

## Suntory Beverage & Food's Sustainability Management

### Policies and Our Approach

#### Suntory Beverage & Food's Vision for Sustainability Management

As a multifaceted beverage company, Suntory Group, which includes Suntory Beverage & Food ("The Company") are dedicated to realizing a sustainable society where enriching people's lives and conserving the natural environment go hand in hand. We deeply respect the blessings of nature on which our products rely, and engage in a range of activities to ensure sustainable use of natural resources and a healthy natural water cycle. In addition to delivering products and services that enrich peoples' lives, we strive to ensure that our business growth contributes to a sustainable society across our entire value chain.

#### Suntory Group's Corporate Philosophy

Suntory Group's Corporate Philosophy consists of our purpose and values, based on our founding spirit and motto. It expresses our corporate aims and the principles we embrace to achieve them.

**Our Purpose** The goals of the Suntory Group's business and our corporate direction

**To inspire the brilliance of life,  
by creating rich experiences for people, in harmony with nature.**

**Our Values** The values we embrace to achieve our purpose

#### Growing for Good

We keep growing, as individuals and as a corporation, towards a better world. By continuing to grow, we expand our capacity to improve society.

#### "Yatte Minahare"

We refuse to fear failure, refuse to give in or give up, and stay relentless in our quest to innovate new values.

#### Giving Back to Society

We give back from what our business earns, not only by reinvesting in our company, but by caring for our customers and partners and contributing to society.

**Corporate Slogan** The essence of our philosophy that we communicate with our partners and the world

**SUNTORY**  
Sustained by Nature and Water

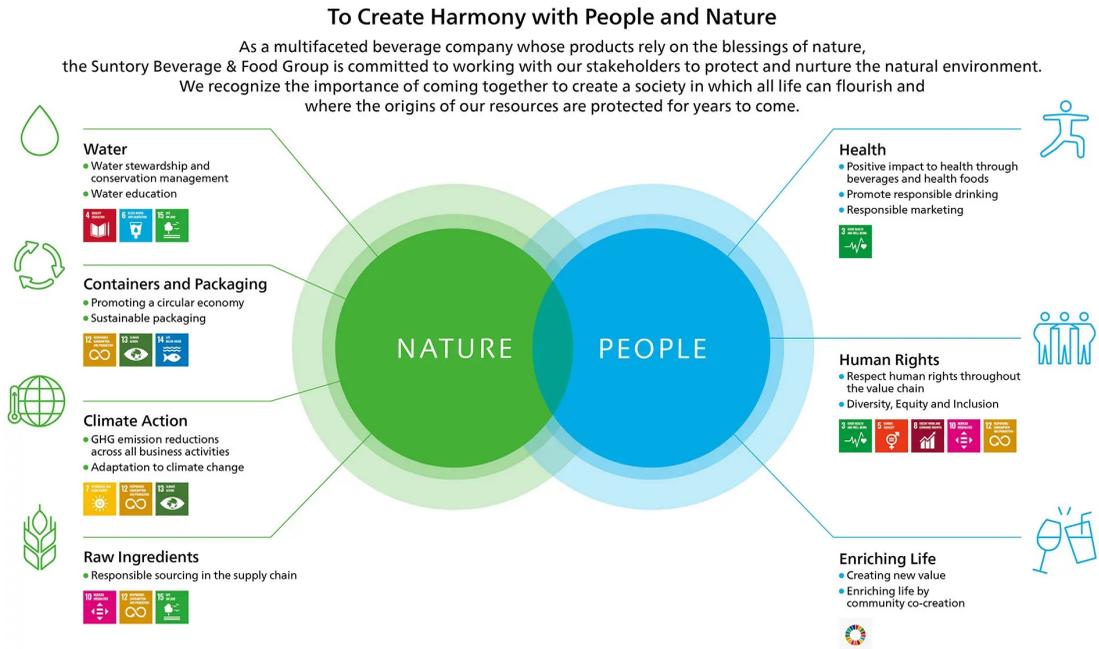
As a corporation sustained by the gifts of nature and water, we will always protect the ecosystems that deliver water. Because our ecosystem is the wellspring, not only of our business and the rich experiences we create for people's lives, but also of human life itself. We will continue to be a company where everyone is empowered with the freedom and flexibility to innovate. Through all of our corporate pursuits, Suntory seeks to inspire the brilliance of life.

Our approach to sustainability and the seven sustainability themes to which we are contributing are outlined in the Suntory Beverage and Food Group Sustainability Vision. Being strongly aware of the interdependence between nature and people, we are implementing a range of activities, together with our stakeholders, to realize a world where nature and people live in harmony.

The world faces a wide variety of environmental and social issues, such as water shortages and loss of biodiversity from the changing climate, pollution and increasing waste, poverty, and human rights violations. As companies are expected to implement proactive actions for achieving the Sustainable Development Goals (SDGs)\*, which are objectives shared by the whole world, the Suntory Beverage and Food Group, which operates globally, will also continue to take on the challenge of realizing a sustainable society by tackling global issues more sincerely than ever before.

\*The Sustainable Development Goals are goals adopted at a UN Summit in September 2015 that the whole world should tackle by 2030

## Materiality of Suntory Beverage and Food Group

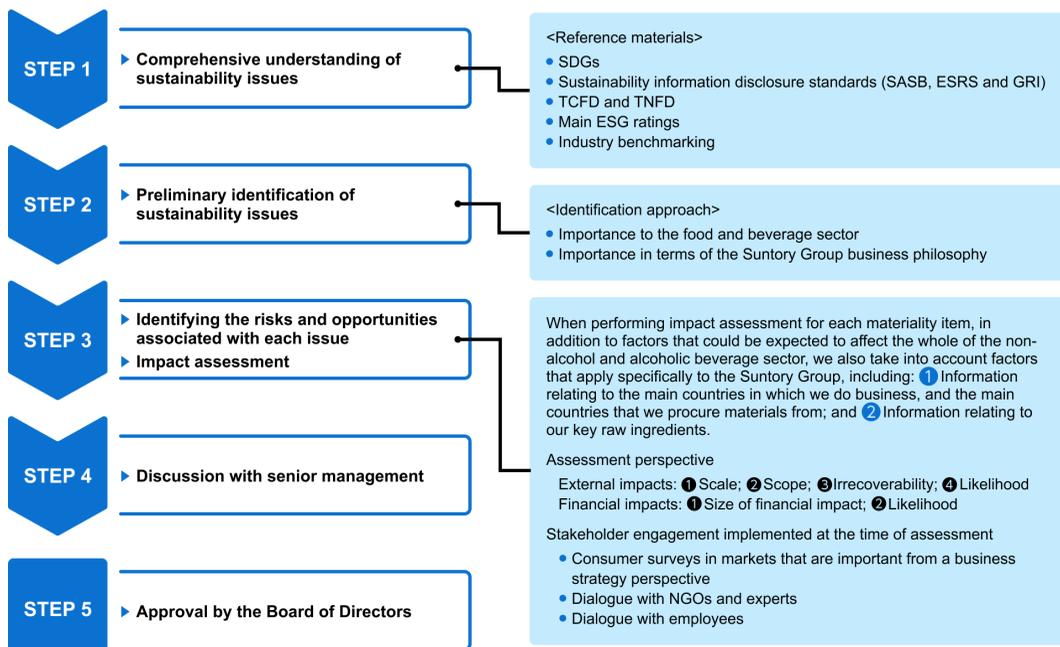


## Materiality of Suntory Beverage and Food Group

To promote sustainable management that considers the changes which can be anticipated in the macro environment over the medium to long term, the Suntory Beverage and Food Group has identified its materiality, and this materiality is reflected in our sustainability strategy.

In 2023, we reviewed the results of the materiality analysis that had been performed in 2017. This time, the materiality analysis was based on the double materiality concept and sought to identify and evaluate the impact on both the company's business and the people and the environment. The seven themes outlined in the Suntory Beverage and Food Group Sustainability Vision are a summary of the issues identified as materiality this time. Both the materiality and the Suntory Beverage and Food Group Sustainability Vision were approved following discussion by the Board of Directors.

## Materiality Identification Process



## Materiality Matrix

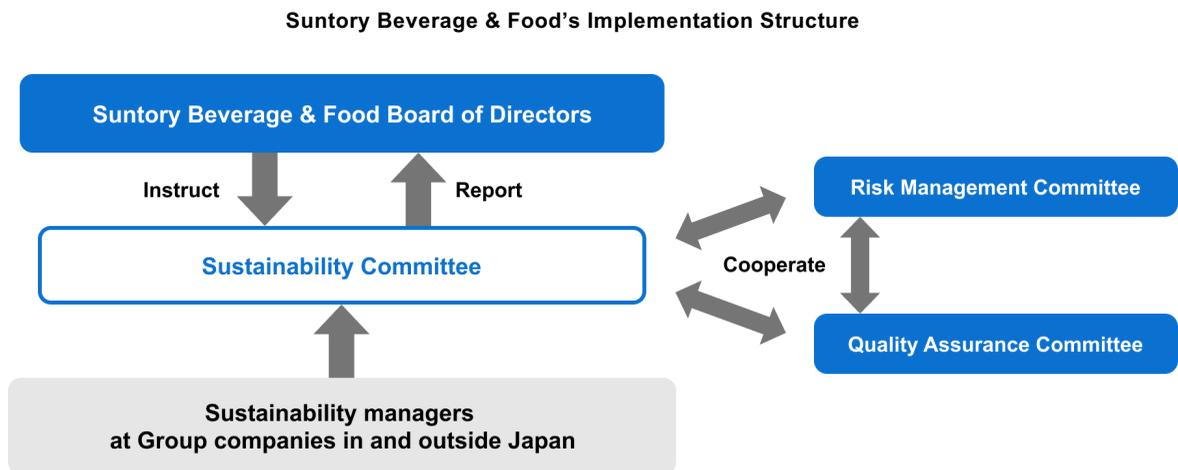
Using the process outlined above, we identified materiality items for the Suntory Beverage and Food Group. The seven themes outlined in the Suntory Beverage and Food Group Sustainability Vision are a summary of the issues identified as materiality this time.



## Implementation Structure

### Suntory Beverage & Food’s Implementation Structure

The Sustainability Committee promotes global initiatives in alignment with the direction set by the company’s Board of Directors. This includes formulating strategies based on the Suntory Group Sustainability Vision and monitoring progress on various initiatives.



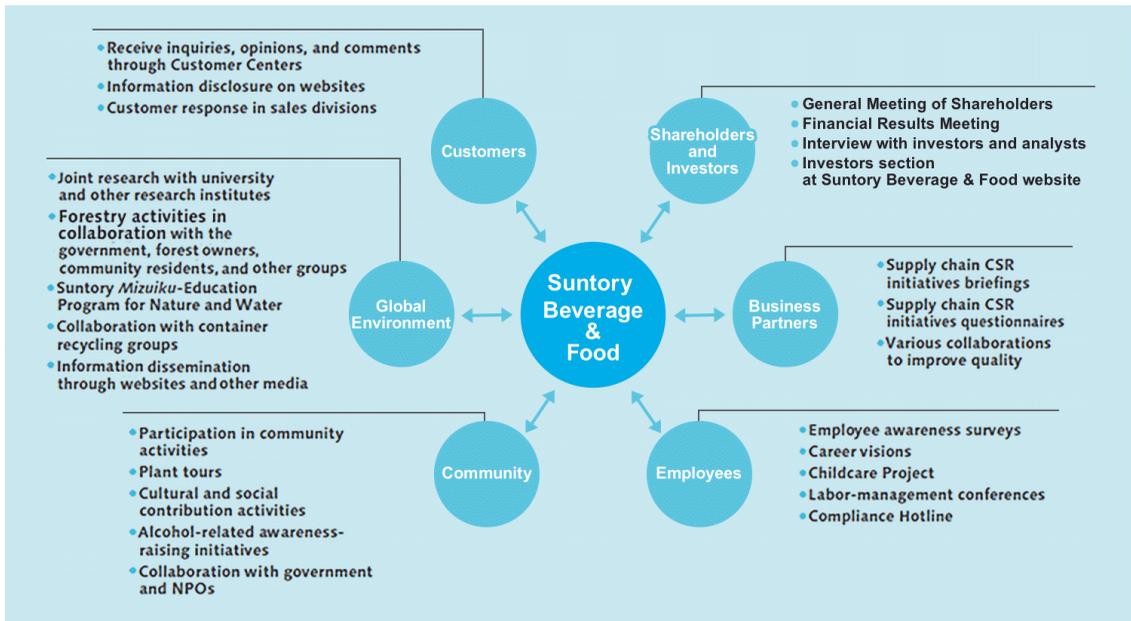
## Our Initiatives

Theme	Issue	Commitment	Suntory Beverage & Food Initiatives
 <p><b>Water</b></p>	<ul style="list-style-type: none"> <li>● Water Stewardship and Conservation Management</li> <li>● Biodiversity</li> <li>● Water Pollution</li> </ul>	Based on our Sustainable Water Philosophy, we as a group conduct activities including understanding of the water cycle, water conservation, recycling and wastewater management, watershed conservation, community engagement, and work with external stakeholders to achieve water sustainability.	<a href="#">&gt; Water Sustainability</a>
 <p><b>CO<sub>2</sub></b></p>	<ul style="list-style-type: none"> <li>● Climate Change</li> <li>● Biodiversity</li> </ul>	Aiming to realize the net zero-carbon society, we are working to reduce carbon emissions at our facilities as well as in our operations throughout the value chain by adopting the latest energy-saving technologies and use of renewable energy.	<a href="#">&gt; Climate Action</a>
 <p><b>Raw ingredients</b></p>	<ul style="list-style-type: none"> <li>● Responsible Sourcing in the Supply Chain</li> <li>● Biodiversity</li> </ul>	For agricultural crops and other raw ingredients that rely on the blessings of nature and are essential to our products, we cooperate with suppliers across the supply chain to identify social and environmental challenges and promote sustainability initiatives that enable us to grow together and contribute to enriching communities.	<a href="#">&gt; Sustainable Procurement</a>
 <p><b>Containers and packaging</b></p>	<ul style="list-style-type: none"> <li>● Sustainable Packaging</li> <li>● Biodiversity</li> </ul>	For our main packaging materials and containers, we strive to reduce environmental impact throughout the product life cycle — from product design to transportation and post-consumption recycling — and work to achieve a circular economy.	<a href="#">&gt; Packaging &amp; Resource Efficiency</a>
 <p><b>Health</b></p>	<ul style="list-style-type: none"> <li>● Impact to Health</li> <li>● Responsible Marketing</li> <li>● Well-being</li> <li>● Addressing Alcohol-Related Problems</li> </ul>	We believe that as a consumer-oriented company, it is important to support the pursuit of a balanced life both mentally and physically. Our consumers have different needs and preferences at different stages of life, and through our diverse business activities, we support wellness at each of these stages. By offering choices in products, services and experiences across our businesses in alcoholic and non-alcoholic beverages, health foods, and more, as well as by driving innovation to create value, we support consumers to achieve well-being and lead balanced lives.	<a href="#">&gt; Consumer Health</a>
 <p><b>Human Rights</b></p>	<ul style="list-style-type: none"> <li>● Human Rights</li> <li>● Diversity, equity, and inclusion (DEI)</li> </ul>	<p><b>Group Employees</b></p> <p>In addition to ensuring workplace safety, we promote health management and provide employees with growth opportunities from a long-term perspective. Along with promoting respect and preventing harassment, we embrace diversity, including race, religion, gender, sexual orientation, age, nationality, language, and disability. We also embrace inclusion that accepts and values the individual differences and recognizes how differences make our Group stronger, and strive to create employee-friendly environments for all that are full of “Yatte Minahare” spirit.</p> <p><b>Value chain</b></p> <p>To contribute to the well-being of all people that make up the value chain, we carefully review and identify our businesses’ impacts on human rights and cooperate with external stakeholders including suppliers to conduct activities for human rights protection.</p>	<a href="#">&gt; Respect for Human Rights</a>
 <p><b>Enriching life</b></p>	<ul style="list-style-type: none"> <li>● Creating New Value</li> <li>● Enriching Life by Community Co-creation</li> <li>● Understanding Changes in Consumer Preferences/Values</li> </ul>	In addition to providing products and services that bring mental and physical enrichment, we also promote innovation, create new value, and contribute to creating a more “human” society for all. Based on our founding spirit of “Giving Back to Society,” we seek to address social challenges and contribute to the welfare of society, including through activities in the arts, culture, science, sports, and next-generation education. In the regions where we do business, we value dialogue with the local communities, and strive to help address local challenges to benefit people’s lives.	<a href="#">&gt; Communities</a>

## Relations with Stakeholders

We pursue our business activities while engaging with a wide variety of stakeholders. We will make clear our responsibilities to our stakeholders and communicate with them in various ways so that we can continue making contributions to realizing sustainable society. We aim to incorporate feedback we receive and societal needs into our company activities and continuously work to build highly trustworthy and collaborative relationships with stakeholders.

### Opportunities for Communication with Stakeholders



## Environmental Management

### Policies and Our Approach

#### Policies and Our Approach

The circular system consisting from plants and forests nurtured by water, rivers, oceans, atmosphere, and the ecosystem made by living things are the basis of all life.

As a company that delivers the blessings of water and nature to our customers, we believe that protecting beautiful and clean water with healthy ecosystems, using them appropriately, and replenishing to nature is a great responsibility. As a member of the Suntory Group, Suntory Beverage & Food (“the Company”) strives to build a prosperous and sustainable world by preserving and regenerating the natural environment and reducing environmental impact.

#### ■ Suntory Group’s Environmental Principles

The Suntory Group Environmental Principles (established in 1997, revised in 2022) clearly define priority issues, including achieving water security, conserving and regenerating biodiverse ecosystems, promoting a circular economy and transitioning to a net-zero carbon society. To fulfill the principles, Suntory Beverage & Food addresses these issues, values communication with society, and works together with stakeholders to build a sustainable society.

#### Suntory Group’s Environmental Principles

At the Suntory Group, environmental management is at the core of our business strategy.

In our commitment to cultivating a sustainable and vibrant society now and in the future, these environmental principles inform the actions we take each day across our entire value chain.

##### 1. Achieving water security

Water is the most vital resource for our business. At Suntory, we aim to become net water positive by using water carefully and localizing water stewardship to contribute to nature’s healthy water cycle.

##### 2. Conserving and regenerating biodiverse ecosystems

Thriving water and agricultural systems are crucial to our business. We strive to protect and regenerate biodiversity through local water source conservation and sustainable agricultural practices.

##### 3. Promoting a circular economy

To effectively reduce waste and efficiently utilize limited resources, we imbed sustainable principles throughout the lifecycle of our products, promote the 3Rs (reduce, reuse, recycle) for all raw materials, use renewable resources when available, and collaborate with stakeholders to build a fundamentally circular system.

##### 4. Transitioning to a net zero-carbon society

In the face of climate change, we are doing our part to achieve a net-zero carbon society by reducing greenhouse gas emissions across our value chain.

##### 5. Engaging with society

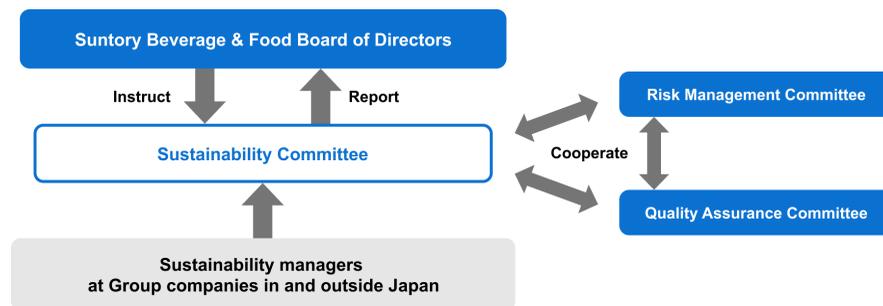
To achieve a vibrant global environment, we are championing the transformation to a sustainable society by collaborating with our stakeholders, deepening dialogues with local communities, and transparently disclosing our progress.

## Implementation Structure

### Environmental Management Structure

To promote sustainability management, the Sustainability Committee acts as an advisory committee to the Company's Board of Directors. The sustainability strategies and the progress on priority themes (water, climate change, containers and packaging, raw ingredients, health, human rights and enriching life) are discussed by the Sustainability Committee under the lead of the Chief Sustainability Officer. The progress of environmental and social activities as well as business risks and opportunities are reported to the Board of Directors twice a year. In addition, the Board of Directors is provided with the opportunities to hear advice from third-party experts on sustainability management.

#### Suntory Beverage & Food's sustainability management promotion organization



## Targets and Progress

### Environmental Vision toward 2050 and Environmental Targets toward 2030

The Suntory Group, which includes the Company, has established the Environmental Vision toward 2050 and Environmental Targets toward 2030 to provide clear direction for its environmental management. Engaging in greater efforts to address global issues and help build a sustainable world, in April 2021 the Group revised its greenhouse gas (GHG) reduction targets in the Environmental Targets toward 2030, and in December 2021, it revised the water targets.

#### Environmental Vision toward 2050



##### Water Sustainability

- Reduce the water intensity\*<sup>1</sup> of production at our owned plants\*<sup>2</sup> by 50%\*<sup>3</sup> globally.
- Replenish more than 100% of water used at all of our owned plants globally through conservation of the surrounding ecosystem.
- Achieve sustainable water use for all key ingredients.
- Share the Sustainable Water Philosophy to the communities where our business operates.



##### Climate Change Measures

- Aim for net zero greenhouse gas emissions across the whole value chain by 2050
- Continue to promote energy conservation, proactively implement renewable energy solutions, utilize next-generation infrastructure options and work together with stakeholders across the value chain in order to contribute to realizing a decarbonized society

\*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production.

\*2 Owned plants that manufactures finished products and excludes plants for packaging and ingredients.

\*3 Reduction of water intensity of production based on 2015 baseline.



## Environmental Targets toward 2030



### Reduction of water used in direct operation

Reduce the water intensity of production at our owned plants\*<sup>1</sup> by **20%**\*<sup>2</sup> globally. In addition, explore reduction of absolute amount of water withdrawn in highly water stressed areas



### Water replenishment

Replenish more than **100%** of water used in at least 50% of our owned plants\*<sup>1</sup> globally, including all those in highly water stressed areas, through local water source conservation efforts.



### Sustainable water use in raw ingredients

Collaborate with suppliers to improve water-use efficiency in the production of water-intensive key ingredients\*<sup>3</sup> in highly water stressed areas.



### Water education and access to safe water

Expand water education programs and initiatives to provide safe water access for more than **1 million people**\*<sup>4</sup>

### Greenhouse gas (GHG)

- Reduce GHG emissions from our direct operations\*<sup>5</sup> by **50%**\*<sup>6</sup>
- Reduce GHG emissions across our entire value chain by **30%**\*<sup>6</sup>



\*1 Suntory Beverage & Food plants that manufacture finished products.

\*2 Reduction of water intensity of production based on 2015 baseline year.

\*3 Coffee, etc.

\*4 The target of 1 million people is the Suntory Group's target.

\*5 Sites of Suntory Beverage & Food.

\*6 Based on emissions in 2019.

## Suntory Beverage & Food's FY2023 Results



### Water Sustainability

#### Reduction of water used in direct operation

Reduced the water intensity of production at our plants\*<sup>1</sup> by **21%** (compared to FY2015)

#### Water replenishment

Implemented water replenishment activities at **32%** of our plants worldwide  
Implemented activities at **33%** of our plants located in areas of high water stress

#### Sustainable water use in raw ingredients

Kept informed on water management of tier 1 suppliers using Sedex

#### Water education and access to safe water

Suntory Mizuiku and other water education programs reached **710,000 people**  
Provided access to safe water to **360,000 people**  
Expanded to a total of **1,070,000 people**\*<sup>2</sup>



### Climate Change Measures

#### Greenhouse gas (GHG)

- Reduced GHG emissions at our sites\*<sup>3</sup> by **22%** (compared to FY2019)
- Reduced GHG emissions across our value chain by **14%** (compared to FY2019)

\*1 Suntory Beverage & Food plants that manufacture finished products.

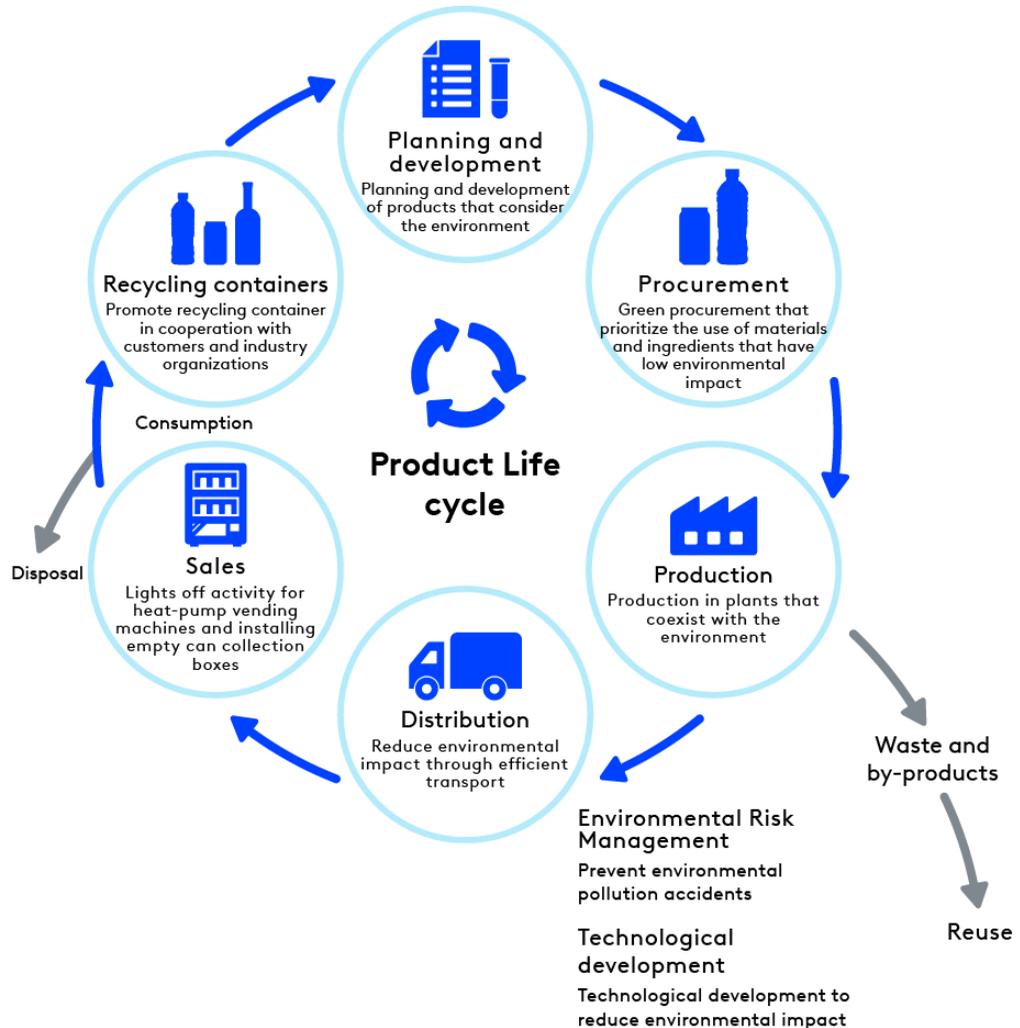
\*2 The total of 1,070,000 people is the Suntory Group's progress.

\*3 Sites of Suntory Beverage & Food.

## Our Initiatives

### Reducing Environmental Impact in the Entire Product Life Cycle

Suntory Beverage & Food generates various by-products and waste from a wide range of business activities. We are committed to reducing environmental impact by quantitatively understanding our impact on the planet throughout a product's life cycle — from planning and development to disposal and recycling. In addition, following the expansion of business overseas, we assess the environmental impact of overseas production sites to determine the environmental impact on a global scale. We actively communicate with suppliers throughout the entire supply chain.



### Compliance with environmental laws and regulations

In addition to complying with environmental laws and regulations (such as the Act on Promotion of Global Warming Countermeasures and the Energy Conservation Act in Japan), each of the Company's plant is committed to environmental management by setting voluntary standards for wastewater treatment, boiler facilities and other environmental facilities that are equal to or more stringent than those set by laws and regulations.

In 2023, no serious accidents or violations affecting environmental pollution occurred.

## Disclosure Based on TCFD

The Suntory Group, including Suntory Beverage & Food (“the Company”), recognizes that sustaining its business and continuing to create value require it to identify risks due to climate change as well as their potential impact on its business, and to respond appropriately. In May 2019, the Suntory Group has declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations established by the Financial Stability Board (FSB), and makes disclosures based on the recommendations annually.

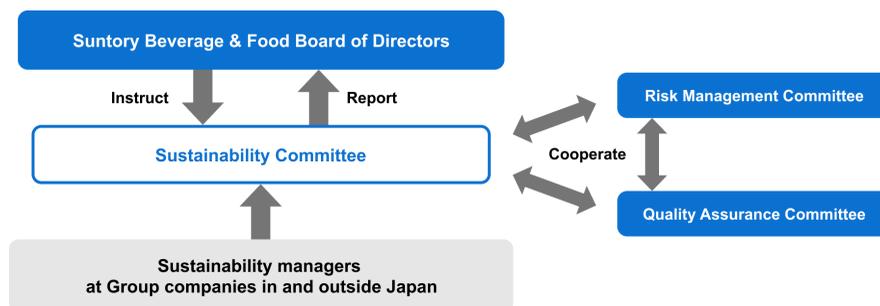


Starting in 2022, in addition to assessing and identifying the risks and opportunities that the problem of climate change presents to society and corporations, we started to estimate the monetary impacts on our business. Going forward, we will aim to enhance our resilience to these impacts by incorporating adaptive measures into our strategies to address risks and opportunities as they become evident. We will also continue to expand disclosure of related information.

### 1. Governance

At Suntory Beverage & Food, the Risk Management Committee and Sustainability Committee work in constant collaboration, and important decisions are further discussed and resolved by the Board of Directors.. Progress on strategies relating to environmental and social issues, as well as business risks and growth opportunities, are reported to the board accordingly. The board members are also provided opportunities to deepen their knowledge of sustainability through training sessions with external experts, convening board meetings at production and R&D facilities, and exchanging views.

#### Suntory Beverage & Food's sustainability management promotion organization



### 2. Strategy

Suntory Beverage & Food assesses climate change-related issues based on their importance. For risks that are expected to have a large impact on our business, we have set medium- to long-term targets and are proceeding with initiatives. For our approach to identifying risks and their assessment, we create an evaluation of the identified risks based on the two axes of "Risk Exposure" and "Degree of Response". We categorize major Group-wide risks as Tier 1 through Tier 3, with Tier 1 being most important risk and Tier 2 important risk. "Risk Exposure" is calculated by probability of occurrence (probability) x magnitude of impact (impact), and "Degree of Response" is calculated by the degree of preparation for countermeasures. As a result of the evaluation, climate-related risks are positioned as one of the most important risk types.

With consumers, investors, and other stakeholders showing more and more interest in GHG emissions by corporations, we recognize that risks and opportunities related to climate change may greatly affect the Company's business strategy. We conduct scenario analysis to understand and take measures against risk and opportunities related to climate change that may impact our business and consider them when engaging in financial planning.

## Risks and Opportunities (Identify risks and opportunities, estimate the amount of monetary impact)

At Suntory Beverage & Food, to identify important financial risks and opportunities for an organization, impact and frequency of each item in the span of short (0 to 3 years), medium (3 to 10 years), and long (10 to 30 years) term were considered. Result of the internal assessment is organized and shown below. Of the identified risks and opportunities, we recognized that increase in costs due to introduction of carbon tax, opportunity loss due to insufficient supply of water at production sites, and increase in raw material costs due to decrease in yield of agricultural products are the three items that may have a significantly impact and estimated the amount of their monetary impact on business.

For the basis of analyzing risks and opportunities, we used RCP 8.5 (4°C Scenario) as global warming scenario and IEA NZE 2050 and other scenarios as decarbonization scenario.

1. Identify major risks and opportunities			2. Assess the impact of each risks and opportunities on business (For most important risk, estimate the amount of monetary impact)	3. Determine/conduct response measures
Types of Risks and Opportunities			Estimated impact on business	Measures to reduce risks/seize opportunities
Transition Risk	New regulation	Increase in production costs due to introduction of carbon pricing	<ul style="list-style-type: none"> <li>Increase in financial burden due to introduction of carbon tax and its tax rate increase</li> <li>Estimated impact on business: JPY 9.5 billion in 2030 and JPY 18 billion in 2050<sup>(Note 1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Introduction of internal carbon pricing and use it for decision making related to investment</li> <li>Plan to invest (shift to renewable energy, utilization of heat pumps, etc.) by 2030 to promote decarbonization.</li> <li>If the targets set in "Environmental Targets toward 2030" and "Environmental Vision toward 2050" are met, effects of reduction will be JPY 4.75 billion in 2030 and JPY 18 billion in 2050.</li> </ul>
		Physical risks	Impact of insufficient supply of water on operation of production sites	<ul style="list-style-type: none"> <li>Opportunity loss due to suspension of plant operations caused by insufficient supply of water, Group's most important raw material</li> <li>Estimated impact on business: JPY 6.5 billion<sup>(Note 2)</sup></li> </ul>
Increase in procurement costs due to decline in yield of agricultural products	<ul style="list-style-type: none"> <li>Increase in costs to procure raw materials with same level of quality as now</li> <li>Estimated impact on business: JPY 5.1 billion (RCP 8.5 scenario, 2050) (For details, refer to "<a href="#">Activities for stable procurement of raw materials</a>")</li> </ul>		<ul style="list-style-type: none"> <li>Assess the impact of estimated future yield considering climate change and other factors by origin of raw materials and formulate strategy for stable procurement</li> <li>Start trial of sustainable farming (For details, refer to "<a href="#">Activities for stable procurement of raw materials</a>")</li> </ul>	
Acute risks	Flood, etc. caused by large typhoon or heavy rain		<ul style="list-style-type: none"> <li>Suspension of operations due to flooding, disruption of value chain, and other damages from a flood</li> </ul>	<ul style="list-style-type: none"> <li>Build a system or assessing risk of all productions sites at the Risk Management Committee</li> </ul>
Opportunities	Products/ Services	Impact on health due to rising temperatures	<ul style="list-style-type: none"> <li>Rising average temperatures and heat waves will increase the need for anti-heat stroke beverages and water beverages</li> </ul>	<ul style="list-style-type: none"> <li>Invested in capital to increase production capability and stable supply system</li> <li>Products development that meet consumer needs</li> </ul>
		Change in consumer behavior due to increased environmental awareness	<ul style="list-style-type: none"> <li>Enhancement of brand value through public recognition of the company's commitment to the conservation of water resources</li> </ul>	<ul style="list-style-type: none"> <li>Continue and strengthen water cultivation activities based on scientific data, water-saving and water quality management activities at plants, and Mizuiku—education program for nature and water as well as sharing information with the public</li> </ul>
	Resource efficiency	Cost reduction due to introduction of new technology	<ul style="list-style-type: none"> <li>Reduction in use of petroleum resources and CO<sub>2</sub> emissions due to development of new technology</li> <li>Cost reduction in taxes related to one way plastics</li> </ul>	<ul style="list-style-type: none"> <li>Development of new technology for more efficient PET preform manufacturing process (F-to-P direct recycling technology, etc.)</li> <li>Development of efficient used plastic recycling technology (R Plus Japan Ltd.)</li> </ul>

Note 1: Estimated using our Scope 1 and 2 emissions in 2019 and carbon tax price independently estimated based on forecast figures of the International Energy Agency (IEA)'s "Net Zero by 2050: A Roadmap for the Global Energy Sector (NZE)."

- 2030: Japan, Europe, and Americas. US\$140/ton, APAC US\$90/ton.
- 2050: Japan, Europe, and Americas. US\$250/ton, APAC US\$200/ton.

Note 2: Estimated impact on profit if all plants located in areas with high level of water stress have restriction on water withdrawal. Aqueduct Country Ranking developed by World Resources Institute and Water Risk Filter developed by World Wide Fund for Nature (WWF) are used for assessing water stress level of areas where our plants are located in. (Exchange rate as US\$1 = JPY145)

## Initiatives Based on Analysis of Risks and Opportunities

We aim to be resilient by considering both scenarios and taking a strategic approach toward the above actualized risks and opportunities. We have been focusing on identifying water supply risks, proper management of water, water resource cultivation activities, and other water sustainability activities but are considering risks related to raw material procurement and other aspects. In addition, in order to reduce GHG emissions throughout the value chain, from raw material procurement to manufacturing, distribution, sales, and recycling, we set challenges for each department and take action. For opportunities, we are expanding our product portfolio of beverages with ingredients which are recommended by the Ministry of Environment of Japan as products addressing climate change. We believe that continuing and enhancing water resource cultivation activities, Mizuiku — education program for nature and water and other activities related to water as well as sharing information about Suntory Group's approach to water to the public will raise our brand value and lead to increased sales. In terms of resource efficiency, we are actively promoting the recycle of plastic bottles.

## Risk Assessment of Water Sustainability

Water is the most important ingredient in the Company's products, as well as a precious shared resource. It is imperative for our sustained business growth that we understand the impact that water risk has on our business, local communities, and the ecosystem, and so we conduct water risk assessments. Based on this, the Company has conducted a risk assessment of water sustainability at its own plants.\*

\* Suntory Beverage & Food plants that manufacture finished products: 10 plants in Japan, 33 plants overseas

> [More details about the water supply risk assessment](#)

## Aiming for Stable Procurement of Raw Ingredients

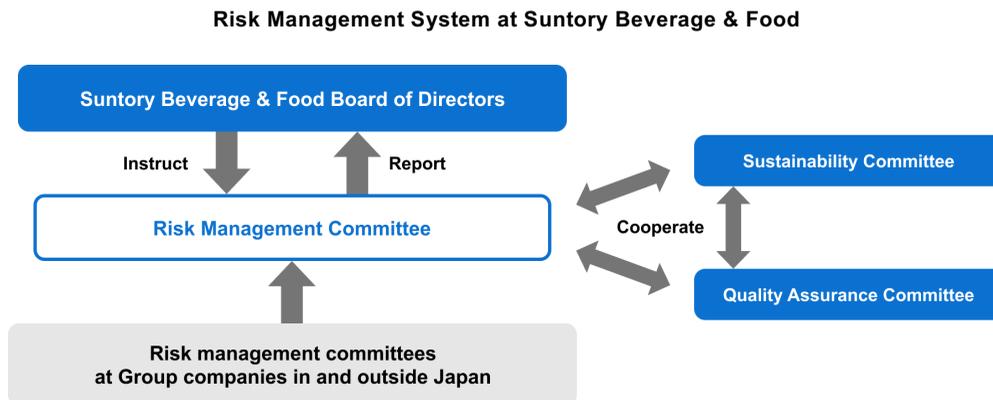
With regard to agricultural products and other raw ingredients, it is predicted that extreme weather, such as drought and flooding, occurring due to the rise in the Earth's average temperature due to climate change will have a major impact on their production activities, including fluctuations in yield and the need to move production to other areas which offer suitable cultivation. As corporate activities become more and more globalized, the need to appropriately manage human rights of people who work in the supply chain and other social issues increases.

To offer our consumers high-quality products and services, we believe it is crucial to promote sustainability throughout our entire supply chain. This means we need to give due consideration to environment and society, as well as to safety and reliability. Based on this belief, we established and promote a long-term strategy for safe, reliable, and sustainable supply of raw materials.

> [More details about the stable procurement of raw materials](#)

### 3. Risk Management at Suntory Beverage & Food

At Suntory Beverage & Food, the Risk Management Committee identifies and assesses critical risks throughout the Company each year. The committee identifies risks that should be prioritized at the Company and promotes risk reduction activities companywide. The Risk Management Committee regularly reports these activities to the Board of Directors. The Company's approach to identifying and assessing risks and the process for managing identified risks is shown below.



#### Approach to Identifying and Evaluating Risks and Opportunities (Identify Risks and Opportunities, Estimate the Amount of Monetary Impact)

For the risks identified, we create a heat map based on the two axes of "Risk Exposure" and "Degree of Response", evaluate the importance especially for group-wide material risks on a three-point scale, and identify the risks to be prioritized. "Risk Exposure" is calculated by probability of occurrence (probability) x magnitude of impact (impact), and "Degree of Response" is calculated by the degree of preparation for countermeasures. As a result of the evaluation, climate-related risks are positioned as one of the most important risk types.

#### Approach to Managing Identified Risks

Of the identified risks and opportunities, we believe that the three items that may have the most significant impact are: increase in costs due to introduction of carbon tax; opportunity loss due to insufficient supply of water at production sites; and increase in raw material costs due to decrease in yield of agricultural products.

For the identified risks that should be prioritized, a person in charge and a monitoring organization will be appointed to implement the risk countermeasures. The response status is reported and discussed by the Risk Management Committee (RMC), and the PDCA cycle of extraction, evaluation, countermeasures, and monitoring is carried out.

# Data

## Water

### ■ Targets Toward & Progress at Suntory Beverage & Food

Targets Toward 2030	2023 Progress
<p><b>1 Reduction of water used in direct operation</b> Reduce the water intensity of production at our owned plants*<sup>1</sup> by 20%*<sup>2</sup> globally. In addition, explore reduction of absolute amount of water withdrawn in highly water stressed areas.</p> <p><b>2 Water replenishment</b> Replenish more than 100% of water used in at least 50% of our owned plants*<sup>1</sup> globally, including those in highly water stressed areas, through local water source conservation efforts.</p> <p><b>3 Sustainable water use in raw ingredients</b> Collaborate with suppliers to improve water-use efficiency in the production of water-intensive key ingredients*<sup>3</sup> in highly water stressed areas.</p> <p><b>4 Water education and access to safe water</b> Expand water education programs and initiatives to provide safe water access for more than 1 million people. *<sup>4</sup></p>	<p><b>1</b> Reduced per consumption of water by 21% compared to 2015</p> <p><b>2</b> Implemented water resource cultivation activities in 32% plants worldwide. Plants located in highly water stressed areas, activities are implemented in 33% of these areas.</p> <p><b>3</b> Gain and understand information on water management of tier 1 suppliers through Sedex.</p> <p><b>4</b> Water enlightenment program: 710,000 people Provision of safe water: 360,000 people, Total 1,070,000 people*<sup>5</sup></p>

\*1 Owned plants that manufacture finished products and excludes plants for packaging and ingredients

\*2 Reduction of water intensity of production based on 2015 baseline year

\*3 Coffee etc.

\*4 1 million people is Suntory group's target

\*5 Total 1,070,000 people is Suntory group's progress

### ■ Water Stewardship at Suntory Beverage & Food

	2015 (base year)	2021	2022	2023
Total water withdrawal (thousand m <sup>3</sup> )	-	21,776	22,916	22,450★
Water intensity (m <sup>3</sup> /kl)	2.9	2.4	2.3	2.3
Total water discharge (thousand m <sup>3</sup> )	-	12,443	11,948	11,682★
Total water consumption (thousand m <sup>3</sup> )	-	-	10,968	10,768

\* 2023: Data covers 10 production plants in Japan and 38 production plants overseas.

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

## Water Withdrawal from Areas at Suntory Beverage & Food

Area	Water withdrawal (thousand m <sup>3</sup> )					
	2015 (base year)	2019	2020	2021	2022	2023
Japan	10,708	10,628	10,332	10,240	10,786	10,786
Americas	1,286	1,273	1,442	1,505	1,541	1,413
Europe	3,861	3,518	3,119	3,315	3,434	3,363
Asia	4,490	7,152	6,362	6,208	6,757	6,466
Oceania	562	438	444	424	397	422
Africa	216	129	89	84	0	0
Total	21,122	23,138	21,789	21,776	22,916	22,450★

\*2023: Data covers 10 production plants in Japan and 38 production plants overseas.

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

## Water Discharge to each destination at Suntory Beverage & Food

Destination	Water Discharge (thousand m <sup>3</sup> )				
	2019	2020	2021	2022	2023
Rivers/lakes	7,222	6,767	6,703	6,689	6,757★
Sea	-	-	-	-	-
Sewers	5,785	5,370	5,740	5,259	4,866★
Others (for watering plants, etc.)	0	0	0	0	59★
Total	13,007	12,136	12,443	11,948	11,682★

\*2023: Data covers 10 production plants in Japan and 38 production plants overseas.

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

## Greenhouse Gas (GHG)

### Targets Toward & Progress at Suntory Beverage & Food

Targets Toward 2030	2023 Progress
<ol style="list-style-type: none"> <li>Reduce GHG emissions from our direct operations by 50%*<sup>1</sup></li> <li>Reduce GHG emissions across our entire value chain by 30%*<sup>1</sup></li> </ol>	<ol style="list-style-type: none"> <li>22% reduction from our direct operations compared to 2019</li> <li>14% reduction across our entire value chain compared to 2019</li> </ol>

\* Based on emissions in 2019

## ■ Scope 1 and 2 Emissions by Area at Suntory Beverage & Food

Area	Scope	GHG emissions (Scope1 : thousand tons CO <sub>2</sub> e, Scope2 : thousand tons CO <sub>2</sub> )			
		2019 (base year)	2021	2022	2023
Japan	Scope 1	-	118	116	109
	Scope 2	-	91	24	5
	Scope 1+2	218	209	140	114
Americas	Scope 1	-	7	32	32
	Scope 2	-	13	10	0
	Scope 1+2	24	21	43	32
Europe	Scope 1	-	59	50	56
	Scope 2	-	1	0	0
	Scope 1+2	77	60	50	56
Asia	Scope 1	-	49	55	47
	Scope 2	-	155	179	170
	Scope 1+2	204	205	234	217
Oceania	Scope 1	-	9	6	8
	Scope 2	-	4	1	1
	Scope 1+2	19	13	7	9
Africa	Scope 1	-	8	0	0
	Scope 2	-	0	0	0
	Scope 1+2	8	8	0	0
Total	Scope 1	-	251	259	252
	Scope 2	-	264	214	176
	Scope 1+2	549	515	473	427

\*Suntory Beverage and Foods Group's Scopes 1 and 2 emissions of 427 thousand t-CO<sub>2</sub>e★ (Scope 1: 203 thousand t-CO<sub>2</sub>e★, Scope 2: 174 thousand t-CO<sub>2</sub>e★) have been externally assured, which do not include emissions of GHG other than CO<sub>2</sub> at overseas production plants and CO<sub>2</sub> emissions at non-production sites outside of Japan. The reporting boundary for the figures externally assured is as follows: 10 production plants in Japan, 38 production plants overseas, and non-production sites in Japan (offices such as training sites, training sites, R&D facilities and sales sites)

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

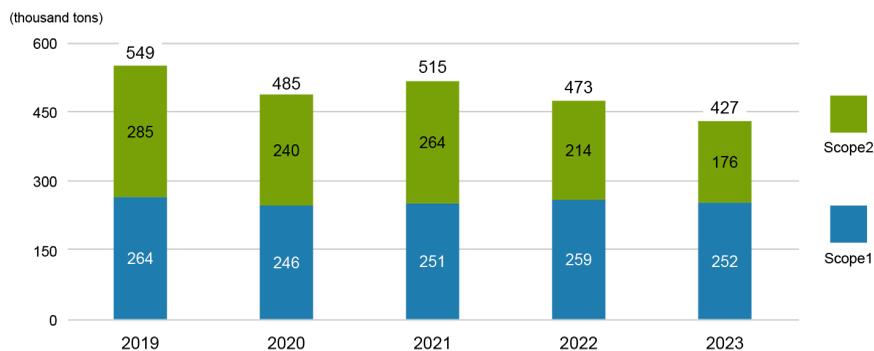
\*Emission factors for GHG calculation are as follows: Fuel: For Japan: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures (using values before revision of the Ministerial Ordinance on Calculation). For overseas: Factors obtained from fuel suppliers or factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures (using values before revision of the Ministerial Ordinance on Calculation).

GHG from Electricity consumption: For Japan: The adjusted emission factors for each electric power company specified by the Act on Promotion of Global Warming Countermeasures. For overseas: Factors obtained from individual power suppliers or IEA emission factors by country.

GHG other than CO<sub>2</sub>: For 10 plants in Japan: Factors specified by the Act on Promotion of Global Warming Countermeasures.

\*The total may not match the sum of each figure due to rounding.

### ■ Changes in Scope 1 and 2 emissions at Suntory Beverage & Food



Trends in Scope 1 and 2 Emissions at Suntory Beverage & Food" loading="lazy">

### ■ Energy Consumption at Suntory Beverage & Food

	2021	2022	2023
Energy Consumption (MWh)	1,841,699	1,979,441	1,953,954
Renewable Energy Consumption (MWh)	179,126	364,358	477,104
Energy Intensity (MWh/KL)	0.21	0.20	0.20
Electricity Consumption (MWh)	-	-	726,752

\*Figures for renewable energy and energy consumption have been certified by a third party for results excluding non-production sites outside Japan.

Renewable energy consumption: 475,311MWh★, Electricity consumption: 720,933MWh★

\*Third-party certification by KPMG AZSA Sustainability Co., Ltd. Third-party certified figures indicated with ★.

## ■ Scope 3 Emissions at Suntory Beverage & Food

Category	Emissions (thousand tons CO <sub>2</sub> e)	Calculation Method
1.Purchased goods and services	3,251★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased and used for products manufactured and sold by the Suntory Beverage & Food Group (in Japan and overseas) by the emission factors. 41% of Category 1 GHG emissions are calculated using emission factors calculated from the GHG emissions of suppliers of raw materials and packaging materials. For 2023, we changed the source of emission factors for packaging materials in Asia and Oceania from the prevailing Defra to IDEA Ver. 3.3. [Contract manufacturers] Calculated by multiplying the volume of the products that Suntory Beverage & Food Group (in Japan), Suntory Beverage & Food Europe, and Suntory Beverage & Food Oceania have outsourced to contract manufacturers by the emission factors.
2.Capital Goods	172★	Calculated by multiplying the amount of capital expenditure excluding land expenditure of Suntory Beverage & Food Group by emission factors.
3.Fuel and energy-related activities not included in Scope 1 or 2	85	Calculated by multiplying the amount of energy consumed by Suntory Beverage & Food Group by corresponding emission factors related to the collection, production, and transportation of applicable energy resources.
4.Upstream transportation and distribution	221	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Beverage & Food Group by emission factors.
5.Waste generated in operations	6	Calculated by multiplying the weight of waste disposed by Suntory Beverage & Food Group by corresponding emission factors.
6.Business travel	10	Calculated by multiplying the amount of business travel expenses of Suntory Beverage & Food Group by corresponding emission factors.
7.Employee commuting	25	Calculated by multiplying the amount of commuting expenses of Suntory Beverage & Food Group by corresponding emission factors.
8.Upstream leased assets	23	Calculated by multiplying the storage volume as well as the floor area of distribution centers rented by Suntory Beverage & Food Group by emission factors.
9.Downstream transportation and distribution	233	Calculated by multiplying the transportation volume in tons-km and sales volume of goods of Suntory Beverage & Food Group by corresponding emission factors.
10.Processing of sold products	—	None
11.Use of sold products	89	Calculated by multiplying the sales volume of goods of Suntory Beverage & Food Group by corresponding emission factors.
12.End-of-life treatment of sold products	405★	Calculated by multiplying the weight of packaging materials purchased and used by the Suntory Beverage & Food Group by emission factors related to disposal/recycling transport and processing.
13.Downstream leased assets	313★	Calculated by multiplying the electricity used by leased assets of Suntory Beverage & Food Group (In Japan) by emission factors.
14.Franchises	9	Calculated as Scopes 1 and 2 CO <sub>2</sub> emissions from the direct operations of companies and stores franchised by the Suntory Beverage & Food Group.
15.Investments	—	None
<b>Total</b>	<b>4,843</b>	

\*The Suntory Beverage & Food Group's beverage and food businesses in Japan and overseas are included in the scope. For some overseas group companies, emissions were estimated by using Japan-based emission factors or production volume in Japan.

\*Emission factors used to calculate emissions for Japan include the following:

a) "Emission factor database for corporate GHG emissions accounting over the supply chain (Version 3.3)"

b) "LCI Database IDEA Version 3.3" (Advanced LCA Research Group, The National Institute of Advanced Industrial Science and Technology and Sustainable Management Promotion Organization)

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

## Plastic

### ■ Targets Toward & Progress at Suntory Beverage & Food

#### Targets Toward 2030

- Switch all the PET bottles used globally to be made of recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials.

#### 2023 Progress

- Percentage of PET bottles made of recycled or plant-based material: 33%  
Japan 53%\*  
Overseas 18%

\* Ratio of the number of 100% sustainable bottle

#### Information

SBF sustainability

[suntory.jp/sbf\\_sustainability\\_en/](https://suntory.jp/sbf_sustainability_en/)



Sustainability data

[suntory.jp/sbf\\_sustainability\\_data\\_en/](https://suntory.jp/sbf_sustainability_data_en/)

