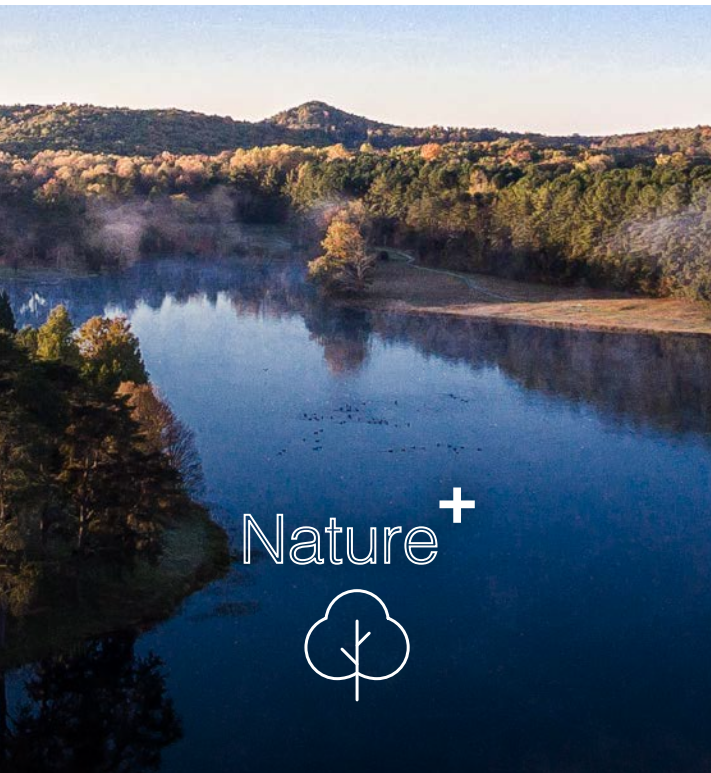




MAKING A
POSITIVE
IMPACT

SUSTAINABILITY
REPORT 2021

Beam SUNTORY



Nature +




Consumer +




Community +




Doing Business
the Right Way


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Welcome

Welcome to Beam Suntory's first annual Sustainability Report, which brings to life our Proof Positive strategy, launched in 2021.

Informed by our values and inspired by our parent company, Suntory Holdings Limited, we're committed to furthering our positive impact. As a company dedicated to Growing for Good, we feel it's the right thing to do for the planet, our consumers, our employees and our communities.

We live in a time when sustainability depends on everyone doing their part. At Beam Suntory, we're proud of the progress we're making toward achieving our sustainability ambitions. It's part of our DNA, and integral to our culture, to dream big, innovate and give back. We know there is much more we can – and will – accomplish, and this report provides an overview of how we're making a difference.

**PROOF
POSITIVE**

Beam **SUNTORY**

Letter From the CEO

“Yatte Minahare,” a saying traced back to Suntory founder Shinjiro Torii, is grounded in the conviction to challenge convention, the courage to dream the impossible and the tenacity to pursue our goals, no matter what the challenge. It’s in this very spirit that our company is pursuing our Proof Positive strategy and contributing to a better future for the planet, our consumers, our employees and our communities.



Building on our history of giving back to society, our Proof Positive strategy guides how we do business across our entire value chain, from seed to sip:

- Our Nature Positive initiatives are designed to preserve our natural resources, reducing our water, climate, forest & field, and packaging footprints.
- Through our Consumer Positive commitments, we’re working to reduce harmful drinking and building a responsible culture.
- And with our Community Positive priorities, we’re working to foster a more inclusive, diverse and equitable culture, and contributing our skills, time and resources to positively impact the communities in which we work and live.

Our goals, aligned to the United Nations Sustainable Development Goals (SDGs), support the sustainability vision and mission of Suntory Group to create harmony with people and nature and our own vision of Growing for Good. They have given rise to bold, group-wide commitments. We’ve signed the UN Global Compact and the CEO Water Mandate through Suntory Group’s participation, and joined the Race to Zero campaign. And on behalf of Beam Suntory, I’ve pledged to the CEO Action for Diversity & Inclusion™ to advance diversity and inclusion in the workplace.

Ambition will only get us so far. As the Chinese proverb says, “a journey of a thousand miles begins with a single step.” Proof Positive is engineered to challenge our organization to drive sustainable change faster and to take the necessary steps over time. It requires embedding sustainability into all facets of our business as we advance annual benchmarks.

To help champion this evolution, in 2021, we brought on new leaders aligned to each pillar. Together with their teams, they are outlining each goal’s long-term roadmap, investment approach and capability gaps. Serving as a center of excellence, they are working alongside our global teams to drive progress.

The actions and achievements detailed in the following pages of our inaugural Sustainability Report reflect our 2021 efforts in what we consider a foundational year. As we share this report, we’re now midway through 2022 and seeing even more encouraging progress. This includes two of our brands, Sipsmith® and Maker’s Mark®, recently achieving B Corporation status, demonstrating their commitment to being a force for good.

We also acknowledge that there is more to do. Many of the issues we face will require solutions that have yet to be implemented, tested or even imagined. Our pioneering culture has served us well for centuries, and we are committed to investing the time and resources – and to partnering with others – to create solutions that support the betterment of society and the continued transformation of our business.

To bring everyone along on this journey, we are committed to accountability and transparency. This includes aligning compensation of our leaders with key sustainability measures through our Annual Incentive Plans. We will also publish annual Sustainability Reports like this one to publicly report on our progress and increase transparency.

I am proud of the work we are doing at Beam Suntory to combat climate change, address social issues and increase opportunity for all.

I hope you enjoy learning more about our company and all that we aim to achieve through Proof Positive.

Albert Baladi
President and Chief Executive Officer

About Beam Suntory

Beam Suntory – a world leader in premium spirits – was created in 2014 when Beam, the global leader in Bourbon, combined with Suntory, the pioneer in Japanese whisky.

With distilling histories dating back hundreds of years, our company is built on a strong heritage. We have a passion for quality, an innovative spirit and a vision of Growing for Good, as demonstrated by our enterprise-wide sustainability strategy, Proof Positive.

With nearly 6,000 employees, Beam Suntory is a subsidiary of Japan-based Suntory Holdings Limited. We are relocating our global headquarters to New York City in the second half of 2022. We also have hubs in major cities, including Tokyo, Chicago, Madrid, Shanghai, Singapore and Sydney, as well as operations around the world.

Our Brands

Our world-renowned Bourbons, Japanese whiskies, single malt Scotches, Cognacs, Tequilas and Gins have been bringing people together for generations.



James B. Beam Distilling Co.



Yamazaki®



Maison Courvoisier®



Maker's Mark®



Sipsmith®



Casa Sauza



Hakushu®



Laphroaig®



Bowmore®

Sipsmith® and Maker's Mark® – B Corp Certification

Sipsmith® and Maker's Mark® have both received B Corp certification, joining a group of global brands that are leading the movement for an inclusive, equitable and regenerative economy.



Sipsmith®, a London-based gin brand, earned the accreditation in 2021 for its long-term commitment to social and environmental performance, transparency and accountability. As part of its sustainability strategy, Sipsmith® has committed to delivering a 46% absolute reduction in greenhouse gas (GHG) emissions across its value chain by 2030. The brand also introduced FreeGlider, a no-alcohol-by-volume (ABV) variant, providing consumers with exceptional choice (see [page 20](#)).

Maker's Mark® became the largest distillery in the world – and the first in Kentucky's renowned Bourbon Country – to receive B Corp certification in January 2022. The certification recognizes the brand's innovative programs to preserve the natural resources that go into making its whisky, as well as its community and philanthropic efforts.

2021 Highlights

Created Proof Positive leadership roles:

Vice President, Global Environmental Sustainability, Global Vice President, Consumer & Society Sustainability and Chief Diversity & Inclusion Officer.

Supported restoration and protection of a sub-basin of the Lerma–Santiago river basin in Mexico through the Charco Bendito Project's reforestation, soil conservation and aquifer recharging efforts.

Established our first Peatland Water Sanctuary in Scotland.

Increased use of renewable energy

with nearly 100% of our global sites generating renewable power on site and/or purchasing Renewable Energy Certificates (RECs).

Installed closed-loop cooling at our Clermont facility in Kentucky, reducing the average volume of lake water the facility recirculated from the lake for cooling by over 35 million gallons per month.

Began applying macro-nutritional labeling to key brands across Europe and the US.

Increased options for lower- and no-ABV drinks with products like Sipsmith®'s FreeGlider and Lemon Sour Zero.

Scored 100% on the Human Rights Campaign Foundation's Corporate Equality Index in the US.

Named a Great Place to Work-Certified™ Company in the US, Canada, Spain, Singapore, South Korea, China, India, Mexico and Germany, and one of the Best Workplaces for Women™ in Mexico.

■ Nature Positive ■ Consumer Positive ■ Community Positive

Increased the percentage of female new hires to 50% (+6%). **Increased the percentage of women in leadership roles** by 3%.

Increased the percentage of racially and ethnically diverse employees in the US by 4%, at both the mid- and senior-manager levels.

Supported the global growth and sustainability of the American whiskey industry through the James B. Beam Institute for Kentucky Spirits at the University of Kentucky.

Donated 3,248 volunteer hours to our communities in our annual service event, Together for Good.

Helped increase access to medical care in India's hardest-hit areas from COVID-19 through a joint \$600,000 donation with Suntory Holdings.



Our Value Chain

At Beam Suntory, we create value through partnerships with our extensive network of stakeholders. What we learn from them helps inform our engagement programs, Proof Positive strategy and areas of focus.

Farmers and Other Suppliers

Farmers and suppliers provide us with raw materials like grain and oak. We support responsible practices through programs that address sustainable water management, carbon emissions reductions, supplier diversity and more.



Employees and Co-Manufacturers

We promote a diverse and inclusive workplace that enables employees to thrive. Our distillers and manufacturers craft, package and build our brands. We make our processes more circular, by saving water, using greener power and reducing waste.



Customers

Our distributors and customers – including retailers and bars – provide meaningful opportunities to connect with consumers and promote responsible alcohol consumption.



Consumers

We encourage responsible drinking environments through a culture of choice and moderation. We also explore innovative ways for consumers to recycle our bottles and packaging.



Communities and Society

We support sustainable, resilient and equitable communities through a range of programs and partnerships.



Government and Regulators

We work with government and regulators to ensure our products meet relevant requirements in all jurisdictions.



Shareholders

Our shareholders support and invest in our business. We aim to create value for them and communicate our progress through metrics and reporting.



In developing our first Sustainability Report, we conducted a thorough materiality assessment to understand which topics are most important to our business and our stakeholders. We identified five topics that stand out as highest priority:

- Water use and management
- Climate change and carbon emissions
- Packaging, waste management and circular economy
- Responsible alcohol consumption and marketing
- Diversity, equity and inclusion (DEI)

The assessment informs our stakeholder engagement, as well as the pillars of our Proof Positive strategy (see [page 7](#)).

Our Proof Positive Strategy

How we do business is as important as what we do. And we're determined to protect our environment, empower our consumers to make responsible choices, and foster inclusivity and equity across our value chain.

Our Proof Positive strategy is our roadmap to a more sustainable, equitable future – our plan for having a net positive impact on the planet, our consumers and our communities. Our Proof Positive goals are aligned to the [SDGs](#) and stem from the [Suntory Group's Sustainability Vision](#).



Nature Positive

We're on a journey to establish a positive societal and environmental impact, reducing our water, climate, forest & field, and packaging footprints, while working to protect and regenerate our ecosystems and their biodiversity.



Consumer Positive

We engage in a whole-of-society approach to reduce harmful drinking – including underage consumption – and we're working to foster an engaging, inclusive and responsible culture of consumption among legal-drinking-age (LDA) adults.




Community Positive

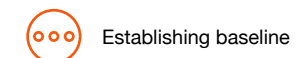
We're working to continuously foster a more inclusive, diverse and equitable culture across our business, operations and communities, and contributing our skills, time and resources to positively impact the communities in which we work and live.



Progress Against Our Goals

Goals	Baseline Year	Baseline Data	Target Year	Status	Progress vs. Baseline	Progress Highlights
Nature Positive						
Hired Vice President, Global Head of Environmental Sustainability						
Water						
Reduce water usage by 50% per unit produced.	2015	22.5kl/kl	2030		34% reduction globally (14.9kl/kl)	Installed closed-loop cooling at our Clermont facility in Kentucky, reducing the average volume of water the facility recirculated from the lake for cooling by over 35 million gallons per month.
Replenish more water than we use in our direct operations.	2019	Will report in 2022	2040		52% (14/27) of our global sites have watershed protection activities	Completed watershed risk assessments for production facilities and agricultural supply chain. Replenish projects continue in France, India and Mexico.
Climate						
Reduce Scope 1 and 2 GHG emissions from direct operations by 50%.	2019	248k tCO ₂ e	2030		12% reduction (219k tCO ₂ e)	Achieved nearly 100% renewable electric power through on-site generation and the purchase of RECs.
Reduce Scope 1, 2 and 3 GHG emissions by 30%.	2019	830k tCO ₂ e	2030		0% reduction (829k tCO ₂ e)	Collaborating with our suppliers to build our net zero GHG emissions roadmaps.
Achieve net zero GHG emissions across our entire value chain.			2040			
Forest & Field						
Plant more trees than harvested to make our new barrels.	2019	0	2030		9,787 trees planted	Established partnerships with governmental agencies, universities and NGOs.
Work only with growers that use sustainable practices.	2019	0	2040		159 growers (estimate)	Utilizing sustainable farming practices with agave growers in Mexico and grape growers in France. Launching sustainable agricultural practices pilot with barley farmers in Scotland and corn growers in the US.
Packaging						
Use 100% recyclable packaging across our packaging portfolio.	2019	>95% by weight (estimate)	2030		>95% by weight (estimate)	In 2022, will conduct recyclability assessments in the US, Canada, UK and Germany to determine whether our packaging meets recyclability standards.
Utilize 100% rPET. ¹	2019	0%	2030		0.42% sustainable PET by weight	Added 10% rPET to 375ml bottles, and working with packaging suppliers to establish 2030 roadmaps.
Leverage 40% recycled materials by weight across our packaging portfolio.	2019	28%	2030		28% recycled content by weight	Working with packaging suppliers to establish 2022 targets.
Expand to 60% recycled materials.			2040			

¹ Recycled polyethylene terephthalate



Establishing baseline






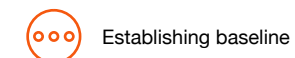
Needs attention



On track

Progress Against Our Goals

Goals	Baseline Year	Baseline Data	Target Year	Status	Progress vs. Baseline	Progress Highlights
Consumer Positive						
Informed Choices						
Invest \$500 million and engage more than 300 million LDA consumers in responsibility-led programming.	2021	-	2030		N/A	In 2022, will hold consumer insights study across key markets to inform ongoing company and brand strategies.
Consumer Information						
Provide macro-nutritional and alcohol content information on packaging or online for 100% of our products.	2018	Made a voluntary commitment to disclose nutrition information on pack.	2030		Enabled inclusion of on-pack nutrition declaration for 78 markets (including all EU, UK and US) on every launch and redesigns through Seed to Sip.	Launched Courvoisier® Vis ID with on-pack macro-nutritional information and included on Knob Creek and Basil Hayden® redesigned bottle labels. Progressing Vis ID for key brands (Jim Beam®, Maker's Mark®, Sipsmith®, Laphroaig® and Bowmore®) to include on-pack nutrition. Establishing Drink Smart revamp strategy to enable robust online nutrition infrastructure.
More Options						
Develop, introduce and build awareness of lower- and no-ABV products and cocktail recipes across key categories.	2021	0 *Only includes Beam Suntory data, not Suntory Spirits Limited.	2030		Launched 2 new brands in 2 categories.	Launched Sipsmith® FreeGlider (Gin) and Lemon Sour Zero (Ready to drink).



Establishing baseline



Needs attention



On track

Progress Against Our Goals

Goals	Baseline Year	Baseline Data	Target Year	Status	Progress vs. Baseline	Progress Highlights
Community Positive						Hired Chief Diversity & Inclusion Officer
Our People						
Achieve 50% women in leadership positions ² globally.	2020	33%	2030		36% (+3%)	Will launch an independent assessment of our people data in 2022 with a focus on trends across the HR life cycle, to uncover what barriers may exist for the advancement of diverse talent in our organization. As part of this assessment, we are also reviewing our current DEI ambitions to ensure our targets accurately represent the communities where we live and operate.
Build a US workforce that reflects the diversity of the communities where we live and work.	2020	16%	2030		18% (+2%)	
Strive to achieve an industry-leading Sense of Belonging companywide (>80-point Glint score).	2021	77-point Glint score	2030		77-point Glint score	Implemented listening strategy involving ongoing engagement pulse surveys.
Our Industry						
Build a Supplier Diversity strategy and 2030 roadmap.	2021	-	2023		-	Hired a Director of Supplier Diversity at start of 2022.
Our Communities						
Give back one million volunteer hours to the communities where we live and work.	2021	6,633	2030		-	Hosted second global day of service, donating 3,000+ hours. In-person volunteering was limited due to challenges related to the pandemic.



Nature



We're on a journey to establish a positive societal and environmental impact, reducing our water, climate, forest & field, and packaging footprints, while working to protect and regenerate our ecosystems and their biodiversity.

Our Contribution to the SDGs

4 QUALITY EDUCATION 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	

“Our investments in closed-loop cooling systems have already dramatically reduced water use at two of our Kentucky distilleries, while our Natural Water Sanctuaries help protect and preserve local water sources. We’re also looking into using green hydrogen to power our distilleries and eliminate the use of fossil fuels.”

Kim Marotta, Vice President, Global Head of Environmental Sustainability

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Water

Clean, high-quality water is integral to all our products. It's also a vital shared resource, to which access is scarce or threatened in many parts of the world. So, we are committed to reducing the amount of water we consume, returning more to the environment than we use, and protecting and recharging natural sources.

Goals

Reduce water usage by 50% per unit produced by 2030.

Replenish more water than we use in our direct operations by 2040.

Reducing Water Use

Around the world, we're working to make our distilleries water efficient, reusing wastewater from our operations where possible and maximizing the quality of water we return to the environment. We have also included a water reduction goal in the Annual Incentive Plans of our leadership and incentive-eligible employees (see [page 28](#)).

At our Clermont and Booker Noe distilleries in Kentucky, we invested in closed-loop cooling systems. These reuse cooling water, rather than extracting millions of gallons from the local water source. A similar system was installed in the Fred B. Noe Distillery at the James B. Beam Distilling Co. in Clermont, which opened in 2021.

In Mexico, a location of high water stress, we're proud that Casa Sauza has one of the lowest water consumption rates in the Tequila industry. The facility's continuous improvement program empowers all employees to identify opportunities for reducing water, energy and waste through improved process controls and new technology.

Casa Sauza is also part of the Charco Bendito Project, a collaborative watershed initiative with the [Beverage Industry Environmental Roundtable \(BIER\)](#) and eight other manufacturing companies. The project seeks to restore and protect a sub-basin of the Lerma-Santiago river basin through reforestation, soil conservation and aquifer recharging.

As well as providing potable water to local citizens, the initiative supports sustainable agro-forestry practices, such as beekeeping and honey production, and protects important community heritage sites.

In India, another water-stressed location, all our operations treat process effluent and reuse it to irrigate the natural areas surrounding our facilities. Using recycled water reduces the need for fresh water and helps replenish groundwater.

Watershed Protection and Planning

We're committed to watershed protection and planning across our operations to support long-term water accessibility, availability and quality. This includes watershed mapping, water quality testing, preservation and protection activities, and water supply planning. Planning is underway at 14 sites in the US, Japan, Mexico, India, St. Croix, Ireland and Scotland, and equates to 52% of our 27 global production sites.

Watershed Protection Activities and Natural Water Sanctuaries



Natural Water Sanctuaries

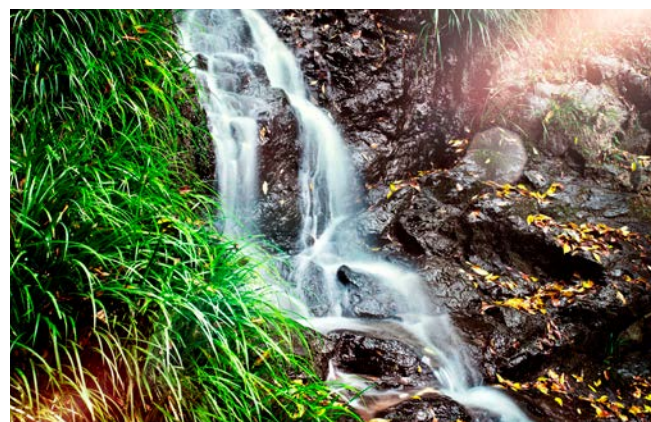
Inspired by Suntory's dedication to water quality and sustainability, our Natural Water Sanctuary program reflects our dedication to water quality and sustainability. The sanctuaries help preserve the mineral quality needed to create the distinctive taste of some of our spirits. For example, many of our Kentucky Bourbons use water filtered naturally through limestone.

In addition to Suntory Group's [21 Natural Water Sanctuaries in Japan](#), spanning a total area of around 12,000 hectares, we have a 33-acre Natural Water Sanctuary at our Maker's Mark® distillery in Loretto, Kentucky. Here, we're working to maintain healthy

forests, which provide a natural filter that purifies, regenerates and replenishes groundwater. We've planted a diverse range of plants to promote filtration, inhibit runoff and improve the soil.

We also have an alliance with the Bernheim Arboretum and Research Forest in Clermont, Kentucky, through which we established the Jim Beam® Natural Water Sanctuary Alliance in 2018. Through this long-term agreement, we're helping to protect groundwater and surface water – used by surrounding communities as well as in the production of Jim Beam® Bourbon. We're also working to preserve wildlife habitats and increase our education activities across Bernheim's 16,137 acres.

...we're working to maintain healthy forests, which provide a natural filter that purifies, regenerates and replenishes groundwater. We've planted a diverse range of plants to promote filtration, inhibit runoff and improve the soil.



Peatland Water Sanctuary in Scotland

We're committed to restoring our peatlands and keeping them healthy for generations to come. Even though our operations account for a small fraction of Scotland's total peat use, the habitat is critical to our spirits and must be shared with our communities. The peatlands also play a vital role in mitigating climate change.

In 2021, alongside our parent company, we launched the Peatland Water Sanctuary initiative in Scotland. Together, we're investing more than \$4 million to restore and conserve 1,300 hectares

of peatland by 2030 – enough to produce the peat we need every year to make our Scotch whiskies on an ongoing basis.

The first of several planned watershed conservation projects began near our Ardmore® distillery in November 2021. Initially, nearly 15 hectares of peatland will be restored, in partnership with the James Hutton Institute and the land manager, Forestry and Land Scotland. Other sites near our Auchentoshan®, Glen Garioch®, Bowmore® and Laphroaig® distilleries are being assessed.



Climate

Through the ingenuity of our people and our partners, we will reduce our GHG emissions as we progress to carbon neutrality.

Goals

Reduce Scope 1 and 2 GHG emissions from direct operations by 50% by 2030.

Reduce Scope 1, 2 and 3 GHG emissions by 30% by 2030.

Achieve net zero GHG emissions across our entire value chain by 2040.

Our Journey to Net Zero

To address the climate crisis, we have committed to achieving net zero carbon emissions across our operations by 2040. Through our membership of the [Scotch Whisky Association](#), we joined the [Race to Zero](#) campaign of the United Nations Framework Convention on Climate Change. We were able to demonstrate our commitment during COP26 in Glasgow, Scotland, when we hosted delegations from Japan, the US, the UK and Australia at Auchentoshan. They were able to see our Proof Positive commitments come to life at the distillery.

To support this ambition, we're evolving our processes and incorporating the latest low-carbon technology where possible. To decarbonize our total value chain, we are working with our supplier base to improve the quality of data and reporting of our Scope 3 upstream and downstream emissions. We're also building our roadmap to accelerate progress, and adding Scope 3 targets and requirements into our supplier contracts and standard operating procedures.

Renewable Energy and Low-Carbon Fuels

Around the world, we're beginning to transition our sites from higher carbon fuels to lower-emitting energy sources such as natural gas, renewable natural gas and liquefied petroleum gas. We're also increasing our use of renewable energy and evaluating options to produce renewable fuels using anaerobic digestors, biomass boilers, hydrogen and other technology.

- Maker's Mark® installed a 200kW solar array to offset the energy needed to store and age our Bourbon,

while our site in Behror, India, has reduced its use of electricity from fossil fuels by 20% since adding solar panels to its warehouse roofs.

- The Fred B. Noe Distillery in Clermont, Kentucky, is our first distillery to be powered by renewable energy, achieved through a high-efficiency electric boiler and the purchase of RECs.
- Courvoisier® has transitioned to efficient, low nitrogen oxide burners to reduce carbon emissions at its distillery in Jarnac, France. It also purchases 100%

guaranteed renewable electricity and has shifted from diesel trucks to rail to reduce transport emissions.

- Our Casa Sauza distillery and bottling operations in Mexico have switched from fuel oil to natural gas and installed efficient natural gas boilers, reducing steam demand by two-thirds. The facility is also piloting the planting of ground cover plants between rows of agave plants to help sequester carbon. The 2,300-hectare area has the potential to capture more than 36,000 tonnes of CO₂ a year.

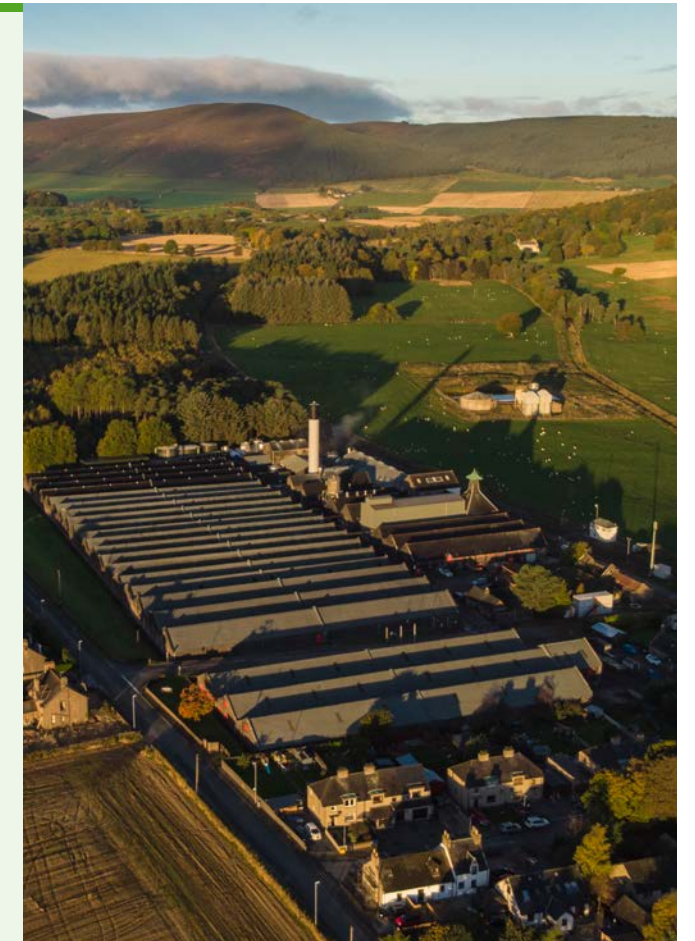
Project WhiskHy Explores Hydrogen-Powered Production

At our Ardmore® distillery in Scotland, we completed a three-month feasibility study into the use of zero-emission hydrogen in whisky production.

The research shows how an ultra-efficient, high-pressure electrolyzer could be used to produce and store hydrogen on site, powered only by wastewater and local renewable energy. The hydrogen can then be looped back into the heat or power system to minimize – and ultimately eliminate – the need for fossil fuels.

Run by Supercritical, a UK-based clean-tech startup, [Project WhiskHy](#) received funding for both their Phase 1 feasibility and Phase 2 demonstration study from the Department for Business, Energy & Industrial Strategy's £1 billion Net Zero Innovation Portfolio.

Supercritical's Phase 1 study finished in March 2021, with the final report available on the [Green Distilleries.gov.uk](#) webpage. Phase 2 is currently underway, with the aim to complete by June 2023.



Forest & Field

We aim to restore and regenerate our forests, and support regenerative agriculture, to improve the natural resources and biodiversity that our brands – and our consumers – rely on.

Goals

Plant more trees than harvested to make our new barrels by 2030.

Work only with growers that use sustainable practices by 2040.

Tree-Planting Initiatives

Healthy forests are critical to our communities and business.

Through a variety of reforestation and tree-planting efforts, we're making progress with planting more trees than we harvest to make our barrels. In 2021, we planted 9,787 trees around the world through a series of initiatives, many of which involved collaboration with local environmental organizations. One effort took place in China, where 145 team members partnered with Yang Shanzhou Afforestation Foundation, Yunnan Province, to restore and reforest land in Yunnan impacted by rocky desertification. Together, we planted and maintained 800 trees.

In December 2021, we committed to plant 8,000 trees in Colaba, Mumbai, India, in partnership with environmental NGO Green Yatra, and we also partnered with the Don Bosco Foundation to sponsor the planting of 2,000 trees in Goa.



Sustainable Farming Practices

We're dedicated to helping our suppliers adopt responsible farming techniques to maintain soil health, support biodiversity and improve livelihoods.

At Maison Courvoisier in France, we've implemented changes to our farming practices. These include investing in a recuperator panel sprayer at Domaine Guilloteau, a Courvoisier property, to reduce our use of phytosanitary products. We also began installing grass cover every two rows in the vineyard to promote soil health, increase nitrogen supply to plants and enhance biodiversity. Sheep are also used to help maintain the land around the Les Métairies warehouse.

Courvoisier also sponsors 10 beehives with up to 600,000 bees through "Un Toit Pour les Abeilles" ("A Roof for the Bees"). The sponsorship helps the association install beehives across the country and plant fallow land in which the bees can forage and pollinate flowers.

Northern Keep™ Vodka is one of the first in Canada to be accredited as a certified Habitat-Friendly Winter Wheat product, using at least 30% winter wheat by weight in its ingredients. The Habitat-Friendly Winter Wheat ecolabel program helps consumers identify products containing western Canadian winter wheat that provides critical habitat for ducks and other birds and wildlife. Farmers participating in the program have committed to growing the grain to provide nesting habitats, along with on-farm and economic benefits. And since 2020, every bottle of Northern Keep™ sold helps the Nature Conservancy of Canada protect ecologically significant land.

Supporting Genetic Research

We depend on the American white oak for the barrels that give our iconic Bourbons their unique flavor and color. To conserve the white oak and maintain a sustainable supply of wood, Maker's Mark® and the University of Kentucky are establishing the world's largest repository of the species. We're collecting more than 300 unique families of white oak from across the US to plant at our Star Hill Farm distillery, supporting research to address current and future threats.

We're also working with the University and the cooperage Independent Stave Company to map the white oak genome. Our teams are studying the genetics of the mother tree, "MM1," which is estimated to be up to 500 years old. The data will provide information about the species' longevity, disease resistance and vitality.

Yamazaki® 55 Honors the White Oak

In 2021, to celebrate the limited release of Yamazaki® 55, our 55-year-old Japanese single malt Whisky, we donated \$500,000 to the American Forest Foundation and the White Oak Initiative. As well as honoring the forests that produced the casks we use for aging, the donation – the equivalent of \$5,000 for every bottle sold during the year – supports vital research and on-the-ground activities designed for white oak sustainability.

Packaging

We're working to minimize our impact on the environment across each of our brands' packaging life cycle, from the recycled content in our design choices to right-weighting our bottles and ensuring the recyclability of our products.

Goals

Use **100% recyclable packaging** across our packaging portfolio by 2030.

Utilize **100% rPET³** by 2030.

Leverage **40% recycled materials by weight** across our packaging portfolio by 2030. **Expand to 60% recycled materials** by 2040.

Packaging With Sustainability Built In

We use a cloud-based life cycle assessment solution to evaluate our packaging, helping us build in sustainability right from the start. As part of this, we've analyzed our existing packaging options against a range of environmental performance criteria and developed guidelines that inform future packaging design decisions earlier in the development process.

In 2021, Maison Courvoisier refreshed its bottles, labels and packaging designs. With these new bottles, the volume of glass used per year has been reduced by 241 tonnes, which will avoid approximately 145 tonnes of CO₂ emissions. In addition, materials and manufacturing technologies have been carefully selected to limit the weight and the CO₂ emissions of its products. Bakelite, mono-materials or Forest Stewardship Council (FSC)-certified paper are examples of initiatives that help Maison Courvoisier to reduce its environmental impact.

Through a collaboration with Suntory Group peers, in 2021, we brought additional blow-molding capacity in-house at the Frankfort plant in Kentucky (200ml, 375ml and 750ml). The facility produces more than two million cases (48 million bottles) of PET-based products annually. After installing the technology to self-make more bottles, we avoided the need for 400,000kg of plastic, which equates to an annual reduction of 1,676 tonnes of CO₂. We also used 550 fewer trucks (an 86% reduction), which avoids a further 71 tonnes of CO₂ every year. To add to the reduction of CO₂, the 375ml comprises 10% rPET, making it our first PET bottle partially made of recycled content.

Encouraging Recycling

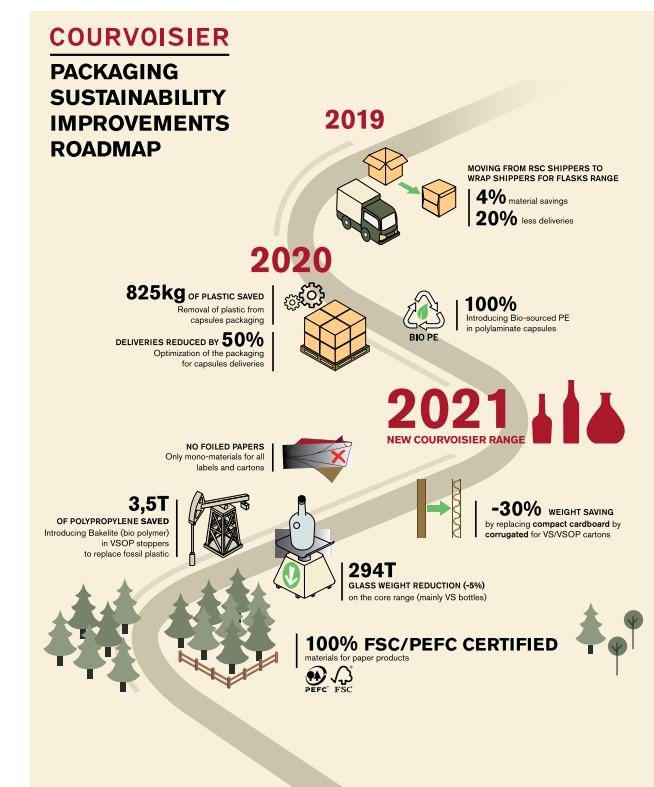
As we progress toward a more circular economy, we continue to explore and test new recycling methods and ways for consumers to recycle our bottles and packaging.

In 2022, we will form new third-party partnerships to better assess the recyclability of our brands' packaging, starting in North America and Europe. We will also look at options to convey recycling instructions more transparently on pack, empowering consumers to take proper action when recycling or disposing of our brands' packaging.

At Maker's Mark® in Loretto, Kentucky, we've introduced six glass-crushing machines (pulverizers), which grind waste into sand particles. These are reused across our facility, including as mulch and gravel on nature trails, supporting water drainage and healthier plants. The sand byproduct is also used to create art and glassware. The effort avoids transporting the waste to a local recycler, reducing our carbon footprint.

In partnership with Loop and a large retailer, Sipsmith® piloted a closed-loop reuse system in 10 stores in the UK. Consumers could purchase a Sipsmith® bottle and, once consumed, return it to a participating store where it would be collected, taken away for cleaning and made ready for refill. Each bottle could be reused at least 10 times. This was intended to reduce both packaging and transport, cutting carbon emissions by about 9% compared to the life cycle of our standard bottle.

Sipsmith® appreciated partaking in the pilot, along with other brands. Overall, data showed many shoppers were interested in buying products in reusable packaging, with tens of thousands of customers taking part in the trial. The eco-conscious shopper was the most prevalent in the uptake of the reuse model. The next phase of this project will focus on expanding the operation to make reuse more readily available for consumers to increase uptake beyond the more eco-conscious shopper.



3 Recycled polyethylene terephthalate



Consumer



We engage in a whole-of-society approach to reduce harmful drinking – including underage consumption – and we’re working to foster an engaging, inclusive and responsible culture of consumption among legal-drinking-age (LDA) adults.

Our Contribution to the SDGs



“It’s fundamental to our business to promote responsible consumption, helping reduce all forms of harmful drinking and preventing anyone underage or under the LDA from being exposed to alcohol messages. As LDA consumers strive for more mindful lifestyles, we’re developing solutions that empower them to make smart and educated choices.”

Rachel Roberts, Global Vice President, Consumer & Society Sustainability

In This Section

- 18** Informed Choices
- 19** Consumer Information
- 20** More Options

Informed Choices

We are advancing industry-wide commitments and significantly expanding responsibility-led brand programming, elevating Drink Smart, and supporting evidence-based partner programs to promote responsible decisions and positively impact behavior.

Goal

Invest \$500 million and engage more than 300 million LDA consumers by 2030 in responsibility-led programming.

Industry Commitments

Through our membership in the [International Alliance for Responsible Drinking \(IARD\)](#), we work with our industry peers to address alcohol-related harm, through responsible advertising practices and coalitions to develop and enhance safeguards online, and by raising industry standards.

Since 2018, we have worked with leading digital platforms to raise standards in digital marketing practices for all alcohol advertisers. Through these collaborations, we have been working to protect anyone underage or under the LDA and respect personal preferences by giving people greater control over whether they see alcohol-related marketing online.

Reflecting on our role as a company that takes responsibility seriously, we have made a number of voluntary global commitments to support this work, including:

- Providing nutrition and alcohol content, as well as symbols and words that warn against drinking while pregnant, driving while intoxicated and underage consumption.
- Raising standards in alcohol e-commerce to prevent sale to anyone underage or under the LDA and those drinking harmfully.
- Forming groundbreaking partnerships with global advertising, public relations and influencer agencies to establish common global standards to prevent influencer marketing from reaching anyone underage or under the LDA.

Insights Study

Demand for lower- and no-ABV beverages is on the rise, according to beverage alcohol market research firm [WSR Drinks Market Analysis](#) and data analytics experts [NielsenIQ](#). Our Consumer Positive strategy takes a human-centric approach to help us better understand and address adult consumers' needs and motivations.

In 2022, we will perform an insights study in markets that are influential in driving the lower- and no-ABV category. The study's insights will inform our short- and long-term company strategy, as well as our brand programming, innovation pipeline and partnerships.

Encouraging Responsible Choices

We share a commitment to reducing alcohol-related harm with the University of Kentucky by supporting responsibility education, wellness and prevention programming. As members of the [Kentucky Distillers' Association \(KDA\)](#), we also support the James B. Beam Institute for Kentucky Spirits' responsibility curriculum, tailored to educating future beverage alcohol industry professionals. This includes a holistic, evidence-based alcohol responsibility course. Along with enhancing their knowledge about responsible consumption and the effects of alcohol, it reinforces the importance of being an ambassador of responsible consumption.

As KDA members, we participate in programs such as [Safe Ride KY](#) to reduce impaired driving, as well as other initiatives that promote moderate consumption, prevent underage access to alcohol and foster environments that respect the decision not to drink.

Partnerships to Promote Responsible Drinking

We work with social aspects organizations around the world on evidence-based programs to combat alcohol-related harm.

- In the US, Responsibility.org's Ask, Listen, Learn program teaches young people to say no to underage drinking and guides parents, school counselors and teachers on how to have effective conversations about the risks of underage drinking. It is helping to combat underage drinking in the US, which is at record lows.
- We support [DrinkWise](#) in Australia, where the [Kids and Alcohol Don't Mix](#) campaign explains the dangers of underage consumption and seeks to empower people with information to make responsible choices.

We also partner with [Aware.org](#) (South Africa), [Drinkaware](#) (UK), [STOP! Under 20 Drinking](#) (Japan), the [Alcohol and Society Foundation on the Minors, Not a Single Drop](#) campaign (Spain) and [Taiwan Beverage Alcohol Forum](#) (Taiwan).

Consumer Information

We are sharing resources to support consumers in making responsible choices, aligned with a balanced lifestyle.

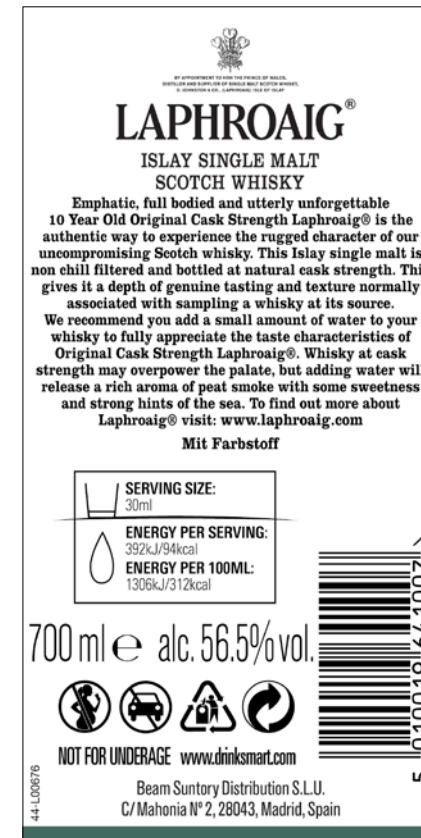
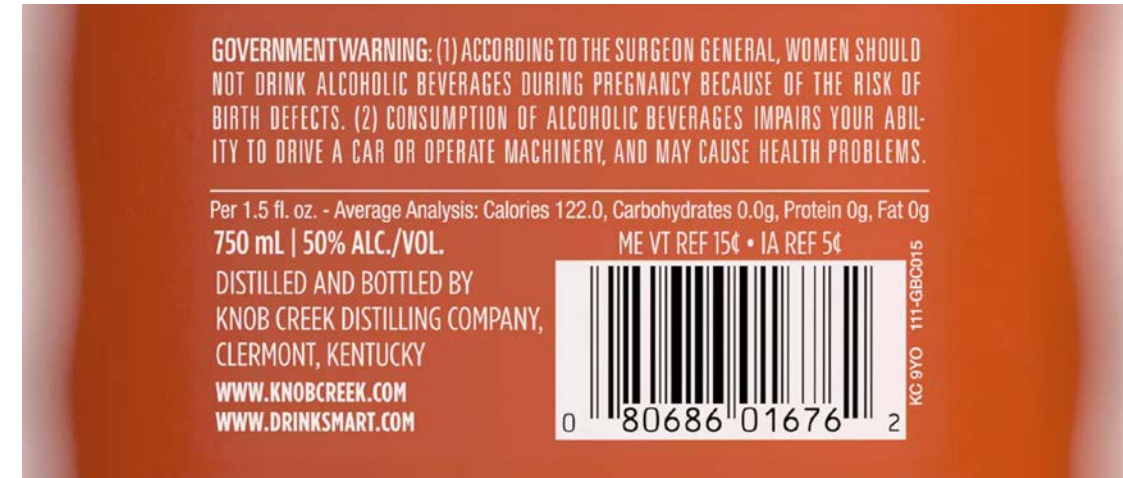
Goal

Provide macro-nutritional and alcohol content information on packaging or online for 100% of our products by 2030.

Empowering Consumers to Drink Smart

We have reinforced our commitment to help LDA consumers make informed choices about alcohol, and reduce harmful drinking, including impaired driving, binge drinking and underage consumption.

Following our voluntary commitment to disclose nutritional information on packaging in 2018, we have been making progress with updating our brand packaging in the US and the UK. We're also incorporating symbols and words that warn against underage drinking, drinking while pregnant, and drinking and driving. On Drink Smart, our global platform for communicating with consumers about responsible consumption, we continue to expand the available information. The site includes details about calories, sugar, fat and carbohydrates, as well as alcohol content per standard serving, for every brand in our portfolio.



More Options

We are focused on providing adult consumers with choices, creating lower- and no-ABV products and cocktail recipes that allow consumers to participate in each consumption occasion in a way that meets their lifestyle preferences.

Goal

Develop, introduce and build awareness of lower- and no-ABV products and cocktail recipes across key categories by 2030.

New Lower- and No-ABV Products

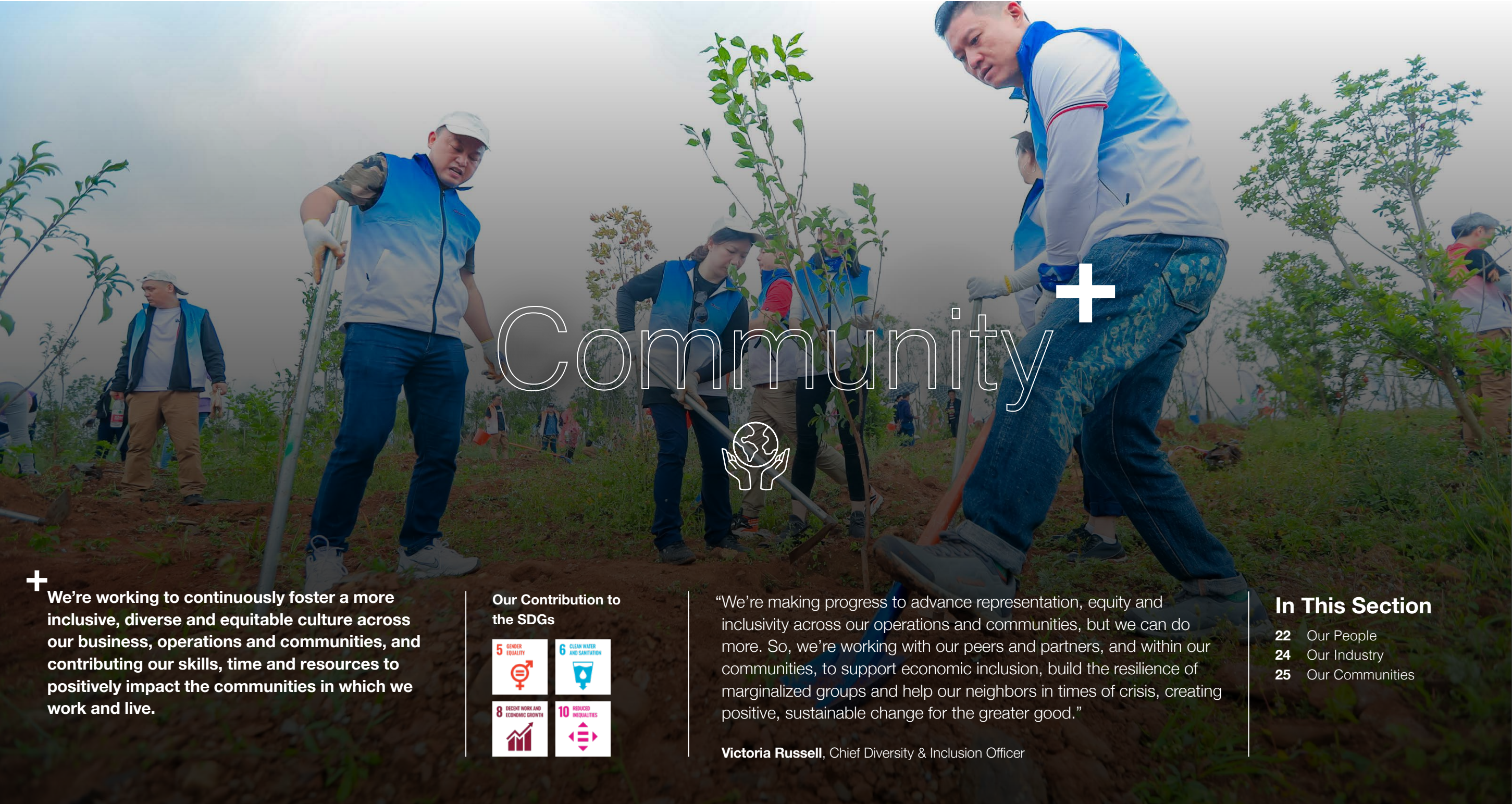
Moderate alcohol consumption is consistent with a well-balanced lifestyle. Moderation may mean individuals enjoying full-strength spirits and being mindful of their limits. Consumers may choose lower- or no-ABV options, or even alternate between options on a given occasion.

Moderation trends show that consumers who choose to drink increasingly prefer varying their consumption patterns. This has given rise to a growing demand for lower- and no-ABV offerings and a surge of innovation. IWSR forecasts that low- and no-ABV products will exhibit compound annual growth of nearly 18% between 2021 and 2026.

We increased options for lower- and no-ABV products with the launch of two new brands and expressions:

- In 2021, after experimenting with 189 prototypes and more than 100 ingredients, Sipsmith® unveiled FreeGlider, our first “non-alcoholic spirit” in the UK.
- In Japan, we launched Non-aru-banshaku (Lemon Sour Zero) in 2021, serving up the authentic lemon sour taste with concentrated shochu-derived umami as a non-alcoholic extract.





Community +



+ We're working to continuously foster a more inclusive, diverse and equitable culture across our business, operations and communities, and contributing our skills, time and resources to positively impact the communities in which we work and live.

Our Contribution to the SDGs



“We’re making progress to advance representation, equity and inclusivity across our operations and communities, but we can do more. So, we’re working with our peers and partners, and within our communities, to support economic inclusion, build the resilience of marginalized groups and help our neighbors in times of crisis, creating positive, sustainable change for the greater good.”

Victoria Russell, Chief Diversity & Inclusion Officer

In This Section

- 22** Our People
- 24** Our Industry
- 25** Our Communities

Our People

We are fostering a diverse, equitable and inclusive company that enables progressive and inclusive work environments where our people's unique insights, experiences and backgrounds are truly valued and respected.

Goals

Achieve 50% women in leadership positions⁴ globally by 2030.

Build a US workforce that reflects the diversity of the communities where we live and work by 2030.

Strive to **achieve an industry-leading Sense of Belonging companywide** (>80-point Glint score) by 2030.

Our DEI Journey

Our efforts to advance diversity, equity and inclusion (DEI) are central to doing business the right way. We're increasing representation of identities, cultures, backgrounds and experiences, and removing barriers that limit or prevent participation, access, opportunity and advancement.

As well as fostering an inclusive environment that empowers the full potential of our people, we're committed to making a positive impact on our communities, while consistently and effectively supporting our partners, suppliers and consumers. This work is being shaped by our new DEI strategy, which is structured under three pillars:

- Workforce (Diversity & Equity)
- Workplace (Inclusion, Belonging & Engagement)
- Marketplace (Consumers, Suppliers & Community)

Our approach is designed to address and support our DEI ambitions and create shared responsibility and accountability across the company. Within each pillar, we are establishing workstreams that will support our efforts to build a more diverse, equitable and inclusive organization. Read more about [our DEI journey](#) online.

Leadership and Mentoring

Our leaders share a responsibility to advance representation and equity, and to promote work environments where our people feel heard, valued and supported.

As of 2022, all people managers must have a specific and measurable DEI goal in their personal objectives, and Annual Incentive Plans (see [page 28](#)) hold our people leaders accountable for documenting their DEI goals within our performance management system.

To help our senior leaders create an inclusive organization, in June 2021, we launched Korn Ferry's Inclusive Leader training program with our Executive Leadership Team.

In 2021, we piloted a DEI Mentorship program, facilitating a collaborative learning environment and knowledge sharing between mentors and mentees. By tapping into each leader's knowledge, skills and experience, the program aims to build new skills and relationships that can lead to growth and development opportunities for employees.

Women in Leadership Development Program

As part of our ambition for gender balance in leadership, we continue to invest in our emerging female leaders. Continuing from the success of the first program in 2020, we launched a second Women in Leadership Development program in September 2021.

Sponsored by the International Leadership Team, this six-month course strengthened leadership capabilities, built interpersonal skills and provided a platform for emerging female leaders to network with peers, mentors and other senior leaders.



⁴ Grades 9 and above

Fueling a Strong Sense of Belonging

As we continue to evolve and meet the needs of our business and our people, we know that listening and taking intentional action are key.

Starting in 2021, we implemented an ongoing listening strategy. This involves regular engagement pulse surveys, through which we gather insights and benchmark progress on key measures such as employee happiness, satisfaction and sense of belonging. Managers can then take informed action with their teams to create safe and supportive environments and unlock our people's ingenuity.

We also strive to create a stronger sense of community, promote greater awareness and foster professional development for marginalized and underrepresented groups. In 2019, we introduced our Employee Impact Group (EIG) program and now have six EIGs – representing Black, women, LGBTQ+, Hispanic and Latinx, Asian and veteran groups – that meet regularly and drive initiatives throughout the year. These voluntary, employee-led groups, along with six international ally networks, represent marginalized communities across different dimensions of diversity, including race, gender, sexual orientation, disability, age and military status.

Through educational sessions and community-focused partnerships, our EIGs and ally groups facilitate opportunities to learn about and discuss important topics like racial and gender equity, intersectionality and unconscious bias. This helps everyone at Beam Suntory feel supported, safe and heard.

These groups also serve as key thought partners, helping leadership respond to social issues, understand and integrate with influential communities, and reach key consumer populations through brand initiatives and partnerships. In turn, we plan to identify what underrepresented groups are missing from our EIGs and bridge those gaps in the future.

“When I joined Harmony – the company’s Asian Employee Impact Group – I felt a sense of belonging. I became part of a community of people who shared similar experiences as me and who understand the challenges Asian people face growing up. I found a safe space to talk, listen and share my experiences with others.”

Natasha Teo
Brand Manager, US

Inclusive Recruitment Practices

To support equitable and inclusive recruitment processes, we use diverse candidate slates that include both female, and racially and ethnically diverse candidates. This helps us broaden existing sources of talent and drive leadership accountability for expanding access to opportunities and experiences for marginalized groups.

As we continue to find ways to connect with prospective, diverse talent and create robust career experiences for our people, in 2020, we launched Training Tomorrow's Talent (T3). A three-year rotational program, T3 provides recent graduates with an opportunity to jumpstart their career with Beam Suntory.

Budding talent starts in an entry-level role focused on sales and marketing, to build the key skills and capabilities needed to be successful long term with Beam Suntory and beyond.

We are also working with diverse organizations, at both national and collegiate level, to help us build stronger connections with future diverse talent. These include historically Black colleges and universities (HBCUs) and the Hispanic Association of Colleges and Universities (HACU).

CEO Action for Diversity & Inclusion™

In 2019, Beam Suntory joined CEO Action for Diversity & Inclusion™. Through this coalition – the largest CEO-driven business commitment to advance DEI in the workplace – signatories receive access to a variety of tools, resources, events and thought-leadership opportunities. Albert Baladi is among more than 2,300 CEOs to make a pledge to CEO Action for Diversity & Inclusion™.



Women in Leadership (Global)

Female New Hire Rate

50%
(+6%)

Female Representation (Senior Director and Above)

36%
(+3%)

Racial and Ethnic Representation (US)

New Hire Rate (Salaried Workforce)

30%
(-3%)

Race/Ethnic Representation

18%
(+2%)

+4%
among mid- and senior-manager populations

Our Industry

By establishing a robust supplier diversity program and partnering across our industry, we will support economic inclusion within our communities and invest in developing the beverage industry professionals of the future.

Goal

By 2023, build a Supplier Diversity strategy and 2030 roadmap.

Championing Gender Equity in Our Industry

[NextUp](#) brings professional women, allies and corporate partners together to champion gender equity and advance all women in business. More than 200 of our employees have complimentary membership through our partnership. We are working to further integrate NextUp into our EIGs (see [page 23](#)), accelerate the advocacy of male employees in NextUp's Beyond Allies program, continue to develop mid-level managers through the Rising Stars program, and expand NextUp region funding to provide even more development and local networking opportunities.

We partner with [Women of the Vine & Spirits](#), a global membership organization dedicated to boldly pushing the wine, beer and spirits industry toward a more diverse, equitable and inclusive era that supports business development and innovation, empowering all to thrive. Through our corporate membership, employees have access to free education, training, mentorship and networking opportunities, as well as resources for personal and business development.

We also support the [Women in Manufacturing Association \(WiM\)](#), which supports, promotes and inspires women in manufacturing. As a corporate member since 2019, we've held numerous networking and educational events in collaboration with WiM.

Driving Supplier Diversity

Aligned with our goal to develop a Supplier Diversity strategy and roadmap by 2023, we have hired a Supplier Diversity Director and are in the process of developing a framework to support and drive our economic inclusion ambitions.

By committing the resources to establish a supplier diversity program and engage leaders, we will be able to formalize our approach to procuring goods and services from diverse-owned businesses and focus our collaborations on companies that support and empower all communities.



Educating the Next Generation of Industry Talent

We're investing in institutions and programs that support and develop both current and future beverage industry professionals.

In 2019, we donated \$5 million to the University of Kentucky to establish the [James B. Beam Institute for Kentucky Spirits](#), educating the next generation of distillers. The transdisciplinary curriculum enables students to learn critical information that spans production, supply chain, commercial and regulatory areas.

And through our partnership with [City Colleges of Chicago](#), we're helping shape the programming and curriculum at the Washburne Culinary & Hospitality Institute. Students will learn key skills involved in owning, operating and managing food and beverage establishments.



Our Communities

Giving back to our communities is core to our DNA. Through company-, brand- and employee-led efforts, we're supporting resilient and equitable communities. Around the world, we're making financial contributions to trusted organizations doing important work, as well as donating our time and skills to make a positive difference.

Goal

Give back one million volunteer hours to the communities where we live and work by 2030.

Giving Time, Sharing Expertise

Volunteering to support good causes or engaging in social activism is an important way in which our people give back to their communities.

During 2021, we expanded our Beam Suntory Cares Days program, which entitles benefit-eligible employees to take up to three paid days off each year to give back. We aim to contribute a total of one million volunteer hours to communities around the world by 2030.

In November 2021, we held our second annual global community service event, Together for Good. Through this initiative, we drive employee participation in volunteer activities around the world, while fostering strong relationships with community organizations to make a positive impact at a local level.

Our efforts included:

- Tree planting in China, France and Mexico.
- Cleaning rubbish and performing conservation work in Germany, the UK, Spain and the US.
- Supporting food banks and organizations providing essentials such as clothing, hygiene kits, and holiday gifts and cards in the US, the UK, Mexico, Singapore, Taiwan, Australia, Germany and Canada.
- Recording audio with global news for those with hearing loss in India.

Through our 4Good platform, we track volunteer time, raise funds for organizations – including through a one-to-one match of employee donations in the US by our company – and offer new volunteering opportunities.



Together for Good 2021

3,248 Hours donated	41 Organizations supported
1,416 Volunteers	1,810 Trees planted/ maintained
57 Events	
13 Countries	



COVID-19 Support in India

In May 2021, Suntory Holdings and Beam Suntory donated a total of \$600,000 to five organizations in India to support the country's struggling healthcare infrastructure during the second wave of COVID-19. The recipients were the British Asian Trust, the CII Foundation, the National Restaurant Association of India and the Chief Minister state funds for Haryana and Rajasthan.



Disaster Relief

We are committed to supporting our people and our neighbors during times of crisis and natural disaster. In 2021, along with Suntory Holdings, we donated \$1 million to organizations providing relief and recovery in the wake of the tornadoes that devastated parts of western Kentucky and several other states. We also rallied support for flood victims in western Germany, donating €100,000 to relief efforts and matching employee donations through a one-for-one corporate match campaign.

We also continue to support disaster relief efforts in the US Virgin Islands and across the US through the Island Spirit Fund, which was established to help rebuilding efforts following the devastating Hurricanes Maria and Irma in 2017. At the close of 2021, more than \$4 million had been raised, more than 300 homes had been built and more than 1,800 trees had been planted.



Credit: St. Croix Long-Term Recovery Group



Credit: Protectores de Cuencas Inc



Promoting Access to Safe Water

We partnered with [charity: water](#), a nonprofit with a mission to bring clean, safe drinking water to everyone on the planet. In 2021, our donations funded several major projects and contributed to larger grants, bringing wells with hand pumps, ultrafiltration systems and piped system tap stands to India, Mozambique and Cambodia. The efforts helped more than 200,000 people gain access to clean drinking water.



Brand-Led Partnerships

We continue to invest in and support a wide range of initiatives and organizations that help build stronger communities and promote social justice.

- Hornitos® Tequila supports aspiring Latin American citizens through its [A Fair Shot™](#) initiative, developed in partnership with the [League of United Latin American Citizens \(LULAC\)](#) and [We Are All Human](#). As well as addressing immediate needs such as food and essential supplies, the multi-year program makes citizenship information accessible in Spanish.
- The [Black Bourbon Society](#) is a membership organization open to everyone who enjoys premium spirits. Since 2018, the society has partnered with [Maker's Mark®](#) to bridge the gap between the spirits industry and Black Bourbon enthusiasts, using social media platforms, direct consumer marketing events, job fairs and apprenticeship programs to advance people of color across the sector and engage brands with diverse consumers.
- [Courvoisier®](#) is a primary sponsor of the [GRIOT Gateway](#), a global movement to promote diversity and inclusion in the arts and entertainment industry. The Gateway works for equality for women and people of color, while striving to connect iconic industry professionals with the next generation of aspiring talent.



Doing
Business
 the Right Way



+ Beam Suntory and its employees share the commitment to conduct business in an honest, fair, safe and integrity-led way, grounded in the understanding that how we do business is just as important as what we accomplish.

“We’re directed by our values, including being an integrity-led business dedicated to making good decisions within legal and ethical requirements. Every employee is expected to understand and abide by our Code of Conduct and Ethics principles and guidelines in their daily work. The Code makes it clear that we’re all obliged to immediately report illegal, unethical or unsafe conduct, or any behavior that is contrary to our policies and values.”

Lina Braude, Global Chief Compliance Officer

In This Section

28 Operating With Integrity

Operating With Integrity

We are committed to adhering to the highest standards of behavior and ethical business practices. Our corporate success depends on building trust and maintaining our reputation with our employees, suppliers, owners and the communities where we live and work.

Ethics and Integrity

Our Proof Positive strategy is underpinned by core values such as integrity, leadership, teamwork and accountability, and rooted in strict policies and standards. Guided by our [Code of Conduct and Ethics](#), [Supplier Code of Conduct and Ethics](#) and [Global Citizenship Policy](#), our company, our employees and people throughout our value chain are required to follow applicable regulations wherever we operate.

Our [Marketing Code of Practice](#) and the [Distilled Spirits Council of the United States \(DISCUS\) Code of Responsible Practices](#) hold us accountable for following responsible practices and making alcohol beverages only for adults of legal purchase age, as defined in each market. All employees are ambassadors of our reputation and are empowered to take an active role in detecting and preventing misconduct.

Equity

As outlined in our [Equal Employment Opportunity Statement](#), all recruitment decisions are based on an applicant's skills and experience. We report on our commitment to fair and equitable pay practices in our UK [Gender Pay Gap Report](#).

Human Rights and Supply Chain Risks

We continually take action to avoid human rights abuses and modern slavery within our operations and supply chains. We work with key stakeholders to make sure that our policies and processes are understood and implemented, and report our progress annually.

As a member of the [Supplier Ethical Data Exchange \(Sedex\)](#), we use its supplier audit questions and ethical trade audits to evaluate potential social risks in our supply chain. We focus on child labor, forced labor and other human rights issues, as well as considerations around the work environment and occupational safety, and develop corrective action plans when needed.

Health and Safety

We have a global "Zero Harm" vision and an uncompromising commitment to the health and safety of our employees, contractors, customers and communities.

We provide our employees with a safe working environment and take all reasonable steps, including training, to minimize accidents and injuries at work. A certified, robust safety management system monitors performance and drives continuous improvement.

We're proud to report that by the end of 2021, our performance in two key metrics was well above the average in our sector.

Annual Incentive Plan

Our Annual Incentive Plan (AIP) recognizes and rewards strong financial and individual performance, and enables eligible employees to share in the success of the company.

For the first time, the 2022 AIP includes Proof Positive sustainability metrics, to hold our leaders and people

accountable for driving our goals. Rotating annually, 2022's Proof Positive metrics, each weighted at 10%, cover:

- Exceeding our operational water conservation targets and reducing water consumption in our offices.
- Building a diverse workforce and an equitable workplace.

Total Recordable Incident Rate (TRIR)

0.76
(2020: 0.80)

65%
reduction since 2016 (baseline)

c.4.5x
better than industry average

Lost-Time Incident Rate (LTIR)

0.13
(2020: 0.08)

37%
reduction since 2016 (baseline)

c.15x
better than industry average



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