

Alliance for Water Stewardship Assessment Report  
as per AWS Standard Version 2.0

For

Suntory Products Limited Okudaisen Bunanomori Water  
Plant

1177 Kasarahara Aza, Mitsukue, Oaza, Kofu-cho Hino-gun,  
Tottori 689-4424 Japan

Prepared by: TÜV Rheinland

Cert. Number: AWS-000156

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## Contents

1. Client and Certification Details
2. Executive Summary
3. Scope of Assessment
4. Description of the Catchment
5. Summary of the Stakeholder Interview
6. Summary of Shared Water Challenges
7. Indicators Checklist
  - Major Non-conformities
  - Minor Non-conformities
  - Observations
8. Summary and Conclusion
9. Appendix

### **1. Client and Certification Details**

|                                     |  |
|-------------------------------------|--|
| <b>Client Name:</b>                 | Suntory Products Limited Okudaisen Bunanomori Water Plant                |
| <b>Audit location:</b>              | 1177 Kasarahara Aza, Mitsukue, Oaza, Kofu-cho Hino-gun, Tottori 689-4424 |
| <b>Country:</b>                     | Japan  |
| <b>Activities/Processes:</b>        | Water, flavour drink manufacturing                                       |
| <b>Contact person:</b>              | Toshio Obata   |
| <b>Contact email:</b>               | Toshio_Obata@suntory.co.jp   |
| <b>Company website:</b>             | <a href="https://www.suntory.com/">https://www.suntory.com/</a>          |
| <b>AWS Reference Number:</b>        | AWS-000156   |
| <b>Type of audit:</b>               | Surveillance assessment by Hybrid audit (onsite and remote mixed)        |
| <b>Audit date(s):</b>               | 25th-27th October 2021   |
| <b>Audit Standard:</b>              | V2.0 Core  |
| <b>Proposed date of next audit:</b> | 26th October 2022  |
| <b>Audit report completed by:</b>   | Hiroyuki Arie  |
| <b>Contact email:</b>               | Hiroyuki.Arie@tuv.com  |

## 2. Executive Summary

The scope of service covers the conformity assessment of water management and usage for Suntory Products Limited Okudaisen Bunanomori Water Plant. The assessment was completed in compliance with the AWS Standard Version 2.0 dated on Oct 27th 2021.

The Suntory Products Limited Okudaisen Bunanomori Water Plant is a beverage manufacturer, producing a variety of mineral water and flavor drink under the brand of Suntory. The whole facility occupied about 290,000 square meters, and has about 90 employees. The annual production capacity is about 200,000 m3. It located at the 1177 Kasarahara Aza, Mitsukue, Oaza, Kofu-cho Hino-gun, Tottori 689-4424. The main production process is water extraction-filtration-bottling-packing-shipping. Around the site are some small residence and farm, other is mountain. The site only uses underground water for production and domestic. The wastewater treated in the wastewater treatment plant, and then emitted to the local river.

On Oct 25th-27th, TÜV Rheinland conducted the recertification assessment for Okudaisen Bunanomori Water Plant and activities as per requirement of the AWS Standard (Version 2.0). During the audit, the stakeholder meeting held on Oct 25th. Two stakeholders participated the meeting, covering public and group company sector. Total zero non-conformity and two observations were raised during the onsite audit.

Findings summary:

- Total: 2
- Major non-conformities 0  
Minor non-conformities 0
- Observation 2

Client's response:

None

Certification level: Core

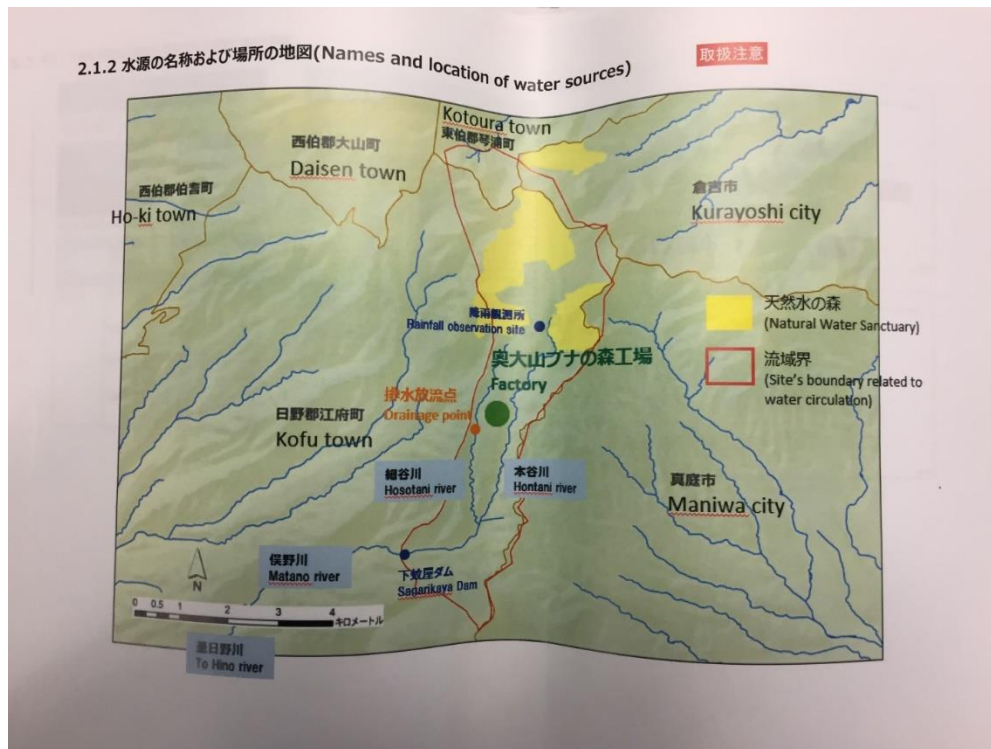
After thorough evaluation of the non-conformance and observations, in compliance with the AWS Certification Requirement V2.0 TÜV Rheinland auditor team would recommend to reward Suntory Products Limited Okudaisen Bunanomori Water Plant AWS Core Certified status. Re-certification audit should be conducted next year.

### 3. Scope of Assessment

|  |   |
|--|---|
| Client factories main products                     | Mineral water, flavour drink  |
| Client factories production processes              | water extraction-filtration-bottling-packing-shipping   |
| Assessment preparations activities include:        | ICT pre-check on Sep 28 <sup>th</sup> 2021 during 11:15-11:45 for preparation on Hybrid onsite(Hiroyuki Arie) and remote(Ian Jiang) audit |
| Assessment on-site activities includes:            | Document review, management interview, employee interview, onsite tour by online participation from GC(Ian Jiang)                         |
| Assessment follow-up activities includes (in any): | None  |

## 4. Description of the Catchment

The plant is located at the Okudaisen Mountain Kofu Town, Tottori Prefecture. The total occupied area is about 20 hectares, defined by the upstream area that contribute to the location of the site, and the downstream area influenced by the site. The factory only use the underground water, which is formed by the rainfall of the mountain. There is no upstream water user. Surround the factory there is some farmland of the berry planting, also some small residence with about 30 people is located in the downstream. About 5km of the downstream, there is a dam named sagarikaya dam, forming a water reservoir mainly use for irrigation.



Note: The area among the red line is the water catchment, the green dot is the location of the factory, and the orange dot is the discharge point.

## 5. Summary of the Stakeholder Interview

During the audit, auditor conducted the remote interview with one stakeholder by remote online and another by phone call.

The details are listed in the follow sheet.

| Stakeholder name    | Stakeholder type  | Summary   |
|---------------------|---|---|
| Mr.Suetsugu         | Public Sector:<br>Manager, Industrial<br>Construction dep. Kofu<br>Town Public Office | <p>About AWS: Knew with water sustainability initiative.</p> <p>Positive: Admired how far the Suntory did to protect water in natural environment. For instance, 1.Site provided opportunity of schooling regarding forest and water where participants were able to learn in depth.2.Site shared groundwater level with town office and analyze relation with natural system where an assumption raised that snowfall has been inclined in recent years which might have led to decrease of groundwater. 3. Buckwheat seed plantation was collaboratively implemented with local youngsters.</p> <p>Negative: None</p> <p>Expectation: Kofu town had been populated as water town since Suntory came to do water business. It may contribute big theme in town that elderly society, unused agriculture land. Since Kofu town held water advantage, it may sell produces well.</p> |
| Mr.Tatsuya<br>Kanbe | Group company:<br>Leader, Plant Tour Sec.<br>Suntory Publicity<br>Service.            | <p>About AWS: Control on water resource, water circulation, water conservation with local people.</p> <p>Positive: 1.Site returns nature a discharge water in clean conditions. 2 .Site sets more strict self-criteria than the one in agreement with Kofu town.3.Site implements environmental assessment related water regularly.</p> <p>Negative; None</p> <p>Expectation: Looking forward to meet visitors to let them know about site's various activity as COVID-19 seemed to have ceased.</p>  |

## 6. Summary of Shared Water Challenges

| Water-related challenges                | Initiatives by related public institutions  | Relevance to stakeholders                         | Relevance to site   | Priority | Reason for prioritization   |
|---|---|---|---|----------|---|
| depletion of underground water resource | 1.Limitation of pumping amount through agreement<br>2.Monitoring through the Kasarahara Environmental Monitoring Committee  | Domestic water is important as agricultural water | It is an indispensable resource for product production.   | 1        | Sustainable use of groundwater resources is in the interests of the factory and all its stakeholders.   |
| The contamination of the Hosotani river | 1.Water quality regulation of wastewater through laws and agreements (pH, BOD, SS, coliform bacteria)<br>2.Monitoring through the Kasarahara Environmental Monitoring Committee | Agricultural water is important.                  | There is a possibility that operations will not be possible due to administrative sanctions when wastewater exceeds the regulation value. | 2        | The factory carries out advanced wastewater treatment (wastewater treatment system), and also handles vehicle oil leaks for rainwater (rainwater system), which may pollute the Hosotani River. |

## 7. Indicators Checklists

Per requirements set from the AWS certification requirements V2.0, below is a checklist of all the CORE AWS indicators. The documents reviewed/ processes reviewed are also indicated.



| Criteria  | Documents Reviewed   |
|---|--|
| <b>STEP 1: Gather and Understand</b>  |  |
| <p>1.1 Define the physical scope:</p> <p>1.1.1 Map site boundaries;</p> <p>1.1.2 Water-related infrastructure, including piping network, owned or managed by the site or its parent organization</p> <p>1.1.3 Any water sources providing water to the site that are owned or managed by the site or its parent organization</p> <p>1.1.4 Water service provider (if applicable) and its ultimate water source</p> <p>1.1.5 Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies</p> <p>1.1.6 Catchment(s) that the site affect(s) and is reliant upon for water</p> | <p><input checked="" type="checkbox"/> Documentation or map of the site's boundaries</p> <p><input checked="" type="checkbox"/> Names and location of water sources</p> <p><input checked="" type="checkbox"/> Names and location of effluent discharge points</p> <p><input type="checkbox"/> Other :</p> <p>The map described the factory, the water source, the effluent discharge point and pipeline network.</p> <p>Names and location of water sources and effluent receiving body were defined, and the geographical description of the catchment was clear.</p> <p>Evidences:<br/>Layout map of the plant and catchment.</p> |
| <p>1.2 Understand relevant stakeholders:</p> <p>1.2.1 Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified</p> <p>1.2.2 Current and potential degree of influence between site and stakeholder shall be identified</p>  | <p><input checked="" type="checkbox"/> List of stakeholders</p> <p><input checked="" type="checkbox"/> Water-related challenges</p> <p><input checked="" type="checkbox"/> Current and potential degree of influence</p> <p><input type="checkbox"/> Other :</p> <p>List of stakeholders was defined, and their influence and interest were evaluated as well.</p> <p>The stakeholders identification sheet was established.</p> <p>Evidences: Analysis sheet of stakeholders.<br/>Stakeholder list.</p>   |

| Criteria   | Documents Reviewed  |
|--|---|
| <p>1.3 Gather water-related data for the site:</p> <p>1.3.1 Existing water-related incident response plans</p> <p>1.3.2 Site water balance, including inflows, losses, storage, and outflows</p> <p>1.3.3 Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates. An indication of annual high and low variances shall be quantified for risky water-related challenge</p> <p>1.3.4 Water quality of the site's water source(s), provided waters, effluent and receiving water bodies. An indication of annual, and where appropriate, seasonal, high and low variances shall be quantified for risky water-related challenge</p> <p>1.3.5 Potential sources of pollution, including chemicals used or stored on site</p> <p>1.3.6 Mapping on-site Important Water-Related Areas, including a description of their status including Indigenous cultural values</p> <p>1.3.7 Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value</p> <p>1.3.8 Levels of access and adequacy of WASH at the site</p> | <p><input checked="" type="checkbox"/> Water-related incident response plans</p> <p><input checked="" type="checkbox"/> Site water balance (in Mm<sup>3</sup> or m<sup>3</sup>)</p> <p><input checked="" type="checkbox"/> Water quality of the site's water source(s), provided waters, effluent and receiving water bodies, such as water test reports</p> <p><input type="checkbox"/> Other :</p> <p>Water incident response plans were established.</p> <p>Annual basis site water balance (in Mm<sup>3</sup> or m<sup>3</sup>) is defined</p> <p>Physical, chemical and biological status of the site's direct and outsourced water effluent were defined as pH,BOD,COD,SS,TP, TN etc.</p> <p>The list of chemicals with location were available.</p> <p>The water-related costs and revenues were calculated.</p> <p>Evidences: Emergency response plan for different scenario.</p> <p>Site water balance chart.</p> <p>Water quality testing report.</p> <p>List of chemicals.</p> <p>Water value calculation sheet.</p> |
| <p>1.4 Gather data on the site's indirect water use:</p> <p>1.4.1 The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment</p> <p>1.4.2 The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified</p>   | <p><input checked="" type="checkbox"/> List of primary inputs</p> <p><input checked="" type="checkbox"/> List of outsourced services</p> <p><input type="checkbox"/> Other :</p> <p>List of primary inputs was updated as per investigation results</p> <p>List of outsourced services was available by investigating supply chain water use.</p> <p>Evidences: List of suppliers and their indirect water consumption.</p>   |

| Criteria   | Documents Reviewed  |
|--|---|
| <p>1.5 Gather water-related data for the catchment:</p> <p>1.5.1 Water governance initiatives shall be identified, including catchment plan(s), water-related public policies, major publicly-led initiatives under way, and relevant goals to help inform site of possible opportunities for water stewardship collective action</p> <p>1.5.2 Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights</p> <p>1.5.3 The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance</p> <p>1.5.4 Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified</p> <p>1.5.5 Important Water-Related Areas shall be identified, and where appropriate, mapped, and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement</p> <p>1.5.6 Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events</p> <p>1.5.7 The adequacy of available WASH services within the catchment</p> | <p><input checked="" type="checkbox"/> Water governance initiatives</p> <p><input checked="" type="checkbox"/> Applicable water-related legal and regulatory requirements</p> <p><input checked="" type="checkbox"/> Catchment water balance (in Mm<sup>3</sup> or m<sup>3</sup>)</p> <p><input checked="" type="checkbox"/> Documentation identifying Important Water-Related Areas (IWRA)</p> <p><input type="checkbox"/> Other :</p> <p>The public water-related policies and initiatives, as well as relevant goals have been collected.</p> <p>Applicable water-related legal and regulatory requirements was gathered and assessed once per year.</p> <p>Documentation identifying Important Water-Related Areas are Oku Oyama Natural water Sanctuary.</p> <p>WASH services within the catchment such as water supply rate and sewage processing rate were collected.</p> <p>1.5.7 One observation was raised.</p> <p>The factory may find the update WASH information of the catchment from Tottori Prefecture's website. (Attach the link as well for easy update in next year.)</p> <p>Evidences:<br/>         Catchment report.<br/>         Environmental laws &amp; regulations register</p> |
| <p>1.6 Understand current and future shared water challenges in the catchment:</p> <p>1.6.1 Shared water challenges shall be identified and prioritized from the information gathered</p> <p>1.6.2 Initiatives to address shared water challenges</p>  | <p><input checked="" type="checkbox"/> List of shared water challenges</p> <p><input type="checkbox"/> Other :</p> <p>Water-related challenges were that the Water pollution and water resource scarcity, which maybe affect the production and reputation lost.</p> <p>Evidences:<br/>         List of shared water challenges.</p>  |

| Criteria   | Documents Reviewed  |
|--|---|
| <p>1.7 Understand the site's water risks and opportunities:</p> <p>1.7.1 Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact</p> <p>1.7.2 Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities</p>  | <p><input checked="" type="checkbox"/> List of water risks facing the site</p> <p><input checked="" type="checkbox"/> List of water-related opportunities</p> <p><input type="checkbox"/> Other :</p> <p>List of water risks facing the site were defined.</p> <p>List of water-related opportunities were defined and prioritized.</p> <p>Estimate of potential savings/value was calculated issued on regular program cycle.</p> <p>Evidences: List of water risks and opportunities.</p> |
| <p>1.8 Understand best practice towards achieving AWS outcomes:</p> <p>1.8.1 Relevant catchment best practice for water governance</p> <p>1.8.2 Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use)</p> <p>1.8.3 Relevant sector and/or catchment best practice for water quality, including rationale for data source</p> <p>1.8.4 Relevant catchment best practice for site maintenance of Important Water-Related Areas</p> <p>1.8.5 Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services</p> | <p><input checked="" type="checkbox"/> Relevant catchment best practices</p> <p><input type="checkbox"/> Other :</p> <p>Suntory has identified relevant catchment best practice for water balance, water quality, IWRA and WASH.</p> <p>Evidences:<br/>Best practices list and evaluation.</p>  |
| <b>STEP 2: Commit</b>  |   |
| <p>2.1 Commit to water stewardship:</p> <p>2.1.1 A signed and publicly disclosed site statement OR organizational document</p>   | <p><input checked="" type="checkbox"/> Statement</p> <p><input type="checkbox"/> Other :</p> <p>Site statement "Commitment on AWS "signed by plant manager dated Apr. 1st, 2020. Statement addressed five (5) water stewardship outcomes to be realized by seeking effort through cooperating public agencies and the best effort the site makes even with all stakeholders in transparency.</p> <p>Evidences:<br/>Commitment to water stewardship</p>                                      |

| Criteria   | Documents Reviewed  |
|--|---|
| <p>2.2 Develop and document a process to achieve and maintain legal and regulatory compliance:</p> <p>2.2.1 The system to maintain compliance obligations for water and wastewater management shall be identified</p>  | <p><input checked="" type="checkbox"/> Documented description of system</p> <p><input type="checkbox"/> Other :</p> <p>The factory has established a register to collect all environment-related laws and regulations, and then conduct the compliance check. The register will be updated regularly and approved by senior management before released.</p> <p>Evidences:<br/>Environmental laws and regulations registration and monitoring table</p>  |
| <p>2.3 Create a water stewardship strategy and plan:</p> <p>2.3.1 A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard</p> <p>2.3.2 A water stewardship plan shall be identified</p> | <p><input checked="" type="checkbox"/> Water stewardship strategy</p> <p><input checked="" type="checkbox"/> Water stewardship Plan</p> <p><input type="checkbox"/> Other :</p> <p>The water stewardship strategy was identified, included protecting the forest that nurture water, saving the water for production and ensure the quality of discharged water.</p> <p>Water stewardship plan that responding to the strategy was established as well.</p> <p>Evidences: Water Stewardship strategy and plan.</p>                          |
| <p>2.4 Demonstrate the site's responsiveness and resilience to respond to water risks:</p> <p>2.4.1 A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies</p>   | <p><input checked="" type="checkbox"/> Water risk mitigation plan</p> <p><input type="checkbox"/> Other :</p> <p>Identified water risk was 1.water quality incident, 2.water depletion.</p> <p>The site only used the well water and discharged the treated water into environment directly. The site established the emergency respond plan, and submitted the groundwater monitoring report to Kasarahara monitoring committee regularly.</p> <p>Evidences:<br/>Emergency Respond Plan<br/>Annual underground water monitoring report</p> |
| <b>STEP 3: Implement</b>   |   |

| Criteria   | Documents Reviewed   |
|--|--|
| <p>3.1 Implement plan to participate positively in catchment governance:</p> <p>3.1.1 Evidence that the site has supported good catchment governance</p> <p>3.1.2 Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.1</p> | <p><input checked="" type="checkbox"/> Good catchment governance evidence</p> <p><input checked="" type="checkbox"/> Identified measures</p> <p><input type="checkbox"/> Other :</p> <p>Evidence that the site has supported good catchment governance was identified. 1. Site members participated in Mt.Daisen cleaning event. 2. Site initiated Soba seed plantation in Mitsukue. 3. Site members participated opening ceremony of Mt.Kagamiganaru despite limited activity under covid-19 during 2020 - 2021.</p> <p>Measures identified to respect the water rights of others including Indigenous people and that was implemented. 1. Site has parameter to monitor balance amount of groundwater intake, production and discharge. 2. Site monitors level of groundwater onsite and the one in other area of Kofu town. It contributes early alarming on water imbalance or depletion.</p> <p>Evidences:<br/>Meeting schedule and attendant list.</p> |

| Criteria  | Documents Reviewed   |
|---|--|
| <p>3.2 Implement system to comply with water-related legal and regulatory requirements:</p> <p>3.2.1 A process to verify full legal and regulatory compliance</p> <p>3.2.2 Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples</p> | <p><input checked="" type="checkbox"/> Legal and regulatory compliance verification process</p> <p><input checked="" type="checkbox"/> Identified measures (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>Process to verify full legal and regulatory compliance was implemented. 1. Site listed all legal and regulatory requirement and identified articles to comply. 2. List was updated with change points through service provider who sends legal information to attention. Site also searches through relevant website on nation, prefecture and town.</p> <p>Measures identified to respect the water rights of others including Indigenous peoples was implemented. Site monitors amount of groundwater intake if it's lower than requirement bound by environmental conservation agreement in Kasarahara Industrial area with Kofu town.</p> <p>Evidences:<br/>Environmental Regulations Registration Book and monitoring table</p> |

| Criteria   | Documents Reviewed   |
|--|--|
| <p>3.3 Implement plan to achieve site water balance targets:</p> <p>3.3.1 Status of progress towards meeting water balance targets set in the water stewardship plan</p> <p>3.3.2 Where water scarcity is a shared water challenge, annual targets to improve the site's water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented</p> <p>3.3.3 Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs</p> | <p><input checked="" type="checkbox"/> Status of progress</p> <p><input checked="" type="checkbox"/> Water use efficiency annual target (if applicable)</p> <p><input checked="" type="checkbox"/> Legally-binding documentation (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>Status of progress towards meeting water balance targets set in the water stewardship plan was identified. Target achievement in 2020 was 85% at water use per unit (2.16 vs 1.89) and ongoing status in 2021 is closer to target 1.86.</p> <p>Annual targets to improve the site's water use efficiency was implemented. Site set target 15% reduction per unit in 2030 and 50% in 2050 in long term. As referred 3.3.1, site increased 7% per unit from 2019 to 2020 then 14% under decrement towards end 2021.</p> <p>Legally-binding documentation for environmental needs was identified. Site has environmental conservation agreement in Kasarahara Industrial area with Kofu town. It limits amount of groundwater intake at 800Km<sup>3</sup> per year or lower.</p> <p>Evidences: Water consumption.</p> |



| Criteria   | Documents Reviewed   |
|--|--|
| <p>3.4 Maintain or improve site water quality:</p> <p>3.4.1 Status of progress towards meeting water quality targets set in the water stewardship plan</p> <p>3.4.2 Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified</p> | <p><input checked="" type="checkbox"/> Status of progress</p> <p><input checked="" type="checkbox"/> Site's effluent best practice (if applicable)</p> <p><input type="checkbox"/> Other :</p> <p>Status of progress towards meeting water quality targets set in the water stewardship plan was identified. Site has environmental conservation agreement in Kasarahara Industrial area with Kofu town. It stipulated upper limits of water quality figures i.e. COD, SS, Coliform. Site monitored and noted that those figures were within limits even in self-defined stricter level of figures in 2020 and until Sep 2021.</p> <p>Continual improvement to achieve best practice for the site's effluent was identified. Site broadly searched best practice in private sectors and identified some referral practice however, it's unable to apply site's operation due to different conditions and background. Site would continue search seeking the best one while site aware their water cascade treatment was one of highest level in terms of technology.</p> <p>Evidences:<br/>Water testing report.</p> |
| <p>3.5 Implement plan to maintain or improve the site's and/or catchments IWRAs:</p> <p>3.5.1 Practices set in the water stewardship plan to maintain and/or enhance the site's IWRAs shall be implemented</p>   | <p><input checked="" type="checkbox"/> Practices set in the water stewardship plan</p> <p><input type="checkbox"/> Other :</p> <p>Practices set in the water stewardship plan to maintain and enhance the site's IWRAs was implemented. 1. Site measured and monitored groundwater level if it holds sufficient water. 2. Site carried out water recharge activity in the designated area of forest under consultation of academic sector.</p> <p>Evidences:<br/>Forest conservation project summary.</p>  |

| Criteria   | Documents Reviewed   |
|--|--|
| <p>3.6 Implement plan to provide access to WASH:</p> <p>3.6.1 Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite shall be identified and where applicable, quantified</p> <p>3.6.2 Evidence that the site is not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for indigenous and local communities are being respected, and that remedial actions are in place where this is not the case, and that these are effective</p> | <p><input checked="" type="checkbox"/> Evidence of site's provisions of WASH</p> <p><input checked="" type="checkbox"/> Evidence of site operations not affecting water rights of surrounding environment</p> <p><input type="checkbox"/> Other :</p> <p>Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite was identified. 1. Norovirus and food poisoning prevention and hygiene education was implemented in the workplace. 2. Intestinal bacteria test (stool test) for food manufacturing workers was carried out two times per year. 3. Wash hands sign was posted at Hand-washing station to remind people to do. 4. Safe drinking water is provided in accordance with the Water Supply Act which was checked once a month by external analysis service provider.</p> <p>Evidence confirmed that the site was not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for indigenous and local communities were respected and its process was effective. Well water levels, flow rates, Mt. Daisen precipitation, and snowfall from the data in FY2006, it can be said that site didn't have an influence because there is no big fluctuation of water level in each place.</p> <p>Evidences:<br/>WASH summary report.</p> |

| Criteria   | Documents Reviewed   |
|--|--|
| <p>3.7 Implement plan to maintain or improve indirect water use within the catchment:</p> <p>3.7.1 List of suppliers and service providers, along with the actions they have taken as a result of the site's engagement relating to indirect water use</p> <p>3.7.2 Evidence of engagement with suppliers and service providers, as well as, when applicable, actions they have taken in the catchment as a result of the site's engagement related to indirect water use, shall be identified</p> | <p><input checked="" type="checkbox"/> List of suppliers and service providers</p> <p><input checked="" type="checkbox"/> Evidence of engagement with suppliers and service providers</p> <p><input type="checkbox"/> Other :</p> <p>Indirect water use targets was not set in the water stewardship plan since it counted too little to be practical in catchment where site considered material suppliers were primary input for indirect water stand point therefore site would seek how to get this point further.</p> <p>Engagement with suppliers and service providers related to indirect water use was identified. Then site concluded suppliers and service providers related to indirect water use were located out of catchment. Therefore action taken was not identified in the catchment.</p> <p>Evidences:<br/>Supplier evaluation form.</p> |
| <p>3.8 Notify the owners of shared water-related infrastructure of any concerns:</p> <p>4.8.1 Evidence of engagement, and the key messages relayed with confirmation of receipt</p>  | <p><input checked="" type="checkbox"/> Evidence of engagement</p> <p><input type="checkbox"/> Other :</p> <p>Evidence of engagement, and the key messages relayed with confirmation of receipt relevant to any shared water-related infrastructure was not identified since there was no shared infrastructure in the catchment. It might be waste water pipeline and drainage system as main infrastructure in town however, it is owned and managed by town office or prefecture.</p> <p>Evidences:<br/>Communication report.</p>  |

3.9 Implement actions to achieve best practice towards AWS outcomes:

3.9.1 Actions towards achieving best practice, related to water governance

3.9.2 Actions towards achieving best practice, related to targets in terms of water balance

3.9.3 Actions towards achieving best practice, related to targets in terms of water quality

3.9.4 Actions towards achieving best practice, related to targets in terms of the site's maintenance of IWRAs

3.9.5 Actions towards achieving best practice, related to targets in terms of WASH

- Actions related to water governance
- Actions related to water balance
- Actions related to water quality
- Actions related to IWRAs
- Actions related to WASH
- Other :

Actions towards achieving best practice, related to water governance was implemented. Site broadly searched and once identified reuse of rainfall though, it's already incorporated in site's system. Further some org in Suntory group disclosed amount of water use and quality that was identified as best practice by the site and site implemented same way.

Actions towards achieving best practice, related to targets in terms of water balance was implemented. Site broadly searched and identified reuse of discharge water to improve water balance. It's under management consideration because it needs investment and feasible study.

Actions towards achieving best practice, related to targets in terms of water quality shall be implemented. Site broadly searched and identified RO treatment of discharge water from other org however, site's RO treatment was evaluated as higher level than the other. Site would seek further.

Actions towards achieving best practice, related to targets in terms of the sites maintenance of IWRAs shall be implemented. Site broadly searched and identified forest conservation from other org pulp and paper industry. They implemented wider dimension of forest therefore site study further if they would go for that direction.

Actions towards achieving best practice, related to targets in terms of WASH shall be implemented. Site broadly searched and identified within group of Suntory. It was separation of toilet and cleaned every day. Portable water complied water quality legal requirement by adding chlorine. All those were implemented by site.

Evidences:  
 Actions list.

| Criteria                | Documents Reviewed |
|-------------------------|--------------------|
| <b>STEP 4: Evaluate</b> |                    |

4.1 Evaluate the site's performance:

- 4.1.1 Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated
- 4.1.2 Value creation resulting from the water stewardship plan shall be evaluated
- 4.1.3 The shared value benefits in the catchment shall be identified and where applicable, quantified

- Performance against targets
- Value creation
- The shared value benefits (if applicable)
- Other :

Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes was evaluated as follows.

1. Water governance. 1-1) Disclosure of environmental indicators through the CSR Report was implemented. 1-2) Environmental Monitoring Committee was regularly held.
2. IWRA. Forest maintenance activities in fiscal 2020.
  - 2-1) Cutting of grass for regeneration of broadleaf forests (approx. 1 ha).
  - 2-2) Cutting of grass for regeneration of grassland environment (approx. 3ha).
  - 2-3) Carrying out thinning of cypress plantation forests (approx. 1 ha).
  - 2-4) Carry-out thinning of cedar plantation forests (approx. 2ha).
  - 2-5) Establishment of a work road for carrying out thinning (473m).
  - 2-6) Continuous bird monitoring and survey activities in the water source recharge area.
3. Water balance. Water conservation and the recycling of cleaning water was promoted then water consumption per unit of production was increased due to the suspension of the three-stage pumping of water and the production volume being significantly lower than budgeted.  
 In terms of annual water consumption, 2020: 661Km<sup>3</sup>, a decrease of 6.3% from previous year.
4. Quality. Water quality was kept below the agreed value and within the target set value of the plant. By separating and collecting chemicals and having them treated by external service provider, the good water quality of the Hosotani River was maintained, and water risks such as the agreed value of wastewater quality being lowered were reduced.
5. WASH. 5-1) No deviation from chlorine concentration, no problem in external evaluation. 5-2) No failure for machinery maintenance. 5-3) No

| Criteria | Documents Reviewed  |
|----------|---|
|          | <p>failure for toilet usage. 5-4) Inspection and cleaning are carried out without fail.</p> <p>Value creation resulting from the water stewardship plan was evaluated as follows.</p> <ol style="list-style-type: none"> <li>1. Water governance. 1-1) Disclosure of water related data was led to a sense of trust from the government and local residents. 1-2) Prompt response through early recognition of common issues by close consultation with municipal office, academic sectors.</li> <li>2. Water balance. 2-1) Improvement of the brand value of Suntory and Natural Water Okudaisen. 2-2) Improvement of water source recharge function. 2-3) Improvement of biodiversity. 2-4) Conservation of the public interest value of the forest.</li> <li>3. Water quality. 3-1) Maintaining the water quality of the Hosotani River</li> <li>4. IWRA. 4-1) Conservation of groundwater resources. 4-2) Maximization of production within the framework of agreed values</li> <li>5. WASH. 5-1) Sanitary drinking and hand-washing water is always available in the site. 5-2) Maintaining clean sanitary facilities to ensure a safe and secure living space.</li> </ol> <p>The shared value benefits in the catchment was identified and quantified as follows. 1. Conversion of the "benefits of water source recharge" in the "corporate forest" (about 59 ha) into monetary values: "benefits of flood prevention": 3,2mil yen, "benefits of watershed water storage": 1,3mil yen, and "benefits of water purification": 4,7mil yen (Basis for calculation: Forestry Agency's "Preliminary Evaluation Manual for Forestry Public Works", Appendix)</p> <p>Evidences: Performance review.</p> |

| Criteria   | Documents Reviewed   |
|--|--|
| <p>4.2 Evaluate the impacts of water-related emergency incidents:</p> <p>4.2.1 A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified</p> | <p><input checked="" type="checkbox"/> A written annual review and root-cause analysis</p> <p><input type="checkbox"/> Other :</p> <p>A written annual review of the year's emergency incident(s) was prepared and the site's response to the incident(s) was evaluated and proposed preventative and corrective actions and mitigations against future incidents was identified. Site had no emergency incident in the last year though, one emergency response training was planned and carried out. It was a response drill when unusual discharge water inflows discharge water monitoring tank. All staffs participated despite 3 working shift. Effectiveness check was also implemented 6 months later and confirmed it was.</p> <p>Evidences:<br/>Emergency drill report</p> |



| Criteria   | Documents Reviewed  |
|--|---|
| <p>4.3 Evaluate the stakeholders' consultation feedback:</p> <p>4.3.1 Consultation efforts with stakeholders on the site's water stewardship performance shall be identified</p> | <p><input checked="" type="checkbox"/> Stakeholder feedback</p> <p><input type="checkbox"/> Other :</p> <p>Consultation efforts with stakeholders on the site's water stewardship performance was identified as follows. Stakeholder, academic sector: Laboratory of Ecological Engineering, Department of Life and Environmental Science, Faculty of Agriculture, Tottori University</p> <p>Professor Yoshiyuki Hioki</p> <ol style="list-style-type: none"> <li>1. In FY2020, approximately 1 ha of sagebrush was cleared, and monitoring of vegetation recovery was underway along with the area where sagebrush was cleared in 2019 (0.25 ha).</li> <li>2. Starting in fiscal 2020, a survey was conducted that showed the changes in oak dieback over time, with the aim of creating materials for examining the state of natural forests after oak dieback.</li> <li>3. In fiscal 2020, removal thinning was carried out in 1.2 ha of cypress plantation forest and 2.0 ha of cedar plantation forest.</li> <li>4. High expectations for the company's forest maintenance activities was held thus the laboratory would continue to support site's activity.</li> </ol> <p>Evidences:</p> <p>Written comments</p> |

| Criteria  | Documents Reviewed   |
|---|--|
| <p>4.4 Evaluate and updated the site's water stewardship plan:</p> <p>4.4.1 The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified</p> | <p><input checked="" type="checkbox"/> Modification of water stewardship plan</p> <p><input type="checkbox"/> Other :</p> <p>The site's water stewardship plan was modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes were identified.</p> <ol style="list-style-type: none"> <li>1. Water governance. Site received lots of expectation on water recharge area activity where site identified change which was a consultation with academic stakeholder for further development.</li> <li>2. Water balance. Water conservation target was set in 2030 and 2050 in long term and year target was set as well. Target in 2020 didn't hit the target of water consumption per unit though, for 2021, a change was identified as trying to introduce technical improvement on three step diversion and water reduction on rinse.</li> <li>3. Water quality. Water quality was controlled within agreed criteria with Kofu town yet more strict self-criteria was met. Change was identified as technical improvement would be more important to achieve target.</li> <li>4. IWRA. Water recharge project progressed as planned. Change was identified to attention to promote site's activity for public relation.</li> <li>5. WASH. Wash has been well provided. Change was identified to enhance awareness hygiene risks.</li> </ol> <p>Evidences:<br/>Water Stewardship Plan</p> |
| <b>STEP 5: Communication and Disclosure</b>   |  |

| Criteria  | Documents Reviewed  |
|---|---|
| <p>5.1 Disclose water-related internal governance of the site's management:</p> <p>5.1.1 The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed</p> | <p><input checked="" type="checkbox"/> Summary of governance</p> <p><input type="checkbox"/> Other :</p> <p>The site's water-related internal governance was disclosed in Suntory website where two (2) organizational org chart showed 1.environmental conservation org, 2.water resource org. Mr. Makoto Tominaga, a plant manager and environmental governance manager was accountable for compliance with water-related laws and regulations while Mr. Takuya Wariishi was responsible for water resource management.</p> <p>Evidences:<br/>Company Website</p> |
| <p>5.2 Communicate the water stewardship plan with relevant stakeholders:</p> <p>5.2.1 The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders</p>          | <p><input checked="" type="checkbox"/> Documented evidence of communicating</p> <p><input type="checkbox"/> Other :</p> <p>The factory reported the water stewardship plan with stakeholders, and obtained the feedback from Kasarahara Environmental Monitoring Committee.</p> <p>Evidences:<br/>The feedback from Kasarahara Environmental Monitoring Committee.</p>  |
| <p>5.3 Disclose annual site water stewardship summary:</p> <p>5.3.1 A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum</p>                                     | <p><input checked="" type="checkbox"/> Water stewardship performance summary</p> <p><input type="checkbox"/> Other :</p> <p>The site's water stewardship performance in 2020 was disclosed in website. It showed performance against target.</p> <p>Evidences:<br/>Company Website</p>  |

| Criteria   | Documents Reviewed  |
|--|---|
| <p>5.4 Disclose efforts to collectively address shared water challenges:</p> <p>5.4.1 The site's shared water-related challenges and efforts made to address these challenges shall be disclosed</p> <p>5.4.2 Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified</p>  | <p><input checked="" type="checkbox"/> Disclosure evidence</p> <p><input type="checkbox"/> Other :</p> <p>The site's water-related challenge and efforts made by the site was disclosed.</p> <p>Evidences:<br/>Company Website</p>  |
| <p>5.5 Communicate transparency in water-related compliance:</p> <p>5.5.1 Any site water-related compliance violations and associated corrections shall be disclosed</p> <p>5.5.2 Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable</p> <p>5.5.3 Any site water-related violation that may pose significant risk and threat to human or ecosystem health shall be immediately communicated to relevant public agencies and disclosed</p> | <p><input checked="" type="checkbox"/> List of water-related compliance violations with corresponding corrective actions</p> <p><input type="checkbox"/> Other :</p> <p>Compliance violation record was observed. There was no violation in 2020 and 2021. More over there has been no violation since 2008 when the site commenced operations.</p> <p>Evidences:<br/>Company Website</p> |

**Assessment Non-conformities:**

**Major non-conformities:**

None

**Minor non-conformities:**

None

**Observations:**

Two observation were identified.

| No | Process/Dept.   | Issue   |
|----|---|---|
| 1  | 1.5.7<br>The adequacy of available WASH services within the catchment shall be identified   | The factory may find the update WASH information of the catchment from Tottori Prefecture's website. (Attach the link as well for easy update in next year.)                                      |
| 2  | 5.3.1<br>A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum. | Currently, the disclose information is separated in different area of company's website. It is suggested to combine all information into one document, and then disclose on the website annually. |

## 8. Summary and Conclusion of the Assessment

In assessment of the water stewardship performance of the Suntory Products Limited Okudaisen Bunanomori Water Plant, it is apparent that the sites put considerable effort to adopt the AWS standard into the management system. In the end, no non-conformity was raised. Two observations were identified for site's consideration on opportunity of improvement.

In conclusion, the Suntory Products Limited Okudaisen Bunanomori Water Plant met the AWS standard Version 2.0- Core Level.

## 9. Appendix

None