

Suntory Beverage & Food Ltd.

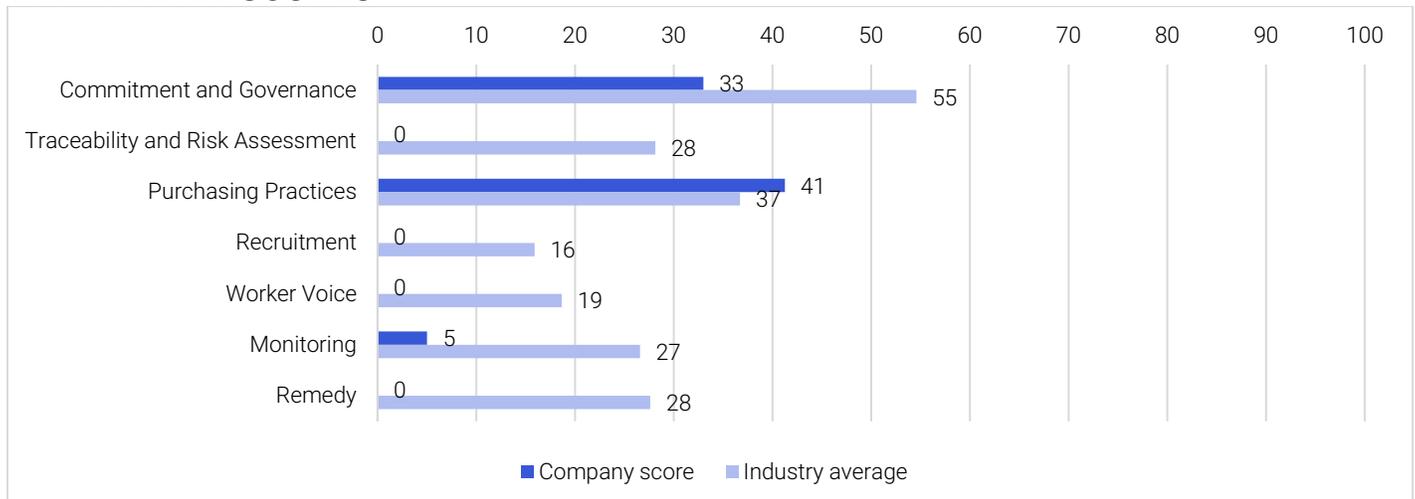
TICKER
 TSE:2587

MARKET CAPITALIZATION
 US\$15 billion

HEADQUARTERS
 Japan

COMPLIANCE
UK Modern Slavery Act: [Yes \(statement of subsidiary\)](#)
California Transparency in Supply Chains Act: [Not applicable](#)
COMMITMENTS
[None](#)
OVERALL RANKING
32 out of 38
OVERALL SCORE
11 out of 100
SUMMARY

Suntory Beverage & Food Ltd. (SBF) is a Japan based food and beverage companies, whose products include teas, fruit juices and other drinks, health foods, wine, and other items. The company ranks 32nd out of 38 companies and discloses significantly less information on its forced labor policies and practices than its peers. While the company does not disclose any information on the themes of traceability and risk assessment, recruitment, worker voice, and remedy, it scores higher than average on the theme of purchasing practices. The company is encouraged to improve its performance and disclosure on the themes of traceability and risk assessment, recruitment, and remedy.

THEME LEVEL SCORES


LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment and Governance: SBF discloses that its corporate sustainability and procurement departments are responsible for the implementation of its supply chain standard. The company further discloses that it is a member of the Supply Chain Workshop and the Human Rights Due Diligence Workshop of the Global Compact Network, Japan. It notes that both workshops have some focus on forced labor, and it states that, as part of its participation, it has been involved in the development of a CSR and sustainable procurement self-assessment questionnaire, which includes a section on forced labor.

Purchasing Practices: SBF discloses that it sources coffee beans from farms in Brazil that are certified by standards such as Rainforest Alliance and UTZ (both standards are ISEAL full members and include forced labor). It states that it evaluates new suppliers before entering into a business relationship with them by using questionnaires which include social risks and human rights. The company's supplier code of conduct states that it expects suppliers to "engage their own partners, supply chain and subsidiaries to respect the Suntory Group Supplier Guidelines" (which also include the prohibition of forced labor).

Monitoring: SBF states that since 2014 it has visited and interviewed its overseas suppliers "asking them about human rights issues, such as child labor and forced labor." This includes suppliers of malt and hops and oolong tea production factories. The company discloses that it conducted "monitoring" at five oolong tea producers in China in 2016.

OPPORTUNITIES FOR IMPROVEMENT

Traceability and Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. While the company discloses it has undertaken an "ESG comprehensive risk assessment" of its main raw materials, the company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited and to work with suppliers to guarantee migrant workers' rights are respected (e.g., to ensure workers' passports or other personal documents are not retained).

Remedy: The company may consider establishing a process for creating corrective action plans with suppliers that are found to be in violation of workers' fundamental rights and freedoms (those articulated in the ILO Declaration on Fundamental Principles and Rights at Work). It may also consider designing a procedure to ensure remedy is provided to its suppliers' workers in cases of human trafficking and forced labor.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)