

Suntory Beverage & Food Ltd. (Suntory)

TICKER
2587

MARKET CAPITALIZATION
US\$11.8 billion

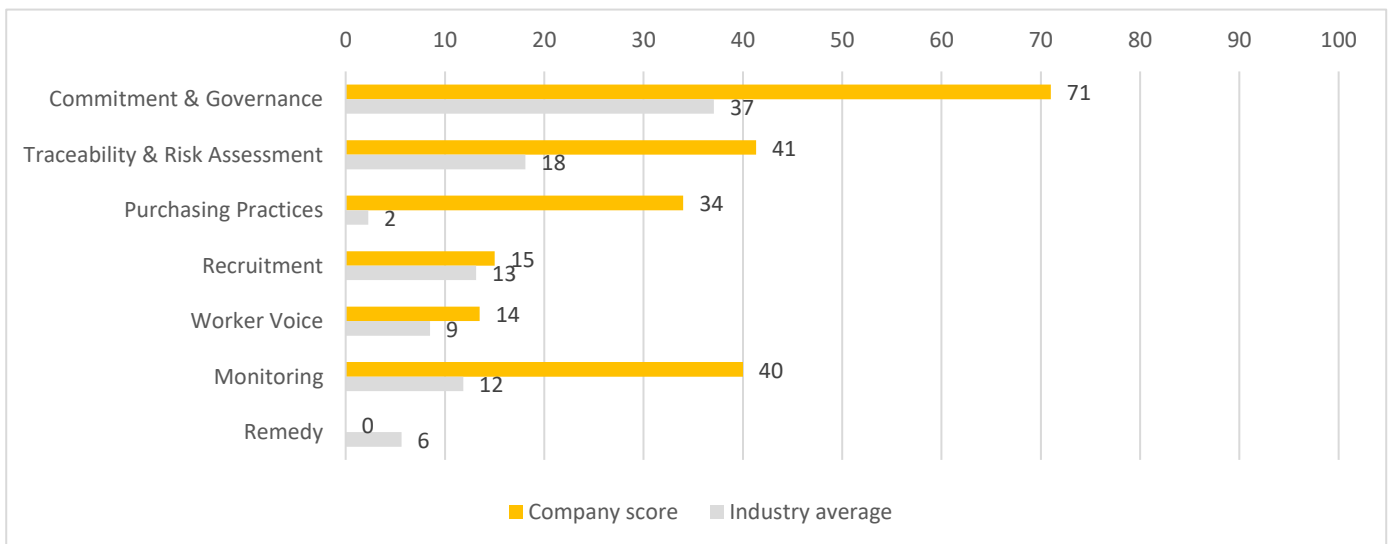
HEADQUARTERS
Japan

DISCLOSURES
UK Modern Slavery Act: [Yes](#) (Disclosure of Subsidiary)

California Transparency in Supply Chains Act: [Yes](#) (Disclosure of Subsidiary)

Australia Modern Slavery Act: [Yes](#) (Disclosure of Subsidiary)

OVERALL RANKING
11 out of 60
[2020 Rank:](#) 38 out of 43

OVERALL SCORE
32 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST
 No

RISK ASSESSMENT
 Yes

ENGAGED WITH KNOWTHECHAIN¹
 Yes

NO-FEE POLICY
 Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS
 No

HIGH-RISK COMMODITIES²
 Coffee, corn, palm oil, and others

SUMMARY

Suntory Beverage & Food Ltd. (Suntory), a Japanese company whose products include teas, fruit juices, and health foods, ranks 11 out of 60 companies. Compared to 2020, the company improved its score by 24 points. This is because the company began disclosing and implementing a human rights risk assessment on its supply chains as well as strong detail on the forced labour risks identified, board oversight of its supply chain policies on forced labour, data on women and migrant workers in its supply chains, some information on responsible purchasing practices, and has adopted a policy prohibiting worker-paid recruitment fees in its supply chains. The company also newly disclosed information on its monitoring methodology as well as the findings of its monitoring processes. Notably, the company is the highest-scoring Japanese company in the benchmark and the top-performing company in the subsector of soft drinks. The company is encouraged to improve its performance and disclosure on the themes of Recruitment, Worker Voice, and Remedy.

LEADING PRACTICES

Data on Supply Chain Risks: Suntory discloses 4% of workers at its first-tier suppliers are migrant workers, and 26% of workers in its first-tier supply chain are women. It further discloses that it uses Sedex data to identify risks related to women's rights, based on factors such as “the ratio of male to female workers, the ratio of female managers, whether anti-discrimination policies are in place, and rates of absenteeism and turnover among female workers”.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: While the company discloses a policy prohibiting worker-paid fees in its supply chains, the company is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. The company references a finding of non-compliances related to worker-paid fees and ensuring that suppliers now cover the costs of recruitment; it may further consider disclosing detail on steps taken to ensure that such fees are reimbursed to the workers, including how workers were engaged in the process, and/or to provide evidence of payment of recruitment-related fees by suppliers.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Further, the company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

¹ Research conducted through January 2023 or through April 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 [food & beverage benchmark findings report](#).