SUNTORY

NEWS RELEASE - No.14274 (2022.11.28)

Suntory to Reduce Barley Production Emissions through Regenerative Agriculture



Cover Crop

This high-resolution image has been posted on https://www.suntory.com/news/index.html

Tokyo, JAPAN (November 28, 2022) — The Suntory Group has launched a new initiative to reduce greenhouse gas (GHG) emissions by procuring UK-grown barley produced using regenerative agriculture practices. In collaboration with UK based Malt supplier Muntons Plc (Muntons), sustainable agriculture and supply chain consultancy Future Food Solutions Ltd (FFS), and local barley farmers in the East Anglia region, the project will start production from 2023 with the ambition to produce barley with 50% lower GHG emissions within five years.

It is estimated that approximately a quarter of the earth's GHG emissions comes from agriculture and forestry*1, and the Suntory Group estimates that agricultural raw ingredients constitute approximately 20% of the total GHG emissions across the company's entire value chain – barley, being one of the main ingredients for the company's products, plays a role in this.

The project will start by baselining all crop-related emissions, which will inform an innovative nature-based program of interventions that seek to reduce GHG emissions, enhance soil health and protect water, while maintaining crop performance and grain

quality. The quality of the barley grown under this project will be evaluated by Suntory Spirits, Beam Suntory and other group companies, and then will later be examined for its contribution to the group's global ambition to achieve net zero GHG emissions across the entire value chain by 2050.

Regenerative agriculture is a sustainable farming method that reduces dependency on chemical fertilizers and pesticides through the use of cover crops*2 and no-till farming. It not only lowers GHG emissions but also increases soil biodiversity, thus improving soil fertility and water retention, leading to sustainable use of agricultural land.

Brian Golden, Senior General Manager at Suntory MONOZUKURI Initiative, Suntory Holdings, comments, "Thriving agricultural systems is crucial to our business and we place regenerative agriculture as one of the core solutions in transitioning to sustainable agricultural practices. We will further our collaboration with various supply chain partners to procure more sustainably and to decarbonize our value chain."

Adrian Dyter, Head of Procurement & Technical at Muntons, comments, "As the first maltster to develop a carbon calculator to help identify the carbon intensive areas of the supply chain from grain to glass, we are excited to be working with Suntory, Future Food Solutions and the farming group in East Anglia led by Dewing Grain on this pioneering project. It is by working together with other companies who share our ethos of practical sustainability that we are able to achieve the great leaps that are needed in the food and drinks industry."

Steve Cann Director at Future Food Solutions said "Having the opportunity to build field based collaboration involving global brands like Suntory and UK barley farmers, shows the added value that innovation partnerships can bring to the UK's food and drink sector. Focusing on improving efficiency, lowering CO2 emissions, whilst also improving on farm biodiversity results in benefits for everyone, including the environment."

Guided by the <u>Suntory Group's Environmental Principles</u>, the company is dedicated to conserving and regenerating biodiverse ecosystems through sustainable agricultural practices. Earlier this July, the Suntory Group <u>joined the Sustainable Agriculture Initaive Platform</u> (<u>SAI Platform</u>), a global not-for-profit organization advancing sustainable agricultural practices. The company will continue to pursue its transition to sustainable agricultural practices, placing regenerative agriculture as an effective solution.

Learn more about Suntory Group's sustainability initiatives here.

- *1 According to The Working Group III contribution to the IPCC's Fifth Assessment Report Summary for Policy Makers, 24% of total GHG emissions come from Agriculture, Forestry and Other Land Use (AFOLU).
- *2 Crops that are expected to improve soil quality by supplying organic matter into the soil and preventing soil erosion.

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 with *The 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 \$19.8 billion in 2021. Suntory is driven by Yatte Minahare - the spirit of bold ambition - and our 40,275 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 www.suntory.com, on Facebook, Twitter, Instagram, LinkedIn, and YouTube.

About Muntons

Muntons is a family-owned malt and malted ingredients company whose story began over 100 years ago. Business flourished and today their extensive & innovative range of quality malt and malted ingredients are used in the most celebrated food and drink brands around the world.

Since the beginning, Muntons has been forward thinking in their commitment to the environment, championing sustainability right across the supply chain long before its importance was recognised. They believe passionately in actions over words and are the first maltsters to sign up to Science-based targets.

Proud to have their work recognised by peers and experts with a clutch of awards, they made the top 100 Manufacturers list for leadership in sustainability and won both the Baking Industry Awards' newest category: the Sustainability Initiative of the Year Award and the Environmental Leadership Award, from the Food and Drink Federation.

This is an honour, but the external verification they are most passionate about is that of their data and business practices. The sustainability scorecards of EcoVadis go broader, looking in detail at companies environmental, social and ethical responsibilities. Muntons hold the highest platinum rating, which puts them in the top 1% of all companies worldwide. An incredible testament to the work that goes on right across their business. www.muntons.com/practical-sustainability

About Future Food Solutions

Future Food Solutions is a progressive supply chain consultancy that connects farmers with major brands, helping to drive competitive sustainability across the food and beverage value chain. The business uses a vast range of innovation and regenerative farming techniques to help farmers cut production emissions, sequester atmospheric carbon, improve soil health and enhance water quality, by optimising the use of crop inputs and introducing beneficial, biodiversity focused rotational plans.

Future Food Solutions partners with some of the world's largest food and beverage brands, connecting them directly with the growers that supply them, helping to drive down carbon emissions across the whole of their supply chain.