

Company Name Suntory Beverage & Food
Industry Agricultural Products (Supply Chain only)
UNGP Core Score (*) 5.5 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
2	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
0.5	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
0	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
5.5	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: UNGC principles 1 & 2: The Company states that 'we support and respect the 10 principles of the UN Global Compact as a Global Compact signatory company'. [Human Rights Policy, 10/07/2019: suntory.com] • Met: UDHR: The Company states that 'the Suntory Group respects international standards of conduct and fully respect the United Nations (UN) Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, and ILO Tripartite declaration of principles concerning multinational enterprises and social policy and ILO Declaration on Fundamental Principles and Rights at Work'. [Human Rights Policy, 10/07/2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: UNGPs: The Company states that 'the Suntory Group supports international standards such as the Universal Declaration of Human Rights as well as the United Nations Guiding Principles on Business and Human Rights'. [Sustainability, N/A: suntory.com] • Met: OECD: See above [Human Rights Policy, 10/07/2019: suntory.com]
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: UNGC principles 3-6: The Company states that 'we support and respect the 10 principles of the UN Global Compact as a Global Compact signatory company'. [Human Rights Policy, 10/07/2019: suntory.com] • Not met: Explicitly list All four ILO for AG suppliers: The supplier guidelines document includes a commitment to ILO core areas. In relation to freedom of association and collective bargaining, it states that 'suppliers must respect the right of employees to freely associate, organize and bargain collectively in accordance with applicable laws'. However, it is not clear if it is willing to respect the right to collective bargaining or alternative mechanisms where laws don't allow collective bargaining. [Suntory CSR Group Site, 2019: suntory.com & Supplier Guideline, 12/2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: The Company states commitment to the 10 UN Global Compact principles and lists them on its website. As the commitments form 3 - 6 are based on ILO Declaration, it has met the requirement. The Company's code of ethics include explicit commitment to each one as well. The Company also states that 'we also recognize the importance and support freedom of association and right to collective bargaining even in countries and regions that do not recognize them by law, and promote the resolution of challenges through the cooperation of labor and management'. [Suntory CSR Group Site, 2019: suntory.com] • Not met: Respect H&S of workers: The company states that they 'promote occupational health and safety based on the belief that a workplace where employees can work with peace of mind is connected to the vibrancy of the company'. However, 'promoting' is not accepted as commitment by CHRB. The Company also provided feedback regarding this matter. However, evidence was not material. [Suntory CSR Group Site, 2019: suntory.com] • Met: H&S applies to AG suppliers: The supplier guidelines requires that 'suppliers must have a health & safety policy, identify any hazards in the workplace, manage them and communicate any potential dangers to the employees'. [Supplier Guideline, 12/2019: suntory.com]
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Regular stakeholder engagement: The Company states that 'We have various councils that meet regularly to enable labour and management to study

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>and discuss key management challenges we face. These include the Business Conditions Conference, the Finance Reporting Council, and division and topic specific councils. These councils hear statements from the labour union about shop floor conditions and both parties debate Suntory Group's management policies'. [Suntory CSR Group Site, 2019: suntory.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design: In its human rights policy, the Company states that 'In the course of implementing the policy, the Suntory Group takes the advice of independent experts, and will diligently engage in dialogue and consultation with stakeholders.' However no evidence found of formal commitment to engage affected stakeholders in design of its human rights approach. [Human Rights Policy, 10/07/2019: suntory.com] • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to remedy: The Company states that 'if it becomes clear that any of its business activities have directly caused negative impacts on human rights, or if indirect effects through business relations become clear, the Suntory Group will commence dialogue based on international standards through appropriate procedures.' However, it fails to state a clear commitment to remedy. [Human Rights Policy, 10/07/2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AG suppliers to remedy impacts

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2. The Company is signatory to the UN Global Compact. • Not met: Senior responsibility for HR: The Company states that director, senior managing executive officer, Group risk management, and corporate sustainability division are in charge of human rights. However, senior responsibility of Suntory Beverage & Food is not clear. Furthermore, the Company provided feedback to CHRB but evidence was not material. [Suntory CSR Group Site, 2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The Company states that under the supervision of Global Sustainability Committee of the Suntory Group, each affiliate operates working teams in charge of human rights. The corporate management division and the business administration & HR division are in charge of human rights issues of Suntory Beverage & Food. [Suntory CSR Group Site, 2019: suntory.com] • Not met: Day-to-day responsibility for AG in supply chain
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: The Company states that 'we used the SDGs to identify priority areas for future activities. With the cooperation of external consultants and supported by reports from organisations such as the World Economic Forum, we analysed important issues at our company. We assessed their importance both for stakeholders and for the Suntory Group, and identified four high priority initiatives : Goal 6: Water and Sanitation, Goal 3: Health and Welfare, (...). In addition, with the recognition that water is the most important area for our business, we will work across the Group to protect water. Those were assessments based on SDG, and it is not clear if a general human rights risks identification was carried out. Furthermore, the Company provided feedback to CHRB but the evidence presented was not material to this indicator. [Suntory CSR Group Site, 2019: suntory.com] • Not met: Identifying risks in AG suppliers: The Company states that it has identified risks related to supply chains including fires, strikes, industrial accidents or other occupational health and safety issues, labour shortages, etc. However, no evidence found on how the Company identified its human rights risks and impacts. [Annual report, 2018: sw2587.swcms.net]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification: The Company states that 'We are facilitating an even higher level of interaction by holding an ongoing exchange of opinions'. However, although the language used could imply current risk identification, it makes reference to 2012. [Suntory CSR Group Site, 2019: suntory.com] • Not met: In consultation with stakeholders • Not met: In consultation with HR experts: The Company disclosed the details of dialogue with external experts conducted on 22 July 2019. The panel of experts reviewed the Suntory Group Sustainability Vision, Plastic Policy, and the Suntory Group Human Rights Policy and provided opinions to the Company. Three of external experts and three of internal managers participated in the dialogue. However, no evidence found of details indicating that consultation helps inform a due diligence process to identify which are the Company's human rights risks and impacts [Suntory CSR Group Site, 2019: suntory.com] • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: The Company claims that 'We formulated midterm goals and action plans based on each theme of the six prioritized CSR initiatives, and we are promoting activities throughout the entire Group'. It also states that 'Suntory Group strives to ensure social responsibility throughout supply chains'. Although the Company disclosed the process of CSR activity promotion, no evidence found on action plans to mitigate human rights risks. [Suntory CSR Group Site, 2019: suntory.com] • Not met: Including in AG supply chain • Not met: Example of Actions decided: The Company states that it has been inviting and received briefings from overseas suppliers in Japan about human rights. However no evidence found conducted in last two years to mitigate particular human rights risks. [Suntory CSR Group Site, 2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1 • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.3 • Not met: Comms plan re reviewing action plans • Not met: Including AG suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1 <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: A Compliance Hotline was set up that makes reference to Suntory Group's Code of Business Ethics. The Company indicates that 'we have installed a Compliance Hotline both at our Compliance Office and at an external law firm as a common contact point for all of the Group companies in Japan in order to quickly discover and resolve problems when reporting or consulting with a supervisor is not appropriate'. In addition it states that 'we installed a worldwide common contact point for reports encompassing all Group companies in Japan and even overseas as part of our global risk management system'. [Suntory CSR Group Site, 2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: The Company discloses the following 'In 2018, a total of 202 reports were received through these contact points at each Group company in Japan and overseas. 84 reports were received by Suntory Beverage & Group. Roughly 60% of the reports received in Japan were about labor, personnel and management issues. We work to resolve the raised concerns and prevent them from reoccurring by implementing corrective measures and recommendations based on the investigation results'. In 2016, it has established global hotline contact points to handle all types of corruption comprehensively, as well as human rights violations. It reports that there were no reports through the global hotline in 2018 and no reports on child or forced labour. No further details found specifically about number of complaints related to human rights, including those that were addressed/resolved. [Suntory CSR Group Site, 2019: suntory.com] • Not met: Channel is available in all appropriate languages: Although Beam Suntory has hotlines available in 'all major languages', no evidence found for the whole Company. [Suntory CSR Group Site, 2019: suntory.com] • Met: Expect AG supplier to have equivalent grievance systems: The supplier guidelines document requires the following: 'suppliers are expected to have appropriate mechanisms by which employees can raise concerns protected from retaliation'. [Supplier Guideline, 12/2019: suntory.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Grievance mechanism for community: Although it is claimed that Suntory has a global hotline, no specific access found to it, no evidence found on whether external stakeholders including communities have access and are allowed to file complaints. [Suntory CSR Group Site, 2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AG supplier to have community grievance systems • Not met: AG supplier communities use global system
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks: The Company states that 'if it becomes clear that any of its business activities have directly caused negative impacts on human rights, or if indirect effects through business relations become clear, the Suntory Group will commence dialogue based on international standards through appropriate procedures'. However, no further details found on the approach it would follow to provide remedy for victims. [Suntory CSR Group Site, 2019: suntory.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found.

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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