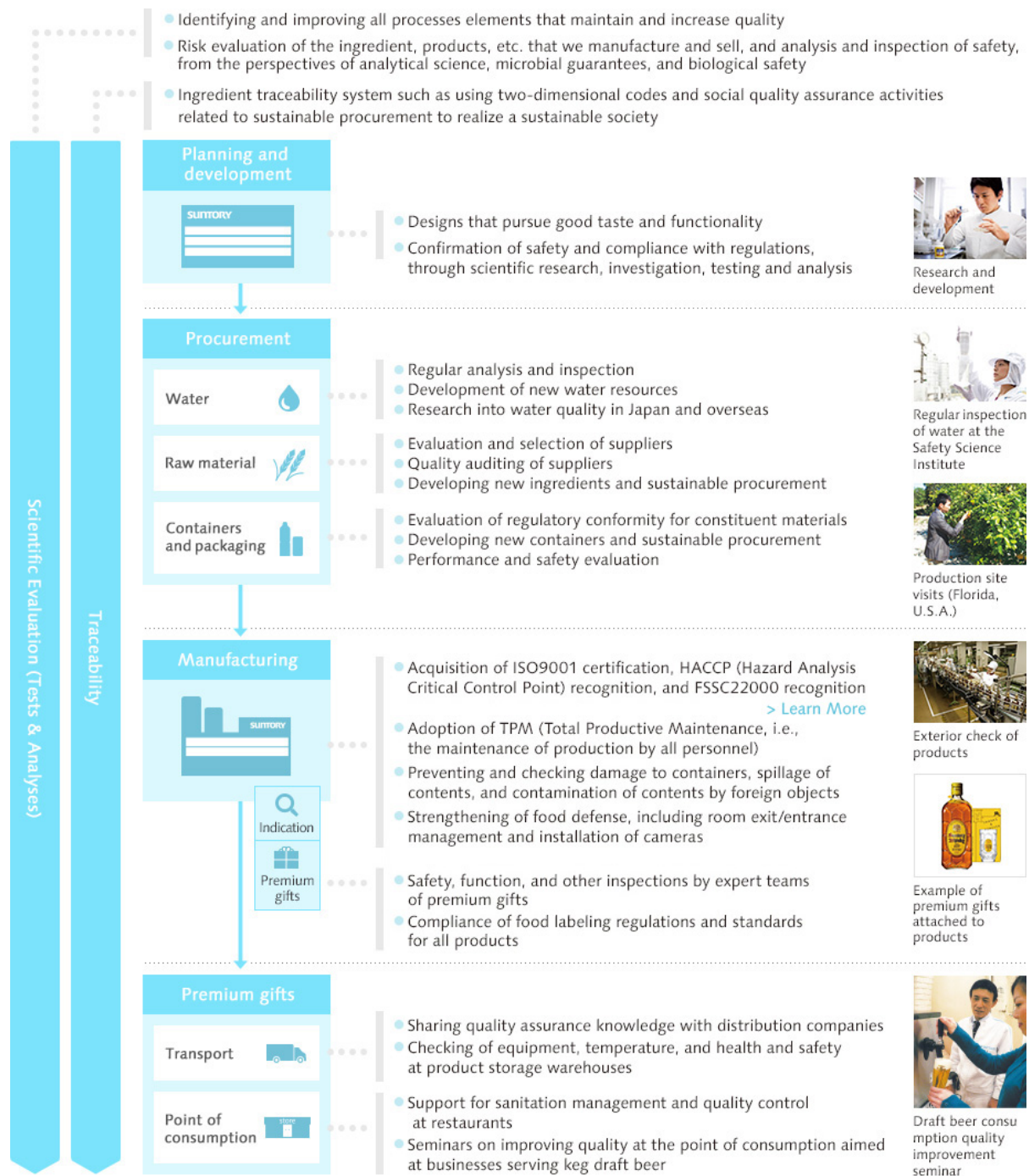
Online SMV workshop (left Europe, right Asia)

To Create Harmony with Customers and Partners: Products and Services

## Quality Assurance from a Customer Perspective in All Processes

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



For details about initiatives for all processes, please see Suntory Group's Quality Initiatives.

## To Create Harmony with Customers and Partners: Products and Services

# Appropriate Information Disclosure

The Suntory Group believes information should be available in an accurate and easy to understand way for the customers to ensure customers' confidence 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.

## Accurate and Easy to Understand Labeling

In terms of product labeling, the Group Quality Division has established a system to check for legal compliance and appropriateness, and promotes accurate labeling and easy-to-understand expressions in collaboration with the relevant teams including development and production of each Group company.

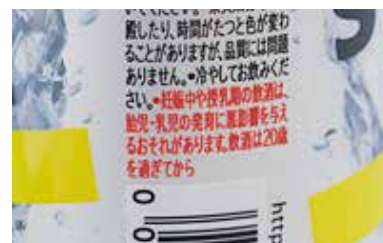
### ■ Examples of Labeling on Products

#### Labeling example to prevent drinking alcohol by mistake

A mark that shows that this is an alcohol beverage is put on products to prevent people from mistaking low-alcohol beverages such as Ch-Hi for soft drinks. We also put a mark telling that "this is an alcohol beverage" on the lid of the can and in Braille on our major 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.



Labeling to warn pregnant and nursing mothers

#### Allergen Labeling

Suntory has investigated raw materials and has confirmed whether or not they need to be indicated on products as allergenic. For our soft drinks, we not only comply 7 mandatory items required to put on the label by the food labeling law but also include 21 recommended items. Although alcoholic beverages are exempted from allergen labeling requirement, we voluntarily put allergen information on our low-alcohol beverages such as beer and Chu-Hi.

#### "Month/year" labeling for "Best by" dates

The best-by dates of soft drinks are generally indicated by a "date/month/year". In order to reduce the environmental impact of inventory management along with ease of understanding for customers, the Suntory Group is working to label products with the best-by date of one year or more as "month/year".



## Introducing our Safety Initiatives to the Customers

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.



Suntory Group's Quality Initiatives Website

As the business activities of the Suntory Group expand globally, we have been engaging in initiatives to improve information disclosure by advancing the design of global quality websites so that our earnest approach and activities toward quality that we have striven for in Japan up until now can be understood by our overseas customers. We will continue to provide information about safety and reliability so that customers can evaluate the activities of the Suntory Group.

## Voluntary Recalls

While we do our best to assure quality, we also disclose information appropriately and promptly when problems do arise. During the period from January 2021 until December 2021, there were no voluntary recalls for which company notices were published in newspapers. There were no recalls due to legal violation. During the same period, there were two instances of information labeling for products and services which violated appropriate regulations and our internal standards.

To Create Harmony with Customers and Partners: Products and Services

## Communicating with Customers

Since our founding, we have been prioritizing customer satisfaction. We value regular communication with the customers and reflect their feedback in our corporate activities.

### Toward 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 customer. The office now operates as the Consumer-Oriented Management Department 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.



Customer Center

#### 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.

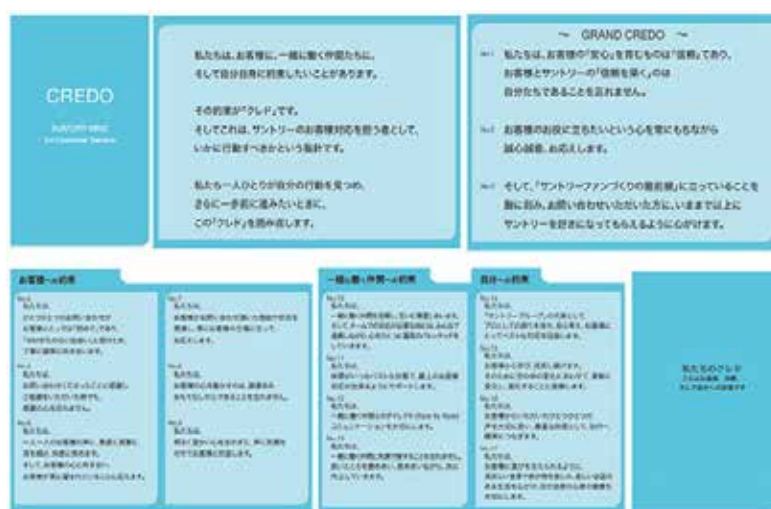
## ■Customer Response Standard

Suntory Holdings Ltd. and 12 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.

\* Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Foods Okinawa Ltd., Suntory Products Ltd., Suntory Spirits Ltd., Okinawa Suntory Ltd., Suntory Business System Limited, Suntory System Technology Ltd. Suntory Global Innovation Center Ltd., Suntory Corporate Business Ltd. and Sunlive Co., Ltd., (as of July 2022)

## ■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 inquiry and our response in our core information management system upon receiving the inquiry, valuable information from the customers is shared immediately with relevant departments to enhance quality, improve risk management, etc.

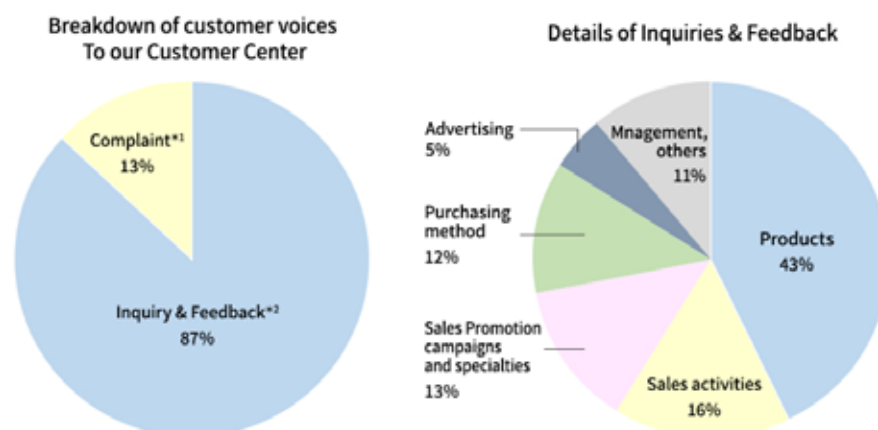
We periodically share the feedback we receive from the customers with relevant departments to strengthen our VOC activities\*<sup>1</sup> that reflect this feedback in our corporate activities and employees course for action, which includes improving our products and services and enhancing our provision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

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

## ■Flow of Consumer information



## ■ Customer voices to our Customer Center (Results of 2021: Approx. 68,000 )



\*1 Complaints: Includes expressions of dissatisfaction by customers about products or corporate activities

\*2 Inquiries and feedback: Includes a wide range of questions and opinions expressed by customers other than complaints

### 90% of the Customers Will Continue to Use Our Products

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. Feedback received is conveyed to the person who responded and also shared to the entire company through the Intranet for further improving the response to similar cases in the future. 91% of the customers who filled out the Voice Card told us they will continue to use our products in the future (2021 results).

## ■ Valuing Customer Feedback for Product Development

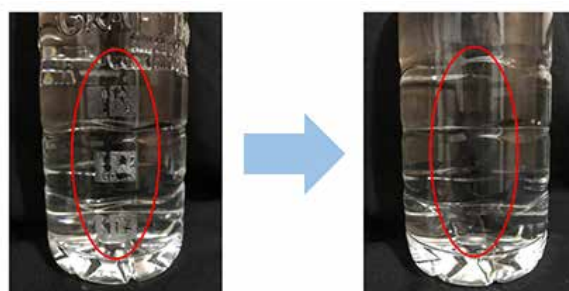
We are aiming to improve quality, product development and the provision of information through incorporating opinions and requests from the customers. Having a point of view of the customers is crucial in developing products that are safe and easy to use. We carefully listen to the feedback of the customers,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

#### Roll label on PET bottles now uses newly developed glue that makes the label easy to remove

In response to our customer's feedback that pointed out that the label on PET bottles is difficult to remove and leaves glue residue, we have developed glue that makes it easier to remove the label while maintaining adhesive strength. The new glue will be used for a wide range of products.



A product with conventional glue

A product with the new glue

### Renewed bottle for lemon green tea "Ocha Dozo" withstands both heating and cooling

lemon green tea "Ocha Dozo" is popular for its PET bottle that is suitable for being served to visitors during the coronavirus pandemic. At the request of customers who want to heat the bottle up in cold months, we have upgraded the bottle that can be used for both cold and hot tea. To indicate the bottle can now withstand both heating and cooling, we have added a description saying it is delicious either hot or chilled.



### [BOSS Cafe Base] Reviving a graduated bottle

When we discontinued the scale that served as a guide for the amount of pouring so that customers could enjoy it at their preferred strength, we received requests from customers to bring it back as it was useful. We have therefore brought back the scale so that customers have an option to either pour freely or use scale as a guide.



### [All-Free] Placing "purine-free" information on the front of the can

Since the "purine-free" information was removed from the front of the can due to the renewal, we have received inquiries from customers asking why the "zero purine" information has been removed. In response to this, we put the "zero purine" information back on the front of the can.





**[Green tea "Iyemon"] Posting a notification on our website to inform customers of a deposit forming on the bottom of the bottle**

As we received inquiries about a sediment found on the bottom of the "Iyemon" bottle, we have placed a notification on our website to inform customers that matcha used for "Iyemon" is stone-milled and leaves a sediment on the bottom the bottle, which plays an important role in bringing out the true taste of green tea.



**[Maker's Mark] Posting on our website instructions on how to open red sealing wax**

In response to inquiries about how to open the red wax seal of "Maker's Mark," we have posted an explanation of how to open it on our website. In addition, a guide to the website is provided on the back label.



**[Horoyoi] Changing the design of "Iced Tea Sour" and "Cassis and Orange" to make it easier to distinguish between them**

At the request of our customers, we have revised the design to make it easy for customers to distinguish between "Iced Tea Sour" and "Cassis and Orange" at a glance.



## Expanding communication outlets: Use of Digital and Social Media tools

We work to enhance information on the Customer Center website 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. English inquiry form is also available to respond to inquiries from overseas customers. We have also established a dedicated social media account to actively support feedback from the customers.



Suntory Customer Center website (PC)



Suntory Customer Center website(Smartphone)



Suntory Customer Support Account

## Communicating Our Consumer Oriented Initiatives To Society

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

### ■Voluntary Declaration of Consumer Orientation and 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. We were awarded the Commissioner award in January 2020 for the 2019 Award for good practices of consumer-oriented management hosted by the Consumer Affairs Agency.

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 30 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 into practice.



Contents of the workshop



Participants in the workshop

Due to the COVID-19 pandemic, it was held online in 2020. Though held online, it was highly rated by participants in a questionnaire survey.

To Create Harmony with Customers and Partners: Products and Services

## Employees with Customer Oriented mindset

In order to promote Consumer oriented management, we conduct enlightenment activities for employees for nurturing Customer Oriented mindset.

### Continuing to Meet Consumers Expectations

We focus on Customer-oriented Enlightenment Activities and culture-building, with the aim that each employee will deepen his or her understanding of changes in customer attitudes and interests, and be capable of delivering products and services that exceed customer expectations.

#### ■ Overview of Internal Enlightenment Activities

##### Customer Oriented Spirit Cultivation

Initiative	Target	FY2021 results
Top commitment (Homepage/Video)	All employees	Held in May
Customer oriented spirit development seminar	All employees	Held from November to December
Customer oriented spirit mounth discussion at all departments	All departments	Held in May
Customer oriented spirit mounth leader program	All salea sites	Held year-round
Customer oriented spirit ambassador program	Developments with ambassadors	Held year-round
VOC monitoring by management	Executive	Held in March

##### Human Resource Development

Initiative(Suntary University)	Target	FY2021 results
New manager training Lecture about "What is customer-oriented decision making?"	New managers	Held in February and August
4th year training Customer experience program	4th year empliyes	Held from January to September
New employee training Lecture on basics of customer oriented spirit	New employees	Held in April

##### Enhancing VOC\* Contact Points

Initiative	Target	FY2021 results
Mounthly report	All employees	Once a mounth
Weekly report	Management Level	Once a week
Online seminars	All employees	Twice a year

\*VOC : Voice of Customer

## ■A series of online seminars

The social environment is changing drastically and what customers expect from companies is also changing constantly. Against this backdrop, we have launched a series of online seminars that look at customer feedback on various themes we set for the purpose of understanding the changing needs of customers and applying leanings to our customer-oriented thinking and acting in each of our business segments.

Through these seminars, we aim to further understand the customers' interest and the background behind the feedback we receive, and leverage this information to improve our customer-oriented mindset as well as to gain hints for our on the ground activities.



Webinar instructor

## ■Consumer Oriented Behavior Promotion (Nurturing of Work Ethics)

### Enlightenment Seminars for Suntory Group Employees

We hold the Customer Oriented Brush-up Seminar annually for all employees. Each employee listens to voices including the words of encouragement from Customers and is presented with examples of Customers oriented activities being undertaken at each site in the company to deepen a Customer oriented mindset and encourage action. In addition, seminars at each Group company nurture a Customer oriented mindset and action in all of the activities at the Suntory Group.



Top message



Video Introducing examples of customer-oriented activities

## ■Real-time Monitoring of Customer Calls by Management

Suntory provides a program for management to listen to calls from customers received by the customer center in real-time. Managers in charge of each department can hear the questions, concerns and opinions that customers have about Suntory products and services in daily life. This puts in place an opportunity to utilize all of this customer feedback to better address their needs.



Top management listening to customer feedback



Senior managements listening to customer feedback

## ■Customer Month - For Enhancing Suntory's Customer Oriented Spirit

Designating every May as Customer Appreciation Month, we all rethink what we can do for our customers. Each department discusses "who are their customers" and "what they can do with their customer-oriented approach." In addition, each employee writes down what he or she can do on their "My Voluntary Declaration Toward Consumer Orientation Cards."

5月は5流「お客様志向」月間です

関わるすべての人々がお客様

SUNTORY

すべての人々をお客様と見え、お客様の満足と喜びのために、私は日々の活動において以下のことに取り組みます。

年 月 日

氏名

私のお客様志向自主宣言

2019年5月

Front side

SUNTORY

お客様志向自主宣言

2017年4月公開

「人と自然と響きあう」という企業理念のもと、最高の品質を目指した商品やサービスをお届けし世界の人々の豊かな生活文化の発展、持続可能な地球環境の実現に貢献していきます。この企業理念の実践を通じて、まき企業市民としてお客様に支持される「Growing for Good」な企業を目指していきます。

■取組方針

1. お客様の心に響く商品・サービスをお届けします
2. お客様の立場に立って、安全・安心を徹底します
3. お客様の声を企業活動に生かします
4. お客様への情報提供を充実します
5. お客様視点で行動する従業員の風土・意識を醸成します

THE SUNTORY GROUP WAY  
サントリーグループ Way

お客様視点で考える

すべての人々をお客様と見え、お客様満足を第一に考えます。徹底した現場主義によりお客様の声を日々の活動に反映し、お客様の信頼と期待に応えます。

Back side



## ■Assigning On-site Customer Relations Promotion Leaders

Beginning in 2018, we have assigned "Customer Relations Promotion Leaders" to play a central role in further penetrating and establishing customer orientation, particularly at sales offices that have many direct points of contact with customers. Currently, we are promoting customer-oriented behavior in all departments, including the partial start of assigning "Customer-oriented ambassadors" in addition to sales offices.



Participants reviewing activity goals and entire year



Session with management

## ■Talent Development at Every Level



As a part of our Talent 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 Customer oriented spirit that has been continuously passed down since its foundation. As mid-level employees, by listening to the voices of our customers in groups and discussing their thoughts and expectations, we learn about the importance of customer orientation. Employees who are being promoted to manager are practically taught important Customer oriented decision-making techniques such as through group discussions based on case studies.

## ■Enhancing Opportunities for Employees to Listen to Customers

We engage in activities to strengthen opportunities to share customer feedback with employees, even those who have less opportunities interacting with customers directly.

### Sharing Voices of Customers via Intranet and Email

We share customer opinions and requests widely within the company on a weekly and monthly basis via the intranet and e-mail, with the aim of having all employees respond to customer opinions about our products and corporate activities and link them to their own work and actions.

**Harmonics report 2022年2月号**

VOC月報<ハーモニクスレポート>は、お客様の声を全社で共有し、業務に役立てていただくとともに、一層お客様志向を高めていただくための月次レポートです。(VOC=voice of customer お客様の声) \*掲載内容は社外開示禁止です。



臨時号 『パーフェクトサントリービール』 リニューアル新発売反響  
「ブレンドしが認めない父親がパーフェクトサントリービールは美味しい言ってた。」

『BOSS』 × ザ・ドリフターズ  
「ボス30周年おめでとう！！天国の長さんも志村さんも元気かな？」

『メーカーズマーク』 Thanks Label キャンペーン反響  
「20年後、子供達が成人したら一緒にあげるウイスキーを購入。ラベルも変更。」

『カフェベース』 × 牛乳消費  
「牛乳がたくさん余って酪農が困っているようです。カフェベースを牛乳で割って応援しましょう！」

1月号 サントリーの反響  
「お客様からのお手紙2通、社内資料1,000枚上手に作ったとて、足元にも及びません。」

Harmonics Report provided to employees via our intranet

To Create Harmony with Customers and Partners: Products and Services

## Sustainable Procurement

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 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 Sustainable Supply Chain 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.

In order to avoid that our purchasing practices affect negatively the human rights of our suppliers' workers, we agree on estimated lead times in advance with our suppliers, and share our payment terms in advance. We also implement the necessary mechanisms and procedures so that payments are executed on the timeframe agreed with the supplier.

Furthermore, if we assume that there is a high human rights risk in one particular ingredient, we review our purchasing practices and strive to reduce the risk. For example, in some of our business units we switch to sustainable-certified palm oil in order to minimize human rights and environmental risks.

#### 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.

Furthermore, as stated in our Human Rights Policy, we require our suppliers to understand and comply with the ILO Tripartite declaration of principles concerning multinational enterprises and social policy and ILO Declaration on Fundamental Principles and Rights at Work. We expect compliance through the voluntary efforts of our suppliers, even if the ILO principles are not adequately protected by local law.

## **Promoting Sustainability Activities Throughout the Entire Supply Chain**

### **■Organization**

In April 2021 we established the Procurement Development Department to further fulfill our corporate responsibility in climate change, environmental issues, human rights, and other social issues. From January 2022, this department was reorganized into the Supply Chain Excellence Department, which cooperates with the newly established Sustainability Management Division. With this new team, we strengthened long-term raw material procurement strategy, optimum procurement globally and sustainable procurement throughout the Group. We also hold a monthly meeting with overseas group companies to discuss overall strategy and progress regarding procurement, including sustainable procurement. Initiatives related to sustainable procurement are regularly discussed and reported to the Global Sustainability Committee, an advisory body of the Board of Directors.

### **■Establishing Supplier Guidelines**

We established the Suntory Group Supplier Guidelines based on the Basic Policy on the Sustainable Supply Chain 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. Compliance with our human rights commitments is a prerequisite for engaging in a business relationship with suppliers, and we require signing our Code of Conduct/Supplier Guidelines to both new and current suppliers. If a serious law-breaking human rights violation is discovered and it is recognized that the supplier has no intention of improving even after communication, it may lead to the termination of the contract. In order to comply with our Supplier Guidelines, we are promoting joint efforts with suppliers, such as sharing those guidelines at supplier meetings or sharing related information through Sedex.

In addition, in terms of human rights commitments, we request suppliers to cascade down those commitments to their own suppliers.

## ■Monitoring of Suppliers

### Risk Assessment

In order to promote risk assessment as a part of our human rights due diligence process, we have conducted a potential risk assessment in collaboration with Verisk Maplecroft, a global risk consulting company, for our major ingredients using general country and industry data. (major ingredients × country combinations for a total of 124 patterns)

#### Potential risk assessment results (overall\*):

Low risk:	21 items	17%
Mid risk:	58 items	47%
High risk:	37 items	30%
Very high risk:	8 items	6%

\* Covered human rights risks: child labor, forced labor, working hours, fair wage and welfare, discrimination, harassment, freedom of association and, right to collective bargaining, access to remedy, health, and safety

Of these, following were items that have very high risks and impact (have high sales volume) on child and forced labor.

Forced labor: coffee, oolong tea, ethanol, and sugar

Child labor: coffee and sugar

### Impact Assessment

The Suntory Group is working to promote activities for respecting human rights throughout the entire supply chain while linking to business partners by establishing the Basic Policy on Supply Chain Sustainability.

#### Impact Assessment by Sedex

We joined Sedex in June 2019, and since then we are engaging our suppliers to share information through Sedex by answering to the SAQ\*. These SAQs evaluate the potential social risks in the supply chain by focusing on child labor, forced labor and other human rights issues as well as considerations toward the work environment and occupational safety. As of November 2021, we have confirmed that over 1,000 manufacturing sites of approximately 650 major suppliers have joined the Sedex. We will continue to promote all major suppliers to join the Sedex. We will prioritize the strategy for each region based on the result of the risk assessment to formulate an action plan and promote corrective actions when needed.

\*SAQ:Self-Assessment Questionnaire

#### Impact Assessment Status

Suntory Group identifies potential and actualized risks using a risk assessment tool offered by Sedex. Specifically, we evaluate the ability to manage potential and actualized risks of the suppliers with SAQ. In addition, we also confirm actualized risks based on third-party audit information that can be checked on Sedex.

#### Potential Risks of Suppliers (As of April 2022)

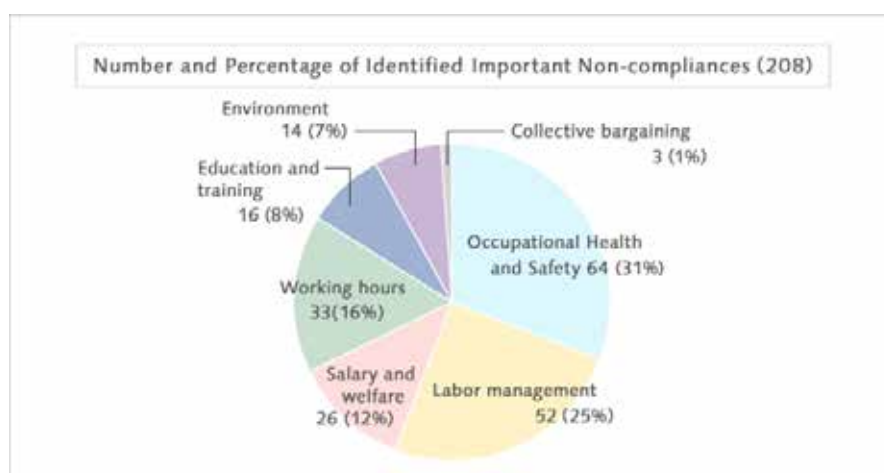
In the first half of 2022, we continued our risk assessments through Sedex, during which we obtained data for 1,094 manufacturing plants from suppliers worldwide (an increase of 26 from November 2021).

(Number of manufacturing sites/%)					
	April 2022		Fluctuation	November 2021	
Low	245	22%	42	203	19%
Medium	636	58%	8	628	59%
High	73	7%	-9	82	8%
Waiting for answer	140	13%	-15	155	15%
Total	1094		26	1068	



### Actualized Risks of Suppliers (As of April 2022)

The total number of non-compliances identified was 208 (an increase of 28 from November 2021).



### Monitoring through Supplier Assessment Questionnaires

We also conduct sustainable procurement questionnaires targeting suppliers that have not joined Sedex. We examine not only our existing suppliers to identify those that are at high risk, but also assess potential new suppliers before we start business relationships.

In addition, the Suntory Group shares the Suntory Group Supplier Guidelines with our overseas Group companies and verifies initiatives toward sustainability at each company at the Global Procurement Conference in which our overseas Group companies participate.

## Corrective Action

As part of our efforts to promote corrective measures, if it becomes clear that Suntory Group business activities have directly caused negative impacts on human rights, or if indirect negative impact through business relations come to light or are suspected, the Suntory Group will take corrective measures (remedy) through dialogue with related parts, based on international standards and through appropriate procedures. Furthermore, we expect Suntory Group's suppliers to undertake corrective measures (remedy) as well. In order to implement corrective measures, we will also work with external organizations such as human rights experts (NPOs) and Sedex to engage suppliers regarding any issues discovered, and to work together on corrective steps.

### ■ Corrective Process (Remedy)

As stated in our Human Rights Policy, our key themes in human rights include child labor, forced labor, discrimination and harassment, freedom of association, and a good working environment (health and safety). We have identified numerous questions in the Sedex SAQ that relate to each of these key themes, and we use them for assessment and ongoing monitoring in our own plants and supply chain. We currently conduct continuous monitoring of our suppliers through Sedex, representing over 70% of our purchasing volume globally, and we strongly engage suppliers which we have been able to identify actualized risks. The monitoring process leverages also SMETA audit information on the supply chain, including interviews with local workers. In this way, we try to leverage the voices of rightholders.

Our remedy process using Sedex and SMETA information is as follows:

### Cases of Potential Risk

1. Goal: to confirm that sufficient measures are taken toward avoiding potential risks.
2. Index: Sedex risk and management scores.
3. Timeframe: check the risk score and management capability score periodically (about once every six months), and confirm the status of the improvement activities of business partners.

## Cases of Actualized Risk

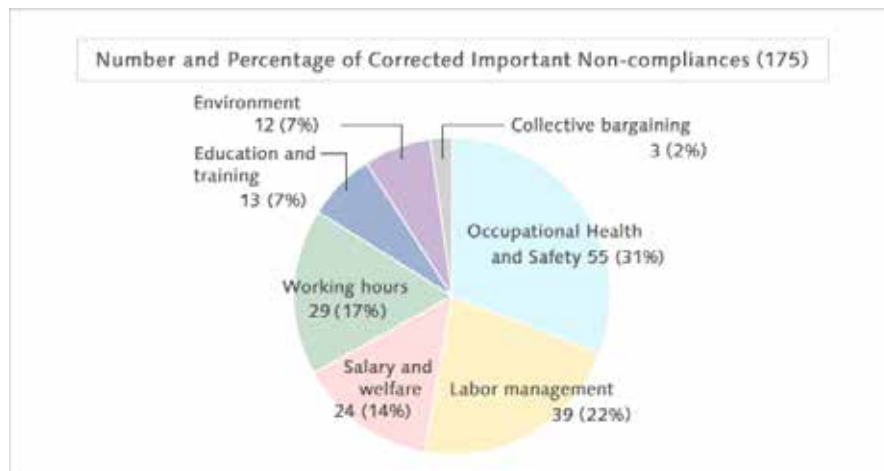
- 1.Goal: bring actualized risks down to zero.
2. Index: key findings of third-party audit.
- 3.Timeframe: confirm within 6 months that the identified issues have been resolved.

### Potential Risks of Suppliers (As of April 2022)

Regarding the above-mentioned potential risks that can be confirmed in Sedex, we also assess the management capability of our supplier's manufacturing sites in respect to the potential risks. Based on that, we engage manufacturing sites, in particular sites with "high risk + low management capability" and work together to improve their management capability. As a result, from the start of these engagements with the suppliers in January 2021 to the end of April 2022, there were 158 manufacturing sites with at least 10% up to 50% improvement in their management capability (18% of the total of sites), which is an increase of 41 manufacturing sites since the end of November 2021. Going forward, we will continue to engage our suppliers and promote improvement activities.

### Actualized Risks of Suppliers (As of April 2022)

We communicate directly with suppliers regarding issues identified in Sedex by third-party audits, and we check that the these issues are corrected within six months of having been pointed out. Of a total of 208 important non-compliances specified as of the end of April 2022, we confirmed that 175 have been corrected. We will continue to engage with suppliers on the remaining non-compliances as we move ahead with remedial actions.



More specifically, we have reviewed all Sedex SAQ responses regarding the following key human rights themes, and identified data indicating potential risks. At the same time, we have reviewed the findings of SMETA audits, to be check whether any potential risks have been actualized. In those cases, we engaged our suppliers and confirmed the status of the corrective actions taken.

#### • Child Labor

We regard child labor as one of the key human rights risks in supply chains, and are strengthening management of suppliers through Sedex and SMETA information. For example, we use the questions in Sedex to identify direct and indirect workers who may be considered underage workers (under 15). In addition, based on actual on-site audits conducted through SMETA, we confirmed that worker age verification is being performed properly, and corrective actions are being taken when issues become apparent.

A review of SAQ responses from approximately 1,000 manufacturing sites indicated that there was no child labor by those under the age of 15. At 5% of plants, there were workers of ages 16-17, which by itself is a legal working age on the countries where those workers were found. The findings of one SMETA audit also noted a 17-year-old worker, but we have confirmed that this was not a problem under local law.

4 instances of inadequate worker age records were also noted, but we have engaged the suppliers and confirmed that the recording methods have been corrected.

## • **Forced Labor**

We consider forced labor to be one of the key human rights risks in supply chains and are strengthening management of suppliers through Sedex and SMETA information.

### 1) Recruitment fees

A review of SAQ responses from approximately 1,000 supplier manufacturing sites showed that 1% of the respondents had no initiatives to address the burden of recruitment fees on workers. In addition, 3% of the respondents indicated that the workers bear costs in some form. Two SMETA audit also found non-compliances related to the burden of recruitment fees on workers, but we confirmed that this has already been addressed by revising the supplier's internal regulations. Similarly, there were three findings regarding wage reductions, but we confirmed that there were no deductions that were problematic under local law.

### 2) Wages

A review of SAQ responses from approximately 1,000 supplier manufacturing sites showed that 8% of the responses indicated possible issues with overtime pay.

The review also showed lack of visibility regarding indirect employees' minimum wage. SMETA audit findings also included 21 non-compliances related to wages and 25 non-compliances related to the management of overtime. We have engaged our suppliers and confirmed that currently there are no confirmed cases of uncorrected wage issues (the issues found had been solved).

### 3) Freedom of movement

No risk information regarding freedom of movement was found in the SAQ responses or the SMETA audit.

## • **Freedom of Association and Collective Bargaining**

We consider impediments to freedom of association and collective bargaining to be one of the key human rights risks in supply chains, and are strengthening management of suppliers through Sedex and SMETA information to prevent infringement of these rights. For example, we leverage questions in Sedex to check the presence of labor unions, as well as processes and organizations in which workers can participate and have their participation reflected in decision-making by the supplier company. In addition, we confirm through SMETA audit data whether the rights to freedom of association and collective bargaining are being protected, and engage in corrective actions when issues become apparent and are uncorrected.

On the point of whether processes, organizations, and arrangements were in place for workers to use and reflect in company decision making, the SAQ data indicated that 12% of supplier manufacturing sites did not have these mechanisms in place. In addition, data from the SMETA audit included three findings related to freedom of association and collective bargaining, but we have confirmed that corrections have already been made.

## • **Health and Safety**

We regard health and safety to be one of the key human rights risks in supply chains, and we are strengthening management of our dealings with our suppliers through Sedex and SMETA information to promote their health and safety conditions. For example, we leverage questions in Sedex to check facts such as whether a health and safety policy is in place, whether there have been any serious work accidents, the numbers of participants in fire safety drills, and the supplier's existing efforts to enhance health and safety. We also analyze similar data through SMETA audits and engage in corrective actions when issues are apparent and uncorrected.

The SAQ data showed that 2% of production plants had more than 100 recorded accidents in the past 12 months, in which 1% reported more than 20 serious accidents. We will engage with these high-risk supplier manufacturing sites and work toward enhancing their occupational safety. Data from the SMETA audit also showed 64 non-compliances, with remedial actions having already been taken on 55 of them. We will continue to engage with suppliers on the remaining 9 issues for which corrective actions are still pending. Corrective actions for the health and safety risks found through the Sedex's SAQ answers and non-compliance by SMETA were shared with other suppliers to improve health and safety management.

#### • Land Rights

We are strengthening management of suppliers through Sedex information to identify human rights risks related to land rights. Specifically, we leverage questions in Sedex to determine whether the land on which a given supplier's production plant is sited was used as a residence before construction. The SAQ results showed that 1% of such land was used for residential buildings prior to conversion to an industrial site. We will engage with the suppliers to confirm whether there is a possibility that the conversion could have led to a violation of land rights.

#### • Water Access and Sanitation

We are strengthening management of suppliers through Sedex data to understand risks related to the water access and sanitation rights of local communities. For example, we leverage questions in Sedex to check various pollution risks (soil, rivers, etc.) from supplier operations, their water usage volumes, whether they manage wastewater, and management of water quality impacts on local areas. The SAQ results showed that 2% of the manufacturing plants were not managing quality of their wastewater. The SMETA audit data showed two non-compliances, one of which has already been corrected. For the other, we are working with the supplier to solve the issue.

#### • Women's Rights

We are strengthening management of suppliers through Sedex data to identify risks related to women's rights. For example, we leverage questions in Sedex to check the ratio of male to female workers, the ratio of female managers, whether anti-discrimination policies are in place, and rates of absenteeism and turnover among female workers. The SAQ data showed that 5% of manufacturing sites did not have separate washing facilities for men and women, 5% of manufacturing sites had a turnover rate among female workers of more than 50% during the previous year, and 2% of manufacturing sites had an absenteeism rate among female workers of more than 30% during the previous year. The data from the SMETA audits, however, did not confirm any non-compliance in this respect.

### ■ Measuring the Effectiveness of Actions Taken

We measure the effectiveness of our assessment and remediation efforts through Sedex at our plants and in our supply chain by measuring the degree of improvement across multiple risks (health and safety, worker age, discrimination, work based on free choice, etc.) before and after the execution of remediation efforts addressing the risks we have identified through the Sedex. In the case of Sedex assessment, there are items for which it is challenging to reduce the potential risk, but even if the potential risk is high, the risk can be controlled if the management capability is high. Based on this premise, we focus on improving management capability as we undertake corrective actions at our own plants and with our suppliers.

Furthermore, as part of the series of steps noted above, we provide feedback to stakeholders on the results of our effectiveness measurement, and carry out direct engagement that leads to further actions for improvement.

### ■ Action Plan

While taking into consideration the risks and other factors identified through the above process, we will implement the following priority initiatives as our action plan.

#### • Supply Chain

With regard to 1<sup>st</sup> tier suppliers, we will continue to promote the remedy of important non-compliances that have become apparent through Sedex, and will continue to encourage suppliers to improve their management capabilities with regard to potential risks. In addition, we will move forward with impact assessments for upstream suppliers in our main raw materials supply chain.

#### • Migrant Workers

We will identify sites other than our own plants where migrant workers (especially technical intern trainees) are present, and consider necessary steps depending on the degree to which the significant risk of forced labor is present.

## Access to Remedy

### ■ External Reporting System

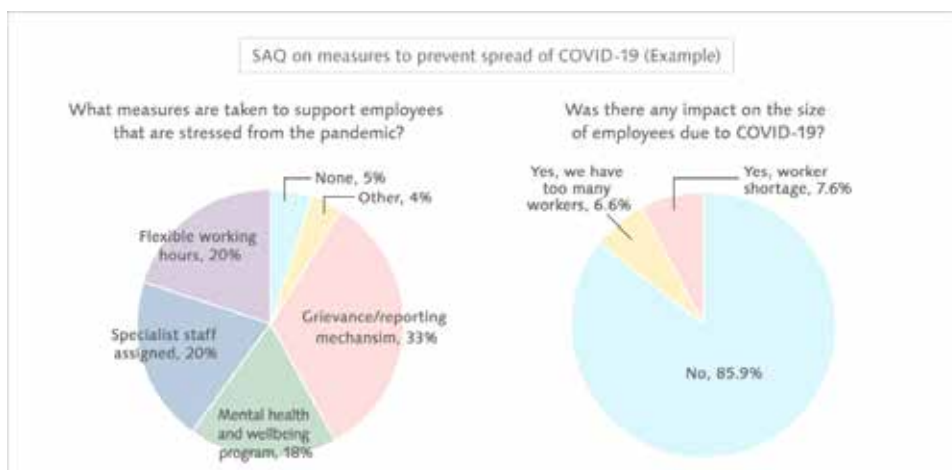
Since its founding, the Suntory Group has placed customer satisfaction first and valued proactive communication with customers. In addition, based on our belief that all our stakeholders are customers, suppliers are also regarded as important customers. Therefore, when promoting human rights due diligence, we think it is important that not only our employees, but also our direct suppliers, their own suppliers, as well as other related parties (their local community, etc.) have access to a grievance mechanism, including human rights issues.

Furthermore, as stated in our supplier guidelines, we expect suppliers to establish similar grievance mechanisms (with no retaliation) within their own supply chain, thereby striving to promote access to remedy upstream in our supply chain. Currently, we have established a Customer Center as a contact point for suppliers and their related parties (communities) to use. The Customer Center accepts inquiries from all customers.

For human rights issues and other inquiries from suppliers, please contact us using the form below (English/Japanese available)

### Evaluating the Impact of COVID-19 Pandemic in the Supply Chain

Suntory Group evaluates the impact of the COVID-19 pandemic on suppliers in each region to ensure safety. In 2020, we evaluated the impact using a special module on Sedex SAQ related to Covid-19 impact to confirm the current risks and measures implemented by suppliers. We received answers from approximately 800 manufacturing sites gaining more visibility on the current impact within our supply chain.



We confirm the situation of the suppliers through this SAQ and direct communication and offer masks and support implementation of measures.



## Contract Farms to promote High-quality and Stable Supply

The Suntory Group procures a portion of its coffee beans, from the "Fazenda Bau" farm, which is a specialty coffee farm in Minas Gerais, Brazil, as we aim for the highest quality and sustainable supply of coffee beans. Fazenda Bau has acquired international certifications from organizations that include the Rainforest Alliance\*<sup>1</sup> and UTZ\*<sup>2</sup>, and they are highly praised for their thorough quality management and workplace environment.



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, among other initiatives. 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.



Radio exercises



Separating Trash



Education at School

\*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.

## Supporting Sustainable Agriculture of Blackcurrant Farmers

Suntory Beverage & Food Great Britain and Ireland manufactures and sells Ribena, a soft drink loved by many in Europe and other regions. As 90% of the blackcurrant used for Ribena is grown in the UK, SBF GB&I began supporting sustainable agriculture of blackcurrant farmers in UK from 2004. SBF GB&I employs agronomists, that directly advice farmers and design biodiversity plans according to the biological habitat of each farm and surrounding area to protect the ecosystem of rivers and wetlands. We also conduct research on new species of blackcurrant that are resilient to climate change. In July 2020, a new variety of blackcurrant that is more resilient to climate change named Ben Lawers blackcurrant was harvested. This was a result of a long-term joint research with the James Hutton Institute, a research institute for agriculture.

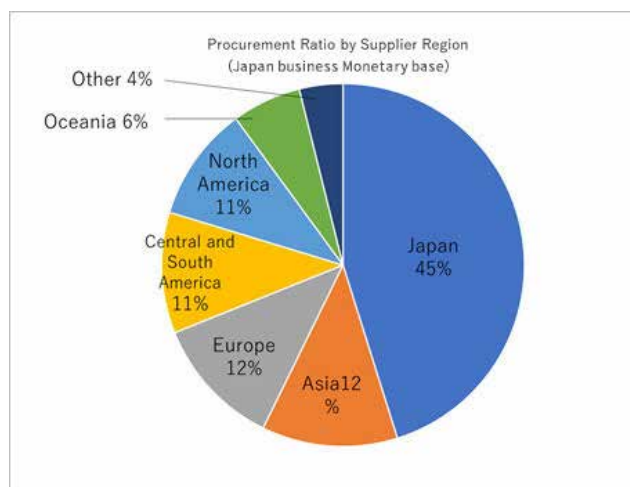


Blackcurrant harvested for Ribena

The Suntory Group promotes sustainability throughout the supply chain in order to bring safe and reliable products to customers now and into the future.

## ■ Procurement Ratio by Supplier Region

Suntory Group are purchasing raw materials from the suppliers in the regions below. We promote the sustainability of raw materials in cooperation with our suppliers.



In addition, in order to increase transparency in the supply chain, from a basic purchasing practice perspective, we have formal contracts with all 1st tier suppliers and obtain basic information about those suppliers. Additionally, we try to obtain information on 2nd tier and beyond suppliers via the 1st tier supplier when possible, and carry out on-site visits of those 2nd tier and beyond suppliers.

## Improving Cooperation with Business Partners

The Suntory Group strives to promote sustainable 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 Group 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.

\*The Consumer Goods Forum Japan is an organization primarily made up of companies in the consumer goods distribution industry that engages in cooperative manufacturing, distribution and sales efforts to address common challenges in non-competitive industries in Japan.

## 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.

## To Create Harmony with Customers and Partners: Products and Services

# Just and Fair Transactions

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.

By joining forces with our business partners as mutually reliable partners, we aim to provide products and services that delight 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 2021.\*

\*The number of business partners targeted by the subcontract Act is 49 for the Purchasing Department (about 12% of the transaction fee) as of December 2021 and 112 companies for the Packaging Material Development Department (about 11% of the transaction fee) as of December 2021.

To Create Harmony with Customers and Partners: Products and Services

## Promoting Distribution Considering Safety

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

### Cooperating with Distribution Affiliates

As of the end of 2021, the Safety Committee, which grew out of our connection to our distribution affiliates, to which we outsource the distribution of our products had 317 members from 76 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

Principle 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.



Safety Committee poster

#### ■The Safety Committee's Joint Activities

Each year, we hold a Safety Promotion conference attended by representatives from 156 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.

Of the 963 logistics partner companies in the Suntory Group, 507 of them had already obtained certification as of the end of 2021, and 197 are scheduled to obtain certification in 2022, bringing the acquisition rate to 73%. 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.



To Create Harmony with Customers and Partners: Products and Services

## Reducing Harmful Drinking

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

### "DRINK SMART" approach by the Suntory Group

Harmful use of alcohol can impact not only the individual's health, both physical and mental, but also harm to others including family, workplace and community through a variety of social issues.

Reducing alcohol misuse is one of the global health targets established by the World Health Organization. In Japan, Ministry of Health, Labour and Welfare adopted the "Basic Plan for Promotion of Measures against Alcohol-related Harm" in 2016 to prevent and reduce alcohol-related harms, including alcohol use disorder, putting them as a national priority.

To have a proper knowledge of alcohol and to live a healthier and richer life by getting along well with alcohol. - this is our "DRINK SMART" goal.

Reducing the harmful use of alcohol is an important issue for society.

The Suntory Group is actively promoting responsible marketing practices and "DRINK SMART" activities to raise moderate drinking awareness.

#### Responsible Consumption - Suntory Group's Principle and Course of Action

##### Basic Principle

Suntory Group strives to prevent misuse of alcohol and raise awareness of responsible consumption thus contributing to healthier lifestyles:

- 1.We recognize the intoxicating effects of alcohol and its potential for misuse, which can lead to various physical, mental and social issues, and we strive to prevent alcohol-related harms.
- 2.We strive to create a culture of responsible consumption in which differences in physical constitution and conditions, as well as drinking styles or attitudes towards alcohol, are respected. We understand and respect that for some people, the best choice is not to consume alcohol.
- 3.We recognize that responsible consumption can support a well-balanced lifestyle and that it can play a positive role in social occasions; we strive to promote responsible consumption whenever alcohol is consumed.

##### Course of Action

- 1.We are committed to responsible marketing, providing consumer information and responsible product innovation.
- 2.We actively cooperate in social activities, including but not limited to;
  - Eliminating under 20 drinking
  - Eliminating binge drinking
  - Eliminating drunk driving
- 3.We will comply with laws and industry standards.

## Our Commitment to Address These Issues

In 1976, Suntory Group established the Suntory Advertising Code, making it an industry leader in exercising self-regulation in its promotions and advertisements related to alcoholic beverages. We subsequently established the ARS\*<sup>1</sup> Committee and the Global ARS Department in 1991 to address alcohol-related problems. We focus on (1) responsible marketing, (2) promotion of moderate drinking. In 2021, we declared the New DRINK SMART COMMITMENT\*<sup>2</sup> toward Suntory Group employees in Japan. We designated every November as Suntory Group ARS Month and strengthen our initiatives.

\*1 ARS is an abbreviation of Alcohol Responsibility and Sustainability. As a company that manufactures and sells alcoholic beverages, it is our responsibility to proactively address alcohol-related problems.

\*2 The DRINK SMART COMMITMENT was declared in 2018. The new COMMITMENT was declared in light of the changes in the environment surrounding alcohol since then. It consists of two tenets: "All Suntorians have the correct knowledge about alcohol and will drink in a respectful and considerate manner." and "All Suntorians recognize that we are a member of the world's leading liquor company group, and we will promote responsible drinking as we regard others as valued customers."

### ■1.Practice responsible marketing

#### Responsible Marketing:

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

#### Continuous Enhancement of Marketing Standards (Industry / Internal)

We support and continuously enhance self-regulatory marketing standards in partnership with the Council on Alcohol Consumption, as well as follow our own internal marketing code to correspond with societal trends. We introduced warnings for pregnant and nursing mothers in all communications beginning in 2010. We also ceased TV ads between 5:00 am and 6:00 pm.

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 celebrities appearing in TV ads to 25 and older, and removing the sound effect of "gulp" when drinks go down the throat.

#### 1.Promoting Non-alcoholic Drinks

The Suntory Group is striving to promote low- and non-alcoholic beverages to respond to a broad range of consumer interests and occasions.

We established the same internal marketing standards on these products as beverage alcohol products in order to ensure that all marketing activity is directed only to legal drinking age adults in each region.

We will continue to introduce products to meet the needs of health-conscious consumers, including zero-calorie, sugar-free, and purine-free products.

#### Suntory Group's Non-alcoholic Drinks



## 2.Warning Labels on Package

All our beverage alcohol products carry health warning messages to pregnant and nursing women and warning messages to stop under 20 drinking, based on the voluntary standards established by the alcohol industry. We also put "お酒"- Beverage Alcohol symbols on beer and ready-to-drink beverages that are low in alcohol to prevent accidental consumption.



## 3.Establishing Age Verification Gates to Alcohol Brand Website

Since 2015, we have used age gates to confirm visitors to our alcohol brand websites are at least 20 years of age, the legal drinking age in Japan.



## 4.Conducting Seminars for Sales Representatives and Marketing Staffs

The Global ARS department conducts seminars for sales representatives and marketing staffs to deepen the knowledge on the industry's voluntary code of conduct and Suntory's own marketing code. The seminar provides them with the necessary viewpoints ranging from product development to sales promotion through case studies.

## ■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 be aware of responsible drinking at all times. We clearly state in our employment regulation that any employee who drinks and drives during or outside the working hours will be dismissed under instruction.



Moderate Drinking Awareness Program for Group employees in Japan

We conduct an e-learning program to raise awareness on knowledge necessary for employees of a corporate group that manufactures and sells alcohol beverages, such as the mechanism of intoxication and differences due to genetics and physical constitution.



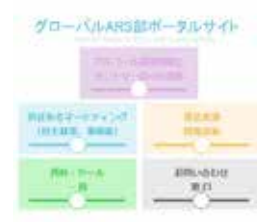
Alcohol Metabolism Genetic Testing

We offer alcohol metabolism genetic testing to all employees for their consideration for others and to deepen understanding of moderate drinking.



Drink Smart Ambassadors

We encourage our employees to be a "Drink Smart Ambassador" who conducts Drink Smart Seminars for our customers and third parties.



Intraccompany Website on Global ARS

Every employee can access information regarding responsible consumption, as well as our voluntary standards, examples of responsible marketing, and seminar tools.

In addition, we also raise awareness of moderate drinking among employees through educational movies on alcohol-related problems for sales representatives, and "Drink in Moderation Campaign" posters.

## Raising Awareness of Responsible Consumption Among Consumers

We are committed to providing customers and consumers with information about alcohol so that they can make informed choices about alcohol and consume in moderation.

We provide the alcohol content information (in grams) of our major brands sold in Japan on our website, as one of new steps.

In addition, we have started labelling the amount of pure alcohol in grams per containers from February 2022 (canned beer, RTD and wine that are manufactured in Japan).

**ザ・プレミアム・モルツ**



深れだす華やかな香りと深いコクが特長のプレミアムビールです。日々醸造を重ねる中で条件を細かく絞り込み、製法を追求することで、心地よい後味に磨きをかけ、さらに上質な余韻を感じていただけるように仕上げました。

[ブランドサイト](#)

容量 350ml JANコード 4901777302204  
賞味期間 9ヶ月

※2005年1月より希望小売価格の表示は行っておりません。

容器・サイズ 500ml缶 250ml缶 500ml瓶 334ml瓶

原材料	麦芽（外国製造又は国内製造）、ホップ	成分・特性	エネルギー（100mlあたり）	47kcal
アルコール度数	5.5%	たんぱく質（100mlあたり）	0.4~0.6g	
純アルコール量（350mlあたり）	14.0g	脂質（100mlあたり）	0g	
		炭水化物（100mlあたり）	3.7g	
		～糖質（100mlあたり）	3.6g	
		～食物繊維（100mlあたり）	0~0.2g	
		食塩相当量（100mlあたり）	0~0.02g	
		プリン体（100mlあたり）	約11.6mg	

純アルコール量は、以下の計算式に基づき記載しています。  
純アルコール量(g) = 容量(ml) × アルコール度数(%) / 100 × 0.8

※成分・特性について▼

ビール・発泡酒・新ジャンル栄養成分一覧

## こだわり酒場のレモンサワー 〈追い足しレモン〉

栄養成分表示(100mlあたり)	
エネルギー	32kcal
たんぱく質	0g
脂質	0g
炭水化物	0.5~1.0g
糖類	0g
食塩相当量	0.14~0.24g
プリン体	0mg**
*g/100ml(食品表示基準による)	
**100mlあたりプリン体0.5mg未満	
純アルコール量:14.0g(350mlあたり)	

## Suntory receives multiple awards for its activities to raise awareness of responsible drinking

Our programs to promote responsible consumption have been recognized by key industry groups including the Award for Excellence in Independent Advertising for our moderation advertising campaign. In 2018, we received the Company BtoC Website Award for Excellence at 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 at the 38th Newspaper Advertising Prize event for our poster with ways to decline invitations to drink, and days to go without alcohol using soccer vocabulary and humorous illustrations.

### Responsible Consumption Campaigns by Suntory

#### •Responsible Drinking



We have been advertising "Drink in Moderation" in national newspapers since 1986, to communicate responsible consumption through humor.



On Suntory's website, we feature DRINK SMART to promote moderate consumption for the healthier and well balanced lifestyle by understanding the facts about alcohol and enjoying it responsibly.



We conduct "Drink Smart Seminars" to provide the facts about alcohol and individual differences, such as how gender, height, weight and ethnicity can affect of alcohol metabolism. We also released "DRINK SMART MOVIE" for responsible drinking.



Two "DRINK SMART Short Film" (15 seconds each)



A new DRINK SMART RAP video was launched for the purpose of promoting responsible drinking mainly targeting the 20s and 30s. MC KANZO (Liver) warns against binge drinking, forced drinking, and annoying drinking.



・Recommend Drinking in Moderation



Raising awareness about drinking in moderation with humorous illustrations and witty approach to decline invitations to drink on non-drinking days advertisement.



Original digital comic book on the weekend of three women enjoying alcohol beverages responsibly.

・Prevent the Abuse of Alcohol



Educational movie to prevent under 20 drinking






In response to young people's interests, we produced and distributed a comic book for young people who are at least 20 years old to learn how to drink responsibly. We also conduct seminars at universities.



No Binge Drinking! Campaign, collaborated with NGOs - Council for the Prevention of Binge Drinking.

## Responsible Drinking Initiatives by the Beverage Alcohol Producers Associations in Japan

 <p>We engage in the STOP! under 20 Drinking Campaign twice a year primarily on public transportation advertisements.</p>	 <p>Railway station posters to alert platform accidents by intoxicated passengers - collaboration with JR West</p>	 <p>We are providing information to prevent at-risk women from using alcohol irresponsibly.</p>
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We also have been putting health warning messages on our products, advertisement, and POP materials to prevent consumption of alcohol when pregnant.

## 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.

## About the IARD

The IARD (International Alliance for Responsible Drinking) is a non-profit organization headquartered in Washington D.C. in which 13 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 under 20 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.



IARD-CEO meeting (2019)



Progress Report



Joint Declaration of digital media (2018),  
Trend report of underage drinking (2019)

## **Beam Suntory's Commitments to Consumers "Consumer Positive"**

Beam Suntory promotes proper drinking awareness through its DRINK SMART® program. To further elevate the commitment to reducing harmful drinking and empowering consumers to make the right choices for them, we are progressing goals that include:

- Investing \$500 million to promote responsible decisions and positively impact behavior by significantly expanding responsibility-led brand communications, elevating the Drink Smart platform, and supporting evidence-based partner programs.
- The company aims to engage more than 300 million consumers by 2030 with messages and tools designed to promote responsible decisions and reduce harmful drinking.
- Enabling expanded choices by developing, introducing and investing in awareness of low- or no-ABV products in key categories, including whiskey, tequila, gin, vodka and ready-to-drink, by 2030.
- Providing nutrition and alcohol content information on packaging or online for 100 percent of products by 2030.

## **Beam Suntory's Activities to Raise Awareness of Responsible Drinking**

### **1) Reducing Drunk Driving**

DWI Courts

Beam Suntory is a lead supporter of America's National Center for DWI Courts, designed to get hardcore offenders who are most likely to repeat the treatment they need in an evidence-based program.

### **2) Reducing High-risk Drinking in University**

Building Resilience in Campus Communities (BRICC) Coalition

BRICC works to reduce high-risk drinking at individual, group, organization and community levels at the University of Louisville and University of Kentucky.

To Create Harmony with Customers and Partners: Products and Services

## Measures for Healthy and Comfortable Lifestyles

We believe that as a consumer-oriented company, it is important to support the pursuit of a balanced lifestyle both in body and mind. Our consumers have different needs and preferences at different life stages, and through our diverse business activities, the Suntory Group will support consumer wellness at each of those stages. By offering choice in products, services and experiences through our soft drinks, health foods, alcohol and other businesses, as well as by innovating in relevant fields, we will support the wellbeing and balanced lifestyles of our consumers.

### Suntory Beverage & Food

In order to support the healthy lifestyles of our consumers, Suntory Beverage & Food will pursue various consumer-centric initiatives in line with the following Health Policy.

#### Health Policy

1. In order to satisfy the health needs of consumers worldwide, we will continue to expand our portfolio of products which satisfy your taste buds, body and mind, as well as provide services to contribute to healthy and positive lifestyles.
2. We will perform research that contributes to the health of consumers and will develop more natural, healthy products for world by using the expertise we have cultivated in Japan over many years in developing beverages which are sugar-free, low-sugar, and fortified for better health.
3. We will base labeling and communication on the guidelines from government agencies and industry groups in each country and region, and will endeavor to make it easier for consumers to select healthy beverages.
4. We will contribute to solving global health issues through joint research with external specialized institutions and through other communication with various stakeholders.

#### ■Developing Food for Specified Health Uses Based on Research

Suntory currently offers a variety of products known as food for specified health uses (FOSHU\*) due to their positive health benefits. This portfolio lineup includes Black Oolong Tea OTPP, which was developed based on research results to apply prevention of fat absorption in polymerized polyphenols of oolong tea characteristics; Suntory Goma Mugicha(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. Our portfolio also includes other products which contribute to our consumers' well-being, such as Iyemon Plus, Functional beverage which has the ability to lower bad cholesterol (LDL). For all of our products, we pay special attention to taste, and we will continue conducting product research and development to ensure that products both taste good and are good for you.



\*Foods for Specified Health Uses



## ■Expanding Our Lineup of Products that are Healthy for the Mind and Body

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



In Vietnam we released Tea+ Oolong Tea, an oolong tea with Oolong Tea Polymerized Polyphenols (OTPP) that reduce fat absorption and mitigate the raise of neutral fat in blood, and in Indonesia we released MYTEA Oolong Tea. Both of these products have been received positively by consumers. We have also released a low-sugar iced tea called MayTea in Europe. MayTea comes in a variety of flavors and was developed using Suntory's expertise in tea products.

In addition to beverages, we also offer health foods. Under the BRAND's umbrella, we offer the much-loved Essence of Chicken supplement drink in Thailand and other Asian countries. Essence of Chicken is an all-natural extract made of fine quality chicken without artificial chemicals or preservatives.

## ■Initiatives on Low- and No-Sugar Products

Suntory Beverage & Food is developing products that contain amounts as minimal as possible of sugar, artificial coloring, and artificial flavoring. In Europe, we have set a target to reduce the use of sugar in all our products by 35% by 2025 compared to 2015. We have already made progress toward this goal, and as the end of 2021, we have succeeded in reducing the amount of sugar used in our products by 23% compared to 2015. As well as re-formulating our drinks to lower the sugar content we are also putting investment behind our lower-calorie brand such as Lucozade Zero in the UK.



Across all European Export and Commercial Markets, the amount of sugar added to our beverages was reduced by 6% in 2021.

In the UK and Ireland we've reduced sugar across our core drink range by 57%, removing 25,000 tonnes of sugar and 98BN calories through a far-reaching reformulation programme. We've been bold with our decisions on our most famous drinks, introducing a zero or low-calorie alternative for each one of them.

In 2021, the total reduction of sugar was - 24% compared to 2006 on Oasis in France, without using sweeteners. All the recipes of the brand are renovated with less sugar and no sweetener while still retaining a delicious taste that consumers know and love!

In Spain we have managed to reduce the sugar in our drinks by 42% (vs 2015) and we have also introduced low calorie Schweppes Lemon, Orange, Pink, Ginger Ale, and recently/in 2022 also Agrum and Tonic Lemon

In Oceania, we aim to increase the portion of our portfolio that is low- and no-sugar to 1/3 by 2030. As a road map for achieving the goal, we will promote 1) Lower sugar through innovation, leveraging Suntory Group relationship 2) Introduce greater choice through new products, 3)Continue to introduce smaller pack sizes. As of 2020, 20% of the drinks including energy drink V have become low, or contain no sugar.

## ■Reducing Artificial Coloring and Flavors

We focus on developing products that use a minimal amount of artificial colorings and flavors. In Europe, we have set a target to remove artificial colours and flavors by 2025. In France, our product Oasis was renewed to a recipe which uses less sugar and only 100% natural ingredients. In UK, Lucozade Revive is made from natural fruit flavors and does not use any artificial coloring.

In Indonesia, our product Good Mood is a popular low sugar beverage made from natural fruit extracts and does not include any preservatives, synthetic coloring, or synthetic sweeteners.



## ■Appropriate Information Disclosure

Suntory Group strives to offer information related to safety and reliability to the customers in an appropriate and timely manner. We also indicate information on product labels, commercials, and ads in a way that is clear and avoid misunderstanding. Furthermore, Suntory Group's Code of Business Ethics stipulates that we must conduct responsible marketing as a corporate group that offers diverse products and services.

We promote the display of accurate product information in a way that is accessible and easily understood by consumers. In order to ensure the accuracy of product information, we collaborate with the related divisions in charge of development and production, and also confirm the compliancy and accuracy of disclosed information through our Quality Assurance Division.

In Japan, Suntory conducts thorough reviews of raw ingredients used in our products in order to display energy, carbohydrates, and sodium chloride (salt equivalent) as well as confirm the need for allergen labeling. We are sure to include not just the 7 items required by law to be shown on our labels, but the 20 items recommended to be displayed.

In Oceania, adapting the Health Star Rating\* food labeling scheme for the customers to make choices on which product to choose.

\*Health Star Rating System...A front-of-pack labeling system that ranks and labels packaged food's overall nutrition profile from half a star to five stars.

## ■Responsible Marketing

In Suntory Beverage & Food Europe, we participate in UNESDA's\* responsible marketing in schools program.

We have become a founding signatory of the new EU Code of Conduct on Responsible Food Business and Marketing Practices in 2021. Our commitments towards reformulation of our drinks, food waste reduction and the creation of sustainable packaging fully support the EU's objective to place healthier products on the market and to support the transition towards a circular economy.

The UK has created its own voluntary marketing code to ensure that responsible corporate citizenship is at the heart of everything we do. This includes our commitment not to directly market products categorised as high in fat, sugar and salt ("HFSS") to consumers who are under the age of 16, and under the age of 18 in Ireland.

In France, we volunteered in 2009 to not communicate on screens and in magazines aimed specifically at children under the age of 12-year-old. Since 2013, our commitments go further because we prohibit all advertising in generalist programmes where children constitute more than 35% of the audience.

In Spain, our code of marketing practice specifically states that we do not advertise to children under 12 years of age or sponsor events aimed at children in schools. We also convey messages in all our advertising campaigns promoting healthy lifestyle habits.

In Oceania, we are ensuring our marketing activities are responsible and do not actively target children. Also we partnered with New Zealand government as part of the Healthy Kids Industry Pledge. We directly sell only water to primary and intermediate schools in New Zealand.

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

## ■Proposal of Healthier Lifestyle

In accordance with our aim to be a company which promotes consumer well-being, in 2018 we launched the "100 Year Life Project" in Japan. This project supports consumers in their efforts to achieve healthy and positive lifestyles in line with their own goals. We also promote joint research with external experts; research and development to strengthen our portfolio of beverages that address lifestyle diseases; programs to improve lifestyle habits; and other initiatives.

In Europe, we published the Moving on Health and Wellbeing report and are promoting various initiatives such as: providing active lifestyle programs to approximately one million people; reducing the amount of sugar used in our major brands by half; engaging with employees to develop more effective health programs in the office; and promoting the physical and mental wellbeing of all employees in the workplace.

## Suntory Wellness

Suntory Wellness Ltd. was launched as a company that runs the Suntory Group's health and wellness business. Suntory Wellness Ltd. is committed to contributing to the realization of a "healthy, beautiful, and mindful life - a wellness lifestyle.

### ■Sesamin- From Unraveling Function to the Launch of Health Food Product

Sesame is often said to be good for one's health, and we took on the challenge of analyzing its specific benefits. In particular, we performed scientific analysis on the health benefits of sesamin, a minor component of sesame lignan present in sesame. As a result of our research, we were able to launch our first health supplement in product in 1993.

Thereafter, we released Sesamin EX—a more potent version of the initial supplement comprised of a combination with vitamin E, tocotrienol, and Oriza Plus, a component derived from brown rice.

Suntory Wellness Ltd. also sells a wide range of other health foods.

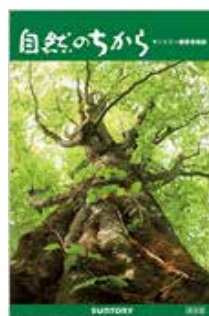


## Promoting Communication with Customers

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

## To Create Harmony with Customers and Partners: Products and Services

# Suntory Group's ARS Initiatives and Goals

Under the banner of "DRINK SMART", the Suntory Group has been leading the industry by actively addressing the alcohol-related problems. We will continue to engage in the initiatives to raise awareness of responsible drinking for the consumers and also for the employees in Japan.

Themes	SDGs	Indicators	Targets
Raising awareness of responsible drinking	3.5 3.6	●Reach out to consumers in Japan with messages of "Drink in Moderation" (by the end of 2024)	100 million people in total
		●Provide alcohol content information on the packaging (sequentially from February 2022 onward)	Domestically produced beers, RTDs*, wines in cans
		●Intensify development and sales of non/low-alcohol products in Japan	In major categories
		●Employees to participate in programs aimed at raising awareness of responsible drinking (by the end of 2022)	All Group employees in Japan

\*Abbreviation for "Ready to Drink." Pre-mixed alcohol beverages such as canned chu-hi, canned cocktails, and canned highballs.

## ■ External Initiatives

### 1.Strengthen "Drink in Moderation" Campaigns and Deliver Seminars

The Suntory Group has been a pioneer in the industry to promote responsible drinking through the "Drink in Moderation" campaigns in national newspapers since 1986. We aim to reach out a total of 100 million consumers in Japan, conveying messages on responsible drinking by the end of 2024 by strengthening the "Drink in Moderation" advertisements utilizing the social media in addition to the national newspapers. We also convey the "Drink Smart Seminars" for our clients on the facts about alcohol and importance to enjoy it responsibly.

### 2.Providing the Content of Pure Alcohol on the Packaging of Canned Products

From February 2022 onward, we will label the content of pure alcohol sequentially in grams per container on canned products (beers, RTDs, and wines) manufactured in Japan.

### 3.Intensify Development and Sales of Non/Low-Alcohol Products

The market for non/low-alcohol beverages is expanding due to diversification of consumers drinking behaviors influenced by the COVID-19. We are going to continue to lead this growing market, by further improving the quality of our existing products and developing the new product lineup.

## ■ Internal Initiatives

The Suntory Group launched the Suntory Advertising Code in 1976, making it an industry leader in conducting self-regulation on its promotions and advertisement for alcohol. We subsequently established the ARP\*<sup>1</sup> Department dedicated to promoting moderate drinking and to ensuring responsible marketing in 1991. In 2017, it developed and evolved its function and was renamed to the ARS\*<sup>2</sup> Department, and then into the Global ARS Department in 2020. Recently, the New DRINK SMART COMMITMENT\*<sup>3</sup> was declared toward the group employees in Japan, designating every November as the Suntory Group ARS Month to intensify our ARS initiatives.

### 4.E-Learning Programs for Responsible Drinking and Responsible Marketing

We conduct an e-learning program to raise awareness on responsible drinking and responsible marketing for all group employees in Japan by December 2022. Alcohol metabolism genetic test will be provided for all employees willing to the program. We expect participants to learn about their own genetic type and encouraging those around them to drink responsibly, understanding that people have different tolerance levels on alcohol.

### 5.Study Sessions on Alcohol-Related Problems for Executives

Suntory Holdings executives is going to be provided with regular opportunities to learn about the alcohol-related problems and responsibility of an alcohol beverage producer. Through this initiative, we aim to secure a solid foundation for sustainable ARS initiatives by raising awareness of the executives.

### 6.Study Sessions on Alcohol-Related Problems for Sales Representatives

Study sessions on the alcohol-related problems is going to be conducted for the sales representatives as they have frequent customer interactions. In these sessions, participants are given the knowledge on responsible marketing of alcohol, including sales and promotion.

\*1 ARP is an abbreviation of Alcohol Related Problems.

\*2 ARS is an abbreviation of Alcohol Responsibility and Sustainability. As a company that manufactures and sells alcoholic beverages, it is our responsibility to proactively address alcohol-related problems.

\*3 The DRINK SMART COMMITMENT was issued in 2018. The new Commitment was declared in light of the changes in the environment surrounding alcohol since then. It consists of two tenets: "All Suntorians have the correct knowledge about alcohol and will drink in a respectful and considerate manner." and "All Suntorians recognize that we are a member of the world's leading liquor company group, and we will promote responsible drinking as we regard others as valued customers."