

CSR Approach and Initiatives

SBF is the core company of the Suntory Group. As such, we have inherited, and share, the Suntory Group's mission of being "In Harmony with People and Nature." Based on the Suntory Group corporate message, "Suntory, Bringing Water to Life," we are conducting various initiatives to realize a sustainable society as a member of the Suntory Group, aiming to coexist with people, society and nature.

- To indicate clearly to stakeholders which of the CSR activities are led primarily by SBF, the initiatives that have been undertaken through SBF's policies under the Suntory Group corporate philosophy and our independent initiatives are shown as SBF originated activities.

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

Suntory Group's Mission, Vision & Values

Suntory, Bringing Water to Life

"Suntory, Bringing Water to Life" is the corporate slogan of the Suntory Group. This message conveys the spirit that our corporate logo expresses in an understandable way, and broadly shares with society our philosophy and the activities we undertake. It reflects that as a company that delivers the blessings of water and nature to our customers, we want to protect both water, a precious resource for the world, and the environment that produces that water. This means we want to be a company that delivers those pleasures to society just like water satisfies the thirst of all living things. We want always to be ready to take on new challenges and be adaptable like water. Our message signifies turning such ideas into something new every day. All of this is encapsulated in our slogan: "Suntory, Bringing Water to Life."



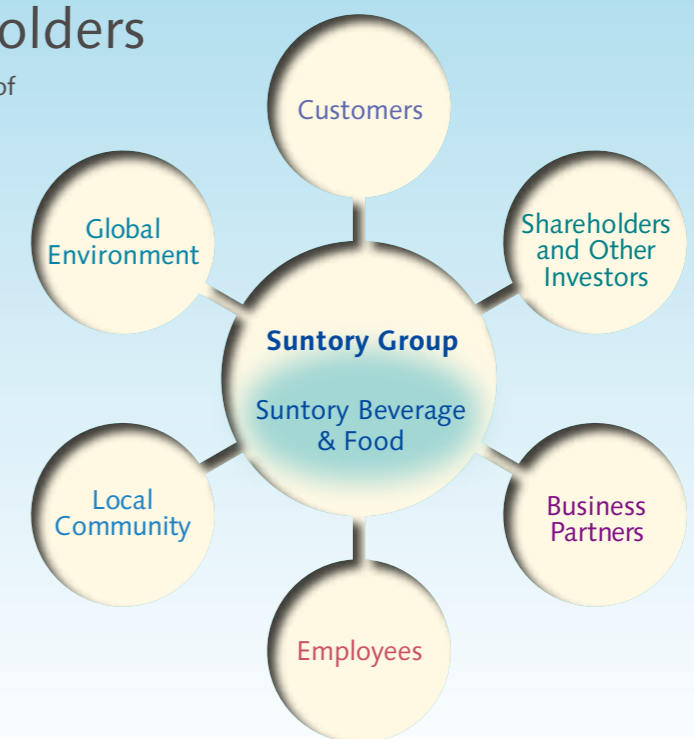
Suntory Group's CSR Statement

SBF is working to promote CSR activities as an integral member of the Suntory Group. The Suntory Group's CSR statement sets out the following precepts, which guide SBF employees in practicing CSR through their ties with stakeholders and society.

- We coexist with society and nature to realize a sustainable society by practicing the Suntory Group's Mission, Vision and Values.
- We promote CSR activities to address social issues as well as create new value to society.
- We respect human rights and behave in high integrity with business partners through all business activities.

Relations with Stakeholders

SBF pursues its business activities amid a range of connections with a variety of stakeholders. As a member of the Suntory Group, we communicate with our stakeholders in various ways. We aim to incorporate feedback we receive and social needs into our corporate activities and continuously work to build deeply trusting and collaborative relationships with them.



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Initiatives for the Global Environment

As a company involved in the soft drink business, we see our most important responsibility as making careful use of clear and beautiful water, and to return water of pristine quality to the environment. The ecosystem produced by the plants, trees, rivers, seas, air, and living things that are nurtured by that water constitute an amazing circulatory system that is, in turn an important business resource. Guided by this thinking, the Suntory Group continues to make its fullest efforts to "reduce its environmental impact" and to "protect and revive the natural environment."

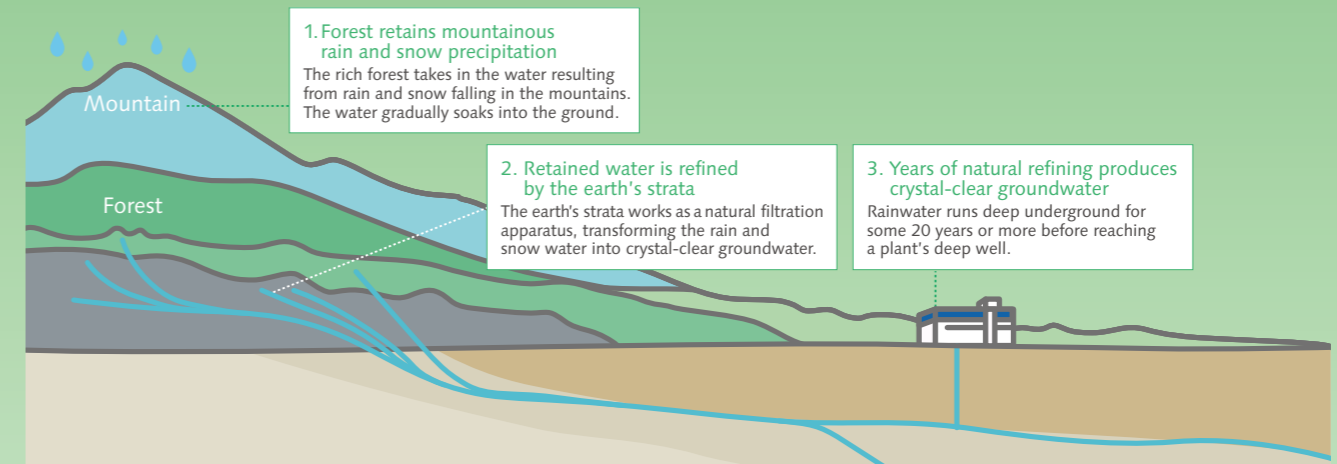
Suntory Group's Water Resource Cultivation Activities

The Suntory Group uses large amounts of groundwater in every step of the manufacturing process of our products, such as *Suntory Tennensui*. We consider it our responsibility to foster rich forests, cultivating groundwater in excess of the amounts we use in our plants. We therefore established specific forest areas for nature protection activities within the water resource cultivation areas around our plants.

Our goal for these "Natural Water Sanctuaries," as we call the forest areas, is to cultivate more groundwater than we use in our plants. Originally we set out to protect a cultivation area of approximately 7,000 hectares, but the area has already grown to exceed 7,600 hectares at 17 locations in 13 prefectures throughout Japan. Suntory Group has now made a target to almost double the area for cultivating groundwater for use in our plants in Japan by 2020, to a size of 12,000 hectares in total.

*The area required to cultivate groundwater for use in the Suntory plants in Japan continues to shrink since the start of the program through the active promotion of water-saving activities at the plants, and is currently estimated to be 6,000 hectares by 2020.

The Natural Water Sanctuaries are also the site of the Suntory Group's ecosystem protection activities focused on wild birds. We conduct these activities because it is important to protect the entire ecosystem pyramid that supports the habitat where wild birds live. Extending this concept beyond our own back garden, we have been widening support for wild bird protection activities overseas as well.



Suntory Beverage & Food's Environmental Initiatives (Originated by SBF)

SBF positions environmental management at the core of its business activities. In addition to the Basic Principles of Suntory Group's Environmental Policy, we have also independently set out our own environmental policies. Furthermore, in January 2014, we set two environmental burden reduction targets for SBF, intended to contribute to achieving the Suntory Group's Environmental Vision toward 2050.

Environmental Targets

1. Reduction of water consumption at SBF Group*1 factories by 42%*2
 - For example, by reducing the amount of water used in the factories for cleaning and cooling of production equipment and containers.
2. Reduction of CO₂ emissions in the SBF Group*1 value chain by 25%*2
 - In addition to further reducing the weight of containers, using recycled materials and plant-derived materials in plastic bottles.
 - Accelerating introduction of Japan's No.1 energy-efficient vending machines.

*1 The group of companies that covers more than 80% of the SBF Group's sales for 2012 (including overseas companies)
*2 Compared with per unit sales from Suntory's beverages business in 2007 (energy use and emissions per 1 kl of product sold)

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Initiatives for Achieving Environmental Targets (Originated by SBF)

Reducing CO₂ Emissions

(1) Container raw materials

SBF is constantly working to reduce the amount of raw materials used in PET bottles.

Reduction of Container Raw Material and CO₂ Emissions in 2L PET bottles of *Suntory Tennensui*

PET bottle	Lightest* ¹ weight produced in Japan at 29.8 g	▶	Reduced annual CO ₂ emissions by 7,200 tons* ³
Labels	Thinnest* ² in Japan at 12 μm	▶	Reduced CO ₂ emissions by 25% compared with conventional labels Used 80% recycled PET resin
External packaging	Changed from cardboard to transparent film	▶	Reduced CO ₂ emissions by 50% compared with cardboard



*1 As of December 31, 2012

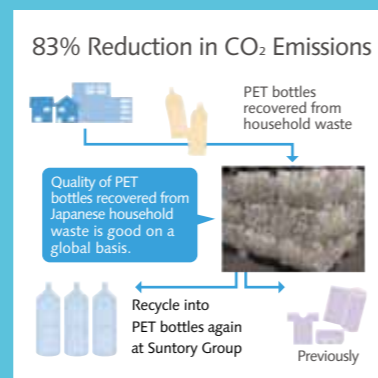
*2 As of April 2014

*3 Based on SBF calculations the amount saved was converted to approximately 7,200 tons. This is equivalent to the annual CO₂ emissions of about 1,380 standard households (approximately 5,200 kg of CO₂ per household based on data from the National Institute of Environmental Studies)

(2) Recycling

We are the first in Japan's beverage industry to implement bottle-to-bottle mechanical recycling*¹.

In this initiative, we recycle PET bottles by using 100% PET resin manufactured from collected PET bottles. This enables us to reduce CO₂ emissions by 83%*² compared with bottles made completely from petroleum-based resources.



*1 Pulverization, cleansing, and return of used products to a material status. Recovered resin is processed for a regulated period under high temperatures and low pressure to remove impurities from the regenerated materials, yielding reclaimed PET resin suitable for use in bottle production.

*2 Compared with virgin resin. Including the manufacturing process to produce PET resin.

(3) State-of-the-art vending machines

We are introducing state-of-the-art, energy-reducing vending machines to reduce power consumption.

SBF has collaborated with vending machine manufacturers to be the first to introduce an ultra energy-saving vending machine (Eco Active Machine), requiring half the power consumed by conventional energy-saving heat-pump vending machines, offering the lowest*¹ energy consumption in Japan.



*1 420 kWh/y, the lowest annual energy consumption in Japan among the primary 25 product selection machines offered by major manufacturers in Japan as of April 2014 (according to research conducted by SUNTORY FOODS LIMITED).

Reducing Water Usage

(1) Reusing water for washing containers

At the Minami Alps Hakushu Water Plant of Suntory Products Limited, a water cascade is used to achieve one of the lowest volumes of water used per 1 kl of production in the industry.

(2) Using water with care

Through steady efforts to save water used in plants, such as for washing equipment or coolant water, we are working to reduce water usage by optimizing the washing process and other means.



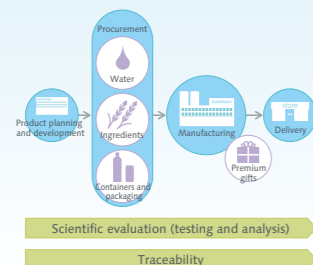
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Initiatives for Customers

As a member of the Suntory Group, SBF aims to grow as a company that provides customers throughout the world with the highest quality products and services, and enjoys their support.

Grounded in the Suntory Group's Quality Policy, which has been established by the Suntory Group, all SBF employees are continually working to maintain and improve quality in all of our processes from product planning and development, to material procurement, manufacture, distribution, sales and services. In the area of ingredient procurement in particular, we conduct risk analysis of each and every ingredient from various perspectives, applicable to every stage from the production of the ingredients to their final use, to ensure that they are safe and conform with laws. In manufacturing, we employ testing equipment in all parts of the manufacturing process, including preparation, mixing, bottling and packaging. We also carry out multilayered quality checks, making sure that no foreign substances get into either the containers or their contents, and looking for container damage and leaks. We are also strengthening the quality management systems used by our group companies overseas. In addition to clarifying audit criterion based on international quality standards, we assessed issues and strengths within each company. We then worked to increase our level of quality by expanding Japan's high quality assurance capability to our overseas Group companies, while applying lessons learned from overseas to our Group companies in Japan.

● Overview of the Process



Initiatives for Local Communities

We are intent on continuing to exist as a company in harmony with our local communities. As such, we value initiatives and communications as a member of those communities. Moreover, SBF plays a part in the social contribution activities of the Suntory Group, and has supported the following initiatives aimed at coexisting with society.

As part of its local community contribution to social welfare, education, and disaster support, the Suntory Group has three public interest foundations through which it operates Suntory Hall and Suntory Museum of Art, and provides wide ranging support to promote the arts, academic research, and regional cultural revitalization, and cultural activities for developing the next generation. It has also organized rugby and volleyball teams to promote sports.

Since the Great East Japan Earthquake of 2011, the Suntory Group has continued to conduct activities in support of the fishing industry and children (total scale: ¥10.8 billion as of March 2014) to contribute to the rapid recovery of the affected regions.



Initiatives for Employees

SBF is aiming to achieve further growth on the global field. The Suntory Group has set up a system for developing employees so that they can perform effectively in global business.

Global Human Resources Training Program (Suntory Group)

Name	Details
Career Challenge Program	Individually establish and acquire the skills needed to do business globally
Company-Sponsored Business School	Acquire an MBA (Master of Business Administration) in English at a business school in Japan or overseas
Overseas Trainee Program	Go to an overseas Group company, or participate in a program at an outside institution or school in an area where SBF has not yet expanded (emerging countries, etc.), and acquire language skills, communication abilities, or knowledge of a foreign culture
Support for Language School Study	Develop practical language abilities for employees in departments that have regular communication with people overseas

The Suntory Group is promoting new global initiatives, such as holding the Global Human Resources Meeting for human resource managers from Group companies overseas, building frameworks for global talent management and sharing concepts.

With regard to recruitment activities, we have enhanced our global activities by creating an English-language website for recruitment, holding seminars for international students and conducting hiring activities overseas.

Initiatives for Business Partners

Suntory Group has established the Suntory Group's Basic Policy on Supply Chain CSR, and is working together with its business partners to promote supply chain CSR initiatives.

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Group Company Initiatives Overseas (Originated by SBF)

Orangina Schweppes Group Conducting Responsible Marketing

Recognizing the large influence that its brand has on society, the Orangina Schweppes Group has taken steps since 2009 to include nutritional labels on the packaging of all products. In addition, it has created and follows its own special code of conduct for responsible marketing, which includes not advertising or directly appealing to children under 12 years old.



PT SUNTORY GARUDA BEVERAGE Creative Uses of Waste

PT SUNTORY GARUDA BEVERAGE is conducting activities to creatively use waste materials including containers and labels. It encourages imagination and creativity in recycling collected waste into a variety of crafts, such as bags, flowerpots, and umbrellas, in cooperation with elementary schools and local communities.



Frucor Group Promoting Employee Safety and Health

Based on its corporate philosophy of "Value You," Frucor Group positions the health and safety of all of its employees as one of its highest priority issues. Safety and health are measured in numerical values and managed, while the Safety Steering Team reviews areas that need improvement on a regular basis. It also willingly works with external groups to ensure it meets compliance above national standards.



Pepsi Bottling Ventures LLC Workplace Creation Conducive to Health and Improving Motivation

Pepsi Bottling Ventures LLC conducts a variety of activities for the purpose of maintaining employee health and improving employee motivation. "Wednesday Walks" are conducted every week during lunch break for employees to come together, stretch, and walk as a team, while "Fresh Fruit Friday" is held once a month in all facilities where healthy breakfast and snack choices are provided. These are some of the ways Pepsi Bottling Ventures LLC promotes maintaining and bettering employee health.

