

Suntory

Product categories assessed

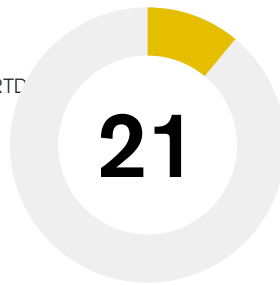
Baked Goods|Bottled Water (Pure)|Carbonates|Concentrates|Dairy|Juice|RTD Coffee|RTD Tea|Sports Drinks|Energy Drinks|Bottled Water (Other)

Percentage of company global sales covered by Product Profile assessment
80-85%

Headquarters
Japan

Number of employees
40210

Type of ownership
Public



Rank 21 / Score 1.1
Rank 19 (2018)



Product Profile ¹

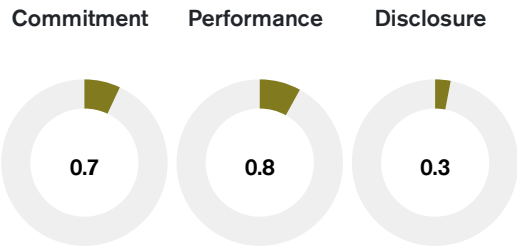
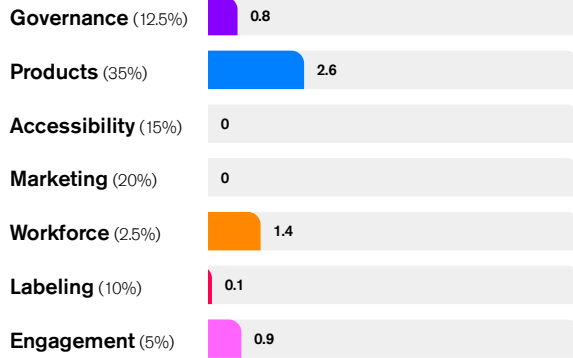
Rank 12 / Score 4.5
Rank 15 (2018) ²

Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies, amongst others the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Corporate Profile

Rank 21 Score 1.1



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type. The Commitment, Performance, Disclosure score only applies to category scores and not to the BMS/CF Assessment.

Main areas of strength

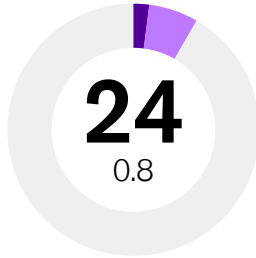
- **GOVERNANCE:** As in the 2018 Global Index, Suntory's disclosure is limited and therefore only a few areas of strengths were identified. However, the company's scoring has improved across all but one of the categories, albeit marginally. Although the company does not explicitly commit to tackling specific malnutrition issues – which it is encouraged to do – it does commit to addressing the agenda of the Sustainable Development Goals (SDGs) referenced throughout the company's annual report. Following an analysis of all SDGs, Suntory identified SDG3 (Good Health and Well-being) and SDG6 (Clean Water and Sanitation) as main priority areas for the company. ATNI encourages Suntory to set SMART targets to deliver on SDG3 and to report on progress formally and regularly.
- **PRODUCTS:** In the company's annual and sustainability reports, Suntory describes its efforts to “expand the company's portfolio of natural and healthy products”, with the overall aim of “helping people to enjoy healthier lifestyles”. Through its ‘100-Year-Life Project’, launched in 2018, Suntory intends to drive improvements across its product portfolio and promote healthier and more active lifestyles. Suntory is encouraged to report on this project more comprehensively, disclosing targets and monitoring progress.
- **LIFESTYLES:** Suntory provides a fitness and health program, the ‘Suntory Health Challenge 2019’, which, through a mileage-based points system, encourages and rewards employees' healthy habits, such as daily walks and health check-ups. It is recommended that the company makes the program available to all employees and their families, across all markets.

Priority areas for improvement

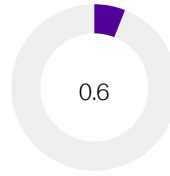
- **SCORES AND RANKS:** As in 2018 Global Index, Suntory's public disclosure is limited, and the company ranks 21st on the 2021 Global Index. In general, Suntory's limited disclosure means that no clear strengths were identified in the Corporate Profile research. Better disclosure by the company about its approach to tackling the global burden of malnutrition, in terms of nutrition governance, product formulation, affordability and accessibility, responsible marketing practices, lifestyles, labeling and engagement, would allow for a more complete assessment and identification of specific areas for improvement. Additionally, Suntory is encouraged to engage with ATNI to allow a complete assessment of the company's products' policies and practices.
- **GOVERNANCE:** Suntory is advised to adopt and disclose a nutrition policy that specifies how the company contributes to improved nutrition and health in the countries in which it operates, through its commercial strategy and activities.
- **PRODUCTS:** ATNI recommends that Suntory defines what products it classifies as ‘healthy’ based on objective nutrition criteria (using an internationally-recognized Nutrient Profiling Model (NPM)), and implements a strategy towards a healthier product portfolio by setting product formulation and/or reformulation targets.
- **ACCESSIBILITY:** Suntory could consider adopting and publishing a policy to improve the affordability and physical accessibility of products that meet healthy criteria, showing how it reaches low-income populations or populations that lack regular access to healthy, affordable food.
- **MARKETING:** The company is encouraged to adopt and publish a marketing policy that addresses general aspects of responsible marketing and specific commitments, to ensure that marketing of unhealthy products to children is avoided. This should align with the World Health Organization (WHO) regional nutrient profile models, that establish which products should not be marketed to children.
- **LIFESTYLES:** Although Suntory provides limited flexible arrangements aimed at supporting pregnancy and child-rearing, it makes no mention of measures to support female employees in breastfeeding at work. The company is recommended to commit to supporting female employees in breastfeeding at work as part of its policy to support employee health and wellbeing.
- **LABELING:** The company is encouraged to adopt and publish a labeling policy to ensure that nutrition information is provided on all packaged food and beverage products, according to Codex Alimentarius guidelines and in compliance with national regulations in the countries in which it operates.

Category Analysis

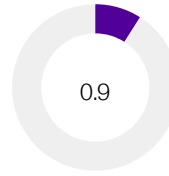
Governance



Commitment



Performance



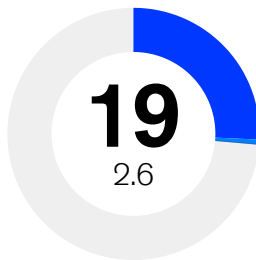
Disclosure



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- A1 Nutrition strategy
- A2 Nutrition management
- A3 Reporting quality

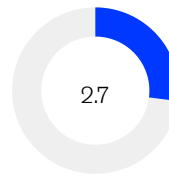
Products



Commitment



Performance



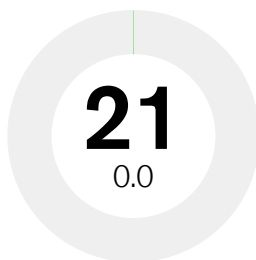
Disclosure



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- B1 Product Profile
- B2 Product formulation
- B3 Defining healthy products

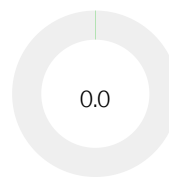
Accessibility



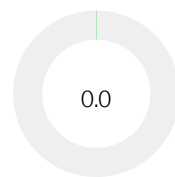
Commitment



Performance



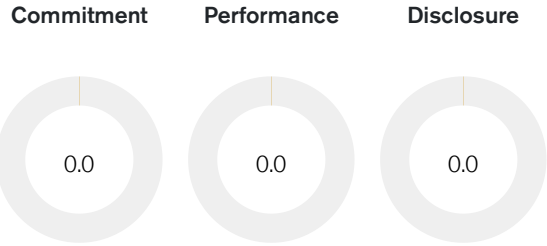
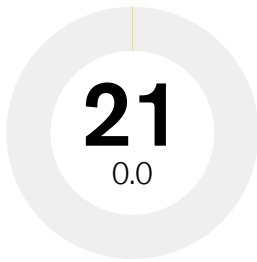
Disclosure



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- C1 Product pricing

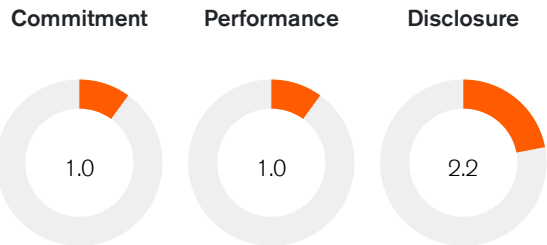
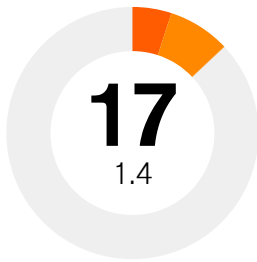
Marketing



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- D1 Marketing policy
- D2 Marketing to children
- D3 Auditing and compliance

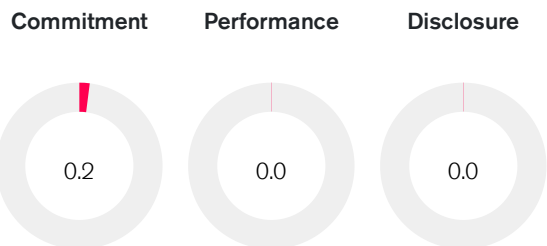
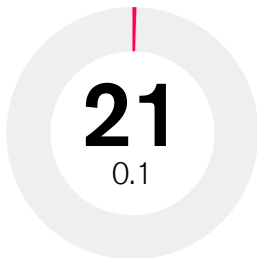
Workforce



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- E1 Employee health
- E2 Breastfeeding support
- E3 Consumer health

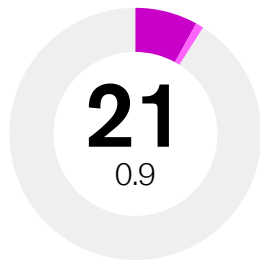
Labeling



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- F1 Product labeling
- F2 Claims

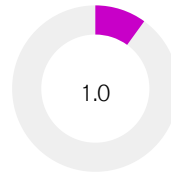
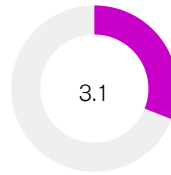
Engagement



Commitment

Performance

Disclosure



- G1** Influencing policymakers
- G2** Stakeholder engagement

The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Detailed Product Profile Results ^{1 3}

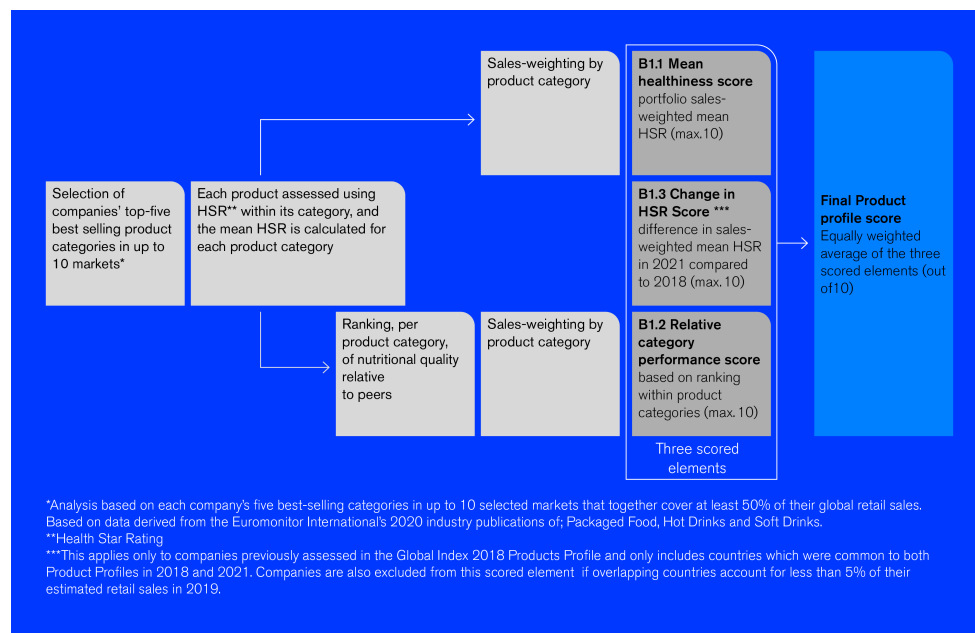


12

Rank 12 / Score 4.5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthy. This assessment is undertaken in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights.

The methodology for the Global Index 2021 Product Profile has been revised and now includes three scored elements. The overall Product Profile score reflects: B1.1, the mean healthiness of a company's product portfolio; B1.2, the relative healthiness within product categories compared to peers, and; B1.3, changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile. The steps taken to calculate the final Product Profile scores are visualized in Box 1. The next section further explains each of these three elements.



Suntory has been assessed for the second time in the Global Index Product Profile. In the previous assessment, six of the company's markets were selected and a total of 503 products analyzed accounting for approximately 10-15% of global retail sales in 2017. In this Index, a total of 851 products have been analyzed across 9 of the company's major markets. Products from the top five best-selling product categories within each market are included. In 2019, these products accounted for 80-85% of the company's global retail sales.

France, Germany and Japan are new countries included in this iteration. In 2018, a total of 10 product categories were covered by the assessment, compared to 11 categories in 2021. For all companies, Bottled Water has been split into two categories for this iteration (Bottled Water – pure and Bottled Water – other). In addition, the 2018 Euromonitor subset 'Sports and Energy Drinks' was split into two categories in 2021 ('Sports Drinks' and 'Energy Drinks').

In this Product Profile assessment, Suntory scores 5.2 out of 10 (B1.1) in the mean healthiness element, 8.3 out of 10 (B1.2) for the relative healthiness of its products within categories compared to peers, and 0 out of 10 (B1.3) for changes in nutritional quality (mean HSR) over time. This results in Suntory obtaining an overall score of 4.5 out of 10, and ranking 12 out of 25 in the Product Profile.

B1.1 Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	9 Countries included	Range of global sales included ⁴	Healthy products (HSR)				Products suitable to market to children (WHO regional models) - UNSCORED		
			No. products assessed	% products healthy (≥ 3.5 stars)	% retail sales healthy 2019 (≥ 3.5 stars) – assessed countries only	% estimated global retail sales healthy 2019 (≥ 3.5 stars) ⁵	No. products assessed	% products suitable	% sales from suitable
2.6	Australia, China, France, Germany, Hong Kong, Japan, New Zealand, South Africa, UK	80-85%	851	28%	27%	28%	874	3%	11%

- A total of 851 products manufactured by Suntory, sold in 9 countries, covering 11 product categories, were included in this Product Profile. The company's sales-weighted mean HSR is 2.6 out of 5. ATNI turns this value into a score between 0 and 10, resulting in a mean healthiness score of 5.2 out of 10 for Suntory. The company ranks 13 out of 25 companies in this first scored element (B1.1).

- Overall, 28% of distinct products assessed were found to meet the HSR healthy threshold (HSR ≥ 3.5). Together, these products accounted for an estimated 27% of Suntory's retail sales of packaged food and beverages 2019 in the selected markets. Assuming the products and markets included in the assessment are representative of the company's overall global sales, ATNI estimates the company derived approximately 28% of its global retail sales from healthy products in 2019.

WHO nutrient profiling models (unscored): Only 3% of products assessed were found to be of sufficient nutritional quality to market to children, according to the World Health Organization (WHO) regional nutrient profiling models. These products were estimated to generate 11% of the company's sales in 2019. More information on this part of the assessment can be found in the Marketing section (Category D) of the Index.

B1.2. Product Category Results

	No. products analyzed	% products healthy (HSR >= 3.5)	Company mean HSR	Mean HSR for all companies selling this product category	Company performance (rank in mean HSR compared to peers selling products in the same category)
Baked Goods	5	0%	0.5	2	9th out of 9
Bottled Water - other	35	0%	2	2	3rd out of 6
Carbonates	147	5%	1.6	1.6	2nd out of 5
Concentrates	21	0%	1.5	1.2	1st out of 7
Energy Drinks	116	0%	1.1	1.1	1st out of 3
Sport Drinks	36	0%	1.9	1.7	1st out of 3
Dairy	12	17%	3	2.9	10th out of 18
RTD Tea	74	7%	2.1	1.7	1st out of 7
Juice	295	60%	3.5	3.2	4th out of 8
RTD Coffee	103	42%	2.8	2.7	3rd out of 6
Bottled Water - pure	7	100%	5	5	1

- The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies. For Suntery 'Juice,' was the next best performing category, where a total of 295 products analyzed obtained mean HSR of 3.5 out of 5. 'Baked Goods' (0.5) had the lowest mean HSR of all product categories included for Suntery.

- Suntery scores 8.3 out of 10 (B1.2), ranking third out of 25 companies in this second scored element. This is based on its ranking compared to peers within the 11 categories, using the scoring system set out in ATNI's methodology.

- For 10 out of the 11 categories assessed, Suntery's products perform equal to or better than the mean HSR of companies selling products in the same categories. The company performs best compared to peers in the following product categories; 'Concentrates,' 'Energy Drinks,' 'RTD Tea,' and 'Sport Drinks.'

B1.3. Change in mean HSR

	No. of products analyzed in 2018	No. of products analyzed in 2021	Sales weighted mean HSR 2018	Sales weighted mean HSR 2021
Australia	144	63	1.7	1.2
China	7	10	2.1	1.6
Hong Kong	22	28	1.4	1.2
New Zealand	252	236	2.5	2.9
South Africa	11	10	1.2	1.5
UK	67	156	1.7	1.6
TOTAL	503	503	1.8	1.7

- Among the 18 companies for which this third scored

- element was applicable, Suntery was one of nine



companies which showed no increase in mean HSR between the 2018 and 2021 Product Profiles (mean HSR= 1.8 to 1.7). The change in HSR score only takes into account the six countries included in both 2018 and 2021 assessments.

- Suntory was found to have decreased its average HSR by 0.1 stars using sales-weighted portfolio-level results, resulting in a score of 0 out of 10 on this element using the scoring system set out in ATNI's methodology.

Full Product Profile report: https://new-l40rlzsq.accesstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf

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Footnotes

1. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
2. In the Global Index 2018, the Product Profile Assessment was conducted as a separate assessment. The results were based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits, vegetables and fibers) and several negative nutrients (e.g. salt, sugar and saturated fat) in products.
3. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
4. Retail sales data derived from Euromonitor International.
5. ATNI estimates this value by taking the proportion of healthy products within each category assessed and multiplying that figure by the global category retail sales. The values are then aggregated to generate an estimate of the overall global healthy sales (excluding baby foods, plain tea, and coffee, which are not included in the Product Profile).
6. Within-category ranks are calculated for all product categories in which two or more companies are active. Next, a performance percentage is calculated from the inverted rank (e.g. first out of 10: inverted rank $10/10 = 100\%$ performance score; tenth out of 10: inverted rank $1/10 = 10\%$ performance score). The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies.