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## Suntory Strengthens 2030 Water Commitments

More Than Doubles Target to Reduce Water Intensity in Owned Plants

- •Reduce water intensity\* $^{*1}$  of Suntory Group's production at owned plants\* $^{*2}$  by 35% by 2030 and 50% by 2050\* $^{*3}$
- •Replenish more water than Suntory Group uses in at least 50% of its owned plants by 2030 and 100% of its owned plants by 2050 through local water source conservation efforts\*2

Tokyo, Japan (January 12, 2022) — Suntory Group today announced that it will further its commitment to water stewardship by accelerating its 2030 water targets. At the heart of Suntory Group's business is its "Mizu to Ikiru" promise, which translates to "living with water," and guides its mission to create harmony with people and nature. The company set its own "Sustainable Water Philosophy" to address relevant water issues in each region of operation and concrete water targets for 2030 and vision toward 2050.

"Water is one of nature's greatest blessings. However, approximately 40% of the global population will suffer from water shortages in the year 2050 due to climate change and population growth. Unless we take action today, our not-so-distant future will be threatened," said Tak Niinami, CEO of Suntory Holdings. "Suntory believes that we must not only reduce water consumption, but also take action to replenish more than we use in our operations. While we remain committed to responsibly sharing our products with our customers around the world, we must not forget that water is not only vital for our business, but also for all living things."

Suntory Group's new and strengthened water targets for 2030 include:

•Reduction of water used in direct operation — By 2030, reduce the water intensity\*1 of production at our owned plants\*2 by 35%\*3 globally. In addition, explore reduction of absolute amount of water withdrawn in highly water stressed areas.

In 2020, the company reduced the water intensity of its production at its owned plants by 17%\*3. Having met its original target of 15% ten years in advance, the company decided to accelerate its efforts by more than doubling its target to 35% reduction in water intensity of its production in its owned plants by 2030, to ultimately halve water intensity by 2050\*3. While its current reduction target only pertains to water intensity of its production, Suntory Group will also conduct a thorough assessment related to reduction of the absolute amount of water withdrawn at its owned plants.

•Water replenishment — By 2030, replenish more than 100% of water used in at least 50% of our owned plants\*2 globally, including all those in highly water stressed areas, through local water source conservation efforts.

In order to replenish more water than the company uses in 100% of its owned plants globally by 2050, the company will achieve this in at least 50% of its owned plants by 2030, including all those in highly water stressed areas, by conserving local water sources. Currently, the company conserves local water sources at 30% of its owned plants globally, with programs tailored to each area.

For example, since 2003, Suntory Group's <u>Natural Water Sanctuary Initiative</u> have managed and conserved forests in order to help replenish and nurture underground water near its plants. Through this initiative, the company has already replenished double the amount of water it uses in its owned plants in Japan. The *Natural Water Sanctuary Initiative* have expanded beyond Japan to its Maker's Mark distillery grounds and near its Jim Beam distillery in Kentucky, US. The company also conducts local watershed conservation activities in high water stress countries such as India, Mexico and France, and recently announced a large-scale <u>peatland and watershed conservation project</u> in Scotland.

•Sustainable water use in raw ingredients — By 2030, collaborate with suppliers to improve water-use efficiency in the production of water-intensive key ingredients\*4 in highly water stressed areas.

Suntory Group has been working with Sedex to capture information on water management of its suppliers. Suntory Group purchase more than 70% of ingredients and packaging materials from Sedex members and are connected to 650 suppliers and 1000 supplier sites around the globe through Sedex\*5. With the goal to achieve sustainable water use for all its primary raw ingredients by 2050, Suntory Group will collaborate with its suppliers to improve water-use efficiency in production of water-intensive key ingredients in high water stressed areas by 2030.

•Water education and access to safe water — By 2030, expand water education programs and initiatives to provide safe water access for more than 1 million people.

As of 2020, the company has expanded <u>Mizuiku – Education Program for Nature and Water</u>, to 290,000 children and teachers globally, and has provided access to safe water to 130,000 people in need. The *Mizuiku* program started in Japan in 2004 and has now expanded to Vietnam, Thailand, Indonesia, France and China, teaching children the importance and value of water with tailored programs for each country.

In December 2021, <u>Suntory Minami Alps Hakushu Water Plant</u> in Japan achieved the Alliance for Water Stewardship (AWS) certification for having met the global benchmark for responsible water stewardship, making it the company's third plant to be certified against AWS Standard. In 2018, <u>Suntory Okudaisen Bunanomori Water Plant</u> became the first Japanese facility to receive certification under the AWS Standard, followed by the second certification in 2019 for <u>Suntory Kyushu Kumamoto Plant</u>.

As the only company with plants certified by the AWS in Japan, Suntory Group is promoting water stewardship in the country through a <u>partnership with the AWS</u>. The partnership will support awareness building campaigns as well as a Japanese-language

version of the Standard, among other activities. This builds on the company's established leadership in water stewardship, including Suntory Group's inclusion as one of the three companies selected by the Science Based Targets Network to contribute to piloting the draft methodology for setting science-based targets for water.

In order to protect the planet's most vital resources, Suntory Group will continue to promote sustainable management across its business and disclose <u>progress</u> against its targets each year.

- \*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production
- \*2 Owned plants that manufacture finished products and excludes plants for packaging and ingredients
- \*3 Reduction of water intensity of production based on 2015 baseline year
- \*4 Coffee, barley, grapes
- \*5 As of May 2021

## **About Suntory Group**

As a global leader in the beverage industry, Suntory Group offers a uniquely diverse portfolio of products from premium spirits, beer and wine to brewed teas, bottled water, carbonated soft drinks, ready-to-drink coffee and energy drinks, along with health and wellness products. Suntory is home to award-winning Japanese whiskies *Yamazaki*, *Hibiki* and *Hakushu* as well as iconic American spirits *Jim Beam* and *Maker's Mark*. Suntory also fascinates the taste buds in Japan and the Asian market with our *Premium Malt's* beer and also owns the exceptional Japanese wine *Tomi* and the world famous *Château Lagrange*. Its brand collection also includes *Sauza Tequila*, non-alcoholic favorites *Orangina*, *Lucozade*, *Ribena*, *BOSS* coffee, *Iyemon* green tea, *Suntory Tennensui* water, *TEA+ Oolong Tea*, *V and BRAND'S*, as well as popular health and wellness product *Sesamin EX*.

Founded as a family-owned business in 1899 in Osaka, Japan, Suntory Group has grown into a global company operating throughout the Americas, Europe, Africa, Asia and Oceania with an annual revenue (excluding excise taxes) of \$20.4 billion in 2020. Suntory is driven by Yatte Minahare - the spirit of bold ambition - and our 40,044 employees worldwide draw upon our unique blend of Japanese artisanship and global tastes to explore new product categories and markets.

As a company that delivers blessings of water and nature to our customers, Suntory is committed to its mission to create harmony with people and nature. Always aspiring to grow for good, Suntory is devoted to giving back to society through protecting water resources, nurturing its communities and fostering the arts.

Learn more about Suntory Group, its brands, and its commitment to social responsibility at <a href="https://www.suntory.com">www.suntory.com</a>, on <a href="mailto:Facebook">Facebook</a>, <a href="mailto:Twitter">Twitter</a>, <a href="mailto:Instagram">Instagram</a>, <a href="mailto:LinkedIn">LinkedIn</a>, and <a href="mailto:YouTube">YouTube</a>.