

## Basic Policy on Establishing Internal Control Systems

Suntory Beverage & Food Limited (the “Company”) hereby establishes, as follows, its Basic Policy on Establishing Internal Control Systems, for the purpose of ensuring business operations of the Company and its subsidiaries (hereinafter the “Group”) are performed properly so that it maintains good relationships with its various stakeholders, and fulfills its corporate social responsibilities.

- I. System for Ensuring That the Execution of Duties by Officers and Employees of the Group Conforms with Laws and Regulations and the Articles of Incorporation
  1. Premised on the corporate philosophy of “To Create Harmony with People and Nature,” and in accordance with the “Suntory Group Code of Business Ethics,” the Group shall conduct management that prioritizes compliance, and not only obey the law, but also demonstrate even higher ethical standards as we strive for best practices that meet or even exceed the expectations of all stakeholders the Group is involved with, such as our shareholders, consumers, customers, suppliers, business partners, communities, global society, natural environment, employees.
  2. In accordance with the Suntory Group Code of Business Ethics, and in line with laws and regulations and a high ethical viewpoint, the Group shall make the operation of fair and transparent activities as one of its basic policies, and it shall practice “Compliance with the law, respect for standards and culture,” “Fair competition,” “Prohibition of corruption,” “Monitoring of conflicts of interest,” “Severance of all relations with organized crime groups and thorough trade controls,” and “Fair and appropriate financial and business records and disclosure.” The officers shall take the initiative in complying with laws and regulations and business ethics, and actively make efforts to maintain and improve the management based on compliance.
  3. In order to ensure that the execution of duties by officers and employees of the Group conforms with laws and regulations and the Articles of Incorporation, the Group shall establish and promote a compliance system for the entire Group, which shall encompass promoting education and training programs; establishing and operating systems for administrative divisions, an internal audit division, and whistleblowing reporting system; and providing support, advice and oversight for subsidiaries of the Company along with other initiatives.
  4. The Group shall establish Compliance hotlines within and outside the Company to allow officers and employees of the Group to directly report compliance-related problems. Upon working to obtain information, the divisions in charge of compliance shall

investigate the details, discuss the issue with the relevant departments as necessary, take corrective measures, establish measures aimed at preventing recurrence, and have such measures implemented across the entire Group.

5. In order to maintain soundness for the appropriate execution of business operations within the Group, an internal audit division shall be established to perform internal audits pertaining to the status of compliance and the appropriateness of business operations of the Group. The internal audit division shall report results of such audits to the Audit and Supervisory Committee and the Representative Director, President & Chief Executive Officer, as necessary.

## II. System for the Preservation and Management of Information of the Group

1. The Group shall, in accordance with laws and regulations and internal regulations, preserve and manage minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, and other documents and materials related to important decision-making (including electronic or magnetic records, the same applies hereinafter) in order to ensure the transparency and objectivity of decision-making.
2. The Group shall maintain the documents and other materials mentioned above in a condition that allows for them to be viewed, and decide the authority, scope, procedures, etc. concerning their viewing.
3. The Group shall establish and promote an information security system that does not only protect and preserve information, including personal information, but also facilitates the increase of corporate value through the use of information.

## III. Regulations and Other Systems for Managing Risk of Losses of the Group

1. The Board of Directors supervises the design and operation of the Group's risk management system. The Board of Directors establishes the Risk Management Committee, the Quality Assurance Committee, and the Sustainability Committee, and gives instructions after receiving reports from these committees.
2. The Risk Management Committee takes on the role of promoting the risk management activities of the entire Group. The Committee identifies the Group's risks, designs countermeasures for these risks, and confirms the progress of responding to these risks.
3. The Quality Assurance Committee is in charge of the role of promoting quality assurance activities of the entire Group. The Committee identifies issues pertaining to the Group in terms of quality assurance, designs countermeasures for these issues, and confirms the

progress of responding to these quality assurance issues.

4. The Sustainability Committee is in charge of the role of promoting sustainability management of the entire Group, and formulates and promotes sustainability strategies within the Group that contribute to sustainable development of society and business.

IV. System for Ensuring the Efficiency of Execution of Duties by Officers and Employees of the Group

1. The Board of Directors determines the basic policies on management of the Group.
2. The Board of Directors shall determine Company-wide goals shared by the officers and employees of the Group, and officers in charge shall specify efficient methods for achieving such goals, such as specific targets and appropriate allocation of authority aimed at achieving the Company-wide goals.
3. Officers in charge shall confirm progress made in achieving goals and report the specific measures to achieve the goals at Board of Directors meetings.
4. The Group shall allot the execution of business operations appropriately and strive to make decisions efficiently under the Responsibility and Authority Rules.

V. System for Reporting to the Company Matters Related to the Execution of Duties by Officers and Employees of the Company's Subsidiaries

1. The Board of Directors requires regular reports regarding the status of the Company's subsidiaries' business execution.
2. Officers require reports regarding the status of the business execution of the Company's subsidiaries of which they are in charge, as needed.
3. In order to promote the Group's management strategy, risk management and management based on compliance, the Company shall design and operate a system that requires consultations with and reports to the Company's relevant departments or approval from the Board of Directors for certain matters concerning management of the Company's subsidiaries.
4. The internal audit division performs internal audits of the Company's subsidiaries, and reports the results to the Company's Representative Directors, officers in charge and Audit and Supervisory Committee as necessary.

VI. System for Ensuring a Proper Relationship Between the Company and its Parent Company

1. The Company shall promote unified group management as a member of the Suntory Group and utilize the brands, human capital, intellectual property and other group business resources while maintaining independence of management, which is necessary as a listed company, making its own decisions regarding major business resources that act as the source of the Company's corporate value, holding and securing such business resources, and working for the Company's sustainable growth while placing due consideration on shareholder conflict of interest.
2. The Company shall establish the Special Committee and make decisions at meetings of the Board of Directors regarding significant transactions, activities, etc. carried out with the Suntory Group after deliberations and reports from the Special Committee, and design and operate a system in order to ensure fairness, transparency and objectivity regarding transactions, activities, etc. with the Suntory Group.

VII. Matters Regarding Officers and Employees Who Assist in the Duties of the Audit and Supervisory Committee of the Company, Matters Regarding the Independence of Such Officers and Employees from Other Directors (Excluding Directors Serving on the Audit and Supervisory Committee), and Matters Related to Ensuring the Effectiveness of Instructions Given by the Audit and Supervisory Committee to Such Officers and Employees

1. The internal audit division shall assist with the Audit and Supervisory Committee's duties. Matters such as those involving transfer and evaluation of internal audit division officers and employees shall be performed in a manner respectful of views provided by the Audit and Supervisory Committee, and in a manner that ensures independence from the Directors (excluding Directors serving on the Audit and Supervisory Committee).
2. In assisting with the duties of the Audit and Supervisory Committee, officers and employees of the internal audit division shall comply with the instructions and orders from the Audit and Supervisory Committee exclusively.

VIII. System for Reporting to the Audit and Supervisory Committee of the Company by Officers and Employees of the Group or Other Persons Who Receive Reports from Such Officers and Employees and Other Systems for Reporting to the Audit and Supervisory Committee

1. The Audit and Supervisory Committee shall investigate the status of company business operations and property for audits, and the officers and employees of the Group shall

- respond promptly and accurately if required by the Audit and Supervisory Committee.
2. Upon discovery of any incident that could cause the Group substantial damage, such as acts in violation of laws and regulations, the officers and employees of the Group shall immediately report the matter to the Audit and Supervisory Committee.
  3. The internal audit division shall regularly report internal audit results and the status of other activities in the Group to the Audit and Supervisory Committee.
  4. The division in charge of compliance shall regularly report the status of whistleblowing in the Group to the Audit and Supervisory Committee.

IX. System to Ensure That a Person Who Has Reported to the Company's Audit and Supervisory Committee Are Not Treated Adversely Based on the Fact Such a Report Has Been Made by the Person

Officers and employees of the Group may report directly to the Audit and Supervisory Committee, and the Company shall design and operate a system in which officers and employees of the Group are not treated adversely based on the fact such a report has been made.

X. Policies Regarding Procedures for Advance Payment or Reimbursement of Expenses Arising in Conjunction with the Execution of Duties by Audit and Supervisory Committee Members of the Company (Limited to Those Expenses Incurred in Relation to Execution of Audit and Supervisory Committee Duties) and Other Policies for Processing Expenses and Obligations Arising with Respect to Execution of Such Duties, and Other Systems for Ensuring That the Audit and Supervisory Committee Effectively Performs Audits

1. If the Audit and Supervisory Committee, in conjunction with the execution of its duties, asks the Company for advance payment, etc. of expenses under Article 399-2, paragraph (4) of the Companies Act, the Company shall promptly process such expenses or obligations, unless they are not necessary for the Audit and Supervisory Committee Members to execute their duties.
2. If the Audit and Supervisory Committee requests independent use of an external expert for the purpose of executing duties of the Audit and Supervisory Committee Members, the Company shall then bear those expenses, unless they are not necessary for the Audit and Supervisory Committee Members to execute their duties.
3. The Audit and Supervisory Committee makes efforts to carry out effective audits by communicating, collaborating and exchanging opinions and information with the Company's officers, the internal audit division and the Accounting Auditor, and officers

and internal audit divisions of the Company's subsidiaries.

(Revised on June 15, 2022)