

CSR Approach and Initiatives

We are working together with the wider Suntory Group to promote environmental management and contribute to the formation of a sustainable society. As a company that is supported by the blessings of nature, it is also our duty to strengthen our efforts toward the environment throughout the entire lifecycle of our products. To do so, we have established our own "Target toward 2020" environmental plan under the umbrella of the Suntory Group's "Environmental Vision toward 2050." All parts of the Suntory Group not only engage in environmental conservation activities, we are also expanding CSR activities globally, such as through developing the next generation and contributing to local communities*.

* Further details about the Suntory Group's CSR activities are described on its website at the following URL. <http://www.suntory.com/csr/>

RECOGNITION OF OUR EFFORTS TOWARD REDUCING OUR ENVIRONMENTAL IMPACT

SBF actively engages in activities to reduce the environmental impact within our value chain, while still keeping in mind consumer usability. These activities were recognized by our inclusion on the Climate Disclosure Leadership Index (CDLI) and the Climate Performance Leadership Index (CPLI) in the CDP Japan500 Climate Change 2014 report. Additionally, we have received various external awards, such as the Minister of the Environment Award for Contributions to the Promotion of a Recycling-Oriented Society, also in 2014. Moving forward, we will continue to promote effective environmental management activities in order to pass on a sustainable global environment to the next generation.



INITIATIVES FOR REDUCING OUR ENVIRONMENTAL IMPACT

Container and Packaging Materials

Based on the 3Rs (reduce, reuse, and recycle), we are developing environmentally friendly containers and packaging materials. We are taking steps to reduce CO₂ emissions by decreasing the weight of our PET bottles and bottle caps, making thinner product labels, and using raw materials that have a low impact on the environment. In addition, the Orangina Schweppes Group only uses 100% recyclable packaging (PET bottles, aluminum, metal, and glass), and is aiming to be known as the brand that gives the most consideration to promoting recycling to the consumer.



Distribution

In distribution, we are advancing various measures to reduce our environmental impact, such as transporting large amounts all at once via a modal shift, introducing a highly efficient truck transportation system, and participating in the planning of a large-scale natural gas truck promotion project. At Pepsi Bottling Ventures LLC in the United States, we have adopted vehicles and a delivery system that contribute to energy conservation and CO₂ reduction. We are also achieving reduced fuel consumption by shortening delivery times.



Recycling

We have created a B-to-B (bottle-to-bottle) mechanical recycling system that uses recycled PET bottles to make new ones. We are also developing product labels with materials made from recycled PET bottles and designing packaging that is easier to recycle. Additionally, at Pepsi Bottling Ventures LLC, manufacturing plants act as recycling centers, as part of our efforts to control the amount of waste and reduce disposal costs.



Reduction and Recycling of Waste

We are committed to reducing the by-products and waste emissions generated at SBF plants in Japan, and recycling resources 100%. At the Frucor Group, we are encouraging recycling in public areas and investing in research and development that will lay a foundation for initiatives in local container recycling. At the Cerebos Group, we are creating opportunities to deepen the understanding of energy-saving activities among employees through the introduction of waste reduction and recycling programs.



Reducing Amounts of Water Used

Using water responsibly is the most important activity for the Suntory Group. At SBF plants, a large amount of water is required not just for use as a raw material in production, but also for cleaning production equipment and cooling down products before packing. In addition to strict water conservation, we also are reducing the amount of water used by optimizing cleaning processes and carefully recycling and reusing water. Moreover, the Suntory Group prevents water pollution by using voluntary standards that are stricter than legal regulations to manage waste water. At the Orangina Schweppes Group, for example, we are strengthening our water conservation systems, and at Pepsi Bottling Ventures LLC, we are striving to advance effective-use-of-water initiatives by reusing waste water and investing in clean water systems.



Vending Machines

With the desire to further reduce our impact on the environment, we collaborated with vending machine manufactures to develop "Ultra Energy Saving Vending Machines (Eco Active Machines)," which offer the lowest energy consumption in Japan*. From 2014, we have been commencing the gradual introduction of these machines, which consume roughly half the electricity of conventional "heat-pump vending machines (2013 model)."

* 420 kWh/y, the lowest annual energy consumption in Japan among the primary 25 machines offered by major vending machine manufacturers in Japan as of April 2014 (according to research conducted by Suntory Foods Limited)



INITIATIVES FOR CONTRIBUTIONS TO COMMUNITIES AND DEVELOPING THE NEXT GENERATION

Frucor Group –Hunger for Making Drinks Better–

At the Frucor Group, with our established mission that reflects our "Hunger for Making Drinks Better," we offer reduced and no-sugar versions of six of our iconic brands. Aside from water, all of our product labels display the daily percentage of energy intake. In 2014, we continued to invest heavily in research and development with the completion of a newly constructed state-of-the-art R&D center, as we further advance the development of reduced and no-sugar beverages.

Cerebos Group –Support for ChildAid Asia–

At the Cerebos Group, we are focusing our efforts on activities that contribute to the local community and enrich the lives of community members. As a part of that effort, we actively support the activities of ChildAid Asia, a cultural exchange project between the children of Japan and countries and regions in other parts of Asia. In January 2014, the ChildAid Asia 2014 forum was held at Suntory Hall in Tokyo and included the Third ChildAid Asia Concert. The Cerebos Group is involved in various other initiatives that contribute to local communities and has won awards as a leading CSR business due to these efforts.



Suntory PepsiCo Vietnam Beverage Co., Ltd. –11 Years of Support for the Dynamic Contest, a Support Program for Education–

As part of our efforts to contribute to the development of human resources that support sustainable growth in Vietnam, Suntory PepsiCo Vietnam Beverage Co., Ltd. has served continuously for the past 11 years as the main sponsor of the Dynamic Contest, a program to support the education of students who aspire for a career in management. Top performers in the contest are awarded an opportunity to meet the top management of Suntory PepsiCo Vietnam Beverage Co., Ltd. and prominent figures in the financial world in Vietnam, as well as exchange knowledge and culture with international students. Also, our employees actively visit orphanages and facilities for the disabled in poor local communities and donate company products to them. In this way, Suntory PepsiCo Vietnam Beverage Co., Ltd. engages in a wide range of CSR activities.

