

# Code of Business Conduct

## Our commitment to integrity, responsibility and transparency

January 2015

**SUNTORY**  
BEVERAGE & FOOD EUROPE

Dear Colleagues,

Suntory Beverage & Food Europe, a division of Suntory Beverage & Food, has a commitment to integrity and ethical conduct.

The Code sets out our commitment to lawful and ethical conduct. Our reputation is critical to our long term commercial success. How we choose to act can expose us to great risk, but it can also reflect positively on our brand and our business relationships worldwide. It is therefore our individual and collective responsibility and a matter of personal integrity to act in accordance with the Code.

Our brands and our products are trusted everywhere we operate. Our business is built on this trust and this reputation. It influences how consumers feel about our products, how bottlers and customers regard our work, and how our parent company perceives us as an investment. Because our success is so closely related to our reputation, it is up to all of us to keep it strong.

Acting with integrity is about more than our organisation's image and reputation, or avoiding legal issues.

It is about sustaining a place where we all are proud to work; it is about who we are as a business. Ultimately, it is about each of us knowing that we have done the right thing, that we have acted honestly and treated each other and our customers, suppliers and consumers fairly.

This document sets out our Code of Business Conduct which is aimed at helping us unify and underline our business identity, culture and guidelines for conduct. It captures our commitment to honesty, integrity and responsibility, together with our sincere aspiration to contribute to the progress and well being of the society in which we all live.

Please take the time to read this document and understand its implications for you and your colleagues. With your help, I am confident that we will continue to do the right thing, that we will continue to be an outstanding corporate citizen in every community we serve, and our reputation for integrity will endure. Thank you for joining me in this effort.

Stanislas de Gramont  
CEO  
Suntory Beverage & Food Europe

**SUNTORY**  
BEVERAGE & FOOD EUROPE

## Why do we need a Code of Business Conduct?

- This Code is designed to ensure consistency on how employees conduct themselves, engage with colleagues within the business, and our expectations on how each individual should behave.
- Our Code aims to act as a guide and framework for internal relations between our employees and external ones between its personnel and its stakeholders.
- Suntory Beverage & Food Europe also aims to promote the awareness and where appropriate adoption of the Code among its different stakeholders, particularly our suppliers, contractors and collaborators in general.
- We are committed to honesty, integrity and responsibility. This means:
  - We aspire to deliver quality and excellence in all that we do
  - We value all our employees and foster an environment where people can contribute, innovate and excel
  - We treat our partners with professionalism, dignity and respect
  - We behave responsibly as good corporate citizens
  - We conduct ourselves and our business affairs in accordance with the highest ethical standards
  - We act in compliance with all applicable laws, striving always to be a respected corporate citizen worldwide



## Summary

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## Acting with integrity

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What is expected from everyone?

What is expected from managers?

When written approval is required?

Raising concerns

## What is expected from everyone?

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### *Comply with the Code of Business conduct and the Law*

Compliance with the Suntory Food & Beverage Code is obligatory for all our directors, managers and employees, regardless of their contract type, the position they hold and where they work.

All employees are responsible for knowing and complying with the legislation, policies and procedures applicable to their duties, responsibilities and location.

### *Consider your actions, and ask for guidance*

If ever in doubt about a course of conduct, ask yourself:

- Is it consistent with the Code?
- Is it legal?
- Will it reflect well on me and the business?
- Would I want to read about it in the newspaper?
- Can I explain this to my family and friends?

If the answer is 'NO' to any of these questions then, do not do it.

If you are still uncertain, ask for guidance. This Code tries to capture many of the situations that employees will encounter, but cannot address every circumstance. You can seek help from any of the following:

- Your Manager
- Human Resources Director
- Legal Team or Finance Director
- Risk and Compliance Manager

## *What is expected from Managers?*

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Promote a culture of Ethics and Compliance

Managers should at all times model appropriate behaviour. As a manager, you should:

- Ensure that the people you supervise understand their responsibilities with regard to the Code and other policies.
- Take opportunities to discuss the Code and reinforce the importance of ethics and compliance with employees.
- Create an environment where employees feel comfortable raising concerns
- Consider conduct in relation to the Code and other Company policies when evaluating employees.
- Never encourage or direct employees to achieve business results at the expense of ethical conduct or compliance with the Code or the law.
- Always act to stop violations of the Code or the law by those you supervise.

Respond to questions and concerns

If approached with a question or concern related to the Code, listen carefully and give the employee your complete attention. Ask for clarification and additional information. Answer any questions if you can, but do not feel that you must give an immediate response. Seek help if you need it. If an employee raises a concern that may require investigation under the Code, you can contact one of the following managers in the organisation: your department Director, General Counsel, Finance Director, Human Resources Director or Risk and Compliance & Operations Director.

## *When written approval is required*

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- Certain actions referenced in the Code - specifically, those associated with the use of the organisation's assets for purposes other than your job and certain potential conflict of interest situations - require prior written approval from your Human Resources Director. If such a situation persists in the longer term then such approval must be renewed on an annual basis.
- Written approvals for executive officers must come from the Chief Operating Officer, and written approval for the Chief Operating Officer must come from the Board of Directors.

## Raising concerns (1/2)

*We all have an obligation to uphold the ethical standards of Suntory Food & Beverage.*

*If you observe behaviour that concerns you, or that may represent a violation of the Code, raise the issue promptly.*

Doing so will allow us an opportunity to deal with the issue and correct it, ideally before it becomes a violation of law or a risk to health, security or our reputation.

### Resources

**You have several options for raising issues and concerns.**

**You can contact any of the following:**

- > Your Manager
- > Human Resources Director
- > Legal Team or Finance Director
- > Risk and Compliance Manager



## Raising concerns (2/2)

### Raise concerns

- We value the help of employees who identify potential problems we need to address.
- You may raise such concerns anonymously, but you are encouraged to identify yourself. If you make your identity known, we will take all reasonable precautions to keep your identity confidential, consistent with conducting a fair and rigorous investigation. To help maintain confidentiality please do not discuss such issues or any investigation with other employees. Because of the need to maintain confidentiality we may not be able to inform you of the outcome of any investigation. For LRS employees, there is an Ethics and Compliance Hotline, details of which can be found on the LRS intranet.
- Any action against an employee who raises an issue honestly is a violation of the Code.
- That an employee has raised a concern honestly cannot be the basis for any adverse employment action, including separation, demotion, suspension, loss of benefits, threats, harassment or discrimination.
- If you work with someone who has raised a concern, you should continue to treat the person with courtesy and respect.
- If you believe someone had taken action against you because you raised a concern, report the matter to your Human Resources Director.

### Making false accusations

- We will protect any employee who raises a concern honestly, but it is a violation of the Code to knowingly make a false accusation.
- Honest reporting does not mean that you have to be right when you raise a concern; you just have to believe that the information you are providing is accurate.



## Integrity in SBFE

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Business and financial records

Organisation assets

Use of information

## Business and financial records

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*For both internal as well as external purposes it is essential that we maintain the integrity and accuracy of all Business and Financial records.*

*Consequently, if within the context of your professional duties you are responsible for maintaining such records you have an obligation to do this in a factually accurate and timely fashion. These include not only financial accounts, but other records such as quality reports, time records, expense reports and submissions such as benefits claim forms and resumes.*

Ensuring accurate and complete business and financial records is everyone's responsibility, not just a role for accounting and finance personnel. Accurate recordkeeping and reporting reflects on our reputation and credibility, and ensures that we meet our legal and regulatory obligations.

- Always record and classify transactions in the proper accounting period and in the appropriate account and department.
- Do not delay or accelerate the recording of revenue or expenses to meet budgetary goals.
- Estimates and accruals must be supported by appropriate documentation and be based on your best judgment.
- Ensure that all reports to regulatory authorities are full, fair, accurate, timely and understandable.
- Never falsify any document.
- Do not distort the true nature of any transaction.
- Never enable another person's efforts to evade taxes or subvert local currency laws. For this reason, payments generally should be made only to the person or firm that actually provided the goods or services. Payments should be made in the supplier's home country, where it does business, or where the goods were sold or services provided, unless the supplier legitimately has assigned payment or sold its accounts receivable to another entity. Exceptions must be approved by the Chief Financial Officer.

## Organisation assets (1/2)

**Protect the Organisation's assets, and use those assets in the manner intended.**

*Do not use Organisation assets for your personal benefit or the benefit of anyone other than the Organisation.*

- Use common sense. For example, the occasional personal phone call or e-mail from your workplace is acceptable. Excessive personal calls or e-mail is a misuse of assets.
- Individual Business Unit policies may allow additional personal use of certain assets, such as a company car or wireless communication device. Always check relevant local policies to ensure that you are using Organisational assets as intended.

Theft of Organisation assets - whether physical theft such as unauthorised removal of company product, equipment or information, or theft through intentional misreporting of time or expenses - could lead to sanctions, including summary dismissal. We treat workplace theft of assets belonging to other employees the same way we treat theft of Organisation assets.

The use of Organisation assets outside of your responsibilities - such as using your work product in an outside venture, or using company materials or equipment to support personal interests - requires prior written approval from your Human Resources Director. You must have this approval renewed annually if you continue to use the asset outside of work.



## Organisation assets (2/2)

### *Use of Time, Equipment and Other Assets*

- Do not engage in personal activities during work hours that interfere with or prevent you from fulfilling your job responsibilities.
- Do not use Organisation computers and equipment for outside businesses, or for illegal or unethical activities such as gambling, pornography or other offensive subject matter.
- Do not take for yourself any opportunity for financial gain that you learn about because of your position, or through the use of Organisation property or information.
- Loans from any Group Company to executive officers are prohibited. Loans from any Group Company to other officers and employees must be approved in advance by the Board of Directors of the relevant BU.

### *Examples of Organisation assets, including but not limited to:*

- Organisation Money
- Organisation product
- Computer systems and software
- Telephones
- Wireless communication devices
- Photocopiers
- Tickets to concerts or sporting events
- The period of activity during which you are at work belongs to the Company, as you are at the disposal of the employer
- The result of your work
- Proprietary information
- Organisation trademarks



## Use of information (1/2)

### *Safeguard any of our non-public information*

*which includes everything from contracts and pricing information to marketing plans, technical specifications and employee information.*

Non-public Information

Respect the privacy of our employees, customers and suppliers. Handle personally identifiable information ("PII") responsibly. PII is any information about an individual maintained by us, including:

- Any information that can be used to distinguish or trace an individual's identity, such as name, national insurance/social security number, date and place of birth, mother's maiden name, or biometric records; and
- Any other information that is linked to an individual, such as medical, educational, financial, and employment information.

As a rule of thumb anything that is not publically posted on our website or within our marketing material is considered non-public information and should be kept confidential.

Do not disclose non-public information, through any means of communication (including but not limited to oral communication, written communications, social networks etc...) to anyone outside the Organisation, including to family and friends, except when disclosure is required for business and/or legal purposes. Even then, take appropriate steps, such as execution of a confidentiality agreement, to prevent misuse of the information.

Do not disclose non-public information to others inside the Organisation unless they have a business reason to know, and the communication has been duly authorized by the appropriate level of management.

Employees shall protect the Organisation's non-public information at all times, including outside of the workplace and working hours, and even after employment ends.



## Use of information (2/2)

### *Examples of non-public information, including but not limited to:*

- Employees
- Inventions
- Contracts
- Strategic and business plans
- Major management changes
- New product launches

It is any information that the Company has not disclosed or made generally available to the public.

### **Privacy**

*The Company respects the privacy of all its employees, business partners and consumers. We must handle personal data responsibly and in compliance with all applicable privacy laws. Employees who handle the personal data of others must:*

- Act in accordance with applicable law;
- Act in accordance with any relevant contractual obligations;
- Collect, use and process such information only for legitimate business purposes;
- Limit access to the information to those who have a legitimate business purpose for seeing the information;
- Take care to prevent unauthorised disclosure.
- A useful guideline is to always act as though your own information were being used.





## *Integrity in relations with others*

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Relations with public authorities

Trade restrictions

Relations with customers, suppliers and consumers

Relations with competitors

## *Integrity in relations with others (1/4)*

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### *Relations with public authorities*

*The global nature of our business often requires that we interact with officials of various governments around the world. Transactions with governments are covered by special legal rules, and are not the same as conducting business with private parties. Consult your Legal Team to be certain that you are aware of, understand and abide by these rules.*

In general, do not offer anything to an agent in public service - directly or indirectly - in return for favourable treatment. You must obtain prior approval from the Legal team before providing anything of value to such an agent. Ensure that any such payments are properly recorded in the appropriate Company account.

### *Anti-bribery*

Many countries, have passed legislation criminalising bribery. The sanctions for violating these laws can be severe, including significant individual and corporate fines, and even imprisonment.

### *Bribes are prohibited*

A bribe is giving or offering to give anything of value to influence a discretionary decision. Examples of bribes including, but are not limited to, payments to encourage a decision to award a contract or continue business relations, to influence the outcome of a government audit or inspection, or to influence tax or other legislation. If you have concerns consult the Legal Team regarding local anti-bribery laws.

*To comply with UK specific legislation, LRS has a separate Anti-Bribery and Corruption Policy. It is available on the LRS intranet.*

## *Integrity in relations with others (2/4)*

### *Trade restrictions*

We must comply with all applicable trade restrictions and boycotts imposed by the Japanese and/or European Union governments. Such restrictions prohibit us from engaging in certain business activities in specified countries, and with specified individuals and entities. These restrictions include, for example, prohibitions on interaction with identified terrorist organisations or narcotics traffickers. Sanctions for non-compliance can be severe, including fines and imprisonment for responsible individuals, and we may be prohibited from further participation in certain trade or be excluded from operating in certain markets.

## *Integrity in relations with others (3/4)*

### *Relations with customers, suppliers and consumers*

*We value our partnerships with customers, suppliers and consumers. Treat these partners in the same manner we expect to be treated.*

Always deal fairly with customers, suppliers and consumers, treating them honestly and with respect:

- **Do not engage in unfair, deceptive or misleading practices.**
- **Always present our products and services in an honest and forthright manner.**

We expect that our suppliers will take no action which are contrary to or in violation of our Code. Accordingly, the owner/manager of each supplier relationship should ensure adherence by each supplier to the **"Suppliers Code of Conduct"**. This can be found on the intranet.

## *Integrity in relations with others (4/4)*

### *Relations with competitors*

*Take care in dealing with competitors, and gathering information about competitors. Various laws govern these sensitive relationships.*

### *Competition law*

Suntory Food & Beverage competes fairly, and complies with all applicable competition laws around the world. These laws often are complex, and vary considerably from country to country, both in the scope of their coverage and their geographic reach. Conduct permissible in one country may be unlawful in another. Penalties for violation can be severe.

In particular you must not enter into agreements with competitors to:

- Fix prices or conditions of sale for competing products;
- Divide customers, bids, markets or territories;
- Refuse to sell to particular buyers or sell to specified suppliers; or
- Exchange non-public information with the effect of reducing competition.

If you have any concerns as to whether a proposed action may be anti-competitive please speak to the Legal Team.

### *Competitive intelligence*

Employees are encouraged to collect, share and use information about our competitors, but to do so only in a legal and ethical manner. Just as we value and protect our own non-public information, we respect the non-public information of other companies.

Gather competitive intelligence ethically and protect others' proprietary information. For example obtaining and analysing publically available information about the markets in which we operate and our competitors is encouraged and expected. However, paying an employee of a competitor for confidential information about a rival tender would be unlawful. Collect and use such information only for legitimate business purposes and prevent unauthorised disclosures



## *Conflict of interest*

Outside investments

Outside service as an Officer or Director

Relatives and friends

Gifts and entertainment



## *Conflict of interest (1/4)*

*A conflict of interest arises when your personal activities and relationships interfere, or appear to interfere, with your ability to act in the best interests of the Organisation.*

Take particular care if you are responsible for selecting or dealing with a supplier on behalf of us. Your personal interests and relationships must not interfere, or appear to interfere, with your ability to make decisions in the best interests of the Organisation. When selecting suppliers, always follow applicable procurement guidelines.

### *Outside Investments*

Avoid investments that could affect, or appear to affect, your decision making on behalf of the Organisation. Specific guidelines apply to ownership of stock of a customer, supplier or competitor of ours (Note: Franchised bottlers of Suntory Food & Beverage trademarked products are defined as customers).

### *Outside service as an Officer or Director*

In general, you may serve as an officer or member of the board of directors of another for-profit business only with prior written approval of your Human Resources Director. You must renew this approval annually.



## *Conflict of interest (2/4)*

### *Relatives and friends*

You may have relatives or friends who are employed by, or have ownership interests in, customers or suppliers of the Organisation. If you deal with such a customer or supplier, take care to ensure that your relationship/friendship does not affect, or appear to affect, your ability to act in the best interests of the Organisation. If you are uncertain whether your friendship may create an issue, consult your manager or Human Resources Director.

In addition, personal relationships at work must not influence your ability to act in the best interests of the Company, and must not affect any employment relationship. Employment-related decisions should be based on qualifications, performance, skills and experience.

### *Gifts and entertainment*

Do not accept gifts, meals or entertainment, or any other favour, from customers or suppliers if doing so might compromise, or appear to compromise, your ability to make objective business decisions in the best interests of the Company.

**Acceptance of gifts, meals or entertainment that exceeds the limitations outlined on the next slide. Acceptance of such gifts and/or entertainment must be approved in writing by your Human Resources Director. For LRS Employees, please also refer to the Anti-Bribery and Corruption Policy on the LRS intranet for further guidance.**

(See over)



## *Conflict of interest (3/4)*

### *Examples of gifts and entertainment which exceed acceptable limits*

#### *Gifts*

- Do not accept gifts in exchange for doing, or promising to do, anything for a customer or supplier.
- Do not ask for gifts from a customer or supplier.
- Do not accept gifts of cash or cash equivalents, such as gift cards.
- Do not accept gifts of more than modest value. Examples of acceptable gifts include a logo pen or t-shirt, or a small gift basket at holiday time.
- Gifts of symbolic value, such as trophies and statues that are inscribed in recognition of a business relationship, may be accepted.
- Gifts or discounts offered to a large group of employees as part of an agreement between us and a customer or supplier may be accepted and used as intended by the customer or supplier.

#### *Entertainment*

- Do not accept meals or entertainment in exchange for doing, or promising to do, anything for a customer or supplier.
- Do not ask for meals or entertainment from a customer or supplier.
- You may accept occasional meals and entertainment from customers and suppliers if the event is attended by the customer or supplier, and the costs involved are in line with local custom for business-related meals and entertainment. For example, ordinary business meals and attendance at local sporting events generally are acceptable.



## *Conflict of interest (4/4)*

### *Travel and premium events*

If you are invited by a customer or supplier to an event involving travel or an overnight stay, or to a premium event such as the Olympics or World Cup, consult your manager to determine if there is adequate business rationale for your attendance. If there is, we should pay for your travel and attendance at the event.

### *Refusing gifts, meals and entertainment*

If you are offered a gift, meal or entertainment that exceeds the limits noted above, politely decline and explain our rules. If returning a gift would offend the giver, or the circumstances under which it was given preclude its return, you may accept the gift, but should notify your Human Resources Director. The Human Resources Director will work with you either to donate the item to charity, or to distribute or raffle the item among a larger group of employees.

### *Gifts, meals and entertainment for customers and suppliers*

Gifts, meals and entertainment for customers and suppliers must support the legitimate business interests of the Company and should be reasonable and appropriate under the circumstances. Always be sensitive to our customers' and suppliers' own rules on receiving gifts, meals and entertainment. For LRS employees, further guidance is to be found on the LRS intranet in the Anti-Bribery and Corruption policy.



## Administration of the Code

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Responsibility

Breach of the business principles

Signature and acknowledgement

Policies and guidelines

## Administration of the Code of Business Conduct (1/3)

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*The Code of Business Conduct is designed to ensure consistency in how employees conduct themselves within the Organisation, and in their dealings outside of the Organisation. The procedures for handling potential violations of the Code have been developed to ensure consistency in the process across the organisation.*

No set of rules can cover all circumstances.

These guidelines may be varied as necessary to conform to local law or contract.

### **Responsibility**

The responsibility for administering the business principles rests with the Suntory Beverage & Food Europe Executive Committee, with oversight by the Chief Financial Officer, or for LRS, the local Ethics and Compliance Committee.

### **Investigation of Potential business principles Violations**

The Organisation takes all reports of potential Code violations very seriously and is committed to confidentiality and a full investigation of all allegations. The Organisation's Audit, Finance and Legal personnel may conduct or manage Code investigations. Employees who are being investigated for a potential Code violation will have an opportunity to be heard prior to any final determination. The Company follows local grievance procedures in locations where such procedures apply.

### **Decisions**

The Suntory Beverage & Food Europe Executive Committee issues recommendations about Code violations and Management may take disciplinary measures based local law and regulation and, based on the Organisation's internal rules and regulations.

## *Administration of the Code of Business Conduct (2/3)*

### *Breach of the Code of Business Conduct*

Failure by any employee to comply with this or any policy will subject employees, including those who ignore prohibited conduct, or have knowledge of the conduct and fail to correct it, to disciplinary action up to and including summary dismissal.

### *Signature and Acknowledgement*

All new employees must sign an acknowledgement form confirming that they have read, they understand the Code of Business conduct and agree to abide by its provisions. All employees will be required to make similar acknowledgements on a periodic basis. Failure to read the Code or sign the acknowledgement form does not excuse an employee from compliance with the Code.

## *Administration of the Code of Business Conduct (3/3)*

### *Policies and guidelines*

The Code of Business conduct does not address all workplace conduct. The Organisation maintains additional policies and guidelines including but not limited to Supplier Code of Conduct, Travel & Entertainment policy, Delegation of Authority etc..., that may provide further guidance on matters in the Code or address conduct not covered by that same Code.

### *Contacts*

Your Human Resources Director is available to answer any question about the Code or our compliance policies, or to discuss any concern you may have about your obligations resulting from this Code.

### *You can seek help from any of the following:*

- Your Manager
- Human Resources Director
- General Counsel or Finance Director
- Risk and Compliance Manager