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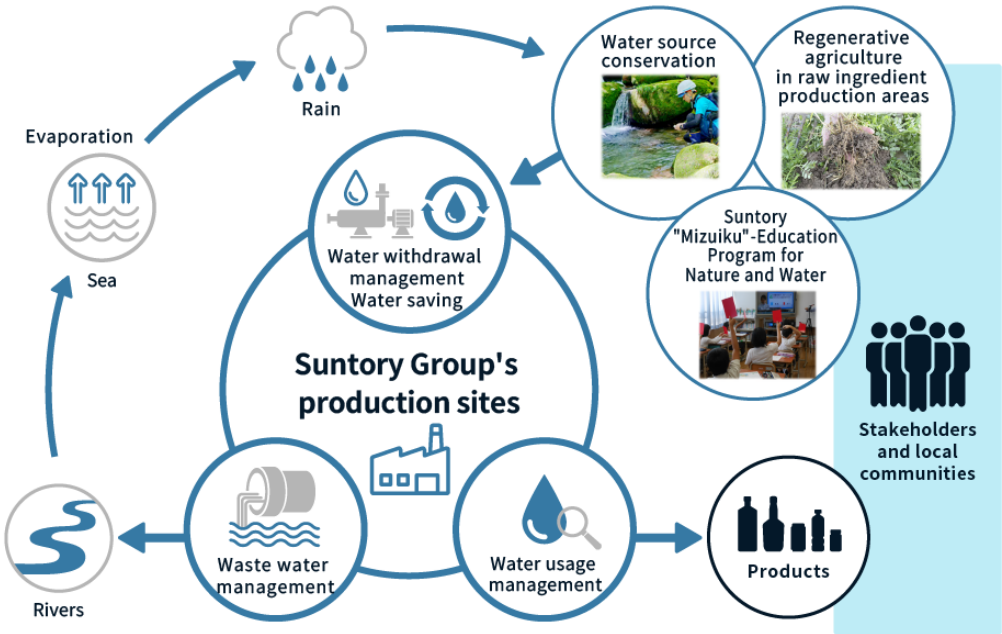
Our Focus Areas

Water

Context

Water is a vital resource that supports human life and livelihoods, and the foundation of Suntory Group's business activities. While water is a renewable resource that will never disappear from Earth, only about 0.01% of the planet's water is freshwater accessible to humans.
On the other hand, global issues concerning water resources have arisen due to factors such as population growth, economic development in emerging countries, and climate change. It is predicted that by 2050, approximately 5 billion people worldwide will face severe water shortages.* This worldwide water scarcity is intertwined with numerous issues, as water is used not only for drinking and domestic purposes but also extensively in food production.
At the top of Suntory Group Environmental Principles is “achieving water security.” Toward this end, we are advancing various initiatives to contribute to the healthy circulation of water in nature, with a view that encompasses the entire value chain.

* World Meteorological Organization (WMO) “The State of Climate Services 2021”



For more information on Suntory Environmental Principles, Environmental Vision toward 2050, and Environmental Targets toward 2030, see Environmental Management.

Governance

Global Sustainability Committee

At Suntory Group, we have established a system to promote environmental management centered around the Global Sustainability Committee (GSC). Under the supervision of the Chief Sustainability Officer, GSC formulates strategies related to the material issues outlined in the Suntory

Group Sustainability Vision. GSC also oversees the progress of these strategies and analyzes the business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.

For more information on the Global Sustainability Committee, see Environmental Management.

Strategy

Suntory Group Sustainable Water Philosophy

As a company with global operations that depends on and benefits from water, Suntory Group must earnestly address worldwide challenges and contribute to building a sustainable society.
Based on the Suntory Group Environmental Principles, we have established the Suntory Group Sustainable Water Philosophy to guide our efforts in addressing water issues in various regions around the world. Based on this philosophy, we develop and promote initiatives that are tailored to the water resources conditions in each geographic area where we operate.

Suntory Group Sustainable Water Philosophy (Established January 2017)

Water is the most important ingredient of our products, as well as a precious shared resource. In pursuit of "achieving water security," which is at the top of Suntory Group Environmental Principles, we share the following philosophy across the Group to meet stakeholder expectations.

1. Understanding the natural cycle of water
   We investigate watersheds around our sites to understand the local hydrological cycle, using a scientific approach when needed.
2. Promoting environmentally conscious water use
   We reduce the environmental impacts of water use on the natural water cycle by implementing 3R activities and returning water to nature after adequate treatment.
3. Conserving watersheds
   We conserve our watersheds and endeavor to improve local water quality and quantity in cooperation with stakeholders for a sustainable future.
4. Engaging with the local community
   We endeavor to support our community by fostering collective actions to solve water issues and enrich society.

Water Stewardship

Water is a local resource. Precipitation, a major factor in determining water volumes, varies greatly depending on geographical conditions, seasons, and weather conditions in different regions. Moreover, since rain that hits the ground flows differently based on differences in elevation, the situation regarding water varies by each watershed as determined by these dividing lines.
Even in areas with sufficient rainfall, effective use of water resources can become difficult if there is significant seasonal variability in flow, if climate change causes substantial changes in flow, or if facilities for sanitation treatment and storage are inadequate. Therefore, water issues need to be examined according to each watershed.
Suntory Group strongly recognizes the importance of water stewardship and is committed to responsibly safeguarding the regional asset of natural capital, in the watersheds of each factory and in the areas of our value chain, promoting integrated water resources management together with the community.

Risk Management

Water is the most vital resource for our business. Suntory Group, which operates businesses globally, relies on high-quality freshwater sourced from local ecosystems. Water is not only the most important input resource for Suntory's products, but it is also essential for the operation of production facilities and cooling. However, this dependency on water poses a significant risk to Suntory's financial future.

Suntory Group identifies suppliers and production areas that have a significant impact on its business from the production regions of key raw ingredients, and identifies risks such as drought, flood, and reputation. In addition, we conduct risk assessments on the sustainability of water supply for our own plants.
Regarding these risks, under the whole group risk management promotion system, the Global Risk Management Committee (GRMC), as well as the risk management committees and teams established at each operating company, continuously conduct risk assessment, formulation and implementation of response plans, and monitoring.

For information on the progress of the assessment process and risk management, see Water Risk Assessment.

Metrics and Targets

Environmental Vision toward 2050

As a unique multifaceted beverages company supported by the blessings of nature in the form of water and agricultural products, Suntory Group has dedicated itself to realizing a sustainable society where people and nature resonate harmoniously since its founding. In 1997, we established the Suntory Group Environmental Principles, and in 2014, formulated our Environmental Vision toward 2050 with a focus on water sustainability and climate action measures.

Regarding water sustainability, we have created the following vision toward 2050.

- Reduce the amount of water used in our plants around the world by 50%*
- Conserve of water resources and ecosystems to replenish more water than is withdrawn from our own plants around the world
- Realize sustainable water use at primary raw material farms.
- Share the Sustainable Water Philosophy broadly in communities of the main countries where we operate

* Reduction of water intensity based on the business fields in 2015

Targets and Progress toward 2030

Theme	Environmental Targets toward 2030	2025 Results
Reduction of water used in direct operation	Reduce the water intensity of production at our owned plants by **35%**[*1] globally. In addition, explore reduction of absolute amount of water withdrawn in highly water stressed areas	● Reduced the water intensity of production by **31%** compared to 2015. **Initiatives to Reduce the Amount of Water Used in Direct Operations**
Water replenishment	Replenish **more than 100%** of water used in at least 50% of our owned plants[*2] globally,	● Water resource cultivation activities implemented in **36%** of all owned plants globally.

	including all those in highly water stressed areas, through local water source conservation efforts.	● For the plants located in highly water stressed areas, activities have been implemented in **14%**. Initiatives at the Water Source
Sustainable water use in raw ingredients 	**Collaborate with suppliers to improve water-use efficiency** in the production of water-intensive key ingredients*3 in highly water stressed areas.	● As part of our efforts in barley production through regenerative agriculture, we are continuously working with our suppliers to verify the improvement of water use efficiency by enhancing soil water retention. ● Implemented a pilot program to assess and support water use through regenerative agriculture for coffee farmers in the Cerrado region of Brazil. Raw Ingredient Production-related Initiatives
Water education and access to safe water 	Expand water education programs and initiatives to provide safe water access for more than **5 million people**.	● Total **2,610,000** people Water education program: 2,100,000 people Provision of safe water: 500,000 people Initiatives for Water Education

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

*2 Suntory Group plants that manufacture finished products: 27 plants in Japan, 52 plants overseas.

*3 Coffee, barley, and grapes.

Our Initiatives

Integrated Water Resource Stewardship based on Our Sustainable Water Philosophy

Suntory Group created the Sustainable Water Philosophy to contribute to a healthy water cycle in watersheds according to 4 pillars—understanding the natural cycle of water, promoting environmentally conscious water use, conserving watersheds, and engaging with the local community. Under this, we are advancing initiatives for healthy water cycles across the entire value chain.

Understanding Watersheds

Our Sustainable Water Philosophy begins with understanding the natural water cycle. Suntory Group uses a scientific approach to understand the different water cycles on a watershed basis, allowing us to develop tailored strategies.

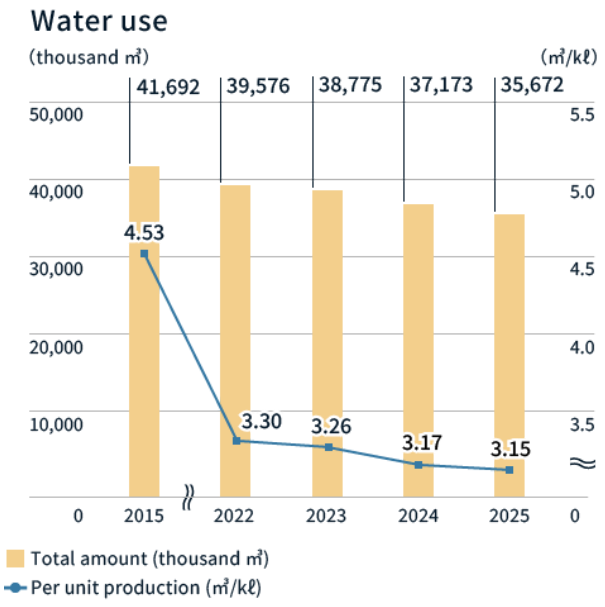
For more information on this scientific approach to watershed understanding, see Suntory Global Innovation Center - Institute for Water Science.

Water Management and Conservation

Owned Plants

The second pillar of our Sustainable Water Philosophy is promoting environmentally conscious water use. Based on rigorous water risk assessments, Suntory Group tailors water use initiatives such as water conservation activities and wastewater management to the specific plants we directly operate.

Trends in Water Withdrawal and Water Intensity of Production (Whole Group)



* Per unit production is the amount of usage per kiloliter produced

Water Withdrawal

Since water withdrawal increases with the production volume, Suntory Group aims to reduce water intensity in line with production growth. We also strive to reduce water withdrawal through water conservation and recycling activities.
Particularly in areas with high water stress, we assess the actual water challenges and evaluate the necessity of reducing total water usage, and control the amount of water withdrawal accordingly.

Consumption

In Suntory Group's plants, water is used not only as an ingredient but also for cleaning and cooling manufacturing equipment. To conserve limited water resources, we implement the "3Rs of Water": reducing consumption (Reduce), using water repeatedly (Reuse), and treating it for repeated usage (Recycle). These efforts support our goal to “reduce water consumption at our owned plants worldwide by 35%”.*

* Reduction of water intensity based on the business fields in 2015

Wastewater

With regard to wastewater quality, Suntory Group established voluntary standards that are equal to or stricter than the legal requirements and thoroughly manages quality so that wastewater is returned to nature in a state as close to natural as possible. Wastewater from our plants is first purified using anaerobic waste water treatment* and other equipment before it is released into sewerage systems or rivers. To maintain these standards, we conduct continuous monitoring with measuring devices and daily water quality inspections by personnel.

* A treatment method that decomposes pollutants using microbes (anaerobic bacteria).

Upstream Value Chain

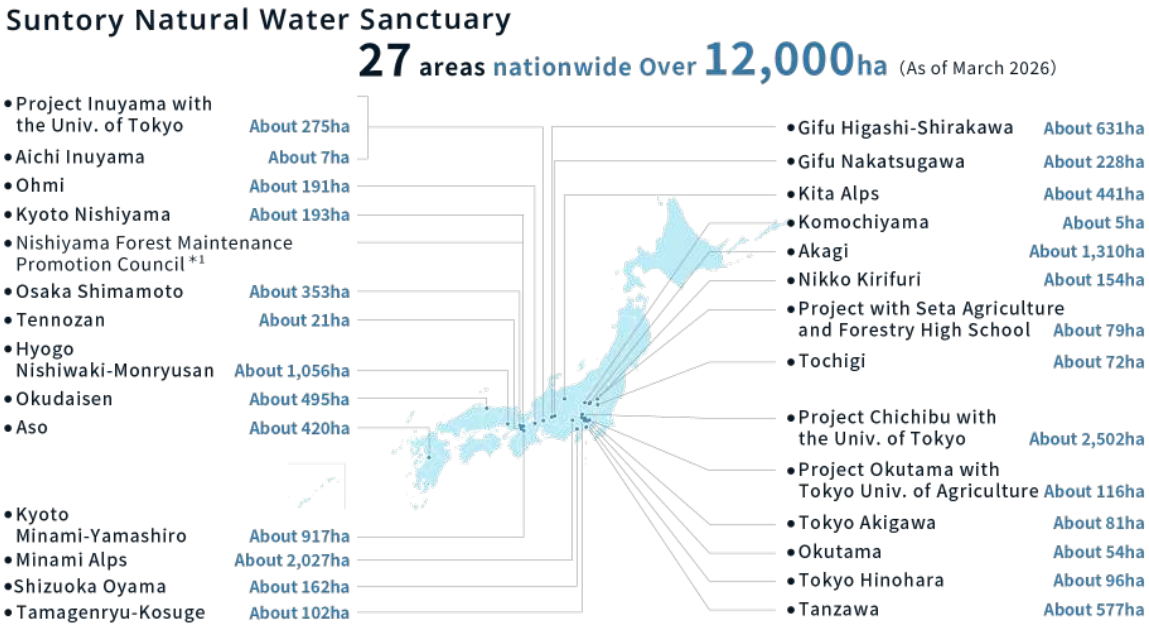
Suntory Group uses collaboration with suppliers to improve water-use efficiency in the production of water-intensive key raw ingredients (i.e., coffee beans, barley and grapes) in highly water stressed areas.

Also, we are promoting regenerative agriculture initiatives, focusing on these same key raw ingredients. Regenerative agriculture is attracting attention for its potential to mitigate and adapt to climate change by reducing GHG emissions through reduced use of chemical fertilizers and pesticides, as well as restoration of soil biodiversity which boosts soil fertility and effective water use.

For more information, see Sustainable Procurement.

Replenishment and Preservation of Water Resources

The third principle in our Sustainable Water Philosophy is conserving watersheds. Suntory Group works with local authorities and communities, not only at its plants and business premises, but also across the entire watershed where these plants are located, investing in conservation and restoration tailored to the specific circumstances of each region in which we operate globally.
In 2003, Suntory Group launched the Natural Water Sanctuary Initiative aimed at enhancing water source recharge capabilities and preserving biodiversity. The initiative has now been expanded to over 12,000 hectares in 27 locations in 16 prefectures across Japan, and is replenishing twice the volume of groundwater extracted by our owned plants in Japan. As we advance these efforts, we collaborate with leading researchers from various fields to ensure that our activities are scientifically grounded and sustainable for the next 100 years and beyond.



*1 In Nagaokakyo, Kyoto, we are a member of the Nishiyama forestry development promotion committee, through which we cooperate in local forest preservation activities with people in the community. The area of the forests subject to this activity is not counted as part of our total Natural Water Sanctuary area.

For more information, see Suntory Natural Water Sanctuary.

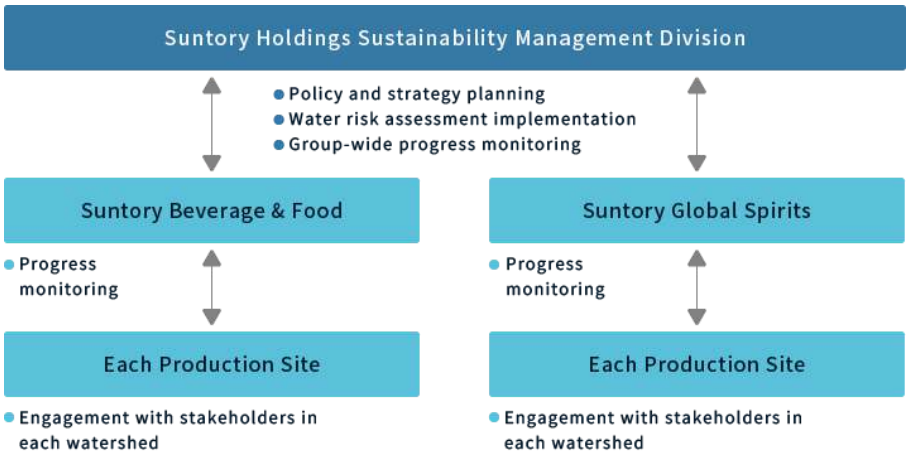
Suntory Group practices coexistence with nature in all regions where we conduct business worldwide. We will continue to engage in various initiatives as we strive to be a global leader in water sustainability.

For details, see Water Initiatives Water Initiatives Worldwide.

Community Engagement

The fourth pillar of our Sustainable Water Philosophy is engaging with the local community.
Suntory Group works with stakeholders including local government, NGOs, educational institutions, and the local community based on the annual water risk assessments conducted at each production site to address water issues in the local watershed.

System Supporting Community Engagement



For more information, see Community Engagement in Watersheds.

Awareness-Raising Activities

Suntory Group believes that it is our important responsibility to pass on a vibrant global environment to the next generation. We have set targets to implement programs that raise awareness of water issues and provide safe water to over 5 million people by 2030.

Suntory "Mizuiku"-Education Program for Nature and Water

Suntory “Mizuiku”* — education program for nature and water started in 2004 in Japan. The program is unique to Suntory Group and designed to help children appreciate the wonders of nature, recognize the importance of water and the forests that nurture it, and think about what they do to pass on water to future generations.
In addition to Japan, Mizuiku is currently offered in 9 countries worldwide, with cumulative participants reached 1,790,000 as of 2025.

* Mizuiku is a registered trademark of Suntory Holdings Limited.
* Sponsor: Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology, etc.

For more information, see Suntory "Mizuiku" — Education Program for Nature and Water.

Participation in Initiatives

Suntory Group participates in various international water initiatives to promote the conservation of water resources. In addition to signing The CEO Water Mandate of the UN Global Compact, we have entered into a partnership agreement with the international water certification organization Alliance for Water Stewardship (AWS) and are playing a leadership role in raising awareness about water management and building networks in Japan.

Collaboration with AWS

In 2018, Suntory Group’s Suntory Okudaisen Bunanomori Water Plant (Tottori Prefecture) became the first in Japan to receive AWS International Certification, followed by the Suntory Kyushu Kumamoto Plant (Kumamoto Prefecture) in 2019 and the Suntory Minami Alps Hakushu Water Plant (Yamanashi Prefecture)

ALLIANCE FOR WATER STEWARDSHIP
PLATINUM CERTIFIED
サステナブルな水資源管理の国際認証
（AWSプラチナ認証）

in 2021. The Suntory Kyushu Kumamoto Plant obtained the highest “Platinum” certification in 2023, followed by the Suntory Okudaisen Bunanomori Water Plant, Suntory Minami Alps Hakushu Water Plant and Suntory Kita Alps Shinano-no-Mori Water Plant (Nagano Prefecture) in 2025. Additionally, we are accelerating our collaboration with AWS, including the signing of a partnership agreement with the AWS International Secretariat. In 2025, we launched a working group called Japan Water Stewardship Leadership Group (JWS) together with 4 other Japanese member companies*.

* MS&AD Insurance Group Holdings, Inc., Kurita Water Industries Ltd., Coca-Cola (Japan) Company, Limited, and Yachiyo Engineering Co., Ltd.

Suntory’s AWS Certifications

2018	● Suntory Okudaisen Bunanomori Water Plant achieved AWS Certification (first in Japan)
2019	● Suntory Kyushu Kumamoto Plant achieved the AWS Certification
2021	● Signed partnership agreement with AWS Asia Pacific (first in Japan) ● Member of the AWS supporting companies (first in Japan) ● Suntory Minami Alps Hakushu Water Plant achieved the AWS Certification
2023	● Suntory Kyushu Kumamoto Plant achieved the AWS “Platinum” Certification (first in Japan) ● Signed a collaboration agreement with AWS International Secretariat
2025	● Start of Japan Water Stewardship Leadership Group ● Suntory Okudaisen Bunanomori Water Plant achieved the AWS "Platinum" Certification ● Suntory Minami Alps Hakushu Water Plant achieved the AWS "Platinum" Certification ● Suntory Kita Alps Shinano-no-Mori Water Plant achieved the AWS "Platinum" Certification

For more information on AWS, see Achieving the AWS Certification for Water Stewardship.

Taskforce on Nature-related Financial Disclosures (TNFD) Forum

Suntory Group joined the TNFD[*1] Forum in April 2022 to accelerate initiatives that contribute to nature-positive outcomes. We also registered as a TNFD Adopter[*2] in December 2023.

*1 Abbreviation for Taskforce on Nature-related Financial Disclosures

*2 Organizations (report preparers) who intend to start making disclosures aligned with the TNFD recommendations in their corporate reporting.

For more information, see Disclosures Based on TNFD & TCFD Recommendations.

Our Focus Areas

Raw Ingredients

Context

Due to the rise in average temperatures caused by climate change, droughts, floods and other extreme weather events are predicted to impact production activities significantly, affecting production volumes and shifting suitable cultivation areas. In production and procurement, social issues that may negatively affect the human rights of those working within the supply chain are evident. To offer our customers high-quality products and services, at Suntory Group, we believe it is crucial to promote sustainability throughout our entire supply chain. This means we need to give due consideration to the environment and society, as well as to safety and reliability.

Governance

Global Sustainability Committee

At Suntory Group, we have established a system to promote environmental management centered around the Global Sustainability Committee (GSC). Under the supervision of the Chief Sustainability Officer, GSC formulates strategies related to the material issues outlined in the Suntory Group Sustainability Vision. GSC also oversees the progress of these strategies and analyzes the business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.

For more information on the Global Sustainability Committee, see Environmental Management.

Strategy and Risk Management

Strategy

Business Partner Selection and Collaboration

When doing business with business partners, we fairly evaluate the quality and supply capabilities of their products and services, financial condition, safety measures, environmental conservation efforts, and social contributions based on the Suntory Group Basic Policy on Sustainable Procurement.
The Suntory Group Basic Policy on Sustainable Procurement was established to further strengthen sustainability with regard to internationally recognized important issues, including the prohibition of child labor and forced labor, respect and support for the right of freedom of association and the right to collective bargaining, reduction of excessive working hours, and the guarantee of a living wage.
Under this policy, we also established the Suntory Group Partner Guidelines. These guidelines put in place specific compliance items required in each field from human rights and legal compliance to the environment for business partners of Suntory, including suppliers and customers, to confirm the same ethical values are shared between Suntory Group and its partners. Compliance with these guidelines is a prerequisite for engaging in a business relationship with suppliers, and we require both new and current suppliers to sign off on their compliance with the guidelines. We hold annual policy briefings for our major business partners to inform and seek their understanding.

Collaboration with Business Partners

Suntory Group is promoting pioneering activities in collaboration with diverse partners to reduce GHG emissions and address environmental and social challenges, such as human rights, throughout the value chain.

Promotion of Sustainable Agriculture

- Initiative to procure barley, corn and sugarcane produced through regenerative agriculture
- Initiatives in collaboration with green tea production area
- Supporting sustainable agriculture of blackcurrant farmers
- Promoting sustainable procurement in upstream supply chain for coffee
- Engagement with local coffee farm to improve community resilience

Response to Climate Change

- Data collection, target setting and sharing of best practices
- Support for transition to sustainable agricultural practices

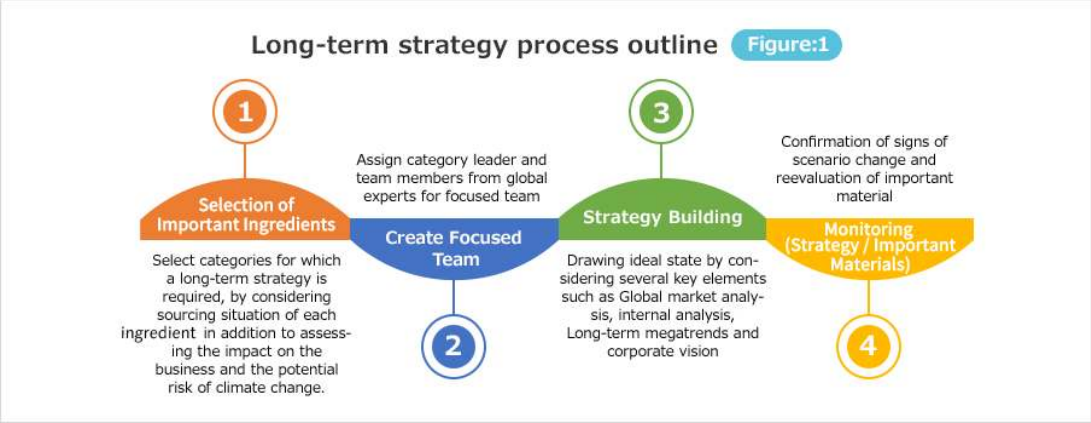
Water Resource Stewardship

Regenerative agriculture is attracting attention for its potential to mitigate and adapt to climate change by reducing GHG emissions through reduced use of chemical fertilizers and pesticides, as well as restoration of soil biodiversity which boosts soil fertility and effective water use. Suntory Group collaborates with business partners to improve water-use efficiency in the production of water-intensive key raw ingredients in highly water stressed areas.

Risk Management

Stable Procurement of Raw Ingredients

Suntory Group considers the effects of extreme weather events caused by climate change, such as rising average temperatures, droughts, and floods, on essential crops and other raw materials as a significant risk. These conditions could lead to fluctuations in yield and shifts in optimal cultivation areas, greatly impacting production activities.
With this understanding, Suntory Group is identifying risks and opportunities while referring to scenarios from RCP2.6 (scenarios below 2°C), RCP 8.5 (4°C scenario) from the UN Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).
As part of efforts to ensure stable procurement of raw ingredients, we conduct impact assessments of future yield predictions due to climate change based on the source of the raw ingredients, and develop strategies for stable procurement.



For more information on our strategy, see Sustainable Procurement.

Respect for Human Rights in Supply Chains

We strive to respect the human rights of everyone involved in our business through dialogue and cooperation with various stakeholders, including employees, business partners, the local community, and NGOs. For human rights risks in raw ingredients, 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.
As a result, we have begun a risk assessment tracing back through the supply chain for the coffee beans where potential risks have been identified.
Additionally, we are a member of Sedex, the world's largest supplier ethical information sharing platform, and we conduct impact assessments using Sedex's 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.

* SAQ:Self-Assessment Questionnaire

For more information, see Respect for Human Rights.

Our Initiatives

Stable Procurement of Raw Ingredients

To ensure the sustained production of high-quality crops by producers, we are implementing supply chain initiatives for sustainable agriculture in 9 areas of agricultural production.

No.	Raw Ingredients	Source	Details of Initiative
1	Coffee	Guatemala	Promoting Sustainable Procurement in Upstream Supply Chain for Coffee <Guatemala>
2	Coffee	Brazil	Promoting Sustainable Procurement in Upstream Supply Chain for Coffee <Brazil>
3	Coffee	Uganda	Promoting Sustainable Procurement in Upstream Supply Chain for Coffee <Uganda>
4	Coffee	Colombia	Regenerative Agriculture Pilot Program in Colombia's Coffee-Growing Region
5	Corn	USA	Collaborating with Corn Farmers to Pioneer Regenerative Agriculture
6	Barley	UK	Initiative to Procure Malting Barley Produced through Regenerative Agriculture
7	Sugarcane	Thailand	Launching Low Carbon Sugarcane Farming Project in Thailand in Collaboration with VIVE Programme and KTIS
8	Agave	Mexico	—
9	Blackcurrant	UK	Supporting Sustainable Agriculture of Blackcurrant Farmers
10	Grape	Japan	Challenging Climate Change with a New Cultivation Technique for Wine Grapes

11	Oranges	France	For orange disease countermeasures, carrying out joint research with CIRAD (the French agricultural research and cooperation organization working for the sustainable development of tropical and Mediterranean regions)
12	Sweet Potatoes	Japan	Launching a Pilot Program for Sweet Potato Cultivation Using Regenerative Agriculture Practices

For more information about initiatives related to raw materials, see Sustainable Procurement.

Our Focus Areas

Containers and Packaging

Context

Containers and packaging play a crucial role in protecting and preserving the quality of products until they reach customers. Much of this packaging, however, becomes waste after consumption. In particular, environmental pollution resulting from the improper handling of used plastics has become a significant social issue.

In Japan, the Ministry of the Environment has formulated the Plastic Resource Recycling Strategy which recognizes the convenience of plastic products while comprehensively promoting resource recycling. In August 2024, Japan's 5th Fundamental Plan for Establishing a Sound Material-Cycle Society was established, encouraging the circulation of plastic resources and the use of biomass plastics. It also calls for enhancing Extended Producer Responsibility (EPR) and increased initiatives across the entire supply chain.
Globally, many countries and regions are accelerating efforts to restrict the use of single-use plastics. In the EU, regulations on single-use plastic products are being strengthened under its plastics strategy, and the Packaging and Packaging Waste Regulation (PPWR) was adopted by the EU Council in December 2024.
Aiming to realize a circular economy, Suntory Group is committed to environmental considerations throughout the entire product lifecycle, from design and transportation to post-consumption recycling. We actively collaborate with diverse stakeholders to address and resolve these issues.

Core Policy

Suntory Group recognizes addressing the plastic issue in packaging as an urgent priority and strongly leads the transition to a circular and net-zero society. To this end, we established our Plastic Policy in 2019.

Suntory Group Plastic Policy

Expressing gratitude toward the blessings of nature that are the source of our products, Suntory Group is firmly committed to leading the transformation towards a circular and net-zero society, fostering a world where diverse life thrives harmoniously. While plastics offer numerous benefits due to their utility, we aim to ensure that the plastic containers and packaging we use maintain their useful functions without negatively impacting the global environment. Together with various stakeholders, we are actively pursuing solutions to these challenges. Additionally, each employee within Suntory Group is encouraged to act responsibly, taking the lead in creating a sustainable society.

1. Recycle & Renewable:

(1) Aim to switch all the PET bottles used globally for Suntory products to be made of recycled or bio-based material by2030, achieving zero use of virgin petroleum-based materials.

(2) Actively work and collaborate with government agencies, industry, as well as environmental, non-governmental and non-profit organizations for the measures necessary to develop an efficient recycling system based on the situation of each country where we do business.

2. Reduce & Replacement:
Reduce the amount of plastic used by changing the design of containers and packaging and look for the introduction of alternative containers that do not negatively impact the environment in order to effectively utilize resources.

3. Innovation:
Actively invest in innovation for materials and processes that improve the recycling rate and minimize environmental impact.

4. New Behavior:
   Promote activities that drive change in consumer behavior. Each Suntory employee will work to change their lifestyle, promote sorting and collection, and actively participate in social contribution activities such as cleaning up rivers and beaches.

Governance

Global Sustainability Committee

Suntory Group has established a system for promoting environmental management centered on the Global Sustainability Committee (GSC). Under the supervision of the Chief Sustainability Officer, the GSC formulates strategies related to the material issues outlined in the Suntory Group Sustainability Vision. The GSC also oversees the progress of these strategies and analyzes related business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.
In addition, with regard to containers and packaging, our Containers and Packaging Task Force meets 6 times a year as a forum for discussing more specific strategies and initiatives, mainly involving employees from the business sector and functional departments.

For more information on the Global Sustainability Committee, see Environmental Management.

Strategy and Risk Management

Environmental pollution and increased GHG emissions resulting from the improper handling of used plastics have become significant social issues. While there are risks such as higher cost due to taxes on single-use plastics, there are also opportunities to reduce the use of petroleum–based materials through the development and adoption of new technologies.

Strategy

Toward the realization of a circular society, Suntory Group has established its Plastic Policy under which we aim to make our PET bottles from 100% recycled or bio-based material, eliminating the use of virgin petroleum-based materials in all of our PET bottles globally by 2030.
In addition to proactively advancing “Bottle-to-Bottle” Horizontal Recycling, in which used PET bottles are turned into new ones, we are developing technologies to replace materials with bio-based alternatives. Additionally, we are pursuing technological innovations to reduce GHG emissions, including developing the world’s first F-to-P direct recycling technology.*

* Joint development among 4 companies including Kyoei Sangyo Co., Ltd.

For more information, see Recycle: Promote “Bottle-to-Bottle” Horizontal Recycling.

Risk Management

In the EU, regulations on single-use plastic products are being strengthened, including the adoption of the Packaging and Packaging Waste Regulation (PPWR). We recognize that failing to adapt product design and environmental responses to these changes can have a direct impact on manufacturing costs and Suntory Group’s reputation.
With this understanding, Suntory Group is advancing risk identification and implementing countermeasures through collaboration between GRMC and GSC.
Additionally, we actively participate in alliances and initiatives aimed at addressing environmental challenges caused by plastics, such as the Japan Clean Ocean Material Alliance (CLOMA) and the Global Plastic Action Partnership (GPAP). We view such participation as a crucial element for environmental risk management enabling us to address a wide range of issues through exchanging of information, sharing of best practices globally, and collaborating with diverse industries, governments, and international organizations.

Metrics and Targets

Our Goals	Targets	Results
Percentage of sustainable materials used in PET bottles*	2030 100%	2025 42%

* Percentage of sustainable materials (e.g., recycled materials or bio-based materials) in terms of PET bottle weight

Our Initiatives

Initiatives for Plastic

Based on our Plastic Policy and “2R+B” (Reduce, Recycle + Bio) strategy, we aim to make our PET bottles 100% sustainable by converting all PET bottles used globally to 100% recycled or bio-based, materials, eliminating the use of virgin petroleum-based materials by 2030.

For more information, see Packaging & Resource Efficiency.

Cans/Bottles/Barrels/Paper Packaging/Cardboard

Under the 3R principles of Reduce, Reuse, and Recycle, we are advancing efforts toward environmentally conscious packaging. We are strengthening efforts across all 3 aspects: making containers and packaging lighter to Reduce, collecting and reusing containers for Reuse, and promoting container recycling for Recycle.

For more information, see Packaging & Resource Efficiency.

Our Focus Areas

GHG

Context

Addressing climate change is one of the most critical challenges for Suntory Group in terms of business continuity and sustainable growth. Suntory Group's operations, supported by natural resources such as water and crops, could be significantly affected by risks that include water shortages and reduced crop yields due to climate change. For example, a shortage of water, our principal ingredient, could lead to a temporary halt in plant operations, potentially leading to missed opportunities, while decreased agricultural yields may increase the cost of procuring ingredients.

On the other hand, rising temperatures also present new business opportunities, such as the growing demand for bottled water and beverages that prevent heat stroke.

Given the presence of both risks and opportunities, Suntory Group declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2019 and has incorporated the analysis of business impacts from climate change and corresponding measures into our management strategy.

Governance

Suntory Group has established a clear governance structure, overseen by our Board of Directors, to address climate change challenges. Our Board of Directors regularly monitors our strategies and initiatives related to climate change, receiving reports from the Global Sustainability Committee (GSC) and Global Risk Management Committee (GRMC). GSC deliberates on mid- to long-term strategies relating to water resources, climate action, and other sustainability issues, while the GRMC is the central organ of our Group-wide risk management system, discussing and monitoring key risks, including those related to climate change. GSC and GRMC are also responsible for establishing Risk Management Committees and Sustainability Committees at each of our key operating companies, and drafting and implementing concrete strategies and measures relating to climate change at the individual business level. Key issues explored by these 2 committees are brought before the Board of Directors, who conduct the final deliberations and decision-making.

Responsibility for and initiatives around climate action are also incorporated into our business strategy at the senior management team level. Our President takes ultimate responsibility for our climate action, while our Chief Sustainability Officer is in charge of evaluating and managing climate change-related risks and opportunities. Sustainability targets are part of the evaluation criteria for executive compensation, and the degree to which climate action targets are being met is reflected in evaluations and compensation of our senior management team. Every quarter, our Board of Directors also receives reports on the progress of our climate action measures and risk status, alongside which they hold regular seminars with external expert guests, allowing them to integrate advice based on the latest information into their management practices. With this structure, we have firmly anchored our initiatives on climate change within the Group’s business strategy and decision-making process.

Strategy and Risk Management

Suntory Group’s climate action strategy involves approaching the issue from 2 angles: promoting decarbonization and strengthening our business resilience (our ability to adapt to climate change). We began by investigating and identifying a comprehensive list of the risks and opportunities that may be brought about by climate change, then conducting scenario analyses that evaluates the degree of business impact and likely incidence of these risks over the short- (0–3 years), mid- (3–10 years), and long-term (10–30 years).

We hypothesized various sets of future business conditions, using the Intergovernmental Panel on Climate Change (IPCC)’s RCP8.5 scenario to represent a situation in which global warming progresses, and the International Energy Agency (IEA)’s Net Zero Emissions by 2050 Scenario

(NZE Scenario) to represent one in which decarbonization is advanced, among others.
This allowed us to identify rising costs due to the introduction of carbon taxes, insufficient water supply to our production sites, and increased costs for procuring ingredients due to reduced crop yields as risks that could potentially have a particularly large impact on our business.

For more information on financial impacts, see our Disclosure Based on TNFD & TCFD.

Suntory Group is taking the following strategic measures in response to the key risks we have identified.

- **Addressing Transition Risk (Increased Carbon Costs):**
  Starting in 2021, we adopted an internal carbon pricing framework within the Group to incorporate carbon pricing into our capital investment decision-making. We plan to invest approximately 100 billion yen by 2030 to promote decarbonization, actively transition to renewable energy and introduce energy-efficient equipment. These investments are expected to reduce annual greenhouse gas (GHG) emissions by approximately 1 million tons as of 2030.
- **Addressing Physical Risks (Water Resources):**
  We conduct water risk assessments for all our owned production sites to evaluate the water resource conditions of their locations and identify water usage risks, including areas with high water stress. Our goal is to return more than 100% of the water used in our plants to the local communities through efforts to improve and reduce water usage efficiency, as well as through water resource conservation activities.
- **Addressing Physical Risks (Ingredient Procurement):**
  We predict and evaluate future yield changes of agricultural raw materials based on climate models to develop stable procurement strategies for key ingredients. We are adopting measures to mitigate climate change impacts on our ingredient procurement, advancing initiatives including piloting sustainable agricultural practices in collaboration with our suppliers and other business partners.
- **Addressing Other Risks:**
  We are also taking action against acute risks such as flooding caused by major typhoons or torrential rainfall, conducting hazard and risk assessments at all Suntory Group sites and incorporating the findings into our disaster plans and business continuity plans.

At the same time, climate change also presents new opportunities for Suntory Group. As average temperatures rise and heatwaves multiply, demand for beverages that prevent heat stroke and for bottled water is expected to grow. To meet this expanding demand, we are investing in production capacity and strengthening our product line-up. Proactive initiatives to address climate change also enhance our corporate brand value and provide the opportunity to expand our support among environmentally conscious consumers.

For many years, Suntory Group has continued initiatives such as the Suntory Natural Water Sanctuary Initiative, which aims to improve forest water resource recharge functions and restore biodiversity and "Mizuiku" - education program for nature and water, an environmental education program for the next generation. We strive to enhance social recognition of these activities to build trust in our brand and maintain market advantages. Additionally, from a resource circulation perspective, we pursue innovations such as the development of advanced recycling technologies for used PET bottles to achieve reductions in both raw ingredients costs and GHG emissions reductions.

Suntory Group’s climate action strategy and our action on risks and opportunities related to this issue are implemented within the framework of our integrated risk management system. This system comprehensively manages risk across the Group, with GRMC playing a central role alongside Risk Management Committees and teams in place at each of our operating companies. Through it, we identify, assess, and monitor major risks, including climate change risks, on an annual cycle. Key subjects discussed by GRMC and GSC are brought before the Board of Directors, and planning, execution, and evaluation (PDCA) of measures are carried out on an ongoing basis, approved and overseen by our senior management. Through this governance system, we aim to enable agile and systematic responses to climate change risks while reliably incorporating climate-related opportunities into our business strategies.

Metrics and Targets

Suntory Group has set and disclosed clear indicators and numerical targets to measure progress in addressing climate change. In our long-term vision, Suntory Environmental Vision toward 2050, we aim for net-zero GHG emissions across the entire value chain. Our mid-term plan, Environmental Targets toward 2030, specifies concrete GHG reduction targets for 2030.
The GHG reduction targets outlined in Environmental Targets toward 2030 have been certified by the Science Based Targets initiative (SBTi) as being aligned with the Paris Agreement's 1.5°C target.

Our key targets are outlined below.

- **Environmental Targets toward 2030:**
  Reduce GHG emissions from our direct operations by 50%,* reduce GHG emissions across our entire value chain by 30%*

- **Environmental Vision toward 2050:**
  Aim for net zero GHG emissions across the whole value chain

* Based on emissions in 2019.

To achieve these goals, we disclose our GHG emissions performance and progress annually and ensure thorough monitoring based on KPIs. Using 2019 as the baseline year, we calculate GHG emissions (Scope 1, 2, and 3) and assess the numerical impact of reduction measures. As of fiscal year 2025, we have achieved a 36% reduction in Scope 1 and 2 emissions compared to 2019, and a 17% reduction across the entire value chain, putting us on track to meet our 2030 targets.
Additionally, we have accelerated our adoption of renewable energy at our business sites. By 2022, we achieved 100% renewable energy usage for electricity at 63 major company locations globally. We also set environmental KPIs, including energy efficiency, renewable energy ratio, and water usage, to quantitatively assess our climate change mitigation and adaptation efforts. Moving forward, we will continue to manage progress based on these indicators and implement measures according to our roadmap toward achieving net-zero by 2050.

Our Initiatives

Suntory Group engages in efforts to reduce GHG emissions across the entire value chain and to adapt to climate change. We aim to achieve net zero GHG emissions across our entire value chain by 2050 and have set out 2030 targets of reducing emissions from our own operations (Scopes 1 and 2) by 50% and emissions throughout our value chain (including Scope 3) by 30%, compared to 2019 levels. To achieve these targets, we are implementing measures at each stage, from procurement of ingredients to production and logistics, all the way to delivery to our customers.

- **Raw Ingredient Procurement and Supply Chains:**
  In the production and procurement stages of raw materials, we work with business partners to promote the reduction of GHG emissions. Every year, we hold policy briefings for our major business partners where we share our sustainability initiatives, and conduct surveys and engage in dialogue to help them set emissions reduction targets. Additionally, we are incorporating methods such as regenerative agriculture to reduce GHG emissions and enhance climate resilience associated with raw material production. For example, in sourcing barley as a malt ingredient, we are collaborating with overseas partners and farmers to implement soil regeneration and agricultural improvements, balancing agricultural GHG emission reductions with biodiversity conservation. In packaging materials, we are also working to use recycled materials and reduce the weight to reduce the carbon footprint at the raw material procurement stage.
- **Production (Suntory Sites):**
  We are accelerating energy conservation efforts and the introduction of renewable energy to reduce emissions from our plants and business sites (Scope 1 and 2). We have implemented internal carbon pricing in our investment decision-making, prioritizing projects with significant GHG reduction impacts. In Japan, we have installed photovoltaic systems and switched to biomass boilers, and are also venturing to leverage next-generation infrastructure, including adopting large-scale energy storage solutions and hydrogen systems at our plants.
  For example, we launched a pilot to shift energy demand with a 16-megawatt P2G system, which will use renewable energy to produce hydrogen, at our Hakushu facilities in Yamanashi Prefecture, in 2025. In addition to these advanced measures, we are also promoting energy efficiency improvements and equipment optimization across all sites to meet our 2030 goals.
- **Logistics:**
  We are working together with our partner logistics companies to reduce GHG emissions associated with product transportation and delivery. We are advancing efforts to optimally position our production sites and sales areas to reduce the distance that products must travel from our plants to their delivery destinations, and are cooperating with other companies on joint distribution, shared container shipping, and other solutions to increase efficiency. Our approach to truck transportation includes increasing the load factors of the large vehicles we use and switching to alternative fuel vehicles or rail transport, allowing us to implement transportation with lower GHG emissions compared to conventional methods. At distribution centers for our products, we have collaborated with partner companies to obtain Green Management and ISO 14001 certification, and monitor energy usage and GHG emissions for individual warehouses and vehicles to facilitate improvements in these areas. These measures enable us to balance environmental impact reduction with efficiency improvements in logistics.
- **Product and Customer Contributions:**
  As part of our adaptation measures to climate change, we aim to contribute to society through our products and services. For example, we are developing and providing functional beverages suitable for preventing heatstroke, addressing the risks posed by rising temperatures. We continue to conduct awareness activities for consumers and communities, such as heatstroke prevention seminars in supermarkets and elementary schools. Moreover, we contribute to global action on climate change by participating in international initiatives. Suntory Group's goals have been approved to be aligned with 1.5°C targets by the Science Based Targets initiative (SBTi) and we signed onto the Business Ambition for 1.5°C campaign. We have also endorsed the TCFD recommendations and conduct scenario analysis and information disclosures in line with these.

For more information, see Climate Action.
For more information, see Disclosure Based on TNFD & TCFD.

Our Focus Areas

Health

Context

The food and beverage industry is being called on, more than ever before, to contribute to consumer health by providing products that take into account nutrition and health.
In 2022, the World Health Assembly adopted the Global alcohol action plan 2022–2030 to reduce harmful alcohol use, and Japan's Ministry of Health, Labour and Welfare announced its Guidelines on Health-Conscious Drinking in February 2024. For alcoholic beverages, these and similar moves have increased appeals to raise awareness around appropriate drinking practices and promote responsible marketing.
Suntory Group is enhancing our initiatives for appropriate product labelling and responsible marketing, working through our wide-ranging business activities to enrich our portfolio of nutrition- and health-conscious products and otherwise promote innovation for value creation, and supporting rich and comfortable lifestyles aligned with all stages of life.

Governance

Suntory Group has established a system for promoting sustainability management centered on the Global Sustainability Committee (GSC) to formulate strategies, promote initiatives, and check on progress related to the material issues that we should address, GSC also oversees the progress of these strategies and analyzes the business risks and growth opportunities, reporting to the Board of Directors on a quarterly basis.
Our expert body, the ARS Committee, handles alcohol-related issues, developing strategies for and promoting initiatives around practicing responsible marketing, raising awareness of appropriate drinking practices both internally and externally.

For more information on the Global Sustainability Committee, see Environmental Management.
For more information on the ARS Committee, see Responsible Drinking.

Strategies and Risk Management

Suntory Group is dedicated to contributing to the physical and mental well-being and joy of our customers. We are developing products that consider nutrition and health, expanding our portfolio of sugar-free, low-sugar, and non-alcoholic beverages.
At Suntory Beverage & Food Limited, which oversees our food and beverage business, we have established our Health Policy to guide our efforts in supporting people to achieve healthier lifestyles.

Suntory Beverage & Food Limited 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.

We also support mental and physical self-care through our beverages and promote healthy behaviors utilizing digital tools contributing to healthier choices that support daily wellbeing.
In addition, in response to mandatory nutrition labeling as well as the strengthening of self-regulation in the beverage industry, we are focusing on opportunities to enhance health contributions in the global market.

Societal concerns and the trend toward stronger regulations around health risks are also becoming significant external factors for our business. In the alcohol sector, in particular, informed by the WHO's Global alcohol action plan 2022–2030 as well as the alcohol consumption guidelines from Japan's Ministry of Health, Labour and Welfare, there is demand for promoting responsible drinking and age-appropriate marketing practices. Suntory Group strictly enforces internal review systems and self-regulatory rules based on industry standards. In addition, through our global initiatives such as the DRINK SMART® program, we promote responsible communication and provision of information aligned with the cultural norms of each country and region in which we operate.

Metrics and Targets

Health-related indicators and targets are set by each of our companies in each of the countries where we operate.
For more information, please refer to the following pages for specific initiatives, as well as each Group company's sustainability reports.

- For more information, see Responsible Drinking.
- For more information, see Positive Choices.
- Suntory Beverage & Food Europe Sustainability Report
- Suntory Global Spirits Sustainability Report

Our Initiatives

Product Portfolio

Soft Drinks

Suntory Beverage & Food Limited is enhancing its portfolio of products that satisfy the mind and body while delighting the taste buds. Worldwide, it is developing products that use less sugar, Foods for Specified Health Uses (FOSHU) and Foods with Function Claims (FFC) to address health issues, and products that minimize the use of artificial colorings and flavorings.

- For more information on our product portfolio, see Soft Drinks.
- The Tokucha (FOSHU Iyemon) Development Story
  Iyemon Tokucha: a Delicious FOSHU and a Major Hit, Developed Through Research into Polyphenols (in Japanese)

Alcoholic Beverages

In addition to promoting responsible drinking, Suntory Group is developing non-alcoholic beverages for a broad range of adult consumers of legal drinking age to enjoy without worrying about the effects of alcohol. In 2010, we launched "ALL-FREE" and in 2011 "Non-al-kibun", pioneering the market for non-alcoholic beverages with an alcohol content of 0.00%. In recent years, we have expanded our product lineup with the release of "All Free for Your Body," a food with functional claims, in response to growing health consciousness, "Non-al-banshaku Lemon Sour Non-alcoholic," a lemon sour-flavored beverage, and "Non-al-de-wine-no-kyujitsu," a wine-flavored non-alcoholic beverage.

Health Foods

Scientific evidence is essential for health foods. Suntory Group bases its efforts on brewing technology cultivated over more than a century, continuously striving to harness nature's strength for maintaining health through foundational research. Suntory Institute for Science of Life undertakes research and development with a focus on the science of aging, including research on sesamin, a component found in miniscule quantities in sesame seeds—themselves an ingredient that has been considered beneficial for physical health since ancient times—and studies relating to brain and motor system health. Innovative products developed by the Institute include Sesamin EX, Omega Aid, and Locomre. These products are offered by Suntory Wellness, which handles the Group's health business, and their development continues through active customer engagement.

For more information, see Suntory Wellness (in Japanese).

Responsible Marketing

Marketing for Alcoholic Beverages

In Japan, our Global ARS Department internally reviews all marketing activities for products containing alcohol prior to launch, to ensure both legality and appropriateness, while preventing any improper marketing practices. In 2006, we systematized pre-screening for product labeling, and in 2007, we revised our internal standards for advertising and sales promotion activities for alcoholic beverages to further strengthen our efforts. 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.
As part of Suntory Group's global Drink Smart® initiative, we collaborate with relevant organizations to implement programs tailored to the specific needs and cultural aspects of each market. This is based on fundamental principles such as preventing underage drinking and drunk driving, promoting responsible drinking, and consideration for those who do not drink.

For more information, see Practice Responsible Marketing.

Marketing to Children

Suntory Beverage & Food Europe (SBFE) is a signatory of the EU Code of Conduct on Responsible Food Business and Marketing Practices. SBFE also participates in UNESDA's* Responsible marketing in schools program and is audited on its implementation of the program.
In addition, SBFE does not market directly to children under the age of 16 in any country where it sells its products, in accordance with the SBFE Responsible Code of Marketing and Communications, which it established in December 2023. It also implements initiatives in line with the policies of the countries and regions in which it operates.

* UNESDA: Union of European Soft Drinks Associations

2024 Progress Report on the EU Code of Conduct on Responsible Food Business and Marketing Practices
For more information on our initiatives, see Responsible Marketing.

Responsible Product Labelling

Soft Drinks

Suntory Group recognizes the importance of providing nutrition information about our products, enabling consumers to make informed choices. We strive to provide consumers with necessary information promptly and appropriately, including details related to safety and security. We also work to ensure that the phrasing used for our product labels, advertisements, publicity, and other materials is accurate, clear, and leaves no room for misunderstandings. 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.
Regarding product labeling, the Quality Assurance Division collaborates with related divisions in charge of development and production across Group companies to establish a system that ensures legal compliance and accuracy, thereby promoting clear and precise labeling.

For more information on our beverage labels, see Appropriate Information Disclosure.

Alcoholic Beverages

In accordance with voluntary standards established by the alcohol industry, all alcoholic products in Japan carry health warning labels to prevent underage drinking, as well as to caution pregnant and nursing women. Additionally, beer and ready-to-drink (RTD) products display an “alcohol” mark to ensure that they cannot be mistaken for juice.
Internationally, Suntory Global Spirits includes key nutrition information on both brand packaging and the Drink Smart website, along with symbols and messaging warning against drinking during pregnancy, drinking and driving, and underage drinking.

For more information, see Practice Responsible Marketing.

Helping Build Healthy Lifestyles

Support for Mental and Physical Self-care

In 2024, Suntory Beverage & Food launched the menphys Project, aimed at helping young people dealing with mental or physical conditions or concerns that they may find difficult to talk about, using beverages, a familiar product, to encourage positive steps forward. Spearheaded by young Suntory Group employees who identify with these challenges, the initiative supports self-care by resonating with young people’s desire to understand, respect, and confidently be themselves.

Official menphys website (in Japanese)

Promoting Health and Productivity Management

Today, practicing health and productivity management and promoting the health of employees, who are vital resources, is indispensable for any business. Suntory Group operates SUNTORY+, a health management service that supports corporate health and productivity management. This app combines real-world and digital elements[*1] and delivers reminders effectively, boasting a high continuation rate.[*2] It contributes to improving health literacy and promoting behavioral changes employees of companies where it has been introduced.

*1 The app displays various tasks related to healthy behaviors that users can complete to receive points, coupons, and other rewards that can be exchanged for beverages at vending machines set up at our locations.

*2 84%. Definition of continuation: app used once or more in the second month after first use.

Suntory’s digital initiatives: SUNTORY+ (in Japanese)

Supporting Lifestyles that Shines at Any Age

We offer the Comado health action app to Suntory Wellness customers. Downloaded by over 600,000 people within a year since its launch, this app allows users to earn points by engaging in healthy behaviors and contributes to behavior change and the establishment of healthy habits, particularly among seniors.
We are also promoting the “Be supporters!” project, which aims to encourage the elderly and individuals with dementia in senior care facilities to become supporters of local soccer clubs, invigorating them both mentally and physically.

For more information, see Be supporters! (in Japanese)

Our Focus Areas

Human Capital

Context

Human Capital Management as the Source of Growth

Since our founding in 1899, Suntory Group has been guided by the belief that people are the most important foundation of business, and has placed great value on human capital management.

In every era, people have been the source of Suntory Group's growth. "People are like whisky. You can't judge them over the short term. You have to take a long-term view." As reflected in these words by Keizo Saji, the second president of Suntory, Suntory Group has always taken the medium- to long-term view with respect to talent development. We provide diverse experiences and opportunities for continuous learning so that each individual can proactively shape their own career path embracing our "Yatte Minahare" spirit.

Maximizing the Potential of People and Organizations to Achieve Our Purpose

Suntory Group's purpose is "To inspire the brilliance of life, by creating rich experiences for people, in harmony with nature."

And to achieve this purpose, it is essential that each individual make the most of their unique qualities and abilities and continue to take on new challenges without fear of failure. To that end, we are fostering a sense of unity as ONE SUNTORY One Family and creating an environment where employees can continue to actively take on challenges while staying true to themselves, thereby building an organization where everyone can embrace the spirit of "Yatte Minahare."

Governance

Suntory Group has established a robust and effective governance structure that spans from top management to the front lines, ensuring that our human capital strategies and measures contribute reliably to sustainable corporate growth.
To formulate and implement human resources strategies tailored to the overall management of Suntory Group and the status of each business, we have established a Human Resources Committee, chaired by the Representative Director, President & Chief Executive Officer, which deliberates on matters concerning key personnel as well as revisions to human resources policies. Further, led by the People & Culture Division, which is responsible for formulating and implementing Group-wide human resources strategies as well as overseeing HR-related activities, we have established a framework for regularly exchanging views and sharing information with human resources department heads at major Group companies worldwide, thereby establishing a structure that enables the steady implementation and execution of HR strategies across the entire Group.
We have also established a structure that enables us to share information, discuss, and collaborate with Group companies across the world on a wide range of initiatives, including talent management; talent development and career development; the planning and implementation of measures to improve employee engagement; addressing human rights issues; and the formulation and implementation of policies and strategies related to Diversity, Equity, and Inclusion (DEI) as well as health management.

Strategy and Risk Management

Suntory Group is advancing human capital initiatives from 2 perspectives: human resources strategies aligned with management strategy, and appropriate measures for addressing potential risks in business operations.

Human Resources Strategies

Suntory Group aims to be a “Yatte Minahare” organization that cultivates the unique strengths of each employee and continues to create new value through the collective power of ONE SUNTORY One Family.
To that end, we are dedicated to building an organization where all employees can continue to take on new challenges without fear of failure, and to developing our talent in ways that support the growth of diverse individuals and maximize our Group’s collective strengths. As part of our talent development efforts, we provide diverse experiences and opportunities for continuous learning so that each individual can proactively shape their own career path. We are also strategically developing talent that will shape and propel our business strategy.

Thorough Human Risk Management and Fair Treatment

At the same time, to proactively prevent factors that hinder innovation and value creation, we identify and manage human risks, such as talent turnover and health issues, and provide the necessary support to strengthen our foundation for business continuity. Furthermore, we are conscious of the safety and health of the people involved in our business activities, including not only our own employees but also those of our partner companies who work on the front lines in such areas as production and logistics. Ensuring their health and safety is an essential prerequisite for mitigating business continuity risks and maintaining supply chain resilience.
In addition to complying with the laws and regulations of each country, we strive to ensure fair working conditions and compensation so that our employees can work with peace of mind.
The establishment of this kind of fair and equitable working environment is closely linked to Suntory Group’s key preventive and corrective mechanisms for human rights due diligence, and serves as a cornerstone of our commitment to social responsibility.

For more information, see “Due Diligence Process.”

Metrics and Targets

Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. acquired certification under ISO 30414, an international standard for human capital disclosure, in December 2025 to obtain an objective assessment of the value created by human capital.

Acquisition of ISO 30414 International Human Capital Disclosure Guideline Certification (in Japanese)

Furthermore, to visualize progress in value creation through human capital, we have established the following key metrics and continuously monitor their progress.
Note that because each Suntory Group company develops and manages its own human resources policies—and particularly because Group companies outside Japan differ in terms of regional characteristics (including local laws, regulations, and customs) as well as business models and scale—not all companies within the Group maintain data on human capital management metrics.

	Indicator	Target	2025 result	Scope
Talent development policy	Percentage of positive responses regarding the various opportunities available within Suntory Group to build one’s career	2030 target 80%	71%	*1

	Percentage of positive responses regarding understanding of Suntory Group's corporate philosophy		2030 target 95%	89%	
Work environment development policy	DEI promotion	Ratio of female managers	2030 target 30%	13.0%	*2
		Paternity leave acquisition rate	2025 target 100%	108.2%	
	Health management promotion	Follow-up and advanced diagnostic testing rate	2030 target 100%	92.1%	*4
		Presenteeism*3	2030 target 90%	78.3%	
	Employee engagement	Percentage of positive responses regarding pride in working for Suntory Group	2030 target 90%	87%	*4

*1 Employees of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. (excluding those on secondment to certain overseas Group companies, etc.).

*2 Regular employees of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. (including employees seconded from either company to another company, but excluding employees seconded from another company to either company).

*3 Work productivity, with 100% representing productivity during a state of good health and no injuries. 4-week average.

*4 Employees of Suntory Holdings Ltd., Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Products Ltd., Suntory Spirits Ltd., Suntory Wellness Ltd., Suntory Business Systems Ltd., and Suntory Global Innovation Center Ltd. (excluding those on secondment to certain overseas Group companies, etc.).

For details on specific activities concerning each constituent human capital measure, as well as data broken down by location and demographic, please refer to our Human Capital Report (in Japanese).

Initiatives

So that every employee can fully demonstrate their potential and continue to take on new challenges with a "Yatte Minahare" spirit, Suntory Group, guided by our human capital management approach, is investing in human capital and creating a supportive environment in line with the following key themes.

Talent Development

Suntory Group takes a medium- to long-term approach to talent development, believing that when all employees, regardless of gender, nationality, or age, develop into Career Owners—strong individuals who can set their ambitious goals, taking on challenges, and carrying their efforts through to results—that translates into the Group's competitive edge. To this end, we are driving various initiatives to support individual growth.

Instilling our corporate philosophy and providing opportunities for continuous learning

Suntory Group opened its corporate university, Suntory University in April 2015 to strengthen our framework for day-to-day learning and build a culture of learning—for developing talent within the Group. Suntory University develops and offers a variety of programs for all the Group

employees based on 3 pillars: which are “Personalized Growth”—Unlock the potential within every employee, “Fostering Culture”—Cultivate and elevate our Suntory culture and corporate philosophy and “Leading the Business”—Develop leaders who propel the success of Suntory.

Programs aimed at instilling our corporate philosophy and strengthening the development of global leadership	A variety of programs have been implemented with the aim of developing global leaders who can lead the entire Suntory Group across business boundaries and will realize a true “Global ONE Suntory” that transcends national borders. These include, Beyond Borders, Global Leadership Development Program, Next-Generation Leaders Development Program, Global Challenge Program, Trainee Program, and COMPASS (Suntory Leadership Fundamentals Program).
Learning platforms	• MySU (My Suntory University): An environment where Suntory Group employees across the world can learn effectively and on their own initiative anytime, anywhere. • Terakoya: An environment centered on the concepts of learning, connecting, and teaching one another, where employees of Group companies in Japan can attend lectures or serve as instructors themselves on a wide range of topics, from work-related matters to general knowledge.

Providing opportunities for continuous career planning

We support our employees through a variety of initiatives centered on career vision dialogues, enabling each individual to take ownership of their career, and continue to consider their future and pursue new challenges.

Career vision dialogues	We conduct annual career vision dialogue to provide each employee with an opportunity to discuss their career path with their manager and focus on their personal growth. Through these dialogues with their manager, employees create a medium- to long-term career vision. This in turn promotes 3-way collaboration among employees, managers, and the People & Culture Division to support employee development and rotation.
BUSHOFO department introduction forums	To broaden employees’ understanding of work across different departments and provide an opportunity to reflect on their career paths, we hold BUSHOFO department introduction forums, joint information sessions where employees introduce their own departments, timed to coincide with career vision dialogues and internal job postings,
Career Ownership Caravan	To ensure employees can continue to reflect on their career paths, and to provide support not only to the employees themselves but also to their managers, staff from People & Culture Division stays at sites for about a month to conduct a variety of activities, including group seminars and one-on-one meetings.

Providing opportunities for diverse experiences and challenges

Suntory Group operates in a wide range of sectors, including non-alcoholic beverages, spirits, beer, wine, health foods, restaurants, and flowers. In addition, we have expanded our business from Japan to the global stage, and as a manufacturer, we possess extensive value chains and capabilities across the Americas, Europe, Asia, and Oceania. We strive to provide opportunities for every employee to continue taking on new challenges and growing through diverse experiences across this wide range of fields.

All-department development meetings / talent reviews	We conduct annual development meetings/talent reviews across all companies, departments, and organizations. Through ongoing discussions from multiple and diverse perspectives regarding each individual’s future career direction and development priorities, we support the growth of both individuals and organizations.

Accelerating strategic rotations	We are promoting the expansion of diverse career paths by accelerating strategic rotations across businesses, regions, and job functions. This in turn revitalizes organizations and creates synergies across businesses.

To ensure that these talent development policies are fully instilled and implemented across all businesses, Suntory Group has established the Suntory Leadership Spirit (SLS) to clearly define the behaviors expected of leaders on a global scale.
SLS consists of 5 behavioral principles: “Yatte Minahare,” “Gemba Focused,” “Better Together,” “Future Oriented,” and “Commitment to Growth.” It serves as the foundation for leadership that fosters the values and uniqueness of Suntory Group.
The principle of “Commitment to Growth,” in particular, asks managers to establish development plans for their team members based on a medium- to long-term perspective and actively support their growth, while also remaining constantly mindful of their own growth and making continuous efforts toward it.

DEI Promotion

Based on our shared DEI Vision, Suntory Group aims to drive growth by encouraging, learning from, and integrating the experiences and perspectives of each individual, regardless of their identities including gender, nationality, and age. By leveraging our diverse perspectives and strengths as a team, we strive to continue creating new value and providing better products and services to our customers.

Key Initiatives

Promoting the advancement of women	Transforming mindsets and behaviors through opportunities for professional development; establishing HR policies and environments that support work-life balance; conducting global awareness campaigns; and setting goals and building succession pipelines tailored to the specific circumstances and challenges of each department.
Promoting paternity leave	● Utilization of a 5-day paid childcare leave program (Welcome Baby Care Leave); mandatory participation in the Welcome Baby Seminar for male employees upon the birth of their first child. ● Fostering an environment that makes it easier to take parental leave by requiring employees expecting a child—regardless of gender—to create a “work and childcare balance plan” and by introducing a process for developing such plans at an early stage. ● Conditional approval for working during childcare leave following childbirth.
Promoting LGBTQ+ initiatives	Revising HR policies to recognize same-sex partners as spouses, establishing a consultation office, conducting global awareness campaigns, and sponsoring Rainbow Pride events in Tokyo and Kyushu to foster understanding through firsthand experience.

Promoting the active participation of people with disabilities	Recruitment that does not limit work scope; fostering an inclusive workplace culture through the activities of the Collaborative Center* and opportunities to learn first-hand about the work of Collaborative Center members; and support initiatives for employees, such as one-on-one meetings. * The Collaborative Center is an organization where employees with intellectual disabilities who have graduated from special needs schools undertake a wide range of outsourced tasks from Suntory Group companies nationwide and contribute to various businesses.
Supporting diverse work styles for older workers	HR policy revisions, career workshops, support for career transitions into regional revitalization roles within local governments, and reskilling support such as training on the use of generative AI.

Health Management Promotion

We believe that the health of our employees and their families is the source of workplace energy and innovation at the Suntory Group. Based on this, we aim to maintain a workplace where all employees are physically and mentally healthy and work with high motivation.
In 2016 we set forth a Health Management Declaration, and have been implementing various measures since, led by our Global Chief Health Officer, in association with the Suntory Health Insurance Association and the Suntory Union.

Measures to prevent lifestyle-related diseases	Support to help employees take a proactive and sustained approach to improving their health in areas such as diet, exercise, sleep, smoking cessation, and moderate alcohol consumption.
Mental health initiatives	Support from 4 perspectives: self-care, line management support, care provided by in-house occupational health staff, and care provided by external resources.
Establishment and promotion of health and safety management systems	Promoting PDCA cycles to plan and implement goals addressing health issues at each business site.
Women's health support	As part of efforts to support women in the workforce, established a dedicated gynecological consultation office to create an environment where women can work in good health and with peace of mind.

Enhancing Engagement

With over 40,000 employees worldwide, Suntory Group believes that a strong sense of engagement is essential for employees with diverse backgrounds to actively connect as one team and grow together toward our shared mission.

One Suntory Walk	A unique event involving over 8,000 participants from 27 countries around the world, combining 3 core values: health, social contribution, and fostering a sense of unity.
Soft volleyball event	A major event held at 8 venues across Japan, attended by approximately 20,000 employees of domestic Group companies and their families.
Engagement Survey	An annual survey to gauge employees' sense of engagement, understanding of our corporate philosophy, and compliance.

The Walk the Walk—"Yatte Minahare" Award	● A forum for sharing challenging case studies and recognizing achievements that embody and demonstrate our corporate philosophy. ● An initiative to recognize teams that set ambitious goals for themselves and put the spirit of "Yatte Minahare" into practice through challenging activities based on innovative new approaches that break away from conventional methods.

Foundation for Human Capital Management – Respect for Human Rights Throughout Our Supply Chain

As a cornerstone of risk management that is inextricably linked to value creation through our proactive investment in human capital, we respect the human rights of all individuals involved in Suntory Group's business activities and supply chain.

Human Rights Due Diligence and Grievance Mechanisms

In accordance with international labor standards, we assess and address potential human rights risks throughout our entire value chain. We have also established grievance mechanisms accessible to employees, business partners, and local communities around the world, and ensure their effective operation.

Internal Grievance System

We have set up a Compliance Hotline (internal reporting system) for employees across the world, which can be used for consultations or reporting on any issue, including those relating to human rights. To ensure that anyone making a report suffers no detrimental treatment as a result, our employment regulations stipulate a prohibition on any retaliatory behavior, and we ensure that they are fully protected, including following up with those who submit reports afterward.

For more information on Suntory's human capital management, see "Suntory Human Capital Report (in Japanese)."
For more information on Suntory's respect for human rights, see "Our Focus Areas – Human Rights."

Our Focus Areas

Human Rights

Context

For Suntory Group, which operates globally, respecting the human rights of everyone involved in our business is a crucial responsibility and a foundation for sustainable growth.
Under the Suntory Group Human Rights Policy, we emphasize dialogue with stakeholders and strengthen our efforts to promote respect for human rights across the entire value chain.
In this Human Rights Policy, Suntory Group clearly states our commitment to upholding internationally recognized standards for human rights, including the United Nations' International Bill of Human Rights and Guiding Principles on Business and Human Rights, as well as various labor standards. These include the International Labour Organization's core labor standards: freedom of association and the right to collective bargaining, abolition of forced and child labor, and elimination of discrimination in employment.

Governance

The Suntory Group Human Rights Policy establishes a clear governance structure to ensure implementation of our human rights initiatives. Our Human Rights Policy is developed and revised with the approval of the Board of Directors, which also supervises the reporting and oversight of all important matters relating to human rights.
At the management level, our Chief Sustainability Officer takes Group-wide responsibility for ensuring respect for human rights and we guarantee commitment to these issues from our top management through measures such as incorporating progress on human rights initiatives and similar metrics into evaluations for executive compensation.
To deal with more practical aspects, we have established the multidisciplinary Human Rights Working Team that brings together functional divisions such as our sustainability, supply chain, human resources, legal, and compliance divisions, as well as major operating companies, to formulate strategies and monitor policy progress on a regular monthly basis. The Team relays its activities to the Global Sustainability Committee, and reports to and engages in discussion with the Board of Directors as necessary.
Human rights issues have also been integrated into our Group-wide risk management process, and our Global Sustainability Committee collaborates with our Global Risk Management Committee to discuss actions to be taken, positioning human rights risks as one of the top priorities. In Japan, we have operated Human Rights Education Promotion Committees at the individual business site level, and continue to promote human rights awareness and take action on any issues on a regional basis.

Strategy and Risk Management

Suntory Group carries out human rights due diligence (HRDD) at a global level. In the Suntory Group Human Rights Policy, we identified significant human rights risk areas within our operations, such as child labor, forced labor, long working hours, fair wages and benefits, discrimination and harassment, freedom of association and the right to collective bargaining, access to remedy, and occupational safety and health. With a focus on these priority themes, we carry out regular human rights risk assessments for both within our operations and throughout our value chain. During these assessments, we leverage dialogues with external human rights experts and NGOs, information from United Nations and industry body reports, and global risk data (for example, Verisk Maplecroft indices) to identify and prioritize potential risks. Particularly within the supply chain, we emphasize the risks of child and forced labor at raw ingredient procurement sites, using platforms such as use the Sedex platform and SMETA auditing to monitor the working environments provided by our business partners. Our HRDD process

encompasses not only risk identification and assessment, but also incorporates a PDCA cycle that includes preventative and corrective measures. If any negative human rights impact from Suntory Group's business activities becomes evident,, we promptly implement corrective action to rectify the situation and offer remedy to those affected. These initiatives are integrated with our global operational risk management and are reflected in our strategy through regular reporting and reviews.

Human Rights Due Diligence

Suntory Group has identified key themes for global human rights, including forced labor and human trafficking, child labor and dangerous or hazardous work for young workers, discrimination, and foreign and migrant workers' rights, and promotes HRDD in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs).
This process is led principally by our Human Rights Working Team, which consists of members from functional divisions such as our sustainability, supply chain, human resources, legal, and compliance divisions. The Team regularly formulates strategies and monitors progress on various actions, reporting its activities to the Global Sustainability Committee and additionally to the Board of Directors when necessary.
Within our HRDD process, we give particular consideration to the human rights of women, children, migrant workers, and other vulnerable groups. Our efforts take into account the United Nations Women's Empowerment Principles, the same organization's Children's Rights and Business Principles, and similar frameworks.

Identifying, Assessing, Preventing, and Rectifying Adverse Impacts

Specifically, we identify and assess human rights risks within our own operations and across our supply chains on an ongoing basis, allowing us to take preventative and mitigatory measures. We regularly engage in dialogue with external experts and international NGOs, and incorporate the latest developments in global human rights risks into our strategies.
We utilize international risk data (for example, Verisk Maplecroft indices) and Sedex's Self-Assessment Questionnaires (SAQ) and third-party audit information (SMETA) to evaluate potential human rights risks at approximately 90 of our production sites and key raw ingredient procurement locations. Based on these assessments, we prioritize high- risk countries, regions, and materials for detailed investigations (impact assessments) and corrective support.
For issues found in the course of our ongoing monitoring, we engage in dialogues with our business partners, while coordinating with external expert bodies and NPOs to introduce measures for improvement.

Education and Training

Internally, we conduct training and ensure awareness of our Human Rights Policy among our employees, including executives. We also request that our business partners respect human right by providing guidelines and incorporating relevant clauses into contracts.

Grievance Mechanism

At Suntory Group, if any negative human rights impacts stemming from our business activities are identified, we are committed to engaging in prompt corrective action through appropriate procedures that follow international standards. To this end, we have established several contact points for consultation and reporting both within and outside the Group, along with a system for responding to any grievances or reports of harm. We ensure the protection of the privacy of any persons making a report and prohibit retaliation at all contact points, while relevant departments collaborate to resolve issues.

Internal Grievance System

We have set up a Compliance Hotline (internal reporting system) for employees both in Japan and overseas, which can be used for consultations or reporting on any issue, including those relating to human rights. In Japan, Hotline contact points include a third-party law firm, while overseas, we have established a shared global contact point with 24-hour reporting in a range of languages (including Japanese, English,

Chinese, and Spanish). To ensure that anyone making a report suffers no detrimental treatment as a result, our employment regulations prohibit any retaliatory behavior, and we follow up with those who submit reports afterward to ensure that they are fully protected. In 2025, the Group received 382 reports, the majority of which primarily related to labor, personnel, and management issues, with no reports related to child labor or forced labor. In all cases, including where these reports involve human rights issues, we engage in appropriate investigations and corrective actions.

External Grievance System

We have set up contact points for receiving human rights-related grievances from external stakeholders, including business partners and local communities. Our business partners—including our primary suppliers—and individuals from our local communities can currently make reports to our Customer Center or our Business Partner Compliance Hotline (in either Japanese or English). Reports are then handled by the appropriate internal department, according to the content.
We expect business partners to also establish similar grievance mechanisms within their own organizations and implement anti-retaliation measures, striving to ensure human rights are upheld throughout our supply chains. Further, in 2023, we joined the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI), to enhance access to remedy for our migrant workers, including technical intern trainees. JP-MIRAI is operated by an independent NPO and provides an anonymous consultation service with 9 supported languages so that migrant workers can use the service in their native languages. Suntory Group has a system in place to swiftly conduct risk analysis and take corrective action upon receiving consultation reports from the service.

Toward Corrective Action

Suntory Group appropriately investigates and takes corrective actions regarding any human rights issues brought to our attention through our internal or external grievance mechanisms, and provides feedback to those who reported the issue and all affected by it. We monitor the progress of corrective actions until their completion and apply a rigorous process for advancing measures that will prevent recurrence. For example, since 2019, we have confirmed the completion of corrective actions for 693 out of 772 major issues identified in audits of our suppliers. We continue to work with business partners to address the remaining issues.

As outlined above, Suntory Group has established due diligence and remedy processes based on our Human Rights Policy in accordance with international standards. We are advancing responsible initiatives to meet the expectations of our l stakeholders.

For more information on this subject, see Respect for Human Rights.