Inspiring the Brilliance of Life

Sustainability Report 2023



SUNTORY
GLOBAL SPIRITS

A Letter from our CEO

Drawing Brilliance from the World Around Us



Inspiring the brilliance of life, by creating rich experiences for people, in harmony with nature - this is our purpose and the inspiration for the title of our 2023 Sustainability Report, 'Inspiring the Brilliance of Life'.

It's by embracing the brilliance and wonders of nature - our valuable water sources, complex natural ingredients and diverse ecosystems - that our premium spirits gain their character and ability to create incredible experiences for people around the globe. Simply put, our business and our products depend on nature to supply the pristine water and grains for us to make the highest-quality spirits.

As we build on our competitive advantage of craftsmanship – marked by our ingenuity and unwavering dedication to quality – we're committed to protecting our natural resources, contributing positively to society and promoting the responsible enjoyment of our brands through our Proof Positive strategy. Our ambition is to become the World's Most Admired Premium Spirits Company. We want to be admired not only for the brands we build, but also for the experiences we create and the positive impact we have on the world around us.

We are publishing this report in 2024, a landmark year for our company as we mark ten years since the formation of Beam Suntory; ten years in which we have achieved sustained,

profitable growth. As we look ahead to our next chapter of growth, centered on our ambition, on April 30, 2024, we announced our new company name and identity, Suntory Global Spirits. This change reflects our evolution into a truly global leader across categories in spirits and Ready-To-Drink cocktails, and more closely aligns our corporate brand with our parent company, Suntory Holdings.

With our values of **Growing for Good**, **Yatte Minahare**, and **Giving** Back to Society – and with a global team of more than 6,000 employees in nearly 30 countries - we know Suntory Global Spirits can be an industry leader and make a difference. Through Proof Positive, we aim to help bring about necessary changes, to play our part collectively as a company and in our teams, and also as individuals, so we can truly have a positive impact on the planet, consumers and in our communities.

Thank you to our people and partners who have helped create the impact we have made so far, much of which you can read about in this report. We have a bright future ahead of us.

President and CEO

Greg Hughes

of Suntory Global Spirits

48%

less water used in our operations since 2015, nearing our target of 50% by 2030

20% reduction in Scope 1 and 2

carbon emissions since 2019

227,510 trees planted in 2023; 435,051 trees planted since 2019

37% women in leadership roles,

up from 33.2% in 2020

Suntory Global Spirits

As a world leader in premium spirits, Suntory Global Spirits inspires the brilliance of life, by creating rich experiences for people, in harmony with nature. Our ambition is to become the World's Most Admired Premium Spirits Company.

We are a company of founders. Not just one, but many: a collective of extraordinary makers who have paved the way. We are proud custodians of the legacies they have left in our care.

Today we are a US\$5.5 billion-dollar global spirits powerhouse, and our expanded team now comprises more than 6,000 employees around the world. We are headquartered in New York City, putting our main global offices at the center of consumer trends, and we are a proud subsidiary of Suntory Holdings Limited of Japan.

We are known for our craftsmanship of premium whiskies: bourbons, including Jim Beam and Maker's Mark; Japanese whiskies, including Yamazaki, Hakushu, Hibiki and Toki; and leading Scotch brands, including Laphroaig and Bowmore. We also produce leading brands such as Tres Generaciones and El Tesoro tequila, and Roku and Sipsmith gin – and we are a world leader in Ready-To-Drink cocktails, with beloved brands including On The Rocks and -196.1

Proof Positive

We launched Proof Positive in 2021. It's our comprehensive corporate sustainability strategy, with long-term commitments to protect our resources for future generations. Our Proof Positive strategy is the route we see to a more sustainable, equitable future – our plan for having a positive impact on the planet, with our consumers and employees, and within our communities. Our goals are aligned to the United Nations' Sustainable Development Goals (SDGs) and stem from our vision of a sustainable society, where enriching people's lives and conserving the natural environment go hand in hand.

Everyone – including our executive leaders, our brand and sustainability teams, our managers and their teams on the ground – is responsible for implementing our Proof Positive strategy. Our shared efforts are guided by a strong set of policies and practices, underpinned by annual incentives for all employees, based on achieving our goals.

Proof Positive



Nature Positive

Water | Climate | Forest and Field | Packaging

The water consumed in production, the crops used in our recipes, the wood that makes our barrels. We protect and nurture the natural resources at the heart of what we do so we can keep doing it for generations.

Find out how we're becoming Nature Positive on page 5



Consumer Positive

Consumer Information | Informed Choices | More Options

To create lasting memories and bring people together in the most responsible way, we're working to provide information about our products, to help consumers make the right choices for their personal wellbeing, to build a culture of responsibility, and to reduce alcohol-related harm.

Find out how we're becoming Consumer Positive on page 8



Community Positive

Our People | Our Community | **Our Industry**

We're a global company with Eastern and Western roots. Our strength is in the rich interplay of our diversity, so we're nurturing our communities and building a more inclusive and equitable culture where everyone can thrive.

countries where we sell our products

years of brand heritage

globally in bourbon and Japanese whisky

Doing Business The Right Way

We maintain the highest standards of behavior and ethical business practices. Trust is central to our business. Our positive reputation with our employees, suppliers and owners, and within the communities where we live and work, is the foundation of our success and our license to operate.

Find out how we're Doing Business The Right Way on page 12



Our Actions and Achievements

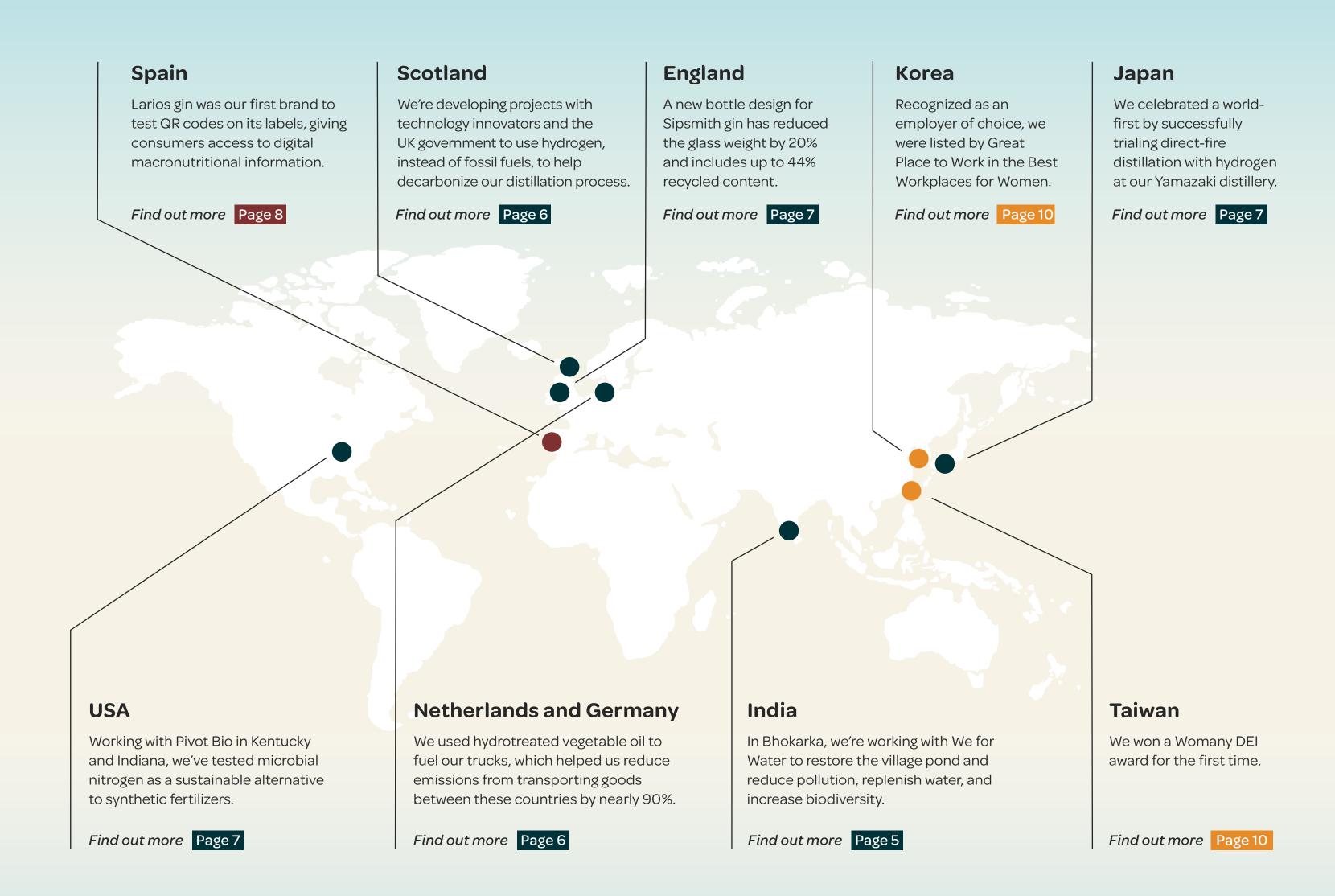
Throughout 2023, we continued to work towards our Proof Positive targets and commitments.

We made significant progress in reducing water usage and carbon emissions from our own operations, more of our packaging was designed for recycling, we planted hundreds of thousands of trees, and regenerative agricultural practices are now used on more than 17% of the land used to produce the crops and ingredients that make our products. We made progress in providing on-pack macronutritional and alcohol-content information, including using QR codes, we improved the diversity of our workforce, and saw thousands of employees take part in our volunteering program.

Areas we are currently working on – and giving greater focus to – include reducing Scope 3 carbon emissions (which are those from our suppliers), increasing the use of recycled materials in our packaging, establishing a strong supplier diversity program, and offering more choices to consumers through new lower- and no-ABV offerings that enhance our portfolio.

volunteering hours in 2023

of our packaging is now designed for recycling, with a target of 100% by 2030



Nature Positive

Nature is our starting point. From the water we use in production, to the ingredients in our spirits, and the trees that make our barrels, we wouldn't get far without nature. And that's why we respect it so much. To create the highest-quality spirits our consumers love, we must protect and regenerate the natural resources that make our craft possible, so we can keep doing it for generations. From seed to sip, we work to reduce our impact on the environment.

This connection to nature and farming has always been central to our business. After all - no water, no whisky. Today, with a nod to our roots, and a forward focus on our planet, our business and our customers, we have established solid plans for our stewardship of nature. With investment and collaboration, we are developing new capabilities and solutions that will help us achieve our nature-related targets for water, climate, packaging, forest and field.

6,679

hectares of Natural Water Sanctuary continued to be protected in 2023, including the restoration of an additional 52.5 hectares of peatland.

Water

Water nourishes the crops that go into our products, flows through our distillation processes, and forms the basis of our products. It's a precious resource we must use responsibly for the benefit of future generations. Therefore, we have set ambitious goals to care for every drop.

Since 2015, we've reduced water usage per unit produced by 48%, equivalent to conserving over 4 million kiloliters. We focus on improving processes. For example, in Kentucky, closed-loop cooling systems minimize the need for freshwater intake. We've introduced the same systems at our Bowmore and Auchentoshan distilleries in Scotland, with early results at Bowmore showing a reduction of over 70% in the water we take from natural resources, in addition to reducing fuel use and improving energy efficiency.

We also have a goal to replenish more water in our high-risk watersheds - sites in Mexico, India and Spain - than we use in our direct operations. This will ensure that we, and our local farmers and communities, maintain access to high-quality water. We also protect and improve watershed sustainability through our Natural Water Sanctuary initiatives. To build on our programs across Japan and in Kentucky, in partnership with Suntory Holdings in 2021, we launched the Peatland Water Sanctuary in Scotland and are investing over US \$4 million to restore and conserve 1,300 hectares of peatland between then and 2030.

Finally, biodiversity and water are deeply connected, and ecosystems rich in flora and fauna help regulate water flow and maintain water quality, ensuring water resources remain sustainable. This year, we've been working with partners to develop a new biodiversity standard that will help measure the impact of our water projects on biodiversity.





Replenishing pond water in India

In the village of Bhokarka, water scarcity is aggravated by pollution in a vital pond, largely through the dumping of solid waste. Working with the GuruJal project, we're using naturebased technologies to treat the incoming water, reduce erosion and remove toxic sediments. This approach will help address groundwater depletion while providing recreational and horticultural benefits to a community of over 1,500 people.

Purifying water through reverse osmosis



The more water we clean in our production facilities, the less we send to waste. At our Frankfort, Kentucky facility, a secondary reverse-osmosis system, installed to recover and treat the waste from the primary system, has reduced vastewater flows to the sewer from about 28 to 11 gallons per minute. This has also helped us cut our city-water usage and improved the water quality in our operations.

Climate

While continuing to meet demand for our renowned brands, we're committed to reducing our greenhouse gas emissions, and have a goal to achieve net-zero carbon emissions throughout our value chain by 2040.

In 2023, we made strong progress towards reducing greenhouse-gas emissions from our own operations (Scopes 1 and 2). We use only renewable electricity across our operating footprint and have made reductions in emissions across our value chain. Innovation and modernization at our sites are also making a difference.

Tackling emissions in our supply chain (Scope 3) will require continued collaboration between us and our suppliers. We have set up a Scope 3 Working Group to ensure sustainability is built into how we work with suppliers now and in the future. We are also working to prioritize abatement initiatives in our other Scope 3 hotspot areas, such as purchased alcohol, co-manufacturing, packaging, logistics and agriculture.

20%

reduction in Scope 1 and 2 emissions since 2019

reduction in Scope 1 and 2 emissions intensity since 2019

Progress throughout 2023

Modernizing our sites

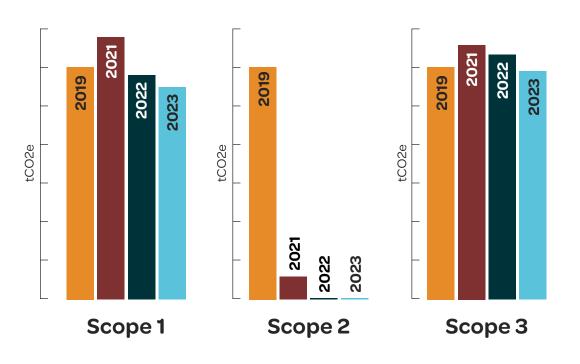
Work continues at our Booker Noe distillery in Kentucky, which upon completion in 2025, will generate 65% of its energy from renewable biogas generated from our spent stillage. At our Valverde plant in Spain, installing solar panels has reduced Scope 2 emissions. Until last year, our Behror bottling plant in India relied heavily on diesel for electricity. Now, thanks to partnership with the local utility and government, it uses diesel fuel only when the grid fails. Combining this with its solar PV system and by buying International Renewable Energy Certificates (I-RECs), Behror reduced its greenhouse-gas emissions by over 75% in 2023.

Working with our suppliers

We continue to take action to reduce our overall emissions throughout our supply chain. In 2023, we identified our highest emitting packaging categories as glass, corrugate, PET and aluminum. To help provide education, gain alignment on goals and conduct gap analysis, we hosted sustainability workshops for suppliers in these categories. This has also been an opportunity to gauge our suppliers' progress and to design new engagement tools that will launch in 2024. In addition, we are forming a virtual power purchase agreement (VPPA) and supplier consortium in North America, which supports generation of, and access to, renewable electricity, reducing overall costs for the participants. We've also supported the efforts of our largest glass supplier to ensure a federal government grant to invest in new furnace technology to reduce emissions.

Working with our suppliers to reduce their emissions, and tackle our Scope 3 emissions, remains a priority focus area. We will do this by working collaboratively with our suppliers and charting their progress in calculating and disclosing emissions, setting emissions reduction targets and developing abatement plans to achieve those targets.

Scope 1, 2 and 3 greenhouse gas emissions across our value chain



Reducing transport emissions

Working with digital freight forwarder, sennder, trucks carrying our products from the Netherlands to Germany are now fueled by hydrotreated vegetable oil. In 2023, this helped us reduce emissions on these routes by nearly 90%, which is close to 38 metric tonnes of carbon.

In the USA, using the CleanMile emission-management solution of sustainable-freight specialist Breakthrough, we're improving our logistics data and calculation methods, helping us manage our Scope 3 emissions. We've also joined the SmartWay transport partnership, a collaboration between the Environmental Protection Agency and the freight industry, set up to assess environmental and energy efficiency.

Replacing fossil fuels with hydrogen

At our distilleries in Scotland and Japan, we've been working with green-energy innovators, Supercritical Solutions, to pilot the use of hydrogen to power our distillation process, with promising results so far. In 2023, we ran the world's first successful trial using only hydrogen to heat the still at our pilot distillery in Yamazaki Distillery. In 2024, we will continue testing and assessing the quality of the whisky maturing at Glen Garioch Distillery.



Forest and Field

We make our spirits from agricultural ingredients, such as grains and agave, and rely on healthy forests for the barrels we age many of our spirits in. We encourage a nature-first approach to growing what we need and work closely with our farmers to restore and improve the land after each harvest. By promoting climatesmart agriculture and sustainable forest management, we also help manage water and promote biodiversity.

In 2023, we planted more than 227,000 trees. We also worked with The Nature Conservancy to support critical reforestation and habitat management in Kentucky. As members of The White Oak Initiative, we're fostering the regeneration of American white oak trees used to make our barrels. And we continue to work with the University of Kentucky on genome mapping, studying the DNA of the white oak to learn how best to preserve the species.

We're also working with suppliers on regenerative agriculture practices. These reduce the use of chemical fertilizers and pesticides, and make use of cover and rotational crops, all with the goal of healthier soil, reduced emissions and improved biodiversity – as well as continued access to high-quality ingredients. We've already done this with corn, barley and wheat, and are exploring regenerative practices in agave fields in Mexico. In addition, Maker's Mark is part of the 100 Million Acres Initiative, a coalition of organizations aiming to transform 100 million acres of US farmland by 2025.



Increasing Nitrogen Efficiency

We're collaborating with agricultural technology company, Pivot Bio, to test microbial nitrogen, a potentially safer and more sustainable way to fertilize corn, which can begin to replace synthetic nitrogen fertilizer and help reduce greenhouse-gas emissions. We're providing financial support for five growers in central Kentucky and southern Indiana to produce corn using Pivot Bio's PROVEN® 40 microbes, replacing up to 40lbs per acre of synthetic nitrogen.

Planting trees around the world

Through community projects and partnerships in Spain, Scotland, France, Mexico and the USA, we planted more than 227,000 trees in 2023. These are mostly a mix of native species, but in some locations, we've focused on replacing trees used in our barrels - such as Spanish oak in O Valadouro, and white oak in West Virginia where the total trees planted exceeds 95,000.

trees planted since 2019

of the land used to produce the crops and ingredients that make our products are farmed using regenerative techniques

Packaging

To make our environmental footprint smaller and create less waste, we're innovating our packaging to use fewer materials and more recycled content, and to make it easier for consumers to recycle it – all while retaining the premium experience people expect from our brands.

Last year, we expanded how we assess the recyclability of our packaging to include secondary packaging, like cartons, boxes and corrugated shipping cases, in addition to primary packaging, which includes the bottle, closure and label. This expanded assessment will enable us to identify more areas for improvement. The analysis showed that in 2023, 89.6% of our packaging was designed for recycling.

We're also increasing the amount of recycled material we use. For example, we now use 30% recycled PET (rPET) at our bottling plant in Segovia, Spain. We're also developing an rPET strategy, which will include shared industry standards. However, glass represents 84% of our total material weight, and the availability of waste glass for use in manufacture (known as cullet) has decreased, making it difficult to meet our targets for recycled content.

To help address the challenge, in December 2023 we donated US \$75,000 to Workwell Industries, a non-profit dedicated to creating jobs for people with disabilities and others who may face barriers to employment, to purchase glass-processing equipment for its site in Louisville, Kentucky.

We're also reducing the carbon footprint of our packaging by removing materials. For example, we reduced our secondary packaging footprint by removing the wooden box from Knob Creek 18 Year and the gift carton from Baker's 13 Year. We're also lowering the weight of many of our bottles to reduce input materials and emissions.

of our packaging is now designed for recycling globally, with a goal of 100% by 2030²







Improving recyclability in PET bottles

Because metal closures can be detrimental to the recycling process, we changed the closure on 1.75 liter PET bottles of Pinnacle, Cruzan and Calico Jack to a polypropylene KERR cap, making the bottles recyclable. When we redesigned the bottle to suit the new closure, we were also able to reduce its weight from 88g to 76g.



Making Laphroaig packaging more sustainable

We've changed the packaging for Laphroaig single malt whisky from a non-recyclable multi-material tube to a recyclable paperboard carton. This will also remove an estimated 1,184 metric tonnes of greenhouse gases from the manufacturing process each year.



Cutting weight and waste with Sipsmith

A new contemporary bottle design for Sipsmith gin has reduced the glass weight by 20%. The glass also now includes up to 44% recycled content, and a new lid will save seven tonnes of single-use plastic a year.

² Packaging evaluated for products produced at Suntory Global Spirits bottling sites, excluding products produced through co-manufacturers.

Consumer Positive

As an alcohol-beverage company, we bring people together to celebrate life's big and small moments through our premium brands. We have a responsibility to ensure we have a positive impact on society, including our consumers. We are committed to providing information to consumers, to help them make informed decisions about alcohol, and to reduce alcohol-related harm. In 2023, we made progress toward our goals for providing consumer information and building a culture of responsibility.

Consumer information

As part of helping consumers make informed choices about alcohol, in 2018 we made a voluntary commitment to disclose macro nutritional information on both our brand packaging and Drink Smart website. We've since expanded this commitment to provide symbols or language warning against drinking during pregnancy, driving while intoxicated and a clear message that minors should not consume alcohol. All three warnings will appear across markets globally where regulatory requirements allow.

In 2023, we nearly doubled the proportion of our products that include on-pack disclosures, from 4% in 2022 to 7% by the end of 2023. This number is expected to increase significantly over the coming years as the packaging for more brands is redesigned. We also launched our first QR code pilot in Spain to provide macro-nutritional information to consumers.

of our products by total volume include on-pack nutritional data, compared with 4% in 2022

Developing nutritional QR codes

Early in 2023, Spanish gin Larios was our first brand to test QR codes on its labels, giving consumers access to digital macro nutritional information.

Findings from this test allowed us to develop a new dynamic QRcode platform, leveraging our Drinksmart.com website, which gives our consumers locally relevant information without requiring market-specific QR codes. This platform ensures our global products can provide a variety of regulatory and voluntary information to consumers. The technology enables us to make easy updates to the information, which helps to reduce packaging waste in the long-term. Later in the year, we confirmed our plan to roll out nutritional QR Codes on all brands, and immediately began the redesign process with the Jim Beam and Sourz brand families.



Informed choices

As a global leader in the spirits industry, promoting and marketing our products responsibly is fundamental to our license to operate – as is being part of the solution to combating harmful drinking. We work closely with our peers at the International Alliance for Responsible Drinking (IARD) to set the highest standards in the marketing and sale of our products to reduce harmful drinking and promoting responsible drinking.

This year, we updated our Informed Choices goal to what we consider to be a realistic and meaningful challenge: reaching more consumers with messages and programming based on responsible drinking, rather than a financial target for our spending on the same.

Our new goal is to achieve 600 million LDA impressions (that is, receipt of content by people of legal drinking age) with responsibility-led programming by 2030, and 1 billion by 2040.

Led by our brands, our global consumer information platform Drinksmart. com, and supported by the activities of our local Social Aspects Organizations, including those on this page, we're connecting with our consumers to promote alcohol responsibility and moderation in the use of our products.

More options

One of our goals is to expand choices with new lower-alcohol and no-alcohol products and cocktail recipes. The development of our portfolio is an ongoing initiative. Our Consumer Positive team is working closely with our innovation team to ensure they have the necessary consumer insights and that the policy landscape for the sale of these products encourages their distribution. Some of our current regional options, already available at the start of 2023, include:

- Suntory ALL-FREE: Japanese-crafted no-alcohol beer alternative we offer in Japan and some US markets.
- Sipsmith FreeGlider: Our first UK non-alcoholic spirit, with refreshing eucalyptus and spicy juniper undertones.
- Lemon Sour Zero, including the Highball Zero: launched in Japan, offering the authentic lemon-sour taste through a non-alcoholic extract.

Made to be Measured

This public awareness campaign is led by the Scotch Whisky Association in conjunction with its members including Suntory Global Spirits. It encourages drinkers in Scotland to learn more about units of alcohol in different drinks categories, as part of its ongoing efforts to promote responsible consumption and tackle harmful drinking.

Minors Not A Drop

This underage-drinking prevention program has been delivered by the Spanish Alcohol and Society Foundation (FAS) for over 10 years. It includes educational resources and has reached over 675,000 school age children (aged between 12 and 18) in over 4,000 schools. Suntory Global Spirits is a founding member and financial supporter of the initiative.

The Power of No

Run by the Asia Pacific Wines and Spirits Alliance of which we are a member, this public awareness campaign targets young adults encouraging them to always say no to drunk driving. Our team helps shape the direction and reach of the campaign.

144m

More than 144 million LDA consumers saw responsible drinking messaging owned or supported by Suntory Global Spirits in 2023

Drinkaware

The UK's leading alcohol charity works to reduce alcohol harm by running numerous consumer focused campaigns looking at all aspects of consumers' relationship with alcohol. One campaign in 2023, which focused on raising awareness of the availability and benefits of alcohol-free drinks, was seen over 242 million times, with 8.3 million people engaging with the campaign content.

DrinkWise

In its efforts to create a safer and healthier drinking culture in Australia, DrinkWise, supported by our company, develops education and prevention programs in partnership with governments, police, retailers and support services. The moderation and respect campaign Always respect, always DrinkWise, which ran during the National Rugby League finals, generated 29.7m impressions.

Responsibility.org

This US-based organization leads the fight to eliminate drunk driving and underage drinking and promotes responsible decision-making. Supported by 13 of America's leading distillers including Suntory Global Spirits, it reaches a broad audience with powerful campaigns encouraging honest conversations about alcohol.

Hodo-Hodo gallery and pop-up bar

In November 2023, we opened the Hodo-Hodo ('Moderation') gallery and pop-up bar in Tokyo to communicate the importance of responsible drinking. At this experience, consumers learned about the recommended alcohol intake guidelines and how to consume alcohol responsibly, while enjoying an exhibition of vintage responsibledrinking advertisements from Suntory dating back to 1986. The bar received more than 11,000 visitors and sold more than 1,600 drinks, all of which were served with a bottle of mineral water.

EVERY

CHOICE

And if that involves drinking alcohol, please do so responsibly.

Maker's Mark



Moderating consumption with Maker's Mark

Our Q4 'Every Cheers is Your Choice' consumer campaign for Maker's Mark secured 55 million impressions, supporting people in moderating their alcohol consumption. Advertising messages included, "One sip or no sips – spend the holidays the way you'll enjoy them most" and "Spirit forward or spirit free – how you choose to drink is a decision only you can make." The brand also provided spirit-free and lower-alcohol recipes to consumers, as well as responsible-hosting tips, such as, "Remember to measure spirits when making cocktails" and "Always provide food when offering alcohol".

Recognition for promoting responsible drinking

Recognizing our efforts to responsibly market our products online, the 2023 Digital Guiding Principles audit by Accenture, for the International Alliance for Responsible Drinking (IARD), ranked us first among our peers in the industry, with a compliance rate of 98.5%. The principles include how we age-gate our websites, communicate responsible-drinking messages, and provide clear statements that our content should not be forwarded to anyone under the legal drinking age.





Community Positive

We're a global company with Eastern and Western roots, and brands that bring people together. Our strength is in the rich interplay of our diversity, so we believe in the power of celebrating it, and building a more inclusive and equitable culture where everyone can thrive and reach their full potential. We do this while ensuring we support and enrich the communities where we live and work.

Our people

We foster a diverse and inclusive work environment, where we value and respect our people's unique insights, perspectives, experiences and backgrounds. When our teams represent the communities where we live and work, and the consumers we serve, we know this enriches our brands and products. It makes us more effective as brand builders and, ultimately, stronger as a company.

In 2023, we saw several significant developments in our diversity, equity and inclusion (DEI) program, and we have expanded our DEI plans and efforts globally. In addition, in January 2024, we appointed a new Chief DEI Officer, Jamey Martin. Her experience and expertise will add to our efforts to further build an inclusive and winning culture.

For our September 2023 Employee Engagement Survey, which included almost 6,000 respondents, we scored 75.6 for 'I feel a sense of belonging at Suntory Global Spirits'³. This score is consistent with previous surveys. We also received a score of 100 on the Human Rights Campaign Foundation's Corporate Equality Index, one of the USA's foremost benchmarking surveys of corporate practices related to LGBTQ+ workplace equality, for the third consecutive year.

20.3%

US employees (including leaders) reflecting diversity of our communities compared with 15.9% in 2020.

Employee groups supporting greater inclusivity

We launched two new global Employee Impact Groups to add to our existing groups and networks. One, called Legacy, has a mission to provide working parents with resources and support to navigate, and thrive in, today's workplace, and to create a community of Legacy builders for our business, our brands and the next generation. The other, which we call Diversability, helps employees with disabilities, and their caregivers, to flourish. It also promotes awareness and inclusion for employees, customers and consumers with disabilities, and their families. One example of this group's work is our partnership with Hidden Disabilities Sunflower, a global organization supporting people living with non-visible disabilities by raising awareness, training businesses and sharing stories to help create a more inclusive, understanding society. During Diversability's Global Launch session, Hidden Disabilities Sunflower provided training on how to foster a culture where people with hidden disabilities feel safe and supported and are given equitable opportunities.

Gaining recognition as a top employer

We've been recognized as an employer of choice in a wide range of rankings and awards, including as a Great Place to Work® in the USA, India, China, Korea, Australia and New Zealand. In India, we're in the top 100 Great Mid-Size Workplaces and the Best Workplaces in FMCG – Food & Beverage. In the USA, we're in the Fortune Best Workplaces in Manufacturing & Production. And in Korea, we're in the Best Workplaces for Women. In Taiwan, we were acknowledged with a Diversity & Inclusion Vision Award organized by the country's leading women's media community, Womany, for fostering a progressive and inclusive work environment that supports, values and respects people's unique backgrounds, insights and experiences.

To further our goals on DEI, we engaged in a number of global programs:

- In the International region, we created an initiative called Globetrotters, where employees offered views from their respective countries, including India, Japan and Spain, to improve cultural competence and ways of working.
- In the USA, 15 of our leaders participated in the Out & Equal LGBTQ+ Workplace Inclusion Summit.
- → We exhibited at the National Black MBA
 Association 45th Annual Conference & Exposition
 to showcase our employer brand, build leadership
 capabilities and recruit candidates.
- In APAC, we celebrated Pride across all our markets for the first time. Our Taiwan team participated in Taipei Pride by running APACspecific training focused on inclusive behavior.
- Through our Employee Impact Groups, more than 250 employees took part in formal mentoring to help foster engagement, retention, and development of talent. The number of mentoring pairings within the program has more than tripled in the last three years.
- The DEI Kentucky Join-Up was formed to advance an "Everyone Belongs" culture change across Kentucky, where 25% of our staff are based. The Join-Up Committee focused on building a more diverse workforce, and a more inclusive culture in Kentucky. Results included an increase in diverse representation, inaugural DEI Dialogue Sessions with hourly employees throughout our operations, and the first EIG information session with Boston and Clermont hourly employees.

The 2023 Employee Engagement Survey was conducted by Glint and included 3,836 respondents from Corporate functions and 2,118 respondents from Manufacturing. The weighted score for 'I feel a sense of belonging at Suntory Global Spirits' was 75.6 (78 for Corporate and 72 for Manufacturing). This survey methodology differs from previous years and was the first time that Corporate and Manufacturing functions had separate surveys.

Our community

Throughout our business, giving back to our communities is vitally important. We develop and run a wide range of initiatives to support resilient communities. As well as donating our time and skills, we make financial contributions to trusted organizations making a difference around the world.

Our people see giving their time to worthy causes as a key priority - and as a business, we encourage and support this. We offer eligible employees three Suntory Cares Days a year. This is paid time off to volunteer for charities or social projects. We also host a company-wide, global event, Together for Good, promoting employee involvement and our community impact. This year, our teams donated more than 9,900 volunteer hours, with over 2,000 employees participating across four continents. Their achievements included planting nearly 10,000 trees, collecting over 5,000 lbs of trash and debris from parks, shorelines and waterways, and packing more than 8,000 meals and hygiene kits to distribute to local communities in need.

Through our business, brands and Employee Impact Groups, we donate to organizations doing important work, aligned with our values and Proof Positive strategy. Examples include our Hornitos brand's longstanding support for the LGBTQ+ community through its partnership with GLAAD. We also respond to natural disasters and other crises affecting our people and communities. For example, in February 2023, our donation in response to the Turkey-Syria earthquake totaled \$100,000, divided between the United Nations World Food Program and the International Rescue Committee, with match funding for donations from US employees.

volunteer hours with over 2,000 employees participating in 2023



Supporting the LGBTQ+ community

Through its Pride365 program, our Hornitos tequila brand continued its year-round support of the LGBTQ+ community. This included donating more than US \$200,000 to American advocacy organization, GLAAD (Gay & Lesbian Alliance Against Defamation), helping to further its efforts in highlighting in the media the untold stories and under-represented impact of the LGBTQ+ community. The brand also provided individual grants and sponsorships to local grassroots advocacy organizations and initiatives, such as the Gay Games in Guadalajara, Mexico.



Rebuilding communities struck by storms

Cruzan Rum's Island Spirit Fund was created in 2018 to support relief, renewal and resilience within communities of the US Virgin Islands and US who have suffered the impact of extreme weather. We established the fund in partnership with GlobalGiving, a non-profit organization that makes charitable giving easy and safe. By the end of 2023, the fund supported 7,260 labor or volunteer hours⁴, held 23 community events and served 3,865 clients.

Our industry

We're investing in developing future industry partners, while creating economic opportunities for diverse⁵ suppliers through our business and our brands.

Expanding supplier diversity practices and network

We aspire to be a leader in our industry by maximizing participation and use of diverse-owned businesses within our operations, and have a goal to achieve an industry standard of 10% of our spending with diverse suppliers by 2030. After formulating our strategy the year before, in 2023, we achieved 2.5% of global spend with diverse suppliers.

To enable more inclusive buying decisions, in 2023, we made supplier diversity integral to our global procurement policy, procedures and tools. We require at least one certified diverse-owned business, when available, to be included in all buying decisions. To support our commitment and enable inclusive buying decisions, we introduced SupplierIO, a user friendly consolidated database of diverse suppliers.

To increase our direct connection to the certified diverse business community, we have established new global and local partnerships, including:

- The Women's Business Development Center (WBDC), which certifies women-owned businesses across nine states in the Midwest of the USA
- The Chicago Minority Supplier Development Council, whose main focus is minority-owned businesses in Chicago
- MSDUK, champions for ethnic minority-owned businesses in the UK
- WEConnect International, which enables women-owned businesses to compete in the international marketplace
- ⁴ In addition to the volunteer hours for the whole of Suntory Global Spirits.
- $^{\rm 5}~$ A business that is 51% majority owned, controlled and operated by an individual or group underrepresented or underserved as defined by local guidelines.

As our program continues to grow in reach, we have positioned ourselves as thought leaders in supplier diversity through our presence, sponsorship and advocacy. In 2023, we sponsored four national supplier-diversity conferences and exhibited at the National Minority Supplier Development Council and the Women's Business Enterprise National Council, reaching over 15,000 attendees. Our leaders also served as moderators, panelists and guest speakers at a number of events, including the Distilled Spirits Council of the United States (DISCUS) inaugural DEI summit, the National Veteran Business Development Council Conference, the We Are All Human Hispanic Leadership Summit, and other events organized by the National Veteran Business Development Council and the National LGBT Chamber of Commerce in the USA, and the Greater Louisville DE&I Series.

Aligned to our strategy and commitment to continue growing our program, we will expand our education and communication efforts as we build the capacity to have a greater impact.

Supporting industry professionals of the future



Since 2019, we've worked with the University of Kentucky to create the James B. Beam Institute for Kentucky Spirits, as an investment in the future of bourbon and the future of Kentucky's workforce. In 2023, we were proud to support the opening of a new distillery and maturation facility. The teaching distillery promotes economic sustainability, environmental stewardship and responsible consumption.



Doing Business the Right Way

With trust central to our business, we maintain the highest standards of behavior and ethical practices. Our consistently positive reputation with our employees, suppliers and owners, and within the communities where we live and work, is the foundation of our success and our license to operate.

Our approach

We support our Proof Positive strategy with comprehensive policies and rigorous standards, which our employees play a role in overseeing. They include:

- Code of Conduct and Ethics
- Supplier Code of Conduct and Ethics
- Global Citizenship Policy
- Marketing Code of Practice
- Distilled Spirits Council of the United States (DISCUS) Code of Responsible Practices
- Supply Chain Transparency

Equity and Human rights

In line with the Suntory Group Human Rights Policy, established in 2019, and Suntory Global Spirits' Global Citizenship Policy, we promote initiatives to protect the human rights of all people across our value chain. Through our responsible-sourcing strategy, we aim to ensure we meet the highest standards of labor rights, health and safety, and environmental guidance. We base all recruitment decisions on applicants' skills and experience, as outlined in our Equal Employment Opportunity Statement, and we report on our fair and equitable pay practices in our UK Gender Pay Gap Report.

SEDEX

As members of the Supplier Ethical Data Exchange (Sedex), we require our manufacturing sites and our direct-spend suppliers to become Sedex members, complete the Sedex Self-Assessment Questionnaire (SAQ), and submit to Sedex Member Ethical Trade Audits (SMETA) conducted by thirdparty auditors. In 2023, Suntory Global Spirits achieved our goal of managing 70% of our direct spend through Sedex. We also worked with our suppliers to identify and create action plans for all business-critical and non-critical corrective actions that needed to be taken to mitigate potential risks. As part of our commitment to tackling modern slavery and human trafficking, we will continue to identify ways to improve upon our existing policies, procedures and ways of working, and in promoting awareness with our employees and our suppliers. We will continue to expect that our manufacturing sites, suppliers and business partners share our commitment to tackling modern slavery and human rights issues.

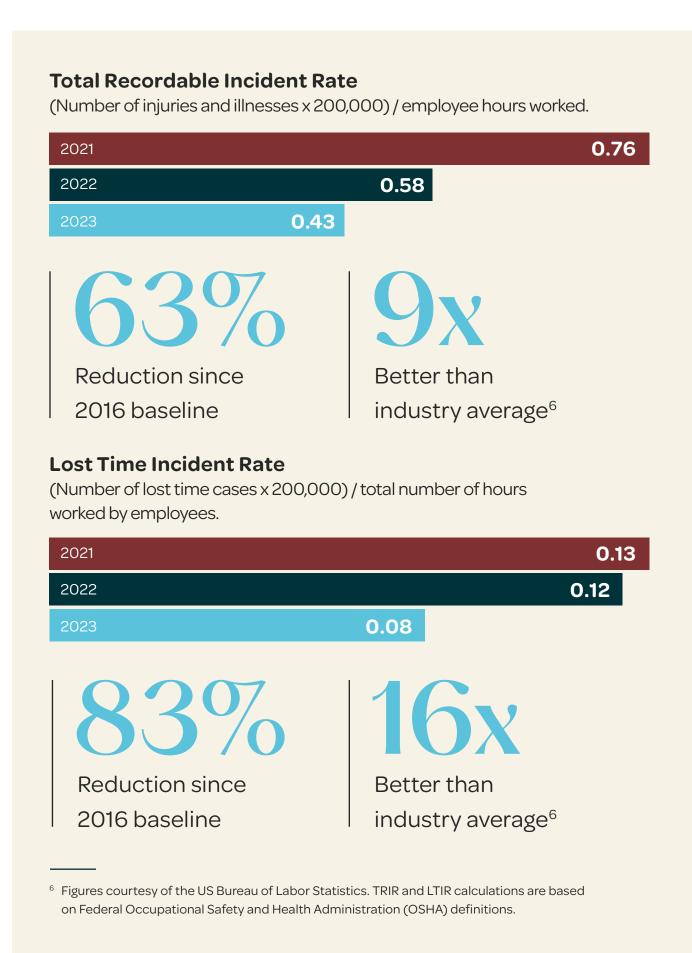
Health and safety

Our global Zero Harm vision is an uncompromising commitment to the health and safety of our employees, contractors, customers and communities. For two consecutive years, we have set a record for our Total Recordable Incident Rate (TRIR), reinforcing our highest priority to keep our people safe as they perform day-to-day work. We saw a similar trend in our Lost Time Incident Rate, achieving 0.08, which represents a reduction of 83% from our 2016 baseline and is 16 times better than the industry average. Our Health and Safety team also enhanced our visitor and employee security processes, and certified 119 employees as mental-health first aiders.

Annual Incentive Plan

For the second consecutive year, we included Proof Positive sustainability metrics in our Annual Incentive Plan (AIP), holding our leaders and people accountable for achieving our goals. For 2023, our AIP metrics included water conservation, tree planting, and diversity, equity and inclusion with a 20% weighting. At 136%, we exceeded these metrics, with all leaders having a DEI goal and scoring two points higher than in 2022 on our 'I can feel comfortable being myself at work' metric in our engagement pulse survey. While we slightly underperformed on our goal of 10% water reduction, we overachieved on our goal to plant 190,000 trees by planting more than 227,000 (see scorecard on page 13).







Our Sustainability Data

GOAL	METRIC	UNIT	BASELINE DATA	2021	2022	2023	PROGRESS TOWARDS GOAL VS BASELINE
NATURE +							
WATER							
Reduce water usage rate by 50% per unit produced by 2030 from a 2015 baseline		kl/kl	22.5	15.3¹	12.3 ¹	11.7	-48%
	Total water usage	m³	9,442,255 kl	7,627,665	6,159,579	5,382,704	N/A
Replenish more water than used in our direct operations operating in high-risk watersheds by 2040	Total water usage from direct operations in high risk watersheds	m³	1	230,971 m³ Usage	225,126 m³ Usage	195,828 m³ Usage	— 10.9%
	Total water replenished in operations in high-risk watersheds	m³	1	10,507 m ³ Replenished (4.5%)	17,294 m³ Replenished (7.7%)	21,413 m ³ Replenished (10.9%)	
Protect and improve watershed sustainability through Natural Water Sanctuary initiatives by 2040 from a 2019 baseline	Total watershed land protected through initiatives	Hectares	6,562 Hectares of NWS	6,562 Hectares of NWS	64 Hectares Peatland Restored 6,626 Hectares of NWS	52.5 Hectares Peatland Restored 6,678.5 Hectares of NWS	116.5 hectares restored and protected through Natural Water Sanctuary initiatives since 2019
CLIMATE							
Reduce Scope 1 and 2 greenhouse gas emissions from direct operations by 50% by 2030 from a 2019 baseline	Scope 1 emissions	tCO ₂ e	193,827	216,986	214,875²	207,232	 20%
	Scope 2 emissions	tCO ₂ e	65,242	4,356	0	0	
	Scope 1 & 2 emissions	tCO ₂ e	259,069	221,342³	214,875 ³	207,232	
	Scope 1 & 2 emissions intensity	tCO ₂ e/kl	0.55	0.45	0.43	0.45	-19%
	Scope 3 emissions	tCO ₂ e	685,948	748,626	788,193	700,893	2%
Reduce Scope 1, 2 and 3 greenhouse gas emissions by 30% by 2030 from a 2019 baseline	Scope 1, 2, & 3 emissions	tCO ₂ e	945,017	969,968	1,003,068	908,125	-4%
Aim to achieve net zero carbon emissions throughout our value chain by 2040							
	Scope 1, 2, & 3 emissions intensity	tCO ₂ e/kl	2.02	1.95	2.00	1.97	-3%
FOREST&FIELD							
Plant more trees than harvested to make our new barrels by 2030 from a 2019 baseline	Number of trees planted	#(ofTrees)	0	9,787	197,754	227,510	435,051
50% of key ingredients sourced from regenerative agriculture practices by 2030 ²	Acres using regenerative agriculture practices Defined by SAI Regenerating Together Module	%	1	1	2,100 Ac. Regen Ag 0.9% of Total Ac.	40,500 Ac. Regen Ag 17% of Total Ac.	17.3%
100% of key ingredients sourced from regenerative agriculture practices by 2040							
PACKAGING							
Use 100% recyclable packaging across our packaging portfolio by 2030 from a 2021 baseline	Packaging designed for recycling	% (by 9L case volume)	88%	88%	89.4%	89.6%	1.6%
Use 100% rPET or bio-based materials in PET bottles by 2030 from a 2019 baseline	rPET or bio-based materials in PET bottles	% (by weight)	0%	0.6%	1.2%	1.2%	1.2%
Use 40% recycled materials by weight across our packaging portfolio by 2030 from a 2019 baseline	Recycled materials used in our packaging portfolio	% (by weight)	13.1%	12.6%	11.3%	12.2%	-0.9%



GOAL	METRIC	UNIT	BASELINE DATA	2021	2022	2023	PROGRESS TOWARDS GOAL VS BASELINE
CONSUMER+							
INFORMED CHOICES							
Achieve 600 million LDA impressions by 2030, and 1 billion LDA impressions by 2040, with responsibility-led programming, from a 2021 baseline.	LDA consumers engaged in responsibility-led programming	# of LDA impressions	25,559,632	25,559,632	55,096,911	144,640,471	Total # of LDA impressions: 225,297,014 Progress towards 2030 goal: 38% Progress towards 2040 goal: 23%
CONSUMER INFORMATION							
Provide macro-nutritional and alcohol content information on packaging or online for 100% of our products by 2030 from a 2018 baseline	Macro-nutritional and alcohol information provided (on labels)	_	0	0	4%	7%	1
	Macro-nutritional and alcohol information provided (online)	% (of volume) 5	0	0	0	0	/
	Macro-nutritional and alcohol information provided (on labels or online))	0	0	4	7	7%
LOWER- AND NO-ABV OPTIONS FOR CONSUMERS							
Develop, introduce and build awareness of lower- and no ABV products and cocktail recipes across key categories by 2030, from a 2021 baseline	Lower and No-ABV products launched per year	# (of products)	2 ⁶	2	2	0	1
COMMUNITY+ +							
OUR PEOPLE							
Achieve 50% women in leadership positions globally by 2030 from a 2020 baseline ⁷	Women in leadership positions globally	%	32.70%	35.30%	36.30%	37.8%	16%
Build a US workforce that reflects the diversity of the communities where we live and work by 2030, from a 2020 baseline	Percentage of employees that are people of color	%	15.9%	17.8%	19.3%	20.3%	28%
	People of color in leadership positions in US	%	11.80%	15.30%	18.30%	20.3%	72%
Strive to achieve an industry leading Sense of Belonging companywide (>80-point Glint score) from a 2020 baseline 8	Sense of belonging employee score	Points (Glint score)	77	77	77	75.6	TBC
OUR INDUSTRY							
Achieve an industry standard of 10% of our spending with diverse suppliers by 2030 9 – (baseline year 2021)	Annual Global Diverse Spend (metric is % of spend)	%	2.5%	n/a	n/a	2.5%	2.5%
OUR COMMUNITIES							
Give back one million volunteer hours to the communities where we live and work by 2030, from a 2021 baseline	Hours volunteered	Hours	6,633	6,663	12,260 (18,893 cumulative)	9,964 (28,887 cumulative)	3%
DOING BUSINESS THE RIGHT WAY							
HEALTH AND SAFETY							
Zero harm (no Serious Injuries) (baseline year 2016)	Total recordable Incident Rate	(Number of injuries and illnesses X 200,000) / Employee hours worked	1.16	0.76	0.58	0.43	-63% (9x better than the industry average (US Bureau of Labor Statistics)
	Lost Time Incident rate		0.51	0.13	0.12	0.08	-83% (16x better than the industry average (US Bureau of Labor Statistics)

¹ Historical data for the years 2021 and 2022 have been restated to correct errors in previous year's reporting.

² Key Ingredients are Corn, Wheat, Barley, Malted Barley, Rye, Agave, Sugar.

³ Historical data for 2022 has been restated to include previously excluded emissions from owned and operated transportation and logistics, small operations previously unreported, and to account for more accurate emissions factors and fuel calorific values.

⁴ Historical data for 2021 and 2022 has been restated to include previously excluded emissions from owned and operated transportation and logistics, small operations previously unreported, and to account for more accurate emissions factors and fuel calorific values.

⁵ In 2023, the basis of reporting for this data has been updated so that the % represents % by volume rather than % by number of products. This methodology change has been implemented to allow us to project a more accurate picture of our impact in-market. The historic figures have been recalculated using the updated methodology.

of 0 products was set in 2020 and thus our reporting has been updated to reflect this adjusted baseline year. There are no implications or changes required to the data reported, only the baseline year stated.

⁷ Methodology has changed to expand the metric to include Executive Leadership Team. Historical data, including the baseline, has been recalculated per the updated methodology

⁶ Previous reporting erroneously reported the baseline of this target as 2021. However, the baseline ⁸ The 2023 Employee Engagement Survey was conducted by Glint and included 3,836 respondents from Corporate functions and 2,118 respondents from Manufacturing. The weighted score for 'I feel a sense of belonging at Suntory Global Spirits' was 75.6 (78 for corporate and 72 for manufacturing). This survey methodology differs from previous years and was the first time that Corporate and Manufacturing functions had separate surveys.

⁹ Diverse suppliers' means a business that is majority-owned (>51% controlled in the US) and operated by an individual or group underrepresented or underserved as defined by local guidelines.