

CCBJH Group Anti-Bribery Policy

1. Policy Summary

The nature of the business of Coca-Cola Bottlers Japan Holdings Group (hereafter “Our Group”) requires that we interact with various government officials, etc. (as defined later). The laws and ordinances, Our Group Code of Business Conduct & Ethics, and this Policy establish certain limits on the interactions with government officials, etc., particularly where we might be providing something of value to a government official, etc.

This policy is intended to provide our employees with a level of awareness about laws and regulations associated with anti-bribery in order to avoid inadvertent violations as well as to recognize potential issues in time for them to be addressed appropriately. A violation of laws and regulations associated with anti-bribery can lead to severe administrative and criminal penalties; therefore, it is vital that we not only understand and appreciate the importance of this Policy, but comply with it in our daily work.

Under this policy, the offering or acceptance of corrupt payment and other advantages between private (non-government) persons and entities shall constitute commercial bribery and be prohibited.

2. Policy Applies To/ Eligibility

This Policy applies to all employees of Our Group including officers.

3. Policy Background

Our Group must carry on its business with integrity based on the Code of Business Conduct & Ethics. This means avoiding corruption of all kinds, including bribery of government officials, etc.

Our Group has employees from many countries and conducts business activities globally such as procurement from overseas; thus, it is important to comply with laws and regulations associated with anti-bribery in the countries and areas where our business partners locate in addition to those in Japan.

In addition, Our Group has incorporated a prohibition against bribery into our Code of Business Conduct & Ethics, and this Policy provides explanation on the prevention of improper payments and permissible payments under all laws and regulations associated to anti-bribery that we must comply with (the criminal law, Unfair Competition Prevention Act, National Public Service Ethics Act, the Companies Act, U.S. Foreign Corrupt Practices Act (hereinafter referred to as “FCPA”), and the U.K. Bribery Act (hereinafter

referred to as “UKBA”) and, China Unfair Competition Prevention Act (hereinafter referred to as “CUCPA”), etc. These laws and ordinances will be collectively referred to as “Applicable Corruption Laws” in this Policy.

When Applicable Corruption Laws are violated, in many cases, the person violated the laws will be sentenced or fined regardless of his/her nationality. Moreover, it is possible that Our Group is fined also, which creates massive damage to the trust and reputation of Our Group as well as to the Coca-Cola business

4. Definition

For the purposes of this Policy, the term “Government Official” is broadly defined to include:

- (1) Any officer or employee of any government entity, department, or agency
 - (2) Any employee of a national or public-owned business, school, hospital, or other entity
 - (3) Any political party, officer, or employee thereof
 - (4) Any politician or candidate for political office
 - (5) Any employee or official of a public international organization, department, or agency thereof (e.g., the United Nations, Olympic Organizing Committee, FIFA Committee, and World Bank
 - (6) Any person acting in an official capacity on behalf of a government entity
 - (7) Deemed public servants (officers or employee of those entities (public corporation, institution, fund, incorporated administrative agency, and promotion association) deemed to be public servants by the laws and regulations *)
- * If any concern arises on how to correspond with officers and employees of an organization, it is required to refer to the purpose of its foundation and regulations concerning duties and penalties.
- (8) The term “Government Official” in this Policy also includes “Foreign Public Official” which is defined by the Unfair Competition Prevention Act as follows
 - i. Any person who engages in public services for a national or local foreign government
 - ii. Any person who engages in services for an agency affiliated with a foreign national government
 - iii. Any person who engages in services for a foreign public enterprise
 - iv. Any person who engages in public services for an International Organization
 - v. Any person who exercises a public function on behalf of a foreign national government, etc. as delegated

5. Prohibited Payment on Applicable Corruption Laws

Applicable Corruption Laws prohibit companies and their employees and representatives from giving, promising, offering, or authorizing payment of anything of value to any government official, etc. in order to obtain or keep business or to secure some other improper advantage. In essence, these laws prohibit the giving of anything of value to influence actions of a government official, etc. Prohibited payments include, but are not limited to, those aim to:

- (1) Induce the recipient to award a contract to Our Group;

- (2) Obtain advantageous tax or customs treatment that would not otherwise be available to Our Group; or
- (3) Circumvent or cause non-enforcement of laws or regulations applicable to the company.

6. Prohibition on Bribery

Applicable Corruption Laws prohibit companies and their employees and representatives from giving, promising, offering, or authorizing payment of anything of value to any government official, etc. in order to obtain or keep business or to secure some other improper advantage. In essence, these laws prohibit the giving of anything of value to influence actions of a government official, etc. Prohibited payments include, but are not limited to, those aim to:

- (1) The benefit is for someone other than the party making the payment.
- (2) The business sought is not with the government organizations.
- (3) The payment does not in fact influence the government official's conduct.
- (4) The government official initially suggested the payment.

7. Prohibition on Commercial Bribery

The UKBA and CUCPA specifically prohibit the offering or acceptance of corrupt payments and other advantages between private (non-government) persons and entities. Such conduct constitutes commercial bribery, such conduct is prohibited by Our Group Code of Business Conduct & Ethics.

8. Facilitating Payments

Facilitating (or expediting) payments (i.e. gratuity) (hereinafter referred to as "Facilitating payment") also are prohibited under this Policy. Facilitating Payments for Facilitation are small payments paid to lower-grade public officers in order to expedite or facilitate non-discretionary actions or services or typical government procedures.

As the examples from overseas, obtaining an ordinary license or business permit, processing government papers such as visas, providing police protection, providing telephone, power, or water service, or loading or unloading of cargo falls under this category.

Especially when you encounter a situation that you believe may require a facilitating payment to government official, etc. in overseas, contact Our Group's Legal Compliance Department for consultation.

9. Prior Approval from Legal Compliance Department

(1) Duty of prior approval

Our Group Code of Business Conduct and Ethics and this Policy require employees to obtain approval from Legal Compliance Department before providing anything of value to a government official, etc.

(2) Exception

There is an exception to this general rule:

Payments are permissible without prior approval when an employee's safety is at issue, as for example when a payment must be made immediately to ensure safe passage out of a particularly dangerous geography. Employees should make whatever payment is necessary to protect their personal safety, and then, as reasonable, report the nature of the incident and related payment to Legal Compliance Department.

(3) Prior Consultation

Anti-bribery matters are not always clear and must often be addressed on a case-by-case basis.

In all situations where there is a question, employees should consult Legal Compliance Department.

10. Limited Exceptions

(1) Gifts, Meals, and Entertainment

It is not always easy to identify whether providing gifts, meals, and entertainment (or other hospitality) would be considered a corrupt act under Applicable Corruption Laws. It may be permissible under such laws to provide modest gifts or a meal or other entertainment to a government official as a social amenity. Generally, gifts, meals, and entertainment are permissible, provided that:

- i. There is no expectation that the gift, meal, or entertainment is given in exchange for any return favor or business advantage from the government organizations;
- ii. The gift, meal, or entertainment is infrequent, reasonable, and proportionate in amount under the circumstances; and
- iii. An approval is obtained from Legal Compliance Department beforehand.

When deciding whether a gift is appropriate, employees must take into account any past or future administrative matters that are within the recipient's realm of influence. The timing and context surrounding such gifting must be weighed in order to assess whether any particular gifting could objectively be perceived to be a bribe.

Before providing any gift, meal, or entertainment to a government official, always seek approval from Legal Compliance Department.

(2) Donations

It is sometimes permissible under Applicable Corruption Laws to make donations directly to government organizations (rather than to an individual government official) as part of a charitable effort or to promote goodwill through such actions as providing products to a government organization-sponsored celebration. Donations made to government organizations are permissible, provided that:

- i. There is no expectation that the donation is given in exchange for any return favor or business advantage from the government organization;
- ii. The donation is not made directly to an individual government official, and there is no indication that the donation will be redirected to an individual official's personal use; and
- iii. The donation is infrequent and reasonable in amount under the circumstances.

Donations to private charities should not be made in the name of a government official, as a donation to an official's favorite charity could be viewed as a bribe.

In addition, Our Group specifies those with approval authority over donations in the

Regulations of Authority and Responsibility stipulated separately from this Policy. All donations made on behalf of Our Group must follow the process specified in the Regulations of Authority and Responsibility. For more information, please refer to the Regulations of Authority and Responsibility.

(3) Political Contribution

Our Group specifies those with approval authority over political contributions in the Regulations of Authority and Responsibility stipulated separately from this Policy. All political contributions made on behalf of Our Group must follow the process specified in the Regulations of Authority and Responsibility. For more information, please refer to the Regulations of Authority and Responsibility.

(4) Hiring or Engaging Government Official

Our Group prohibits hiring of government officials as general rule.

11. Third Parties

(1) Prohibition of Unlawful Payment via Third Parties

Applicable Corruption Laws with which we must comply prohibit corrupt payments made directly by employees of Our Group or indirectly through an agent or other intermediary such as a consultant acting for or on behalf of Our Group (hereinafter referred to as “Third Party”).

It is unlawful to make a payment of anything of value to any person, knowing that all or any portion of the payment will be offered, given, or promised to a government official or any other person for a corrupt purpose. The term “knowing” includes conscious disregard, deliberate ignorance, and willful blindness. In other words, Our Group and individual employees may violate the FCPA if we have “reason to know” or “should have known” that an agent will bribe a government official, etc.

Our Group can be held criminally liable for bribes paid on its behalf by a third party in some country or area even if the company had no knowledge of the bribe.

(2) Careful Selection of Third Parties

Accordingly, the most important step Our Group can take to protect itself from liability for improper payments made by Third Parties is to choose carefully its business partners, including agents and consultants.

(3) Cases that may pose risks

Moreover, these “red flags” warrant further investigation when selecting or working with a Third Party. The following are examples of red flags:

- i. The transaction involves a country known for corrupt payments.
- ii. The third party has a close family, personal or professional relationship to a government official, etc. or relative of an official, etc.
- iii. The third party objects to anti-corruption representations in agreements of Our Group.
- iv. The third party requests unusual contract terms or payment arrangements (e.g., payment in cash, payment in foreign currency, or payment in a third country).
- v. Third party is suggested by a government official, etc (particularly one with discretionary authority over the business at issue).
- vi. The third party’s commission or fee exceeds fair and reasonable compensation for the work to be performed.

In all cases, whether or not any of these red flags are present, consult and seek approval from Legal Compliance Department before entering into any arrangement with a third party who will have a contact with a government official, etc. on behalf of Our Group.

(4) Due Diligence

No relationship should be developed with a third party who will have substantive interaction with government officials, etc. on behalf of Our Group without an inquiry into the third party's background, qualification and reputation.

When selecting a third party who will have substantive interaction with government officials, etc. on Our Group's behalf, necessary information to thoroughly assess the background and

reputation of the third party shall be obtained and confirm that:

- i. The third party is not a government official or a company in which a government official has an interest, and
- ii. The third party will become familiar with Our Group Code of Business Conduct & Ethics as well as Anti-Bribery Policy and certify that it will not engage in any improper practices that could expose Our Group to liability or are otherwise inconsistent with Our Group's business practices.

(5) Conclusion of Contract

All third party relationships that may involve contact with government officials, etc. must be identified in written contract including articles concerning compliance with all Applicable corruption Laws. When entering into a relation with a third party with interaction with government officials, etc., a written contract must be concluded including articles concerning compliance with Applicable corruption Laws. When creating a contract, please consult with Legal HQ.

Once an agent or consultant has been retained by Our Group, the individual's activities and expenses must be monitored to ensure compliance with the Applicable Corruption Laws and Company Policy.

12. Recordkeeping

To keep record accurately and properly, all employees of Our Group must:

- (1) Follow Our Group Code of Business Conduct & Ethics, Group procedures, and Generally Accepted Accounting Principles;
- (2) Accurately record all transactions, even when the transaction might violate Applicable Corruption Laws;
- (3) Never agree to request for false invoices or for payment of expenses that are unusual, excessive, inadequately described, or otherwise raise questions under regulations, laws, and rules; and
- (4) Never make any payments to anonymous (i.e., "numbered") accounts that are in the name of neither the payee nor an entity known to be controlled by the payee.

13. Auditing

Audit Section will conduct periodic audit of relevant operating units of Our Group to ensure continued compliance to all Applicable Corruption Laws and this Policy.

14. Ethics & Compliance Reporting Hotline

Any observation of conducts that violate this Policy, please report it to Legal Compliance Department or call or send an e-mail to Ethics & Compliance Reporting Hotline. Suspected violations will be reviewed and investigated as appropriate and may lead to disciplinary action.

Any retaliation for good faith reports will be violation of the Code of Business Conduct & Ethics.

Our Group prohibits any employees from taking measures that cause negative influence on the employment of the employee based on the fact that he/she made a good faith reports for his/her concern or cooperated with the investigation.

15. Supplementary Provisions

The policy is enacted and enforced effective April 1, 2017.

The policy is revised and enforced effective January 1, 2018.