

Suntory Group Code of Business Ethics

June 2017
Suntory Holdings Limited

Introduction

This Suntory Group Code of Business Ethics sets out the principles that we must uphold in our decisions and actions in order to realize Suntory Group's Philosophy.

The implementation of the Suntory Group Code of Business Ethics is based on the concept of "compliance". At Suntory Group "compliance" means "Comply with Another's Wish", in other words, not only do we obey the law, but also demonstrate even higher ethical standards as we strive for best practices that meet or even exceed the expectations of our consumers, customers, suppliers, business partners, communities, global society, natural environment, employees, and other stakeholders.

Even in an era of constant change, we, as members of the Suntory Group in pursuit of "Growing for Good," earnestly engage with our various stakeholders, accept the diversity of people's values, and conduct business with the utmost fairness and integrity.

We believe these behaviors enable the Suntory Group to remain genuinely trusted, chosen and valued by people and society.

1. Focusing on customers and consumers

We make our best efforts to ensure integrity and transparency in all interactions with customers and consumers, and we provide safe, reliable and high-quality products and services, aiming to contribute to their happiness.

1.1 Products and services

We make sincere efforts to deliver value that meets or even exceeds expectations of customers and consumers in all areas of our corporate activities including research and development, procurement, production, and sales.

1.2 Information and responsible marketing

We strive to provide accurate and timely information, including with respect to the reliability and safety features of our products, that helps our customers and consumers make informed decisions. We ensure that our product labels, advertisements, and commercial messages are clear, accurate and not misleading. Furthermore, as a corporate group that engages in a wide variety of businesses, we are committed to the responsible marketing of all our products and services.

1.3 Interactive communication

We strive to increase the satisfaction and trust of our customers and consumers by creating ample opportunities for interactive communication, and by reflecting their diverse views in our corporate activities.

2. Conducting business with integrity and fairness

We conduct all business activities in a fair and transparent manner, in accordance with the law and the highest ethical standards.

2.1 Compliance with the law, respect for standards and culture

We abide by applicable laws and regulations, respect international standards, and ensure that our corporate activities are fair, transparent, and show respect for the cultures, customs, traditions, and religions in all countries where we conduct business.

2.2 Fair competition

We prohibit the pursuit of profit by unfair or illegal means, in relations with business partners and competitors or otherwise, and commit to conducting business activities based on free and fair competition.

2.3 Corruption

We do not tolerate any form of bribery, money laundering, embezzlement or other illicit or corrupt practices in our own operations or with any person or organization. We maintain transparent and arms-length relationships with our business partners, government officials, and all other parties. In the areas of gifts, entertainment, charitable donations, and political contributions we strictly adhere to all applicable laws, regulations, standards and internal rules regarding prevention of bribery and corruption, as well as sound business practices.

2.4 Conflicts of interest

A potential conflict of interest arises in any situation where personal interests of an employee, an employee's relative or any other third party may conflict or interfere with the interests of the Suntory Group. We must disclose to the company any potential conflict of interest as soon as possible so that it can be appropriately considered and avoided. Furthermore, we must ensure that all decisions related to the selection of business partners, recruitment and other matters are transparent and based on rational and fair judgment.

2.5 Organized crime groups and trade controls

We do not have any relationships with organizations involved in illegal activities, and firmly stand against such organizations. Furthermore, we comply with applicable laws and regulations that control export and import, as well as trade restrictions that prohibit or limit trading with certain countries and organizations.

2.6 Financial and business records

We are committed to maintaining and disclosing financial and business records that accurately and properly reflect the true state of the business, in accordance with applicable laws and regulations as well as internal rules. We also ensure that all tax obligations are properly satisfied on the basis of such records.

3. Contributing to society

As a good corporate citizen, the Suntory Group strives to make positive contribution to society.

3.1 Local community contribution

We strive to engage with communities where we conduct business, and contribute to the solution of local problems, as well as the achievement of prosperous lifestyles.

3.2 Various cultural and social contribution activities

We strive to engage in various activities including the promotion of culture, arts, and sports. Furthermore, we are pleased to support individuals and groups who pursue such activities.

3.3 Support for employee activities

We actively support the participation of employees in volunteering and other social contribution activities.

4. Conserving the environment

We strive to conserve the global environment and ensure that a sustainable society rich in biodiversity and harmonious with nature is preserved for future generations.

4.1 Water sustainability

Water – is the source of all life forms and the key element of our business. We make continuous efforts to conserve the watersheds in order to contribute to water sustainability.

4.2 Reduction of environmental impact

We strive to reduce our environmental impact throughout the value chain, including in product development, manufacturing, distribution, and sales.

4.3 Continuous improvement of environmental performance

We are committed to continuous improvement of our environmental performance, delivered by proactive use of green technologies and efficiency upgrades, based on a robust Environmental Management System (EMS).

5. Respecting diversity and human rights, creating a positive work environment

We respect human rights and diversity, and endeavor to create a work environment where employees feel engaged and motivated.

5.1 Child labor and forced labor

We strictly prohibit the use of child labor, forced or involuntary labor or other illegal labor practices in any of our activities.

5.2 Discrimination and harassment

We provide a workplace where all employees are treated fairly, human rights and individual values are respected, and discrimination or harassment based on any grounds such as race, religion, gender, age, nationality, language or disability is not tolerated. All instances of human rights violation must be immediately addressed in appropriate manner and prevented from reoccurring, while due attention should be paid to safeguarding the privacy of all those affected.

5.3 Freedom of association

We respect employees' basic rights to freedom of association and collective bargaining.

5.4 Positive work environment

We create healthy, safe, and positive workplaces, and promote working styles that offer work-life balance.

5.5 Open and inclusive work culture

We cultivate an open-minded and inclusive workplace, where everyone's beliefs and values are respected, and where employees with diverse backgrounds are able to act and express themselves freely. Furthermore, we build harmonious relationships filled with a sense of unity, through effective communication across the Suntory Group.

5.6 Challenge and growth

We enable personal growth of our employees by encouraging them to set and achieve challenging goals with a feeling of pride and sense of responsibility towards their work.

6. Managing and utilizing information and corporate assets

We endeavor to appropriately protect, manage and utilize corporate assets and information, and respect the rights of third parties.

6.1 Corporate assets

We properly manage our corporate assets, whether tangible or intangible, in accordance with internal rules, and ensure that such assets are used only for our business operations.

6.2 Confidential information

We carefully manage the company's confidential information to ensure that it is not leaked or otherwise disclosed to any third party. Furthermore, we must not use information we learn through our work for the company or otherwise for unfair or illicit purposes, including insider trading.

6.3 Personal information

We obtain personal information or confidential information of our customers, consumers and business partners by proper means and use such information only for legitimate purposes. We also manage this information properly and in accordance with applicable laws and regulations as well as internal rules.

6.4 Intellectual properties

We protect our intellectual properties appropriately and we grant licenses to third parties in accordance with applicable laws and regulations as well as internal rules. We also fully respect the intellectual property rights of third parties and do not infringe or misappropriate them.

6.5 External communications

We understand that, as members of the Suntory Group, all public statements and the information we share in different circumstances can affect the reputation and business of the company and the Group. We remain constantly aware of this fact and ensure responsible conduct at all times in such public or external communications.

Administration and Implementation of this Code

Scope of application

(1) The Suntory Group Code of Business Ethics (the “Code”) applies to all directors, officers, employees of Suntory Holdings Limited and its group companies (Suntory Holdings Limited and its group companies are hereinafter collectively referred to as “Suntory Group”, and individually a “Group Company”).

(2) The senior management of the Group Companies are expected to realize the spirit of this Code by modeling the behaviors embedded in this Code, promoting this Code within their respective Group Companies, and establishing effective corporate structures to implement and uphold this Code. Based on the spirit of this Code, each Group Company may establish and implement its own code of conduct, guidelines, manuals and other documents pertaining to corporate ethics or the provisions set out in this Code, which shall be used as the detailed standards of behavior at the respective Group Companies. Such code, guidelines, manuals and other documents should not contradict the Code.

(3) We request anyone acting on behalf of any Group Company to ensure such actions comply with this Code. We also strive to encourage business partners of our Group Companies to understand and respect the provisions set out in this Code.

Establishment, revision and abolishment

The establishment, revision and abolishment of this Code shall be deliberated by the Global Risk Management Committee and approved by the Board of Directors of Suntory Holdings Limited.

Department in charge

This Code is governed by the Compliance Department of Risk Management Division, Suntory Holdings Limited (hereinafter, “SHD Compliance Department”), which provides the Group Companies with recommendations, and supports them in implementation of the provisions set out in this Code, and in the establishment of corporate ethics.

Compliance audit

To assess the compliance with and review the effectiveness of this Code, the Global Risk Management Committee will perform, or have any third party perform, audits of Group Companies as necessary, conducted along with other various measures carried out by the SHD Compliance Department.

Violations

Directors, officers and employees who become aware of any actual or potential breach of this Code, are expected to report this breach and seek advice from their direct supervisor, the compliance department or a whistleblowing hotline established in their respective Group Company, or contact the Suntory Group Global Hotline. The confidentiality of a person reporting a breach will be protected to the utmost extent, and Suntory Group does not tolerate any retaliation against such person.

Violation of this Code, depending on its nature and severity, may result in disciplinary actions based on the internal rules of each Group Company, which may include termination in certain circumstances.

Interpretation

If you have any inquiries concerning the interpretation or implementation of this Code, please direct them to the SHD Compliance Department.