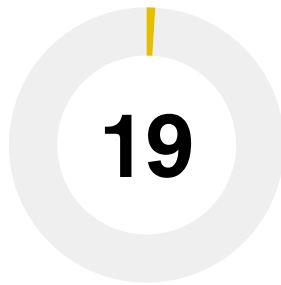


Suntory ^{i 1}

Reported product categories
 Water, Coffee, Ready-to-drink Tea,
 Carbonates, Functional drinks



↓ Rank 19 / Score 0.1
 Rank 0 (2016)



Product Profile

Rank 15 / Score 3.6

Headquarters
 Japan

Market capitalization
 12,862 m

Reported revenue by geography ^{i 3}
 Asia Pacific 78%, Europe 16%,
 North America 6%

Number of employees
 17,758

Total revenues ^{i 2}
 12,804 m

Corporate Profile

Nutrition 20/0.1

Undernutrition 14/0

Category	Nutrition Score	Undernutrition Score
Governance (12.5%)	0.5	0
Products (25%)	0	0
Accessibility (20%)	0	0
Marketing (20%)	0	0
Lifestyles (2.5%)	0.8	0
Labeling (15%)	0	0
Engagement (5%)	0	0

Main areas of strength

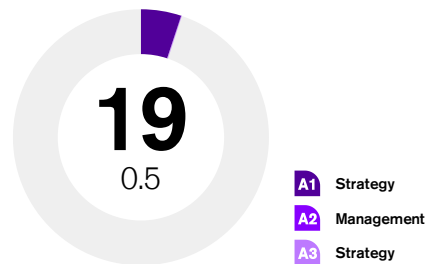
- Suntory is new to the Access to Nutrition Index, scores 0.1 in 2018 and ranks nineteenth.* The company publishes annual reports and CSR reports which mention some aspects of health in risk assessment and obesity. It does so in a non-conventional approach, through 'bio-active components' rather than decreasing 'negative nutrients' (salt/sodium, trans-fat, saturated fat, added sugars/calories) or increasing 'positive nutrients' (fruits/vegetables/nuts/legumes, whole grains), which is not assessed as relevant and therefore it scores low on the ATNI methodology.

Priority areas for improvement

- The company mentions in some minor statements that it focuses on health and lifestyle, but it does not publish a clear nutrition strategy, and therefore is not credited as such.
- Suntory ranks fifteenth on the Product Profile assessment with a score of 3.6 out of ten, based on an assessment of its major product categories in one country. Suntory was estimated to derive (only) 9% of its total sales from healthy products, i.e. achieving a rating of 3.5 stars or more on the Health Star Rating system. Suntory has significant scope to improve the healthiness of its portfolio through product reformulation, innovation and/or portfolio changes.
- The company has relevant employee health and well-being programs. It is stated as a program for the Suntory Group, of which Suntory Food and Beverage Ltd is mentioned as the main sub-entity, and therefore considered relevant to score. The plan addresses relevant activities and even targets, but focuses mostly on physical and mental health, with more focus on lifestyle and obesity than on nutrition and diet-related aspects. The company is encouraged to focus more on diet/nutrition.
- 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 double burden of malnutrition, in terms of nutrition governance, product formulation, affordability and accessibility, responsible marketing practices, lifestyles, labeling and nutrition engagement, would allow for a more complete assessment and identification of specific areas for improvement. Additionally, engagement with the Access to Nutrition Foundation (ATNF) would allow a complete assessment of Suntory's products' policies and practices. Suntory is encouraged to engage with ATNF for the next Global Index.

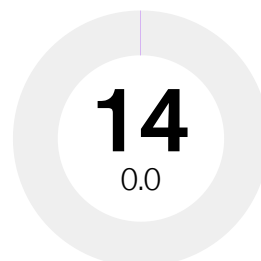
Category Analysis

Category A - Governance 12.5% - Nutrition



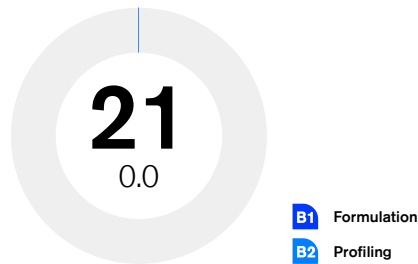
- Suntory does not make a relevant commitment with regards to delivering more healthy foods, but does mention that it works on products to address the obesity issue. Although the approach to addressing obesity and healthy lifestyles is not focused at reformulating products, the company does provide evidence that it recognizes its role in tackling obesity issues.
- Suntory should commit at Board level to address obesity and diet-related chronic diseases.
- It is recommended that the company sets clear nutrition strategies, objectives and targets in all business areas underpinned by strategic market research.
- Scoring could be improved when incentive and accountability structures at senior management level are established and used to reward successful implementation of nutrition strategies.
- It is recommended that the company demonstrates high and increasing levels of sales of healthy products.
- Suntory should develop a clear and comprehensive report on activities to prevent and address nutrition-related issues and on progress against nutrition-related objectives and targets, on a global basis.

Category A - Governance 12.5% - Undernutrition



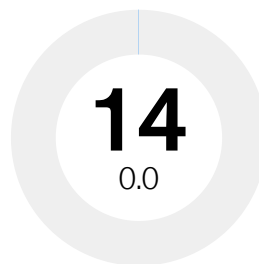
- No strategy to address undernutrition was identified.
- Suntory should commit to address undernutrition and set objectives and targets as part of its core commercial business and philanthropic programs, with oversight assigned to its Board or other senior executives.
- It is recommended that Suntory takes a well-structured approach with a focus on higher priority countries and on critical population groups, pledging to work within regional and national frameworks to address specific fortification needs and undernutrition issues more broadly.
- It is recommended that the company carries out extensive research and publicly discloses information about these activities to identify the needs of key populations with specific micronutrient deficiencies.

Category B - Products 25% - Nutrition



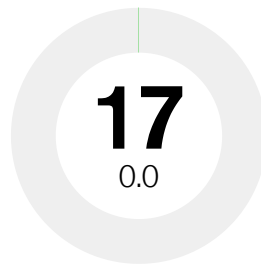
- Suntory does not publish any information regarding any efforts it makes to develop new healthy products nor on any strategies it may have to improve the nutritional quality of its existing products.
- It is recommended that Suntory invests in research and development to improve the nutritional quality of new and existing products.
- Suntory could strengthen its score by defining a clear approach to reformulating existing products against well-defined nutritional targets to decrease 'negative nutrients' (salt/sodium, trans-fat, saturated fat, added sugars/calories), and increase 'positive nutrients' (fruits/vegetables/nuts/legumes, whole grains).
- Suntory should offer a high percentage of products within the portfolio that meet these nutritional targets and offer healthy options across all company brands.
- The employment of a comprehensive and appropriately set up NPS, applied to all products, as the basis for the company's product reformulation efforts and its definition of healthy products, would strengthen Suntory's scoring.

Category B - Products 25% - Undernutrition



- The company does not publish any information about commitments or programs it operates or funds to address undernutrition in lower-income countries through product development and reformulation.
- Suntory is recommended to set targets to increase its R&D efforts to develop or introduce fortified products or products inherently high in micronutrients and commit to increase the number or volume of fortified foods available to undernourished populations.
- To increase scoring, Suntory should commit to align its approach to fortification with international guidance, to seek to use ingredients with high inherent levels of micronutrients and to fortify only products of high nutritional quality.
- By providing evidence of introducing new products commercially and of funding non-commercial programs, aiming to deliver appropriately fortified products to priority populations in priority countries, scoring would improve.
- Suntory should explain what it has done to increase the number or volume of fortified foods available to undernourished populations, through both commercial and non-commercial activities.

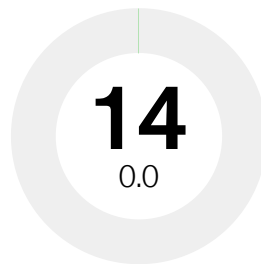
Category C - Accessibility 20% - Nutrition



C1 Pricing
C2 Distribution

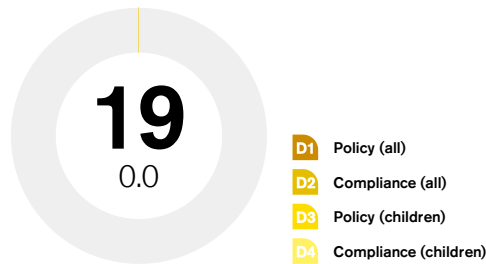
- Suntory does not publish any information about its approach to improving (through pricing and distribution) the accessibility of its healthy products.
- It is recommended that Suntory formalizes written commitments, measurable objectives and targets to improve the affordability and availability of its healthy products for all consumers in all countries worldwide. For example, by defining targets on price point for healthy products and setting a goal on how many low-income consumers should be reached.
- It is recommended that the company publicly discloses its commitments, objectives and targets on accessibility and affordability.
- Suntory should apply its approach to affordability and availability for low-income consumers to all the markets in which the company operates, including developed and upcoming markets, providing evidence of relevant examples.

Category C - Accessibility 20% - Undernutrition



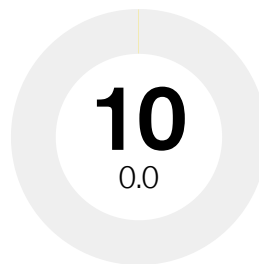
- The company does not publish any information regarding improving the affordability and accessibility of its fortified products for low-income populations.
- Suntory should have a commercial commitment and objectives to improve the affordability of its healthy products that address micronutrient deficiencies in developing markets. It should be able to disclose examples of delivering against its commitment.
- In addition, it is recommended that the company has a commercial commitment with respect to improving the distribution of its products specifically formulated or appropriate for specific undernourished groups, provide examples of doing so and disclose this information.
- To increase scoring, Suntory should fund other organizations or otherwise support non-commercial programs that improve the distribution of products specifically formulated or appropriate for specific undernourished groups and disclose this funding and activity.

Category D - Marketing 20% - Nutrition



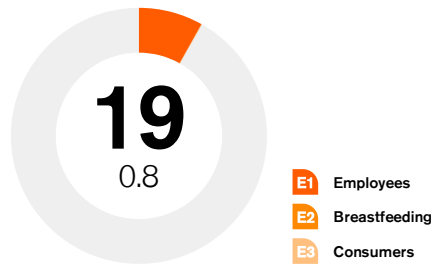
- Suntory does not publish any information regarding how it ensures that it markets its products responsibly to children and/or other consumers.
- It is recommended that Suntory develops and implement a responsible global marketing policy for all consumers which incorporates the responsible marketing principles of the ICC Framework and is applied equally to all media channels and all markets of operation.
- The company should adopt a comprehensive global policy on responsible marketing to children, which, at a minimum, would apply to children under 12 and apply when children make up more than 25% of a general audience. The policy should also explicitly commit not to market any products to children under 12 on all media, unless they meet the company definition of a healthy product. It should commit to use only responsible marketing techniques, including on online media.
- It is recommended that Suntory commissions or takes part in industry-level independent audits of these policies and disclose individual compliance levels for traditional and new media.

Category D - Marketing 20% - Undernutrition



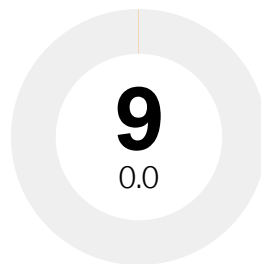
- Suntory does not publish any information on developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries.
- Suntory should make an explicit commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries and disclose this commitment publicly.
- It is recommended that the company provides evidence of steps it has taken to understand and reach undernourished consumers in developing countries with appropriate products.

Category E - Lifestyles 2.5% - Nutrition



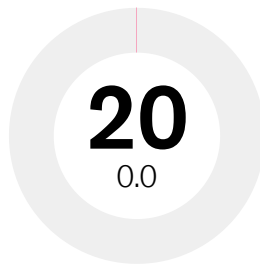
- Suntory has only scarce information on relevant CSR-related commitments to employee health with most attention on physical health and healthy lifestyle, and very minimal attention for nutrition and diet. It is not clear whether all employees are covered under this program.
- The company addresses diversity and advancement of female employment (including in management positions) as a central CSR topic however, no reference to breastfeeding mothers is made.
- It is recommended that Suntory offers comprehensive nutrition and healthy lifestyle programs within their overall staff health and wellness programs, for all employees and their families globally.
- To increase scoring, Suntory should offer supportive maternity leave policies including paid maternity leave of six months or more, flexible working arrangements and appropriate workplace facilities for breastfeeding mothers when they return to work.
- The company should commit to support integrated, comprehensive consumer-oriented healthy diet and active lifestyle programs and campaigns globally, developed and implemented by independent organizations with relevant expertise.

Category E - Lifestyles 2.5% - Undernutrition



- The company does not disclose a written policy and/or guidelines on any programs it supports relating to undernutrition through either its philanthropic giving or commercial activities.
- Suntory should commit to support well-designed programs educating undernourished consumers about the importance of breastfeeding, micronutrient fortification and healthy diets.
- It is recommended that the company publishes its commitments as well as the content and results of the programs it supports.

Category F - Labeling 15% - Nutrition



F1 Facts
F2 Claims

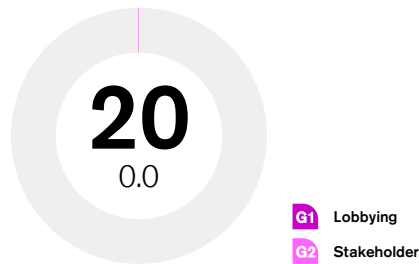
- Although Suntory reports an ambition to promote easy to understand and accurate product labeling, Suntory does not publish any information about any policies it may follow to ensure that it takes a responsible approach to product labeling and the use of health and nutrition claims.
- It is recommended that Suntory adopts, publishes and fully implements a global policy on nutrition labeling. It should commit to provide information on all key nutrients in a way that is easy to understand for consumers, including information on portion size and nutrients as percentages of daily values (or equivalent), displayed appropriately in nutrition information panels on the back of packs and in interpretative format on the front of packs. Like all companies, Suntory should ensure to not undermine existing local interpretative FOP labeling systems by implementing alternative or additional systems.
- Suntory should disclose the degree to which the full labeling policy is implemented, at the level of markets with full roll-out.
- To improve scoring, Suntory should adopt and publish a global policy on the use of both health and nutrition claims stating that, in countries where no national regulatory system exists, such claims will only be placed on products if they are in full compliance with the relevant Codex standard.
- Suntory should ensure it tracks and discloses the number of products that carry health and nutrition claims.

Category F - Labeling 15% - Undernutrition



- Suntory does not disclose a formal labeling policy or any commitments it has made to ensure that products that have been fortified or have naturally high levels of micronutrients, are labeled as such for all markets.
- It is recommended that the company adopts and publishes a global policy on labeling that includes commitments to label the micronutrient content of all products sold in developing countries fortified with or naturally high in micronutrients.
- Suntory should additionally adopt and publish a global policy on the use of both health and nutrition claims that states, in countries where no national regulatory system exists, these claims will only be placed on products if they are in full compliance with the relevant Codex standard.

Category G - Engagement 5% - Nutrition



- No evidence regarding any lobbying or nutrition stakeholder engagement strategy or commitments was found. The company does have, and has published, a code of conduct, but no reference to political engagement or lobbying was found.
- Suntory should commit to lobbying on nutrition issues only in support of public health, or to not lobbying at all, and publish a policy that covers lobbying, engagement with governments and policymakers, and donations.
- It is recommended that Suntory discloses all lobbying activities on nutrition issues, membership and financial support of industry associations or other lobbying organizations, and board seats on such bodies.
- Suntory should conduct comprehensive, well-structured stakeholder engagement focused on improving its business strategy and performance, and provide evidence and examples showing how stakeholder engagement has led to improvements of policies and practices.

Category G - Engagement 5% - Undernutrition



- Suntory does not disclose any commitments to play an active and constructive role in developing countries to support government efforts to address undernutrition, and it does not provide any evidence on one-to-one discussions with key organizations working on undernutrition.
- Suntory should commit to playing an active part in supporting the efforts of developing country governments to address undernutrition and publicly disclose a narrative about such activities.
- It is recommended that the company provides evidence of engagement with relevant organizations on undernutrition and publicly disclose a narrative on its engagement with stakeholders on undernutrition.

Product Profile



15

Rank 15 / Score 3.6

Average HSR score products (sales-weighted)	Percentage of healthy products (sales-weighted)	Percentage of healthy products suitable to market to children (sales-weighted)	Number of products included in HSR and WHO EURO assessments		Number of countries included in the assessment
			HSR	WHO EURO	
1.8 stars	9%	1%	503	514	6

- Suntory's average sales-weighted HSR is 1.8 (2.6 unweighted), generating a Product Profile score of 3.6 out of 10, and it ranks fifteenth.
- It was estimated that 9% of its sales were generated from products that met the healthy threshold (29% of its products by number) in 2016. This indicates that products of poorer nutritional quality accounted for a relatively larger proportion of estimated sales than those with a better nutritional profile.
- Out of the six countries included in Suntory's analysis, New Zealand had the highest mean HSR both before and after results were weighted by sales (3.2 and 2.5 respectively), with South Africa having the lowest mean HSR of 1.2. Interestingly, Australia ranked second before sales-weighting was applied, but dropped to third following sales-weighting.
- New Zealand had the largest proportion of products with an HSR of 3.5 or higher (50%), followed by China with 29%.
- When results were examined by category, the highest mean HSR was seen in the 'Juice' category (3.9), followed by 'Carbonates' (3.6), with 'RTD Coffee' having the lowest mean HSR (1.0). Note that the 'Carbonates' category includes sparkling juices, which are responsible for the higher ranking of this product category due to the fruit content of sparkling juice products.
- Only 1% of Suntory products weighted by sales (2% by number of products) were eligible for marketing to children. This result was driven purely by the 'Bottled Water' category as this was the only category to have products eligible for marketing to children.
- Overall, the Product Profile assessment indicates that Suntory generates a small proportion of its sales from healthy products. In addition, a low proportion of its portfolio fulfils criteria to be marketed to children. These results indicate that the company should step up its efforts to improve the healthiness of its portfolio through product reformulation, innovation or other portfolio changes.

For full details, see the company's Product Profile scorecard.

Disclaimer Global Index 2018

General Disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS Marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute for Global Health (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

Innova Market Insights (Innova) is responsible for the data collection and analysis related to the historic sodium reduction assessment that was performed in four countries, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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Footnotes

1. * ATNF was not able to assess all documents published by Suntory in Japanese and the language barrier may have limited the extent to which details of company performance were reflected correctly in the scoring. Suntory did not actively participate in the research process; its assessment is therefore based on publicly available information. Scorecard version 2, 31 October 2018.
2. Source: Morningstar, USD historic exchange rate
3. Source: Morningstar