

Our Athletes Lead the Way

The CCBJI Group has a number of employees who balance work and sporting commitments to compete at the highest levels of their sports. We have asked four of our athletes to share their thoughts on work and sports.



Rugby sevens

Shotaro Tsuoka

CCBJI HR Division, assigned to CCBJV (East Fukuoka)



Mastering the basics

Rugby has taught me the importance of mastering the basics through repeated practice. I am proving my strengths as a leading rugby sevens player in Japan in order to make the most of the once-in-a-lifetime opportunity of competing at the Tokyo 2020 Olympic Games.

When I am working, I focus just as much on mastering the basics as I do when playing rugby. For example, by focusing on being aware of my surroundings, I can drive more safely. In my daily work with vending machines, I take special care with product management to ensure that I will not cause any inconvenience in the process of delivering happy moments to our customers.



■ Sporting career highlights:

2019 30th Summer Universiade in Napoli, gold medal	
2019 Competed in the Oceania Rugby Sevens Championship	
Competed at the following rounds of HSBC World Rugby Sevens Series	Dubai Sevens (Round 1)
2019-2020:	South Africa Sevens (Round 2)
	Australia Sevens (Round 4)
	Canada Sevens (Round 6)

Field hockey

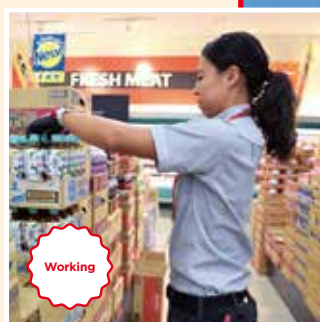
Yu Asai

Central Hiroshima Sales Center, Chugoku Retail Sales Department

Setting goals and striving to achieve them

My goal is to win a gold medal at the Tokyo 2020 Olympic Games, and I also want to grow as a person as I balance my work and my preparations for the Olympics.

In my job as a merchandiser, I focus on maintaining ample communication with retailers in order to build relationships based on trust. In addition, some of the skills I use for work are similar to the ones I use in hockey practice, such as clarifying what needs to be done, setting daily goals, and working to achieve them.



■ Sporting career highlights:

2018	International Hockey Federation (FIH) Hockey World Cup (United Kingdom), 13th place
2018	FIH Hockey Champions Trophy (China), 6th place
2019	FIH Series Final, 2nd place
2019	Tokyo 2020 Olympic Games hockey test event, 2nd place



Para-equestrian

Mina Chinju

CCBJB
Business Support Department



Communication is always key

The key to success as an equestrian athlete is how well you can communicate with your horse. When riding, I am constantly thinking about how I can best get my horse to move with ease through a process of trial and error. Japan has four equestrian spots available for the Tokyo 2020 Paralympic Games. Above all, I want to secure my place on the team, and then be a rider who can help my teammates by passing on my experience from Athens.

Leading up to the Tokyo 2020 Paralympic Games, I decided on a change in environment, switching jobs a year and a half ago. I am always thankful for my supportive, warm, and understanding colleagues and a work environment that enables me to balance my work and sporting commitments.



■ Sporting career highlights:

2004	Competed in the Athens 2004 Paralympics
2014	Competed in the 2014 FEI World Equestrian Games in Normandy, France
2019	Grade 1 champion at the CPEDI3★ Gotemba 2019 Spring/JRAD Equestrian Event Part 1

Goalball

Maki Tsujimura

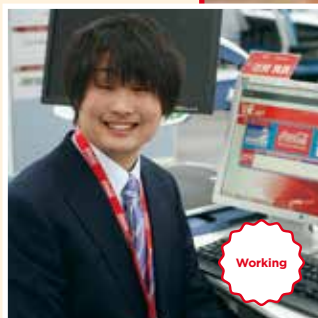
CCBJB
Business Support Department



Being aware and careful in every situation

In the workplace, each person has their own roles and responsibilities, and we achieve results through cooperation. The same is true in goalball. Particularly, I focus on greetings, communication, and being thoughtful and considerate of others.

Upon joining the CCBJH Group, the major change from my student years was my desire to give back to my colleagues through my sporting achievements. I have come to believe that my mission is to show my appreciation to those who always support me by achieving good results in goalball. I will continue trying to achieve those good results while balancing my work and sporting commitments.



■ Sporting career highlights:

2013	IBSA World Youth Championships, gold medal
2019	Hangzhou International Goalball Tournament, silver medal
2019	Japan Goalball Para Championships, champion and MVP

Platform

Inclusion



What we are doing

- ▶ Setting an inspiring example of an inclusive work place culture
- ▶ Nurturing the talents of our diverse workforce - and engaging with the needs of our communities



Diversity and inclusion initiatives

We respect the individuality of each of the CCBJH Group's employees, value continuous innovation by actively listening to diverse values and ideas, and actively work to promote diversity and inclusion. The Group is seeking to implement a more diverse management, and since last year, we have put in place a management structure that includes more international and female directors, allowing issues to be examined from more perspectives before decisions are made.

We will continue to provide opportunities for all employees so they can leverage their full potential, regardless of individual attributes and unaffected by factors that could restrict their ability to work.

● "Dear Café" roundtable discussions with female directors

These roundtables offer a space in which female directors can explain the expectations for female managers in a meaningful way, and provide specific advice on any problems that participants may encounter on a regular basis.

● Six-month "To Be" women leaders training courses

We are holding six-month leader training courses while working to enhance the career pipeline for women.

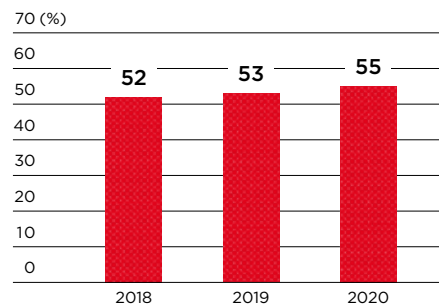


A "Dear Café" roundtable discussion with a female director



"To Be" female leader training course participants

Percentage of new female employees (new graduates) (CCBJI non-consolidated)



By increasing the percentage of female employees when hiring, we are aiming for a total female employee ratio of 15% by 2025 (target percentage of women managers 6%).



Main resource initiatives

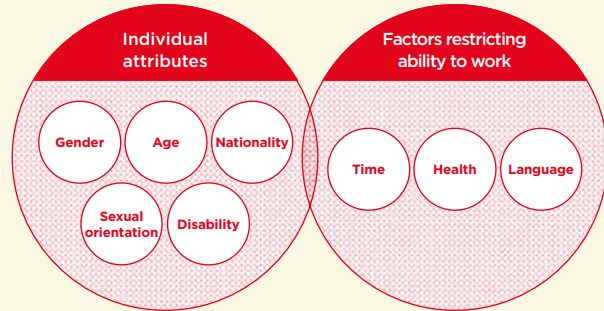
<https://en.ccbji.co.jp/csv/>



Medium- to Long-term Vision for Diversity and Inclusion

By respecting the diversity of our workforce, we will provide opportunities to enable all employees to leverage their full potential, regardless of gender, age, disability, nationality, sexual orientation and other attributes, and unaffected by factors that could restrict their ability to work.

Providing opportunities for all employees to leverage their full potential, regardless of individual attributes and unaffected by factors that could restrict their ability to work.



Strong steps to expand opportunities for people with disabilities: opening ceremony for a special provision subsidiary

Having established a policy on diversity and inclusion, the CCBJH Group is providing opportunities for all employees to leverage their full potential by respecting the diversity of each and every member of its workforce regardless of his or her attributes, such as gender, age, disability, nationality, and sexual orientation. We are working to promote diversity with the aim of allowing all employees to be accepting of various opinions and values, while continuing to spur on innovation.

One of the CCBJI Group companies, Coca-Cola Bottlers Japan Benefit (CCBJB) Inc., received certification as a special provision subsidiary, a company that secures employment opportunities for people with disabilities. A ceremony to mark the opening of the new business was held on November 20, 2019.

Established to promote and provide stable employment for people with disabilities, the term special provision subsidiary refers to a company that has in place a supportive environment for people with disabilities and aims to enable them to work regardless of the level of disability.



Special provision subsidiary opening ceremony

With its certification as a special provision subsidiary, CCBJB is even more committed to expanding opportunities for people with disabilities and to the creation of proactive employment for them.

Corporate revitalization and communication: Friends & Family Fest 2019

To express gratitude to the families and other important people in the lives of our employees, and to deepen their understanding of CCBJI and help them gain a real sense of its appeal, we held Friends & Family Fest 2019 primarily at our Akasaka office on August 20, 2019. During the event, 107 family groups (328 people total) spent time experiencing the “Coca-Cola Bottlers Japan Family.” We organized a fun program of events, including English language activities for kids, special drink-making and button badge-making, sports experiences led by Coca-Cola Red Sparks rugby players and athlete employees, and tours of office spaces that those attending would not normally visit.

Going forward, we will continue to make CCBJI a company in which every employee will take pride, and where anyone would want to work.



Friends & Family Fest hands-on button badge-making



Bringing Energy to Our Communities

The CCBJH Group manages two corporate sports teams, the Coca-Cola Red Sparks men's rugby team and the Coca-Cola Red Sparks women's field hockey team. Both teams not only deliver game-day thrills to a large number of local fans but also proactively participate in local events as part of building vibrant communities and a society in which everyone can live healthy and active lives.

The Coca-Cola Red Sparks team is a member of the Japan Rugby Top Challenge League, and based in the city of Fukuoka. At the 2019 Rugby World Cup tournament, held in the fall of 2019, team member William Tupou (right) played an active part representing Japan and contributed to the national team reaching the Best Eight quarterfinals. Team referee Akihisa Aso (below) also gave his support to the tournament as an assistant referee, and was a part of an exciting experience for not only our communities but also all of Japan.



Alongside all our communities

Coca-Cola Red Sparks rugby team



The rugby team engages in a variety of activities to deliver happy moments to everyone in our communities. On November 23, 2019, the Coca-Cola Red Sparks Rugby Fest 2019 was held at Sawayaka Sports Plaza (Fukuoka City). Recording an all-time high attendance figure at the field, the team was able to interact with many of its fans. In January 2020, we sold Red Sparks surprise grab bags at game venues and donated the entire proceeds to the city of Takeo in Saga Prefecture to contribute to the disaster relief fund that had been set up following the torrential rainfall in August 2019.



Principal
community
activities in
2019

- Held rugby clinics 12 times
Total of approximately 1,930 participants
- Held rugby classes 23 times
Approximately 2,500 participants
- Participated in Fukuoka City Love Earth Cleanup 2019
- Held 90 other events (talk shows and hands-on experiences, etc.)

Coca-Cola Red Sparks field hockey team



Field hockey classes are held in various places in cooperation with communities to foster the development of youth and promote sports. Held in collaboration with the NPO Tops Hiroshima, the “Do Sports Field Hockey Class” held at elementary schools in Hiroshima Prefecture has received very positive response. Members of the team also act as lecturers for Human Rights and Field Hockey Classes, which are sponsored by the Hiroshima Legal Affairs Bureau and the Hiroshima Prefecture Network Association of Human Rights Awareness-raising Activities. These classes support human rights awareness for children by conveying the spirit of fair play through practical instruction and stories of first-hand experience.



Principal
community
activities in
2019

- Held hockey clinics/classes 16 times
Total of 938 participants
- Participated in Hiroshima Flower Festival
- Participated in Hiroshima Zero Litter & Clean Walk Campaign
- Participated in 39th Hiroshima International Peace Marathon

Platform

Communities



What we are doing

- ▶ Continuing our legacy of partnering with communities where we live and work to support needs and ambitions
- ▶ Harnessing the potential of communities and driving action on our core platforms

Water resource conservation activities

We hold environmental education programs in various locations to raise awareness of the importance of conserving water and preserving nature. We are also actively working to revitalize water resources to enhance their ability to replenish themselves—through activities tailored to each area such as tree planting, thinning forest undergrowth, flooding rice fields, and regenerating grasslands—in order to return to nature a volume of water equivalent to what we use in manufacturing our beverages.

In 2019, we conducted water resource conservation activities in 12 of our plants' water source areas—with a total of 421 participants from among the community, employees, and their families. One such event, a Coca-Cola "Learn from the Forest" project in Ebino, was held in April 2019, and attended by 81 volunteers. These volunteers help cut back bamboo thickets, plant mushrooms, and tried woodworking, all while learning about the indispensable nature of water resources.



Coca-Cola "Learn from the Forest" project in Ebino, Miyazaki Prefecture

Initiatives for youth helping to solve social issues

We are working to solve regional social issues collaboratively with local governments, academic, and civic organizations. We have undertaken numerous initiatives so far, including youth-led workshops, presentations, and awards recognizing and highlighting initiatives that tackle issues in the prefectures of Miyagi, Fukushima, Tochigi, and Mie.

In 2019, CCBJI held the Sendai Youth Award ceremony, in partnership with Sendai City and a local NPO, Wakatsuku, to energize and further encourage youth initiatives tackling regional issues. We want to



Main resource initiatives

<https://en.ccbji.co.jp/csv/>



continue to be the chosen partner of everyone in our communities and will promote community-building initiatives to help make them even better places to live.



Sendai Youth Award ceremony in Miyagi Prefecture



"Mie Mirai" workshop with community members

Plant tours

Plant tours are a method of direct communication with stakeholders, especially consumers and business partners. We offer tours of the Zao Plant (Miyagi Prefecture), Tama Plant (Tokyo), Tokai Plant (Aichi Prefecture), Kyoto Plant (Kyoto Prefecture), and Ebino Plant (Miyazaki Prefecture). Around 170,000 visitors toured these plants in 2019.

Visitors can step into our tour area full of classic Coca-Cola memorabilia and see the bottling plant's actual production facilities, while we explain in an easy-to-understand manner about our rigorous quality management standards and our environmental and community initiatives.

We also hold special events such as summer school—family-oriented learning experiences—at our plants during summer break, as well as tours specifically for business partners. At our Kyoto plant in 2019, we collaborated with students from the Kyoto University of Foreign Studies to showcase environmental initiatives around the world through fun cultural experiences while becoming familiar with English.

We are using our plant tours to communicate The Coca-Cola Company's production processes, rigorous

health and safety initiatives, and environmental initiatives so that consumers can feel confident in choosing The Coca-Cola Company's products.

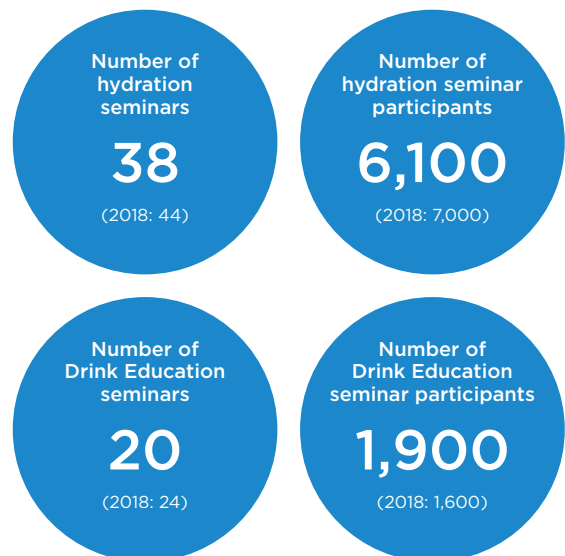


Summer school plant tour

Hydration and Drink Education seminars

We hold hydration seminars to raise awareness and help prevent heatstroke, which has been on the increase in recent years. In 2019, we held hydration seminars around Japan for about 6,100 participants, including from business partners and schools.

We have also been holding Drink Education seminars since 2018 to help participants choose the products most suited to their lifestyles and physical conditions. These seminars cover useful daily information, including about different beverage categories and how to read package labels. Participants commented that they had gained a greater awareness of hydration and the need to hydrate frequently, that they learned how to select beverages suited to their circumstances, and that they had fun learning in the workshop. We will continue holding informative seminars in order to help people make healthy lifestyle choices.



Donating products through food banks

Food banks are organizations where stocks of food, typically basic provisions and non-perishable items, are supplied free of charge to people in need. The Food Loss Reduction Promotion Act was enacted last year in Japan, and the activities of food banks are attracting more attention. Donating products via food banks not only supports those in need but helps reduce wasted resources and food.

Since 2016, we have partnered with and provided products to food banks such as Second Harvest Japan (member of the Alliance of Japan Foodbanks) and the Food Bank All Japan Association. In 2019, we provided beverages to 22 food banks around Japan that have made the most of these products and distributed them to facilities that provide meals for children with busy or absent parents and social welfare facilities. We will continue such initiatives in collaboration with various stakeholders to fulfill our responsibility as a beverage company.

Emergency agreements and supporting communities impacted by disasters

We are helping prepare for large-scale disasters by entering agreements with local governments and

organizations within our distribution area to provide emergency supplies during a disaster. These agreements are to ensure that people impacted by an emergency can rapidly access drinking water so we will prioritize water supply to emergency shelters and provide residents with beverages free of charge from vending machines. As of the end of 2019, we had agreements with 586 local governments and organizations.

In 2019, we responded to requests from the government to provide beverages to residents of Chiba and Fukushima prefectures affected by typhoons Faxai and Hagibis. These efforts were commended in a letter of appreciation from the Ministry of Agriculture, Forestry and Fisheries.



(Right) Akihiro Higashino, Food Manufacturing Division, Food Industry Affairs Bureau, Ministry of Agriculture, Forest and Fisheries (Left) Raymond Shelton, Head of IR & Corporate Communications, Coca-Cola Bottlers Japan, Inc.



CCBJI New Hiroshima Plant:

Recovering from torrential rains in western Japan

Torrential rains struck western Japan in July 2018, and 2.5 meters of floodwater inundated the three production lines at the Hongo Plant (Mihara, Hiroshima Prefecture), halting operations due to serious damage to the production lines and automated warehouse.

Through rapid restoration work, we were able to promptly restore logistical function to the area impacted, and we made the quick decision to shift our production facilities to a new location 4 kilometers from the existing site. The new Hiroshima Plant will have two aseptic lines, for which there is growing demand, and it started initial production in order to supply product mainly to the Chugoku and Shikoku areas in June 2020. More importantly, the investment in this world-class facility demonstrates our commitment to investing for the future, together with this important region of Japan.



Hongo Plant after the flooding



New Hiroshima Plant

Our response to COVID-19

During this outbreak of COVID-19, the safety and health of our employees, our customers and our communities is our number one priority. Our mission is to deliver happy, refreshing moments to everyone, even in challenging times, and we have been working with comprehensive business continuity actions in place to ensure safe and secure product supply as essential goods and services. We are supporting various local communities through our products, and we continue these actions.



- Hygiene guidance in line with Japan government advice reinforced across the organization
- Clear advice and information sharing to support employees experiencing potential symptoms or concerned about exposure to the virus
- Proactive large-scale work-from-home routines for all roles that can be done remotely
- Restrictions on international travel
- Support for employees who need child-care assistance during school closures
- Cancellation of large-scale face-to-face meetings
- Suspension of production plant tours and tight restrictions on visitors to our sites
- Strengthened business continuity planning and scenario analysis for every CCBJH location

Donation of beverages to designated medical institutions for infectious diseases and others through Japan Medical Association

To back up the medical personnel who are engaged in the response to the COVID-19 outbreak, Japan Coca-Cola System, which includes Coca-Cola Bottlers Japan has started the “Refresh Japan” program to donate about 1.3 million bottles of beverages to medical institutions and frontline medical professionals. Deliveries from each CCBJI sales center to the designated medical institutions for infectious diseases have started from mid-May through the Japan Medical Association.



Q'SAI's healthcare and skincare business



Our healthcare and skincare business is centered on our wholly-owned subsidiary, Q'SAI CO., LTD. To propel future growth—and to change its image from that of a kale juice company to one that enables and supports the flexible lifestyles of its customers—Q'SAI introduced a new logo and corporate slogan in October 2019. In conjunction with this, Q'SAI launched a new skincare brand, *Skinkalede*, renewed the packaging and names of its mainstay products, and changed the design of its corporate and retail websites to enable it deliver more consumer value. No matter how our operating environment changes, we will continue creating new value, so our customers feel great in both body and mind.



Toward Achieving a World Without Waste

In 2018, The Coca-Cola Company, out of desire to reduce its impact on the environment, announced a global goal of realizing a World Without Waste. In response, the Coca-Cola system in Japan launched its 2030 Packaging Vision soon after, with a plan based on forty years of experience gained through efforts to reduce resource use by making lighter bottles and initiatives such as bottle recovery and recycling. In July 2019, the Coca-Cola system in Japan renewed its 2030 vision by setting its own ambitious environmental targets that exceed those of the global initiative, including shortening the timeline to achieve certain targets at an earlier date.

Three core elements of the 2030 Packaging Vision

The 2030 Packaging Vision is made up of three core elements—design, collect, and partner. It is founded on the understanding that a World Without Waste can only be achieved by taking a holistic approach to a product’s life cycle and by partnering with local communities.



We are promoting bottle-to-bottle recycling by improving the design and material of our bottles to make them more sustainable



We plan to collect and recycle the volume of packaging equivalent to that of products sold

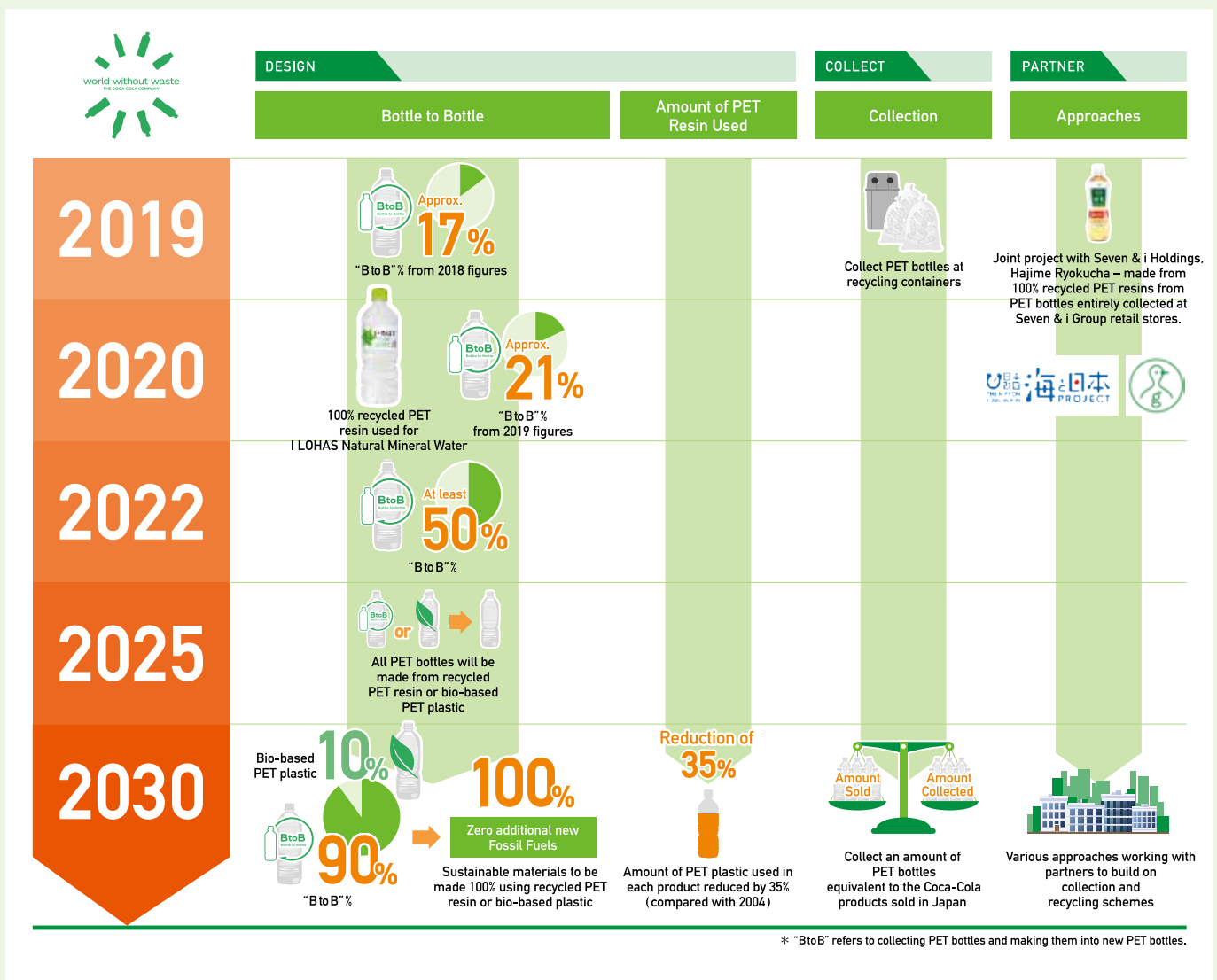
We are building and maintaining stronger collection and recycling schemes through partnerships with the national and local government, the beverage industry, and our communities

Roadmap to 2030

We have set the following concrete targets for our core initiatives of design, collect, and partner. For our Design initiative, our first target is to use at least 50% recycled PET plastic in our bottles by 2022 (results for 2019 were about 21%) under our bottle-to-bottle initiative that gives new life to used PET bottles. We will increase our bottle-to-bottle recycling rate to 90% by 2030. Second, we will shift to using only recyclable material for all PET bottles, glass bottles, and cans for products sold in Japan by 2025. Third, we will switch to using only 100% sustainable materials in our PET bottles and eliminate the use of additional fossil fuels by 2030. Fourth, we will reduce the amount of PET plastic used in each bottle by 35% by 2030 (compared to 2004).

Under our Collect initiative, our aim by 2030 is to be able to recover a volume of PET bottles equivalent to that of the products we sell in Japan. We will actively raise awareness of correct recycling, such as the fact that removing the label and cap from a bottle changes it from waste to resource. We are also committed to keeping our communities looking beautiful through cleanup campaigns.

For our Partner initiative, we are collaborating with the national and local government, the beverage industry, and our communities to further increase our already very high recovery and recycling rates for PET bottles and aluminum cans in Japan, and to build and maintain more robust recovery and recycling schemes.



Recent CCBJH Group initiatives

Design

Bottle-to-bottle recycling results in 100% recycled plastic bottle

The Coca-Cola system is promoting the bottle-to-bottle initiative to give new life to used PET bottles through recovery and recycling. In March 2020, we launched a new bottle made from 100% recycled plastic for I LOHAS Natural Mineral Water. We were able to increase the proportion of recycled PET plastic in the bottle from 30% to 100% as a result of technological innovation that increased the transparency of recycled bottles and collaboration with a partner company. The development of this next-generation PET bottle is a major step toward ensuring the reuse of packaging.

Label-free I LOHAS Natural Mineral Water

We launched a label-free bottle for I LOHAS Natural Mineral Water in Japan that went on sale online starting in April 2020.



Environmental impact of the 100% recycled plastic I LOHAS Natural Mineral Water bottle

01

Bottle-to-bottle recycling gives new life to once wasted PET bottles

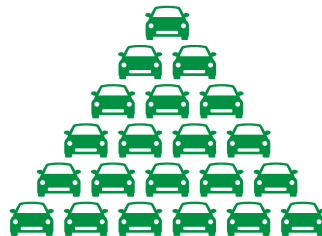
We maximize the use of resources by recycling used PET bottles to make new bottles



02

Reduces annual use of fossil fuel-derived plastic by an amount equivalent in weight to about 4,000 cars*1

Significantly reduces our use of plastics made from fossil fuels*2 and reduces our environmental impact

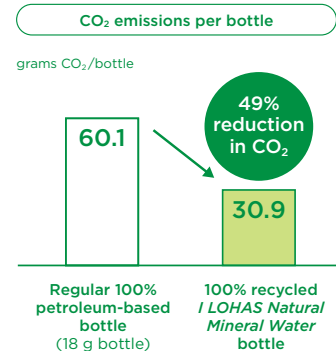


Reduces use of plastic by an amount equivalent to about 4,000 vehicles annually

03

Reduces CO₂ emissions by 49% per bottle

Carbon dioxide emission due to making a bottle is reduced by 49% (compared to a regular bottle*3), helping decrease our environmental impact



*1 Calculated using a compact vehicle (approximately 1 ton) *2 Compared to the former 555 ml I LOHAS Natural Mineral Water bottles *3 PET bottle made from 100% petroleum-based plastic



Cooperating with communities in cleanup campaigns

Many of our employees actively participate in cleanup campaigns around our offices and bottling plants as part of our efforts to further improve packaging collection and recycling rates. On November 18, 2019, we held simultaneous cleanups around Japan at nine locations including Tsurigasaki Beach in Chiba and Shibuya, Tokyo. In total, about 750 employees—including members of Coca-Cola Japan and CCBJI's senior management—participated in the cleanup alongside community members.



Beverage industry initiatives

We have endorsed the Japan Soft Drink Association's declaration on the recycling of plastic in the beverage industry, which was announced in November 2018 with the goal of achieving the 100% effective utilization of PET bottles by fiscal 2030, and we are cooperating in initiatives with our industry peers. Since May 2019, as part of an initiative to encourage recycling and prevent littering, we have distributed more than 200,000 stickers with an industry-wide design that reminds people to not put anything in recycling bins other than empty bottles. These stickers have been placed on recycling bins next to vending machines, mostly in Japan's busiest downtown areas in the Tokyo metropolitan area, and Tokai and Kinki regions.



Joint research with the Nippon Foundation on how trash ends up in rivers

It is estimated that in Japan approximately 98%* or more of all PET bottles are collected, but 2% are not being recovered and have a chance of ending up in rivers or the ocean. To find out the reasons for this 2% loss in recovery, the Coca-Cola system in Japan began a joint research project with the Nippon Foundation. The findings of this research have not only helped inform Japan's beverage industry, but are proving useful in policymaking and initiatives for more effective collection and for preventing bottles from ending up in rivers, the ocean, and elsewhere.

*Source: Coca-Cola Japan research based on findings of waste surveys by local governments in Japan



Online learning to raise employee awareness

We know the efforts of our employees are crucial to achieving our 2030 Packaging Vision. We are conducting e-learning courses for CCBJI Group employees to aid their understanding of social issues associated with packaging, such as marine plastic pollution and resource recovery. As a company that deals directly with PET bottles, we recognize the importance of each of our employees having a high awareness of environmental issues.



Platform

Resources



What we are doing

- ▶ Driving continuous improvement in the sustainable use of resources
- ▶ Supporting the environmental conservation of our country



Working to mitigate climate change

We believe that sustainable growth requires balancing the reduction of environmental impact with business growth. We aim to contribute to the mitigation of climate change by reducing greenhouse gas emissions across our entire business, including in the procurement of materials, production, logistics/transportation, and sales.

Disclosure of greenhouse gas emissions

We recognize the mitigation of climate change as a crucial issue to consider throughout the course of our business activities. As such, we transparently disclose corporate greenhouse gas emissions, of which CO₂ is a primary example, and share information with our many stakeholders about the overall state of greenhouse gas emissions, the progress of countermeasures, and other topics so that this can lead to further emissions reductions.

Production initiatives

At our plants, we are actively adopting new processes and the latest technology for improving energy efficiency. In 2019, one element of this was to introduce the newest, high-productivity, energy-efficient PET bottle production lines in our Kyoto and Kumamoto plants. We will continue striving to reduce our energy use by installing the latest, most efficient production lines and facilities in our plants.



Main resource initiatives

<https://en.ccbji.co.jp/csv/>



Logistics and transportation initiatives

Our logistics divisions are furthering the efficiency of transportation—such as between plants, warehouses, and sales centers—through ongoing modal shift initiatives, use of larger vehicles, and improving cargo load ratios. In addition, we are reducing greenhouse gas emissions throughout the Group by improving the efficiency of delivery routes to our business partners, rethinking our sales structure to reduce vehicles, and reducing fuel use by switching to smaller vehicles.

Sales initiatives

To reduce the energy consumption and CO₂ emissions of our vending machines, (including coolers, and drink dispensers), we continuously work toward the development and introduction of new equipment. Our “peak shift” vending machines, which we have been deploying since 2013, shift electricity consumption used for cooling to nighttime, which can reduce power consumption during peak daytime hours by a maximum of 95%. The energy-saving specifications of these machines allow them to provide cold products 24 hours a day, even if the power for cooling is completely stopped for as long as 16 hours. We are also progressing with our plan to eliminate the use of chlorofluorocarbon (CFC) refrigerants in our vending machines.

CFC-free vending machine ratio
Approx.
77%
(-1% year on year)

Number of CFC-free vending machines, including peak shift vending machines
Approx.
541,000



Recycling waste materials

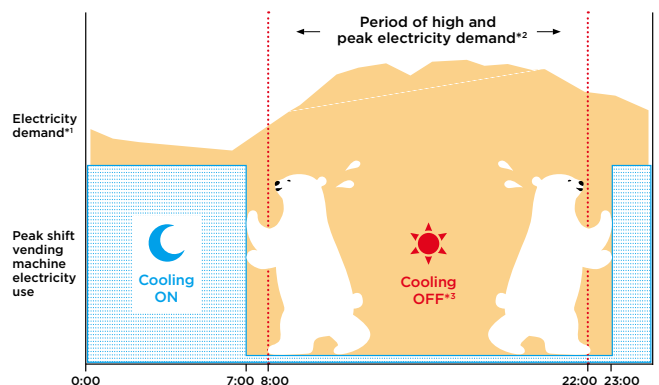
At CCBJI's plants, we sort and recycle waste materials generated by production to continuously achieve zero waste emissions (a waste material recycling rate of over 99% at all 17 plants). Coffee grounds and tea leaves constitute the bulk of our generated waste materials, and we reuse 100% of those materials as fertilizer, animal feed, or fuel.

The used tea leaves that result from the production of *Sokenbicha* at the Zao Plant are combined with byproducts, such as leftover whey from the manufacturing of cheese at the Zao Dairy Center, and used as “eco-feed”* for Zao Sosei beef cattle. Working with the local government and members of academia, the Tokai Plant is also pursuing research into a way to efficiently reuse coffee grounds and tea leaves.

*Food scraps that become feedstuff for animals. The Japanese Ministry of Agriculture, Forestry and Fisheries is actively promoting eco-feed to increase the self-sufficiency rate for feedstuff.



Peak shift vending machines: cooling beverages at night to avoid electricity use at peak times



*1 Power company power consumption rates on days with the highest demand in summer 2012. Source: Compiled from published data of power companies.

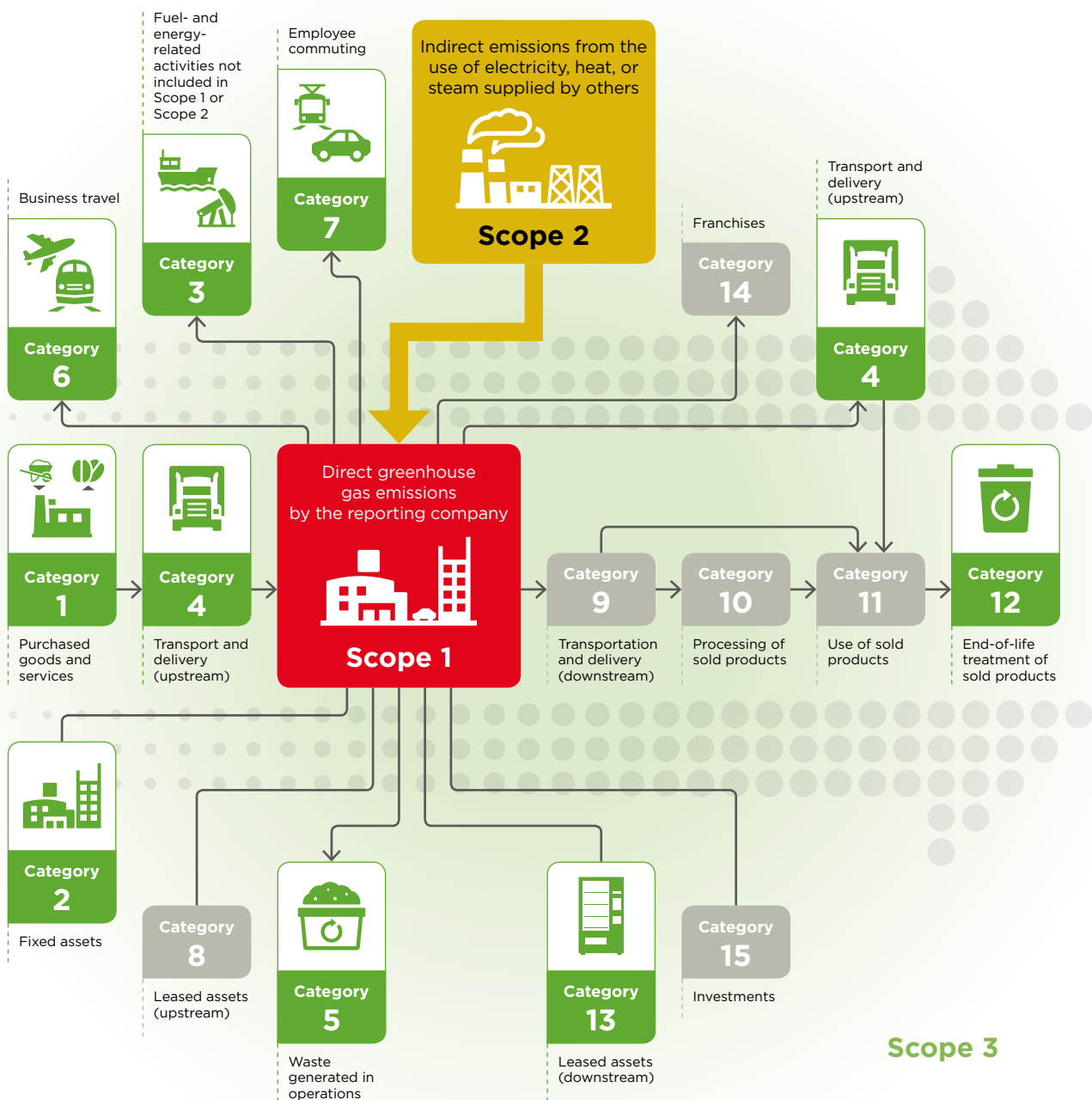
*2 This refers to “time periods for eliminating fluctuations in electricity demand” designated in the revised Act on the Rational Use of Energy, which went into effect in April 2014.

*3 Standby power consumption required for the sale of products occurs even if the cooling system is shut off during the day. Depending on location, peak shift vending machines may be set so that the cooling system is shut off at night and cooling takes place during the day. The cooling system may also operate during the day after products are restocked.

CCBJH Group's CO₂ Emissions Results and Accounting Methods

We consider the mitigation of climate change a crucial issue to address throughout the course of our business activities. As such, we transparently disclose corporate greenhouse gas emissions, of which CO₂ is a primary example, and share information with our many stakeholders about the overall state of greenhouse gas emissions, potential countermeasures, and other topics in the hope that this will lead to further emissions reduction.

CCBJH Group's scope 1, 2, 3 emissions by source



Source: "Supply-chain emissions in Japan," Ministry of the Environment, 2015
www.env.go.jp/earth/ondanka/supply_chain/gvc/en/files/supply_chain_en.pdf



2019 CO₂ emissions and accounting methods

★ : Covered by third-party assurance

Scope		Emissions (t-CO ₂)			Accounting method	
		CCBJI Group	Q'SAI Group	CCBJH Group (total)	Activity data	Emissions factor
Scope 1	Direct greenhouse gas emissions by the reporting company	190,495	1,057	191,551 ★	Amount of fuel used in offices, sales centers, plants, distribution, etc.	The Coca-Cola system in Japan uses emissions factors calculated based on the Greenhouse Gas Emissions Accounting and Reporting Manual Version 1.2 (Ministry of Environment and Ministry of Economy, Trade and Industry; February 2007)
Scope 2	Indirect emissions from the use of electricity, heat, or steam supplied by others	155,008	2,011	157,019 ★	Amount of electricity used in offices, sales centers, plants, etc.	Electricity's emissions factor is 0.421 kg-CO ₂ /kWh, which is the emissions factor of the average of all electricity sources in fiscal year 2004, as published by the Federation of Electric Power Companies (2005)
Scope		Emissions (t-CO ₂)			Accounting method	
Category		CCBJI Group	Q'SAI Group	CCBJH Group (total)	Activity data	Emissions factor
Scope 3	1 Purchased goods and services	1,058,706	10,145	1,068,852	Procured raw materials (based on weight)	The Coca-Cola Company's emissions factors
	2 Fixed assets	30,738	284	31,022	Fiscal year increase in amount of fixed assets (net price)	Emissions factor according to price of fixed assets from the Ministry of the Environment's emissions factor database (Ver. 2.4) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	3 Fuel- and energy related activities not included in Scope 1 or Scope 2	45,991	64	46,055	Amount of fuel, electricity, heat used	Emissions factor for fuel procurement from the Ministry of the Environment's emissions factor database (Ver. 2.4) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	4 Transport and delivery (upstream)	112,905	1,480	114,385 ★	Amount of fuel used for outsourced transportation	The Coca-Cola system in Japan uses emissions factors calculated based on the Greenhouse Gas Emissions Accounting and Reporting Manual Version 1.2 (Ministry of Environment and Ministry of Economy, Trade and Industry; February 2007)
	5 Waste generated in operations	21,363	168	21,531	Waste by weight or disposal fee	Emissions factors for waste by type and treatment method from the Ministry of the Environment's emissions factor database (Ver. 2.4) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	6 Business travel	4,364	266	4,630	Employee transportation expenses paid	Emissions factors for transportation expenses from the Ministry of the Environment's emissions factor database (Ver. 2.4) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	7 Employee commuting	4,162	141	4,304	Employee commuter expenses paid	Emissions factors for transportation expenses from the Ministry of the Environment's emissions factor database (Ver. 2.4) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	8 Leased assets (upstream)	N/A	N/A	N/A	N/A	N/A
	9 Transportation and delivery (downstream)	N/A	N/A	N/A	N/A	N/A
	10 Processing of sold products	N/A	N/A	N/A	N/A	N/A
	11 Use of sold products	N/A	N/A	N/A	N/A	N/A
	12 End-of-life treatment of sold products	31,533	282	31,815	Reported amount by weight of containers and packaging recycled, according to the Recycling of Containers and Packaging Act	Emissions factors for waste by type and treatment method from the Ministry of the Environment's emissions factor database (Ver. 2.4) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	13 Leased assets (downstream)	331,962	0	331,962 ★	Amount of electricity used by the company's sales equipment (vending machines)	Emissions from electricity use is calculated by multiplying the annual electricity use of one vending machine by the number of vending machines in operation in the applicable fiscal year. The emissions factor for electricity is 0.421 kg-CO ₂ /kWh.
	14 Franchises	N/A	N/A	N/A	N/A	N/A
	15 Investments	N/A	N/A	N/A	N/A	N/A
Scope 3 total amount		1,641,724	12,831	1,654,555		

Primary environmental data

★ : Covered by third-party assurance

Category		CCBJ Group	Q'SAI Group	CCBJH Group (total)	Unit	
Raw materials	Sweeteners, coffee beans, tea leaves, milk, etc.	407	3	410	thousand t	
Packaging	PET bottles, cans, cardboard, etc.	310	1	311	thousand t	
Water used for manufacturing		13,316	65	13,381	thousand m ³	
Water consumption ratio	Water used per 1L of product	3.26	—	3.26	L/L	
Energy consumption ratio	Energy used per 1L of product*1	0.87	—	0.87	MJ/L	
Energy use	Manufacturing	Electricity	313,122	3,421	316,543	thousand kWh
		City gas	47,716	0	47,716	thousand m ³
		LNG	10,350	0	10,350	t
		LPG	103	0	103	t
		Fuel oil	1,180	216	1,396	kL
		Kerosene	0	142	142	kL
	Logistics	Gasoline	7,950	495	8,445	kL
		Diesel	57,501	140	57,641	kL
		Natural gas	0.056	0	0.056	thousand m ³
		LPG	824	0	824	t
	Offices*2	Electricity	55,069	1,356	56,425	thousand kWh
		City gas	102	0	102	thousand m ³
		LPG	110	1	111	t
		Gasoline	0	0	0	kL
		Diesel	0.02	0	0.02	kL
		Kerosene	17	0	17	kL
		Fuel oil	0.01	0	0.01	kL
	Sales	Electricity (vending machines)	788,508	0	788,508	thousand kWh
	Total energy use	Manufacturing	5,654,481	47,305	5,701,787★	GJ
Logistics		2,522,728	22,462	2,545,190★	GJ	
Offices*2		551,670	13,394	565,064★	GJ	
Sales		7,751,033	—	7,751,033★	GJ	
Greenhouse gas (CO ₂) emissions	Manufacturing	263	2	265★	thousand t-CO ₂	
	Logistics	172	2	174★	thousand t-CO ₂	
	Offices*2	24	1	24★	thousand t-CO ₂	
	Sales	332	0	332★	thousand t-CO ₂	
Manufacturing waste	Total amount	108,299	141	108,440	t	
	Recycled amount	108,094	2	108,095	t	
Retrieval and recycling	Steel cans	8,368	0.26	8,368	t	
	Aluminum cans	18,617		18,617	t	
	Glass bottles	12,997		12,997	t	
	PET bottles	37,544		37,544	t	
	Paper, cardboard, etc.	28,256		6	28,262	t
Vending machine recycling	Vending machines	39,396	—	39,396	machines	
Environment-friendly vehicles	Hybrid (gasoline or diesel)	1,650	0	1,650	vehicles	
	Natural gas	0	0	0	vehicles	
	Electric vehicles	42	2	44	vehicles	
	Clean diesel	31	1	32	vehicles	
Number of CFC-free vending machines		540,714	0	540,714	machines	

*1 The CCBJH Group uses the Coca-Cola system's global thermal conversion factor in emissions accounting.

*2 In regards to calculating the electricity use and associated greenhouse gas emissions of office activity, 41 out of CCBJI's total 388 business locations were excluded from the scope of this year's calculations. This was due to reasons such as being unable to obtain an accurate measurement of electricity use at leased office locations.

Third-party
assurance report
and accounting
process



Accounting process

	Calculation scope	Accounting method
Manufacturing	All bottling plants of the CCBJI Group (17 plants) and associated equipment within plant premises, as well as Q'SAI Group's Fukuoka Konominato Plant and Q'SAI Farm Shimane	<ul style="list-style-type: none"> • Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = total of (energy use for each energy type × CO₂ emissions factor*)
Logistics	CCBJI's Group's business logistics, including distribution from all CCBJI Group plants (17 plants) to the market (customer retail outlets, vending machines, etc.) and the Q'SAI Group's business logistics, including distribution from the abovementioned plant and farm to the market (customer retail outlets, vending machines, etc.). Also includes third-party (outsourced) transportation.	<ul style="list-style-type: none"> • Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = total of (energy use for each energy type × CO₂ emissions factor*)
Offices	Buildings operated by the CCBJH Group (head office, sales centers, distribution centers, etc.)	<ul style="list-style-type: none"> • Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = total of (energy use for each energy type × CO₂ emissions factor*)
Sales	Vending machines in operation within CCBJI's sales area	<ul style="list-style-type: none"> • Total energy use (GJ) = annual vending machine electricity use × thermal conversion factor* • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = annual vending machine electricity use × CO₂ emission factor*

*Sources for thermal conversion factors and CO₂ emissions factors

For fuel sources other than electricity, the Coca-Cola system in Japan uses a thermal conversion factor and a CO₂ emissions factor that are calculated based on Greenhouse Gas Emissions Accounting and Reporting Manual Version 1.2 (Ministry of Environment and Ministry of Economy, Trade and Industry; February 2007). For electricity, the thermal conversion factor is 9.83 MJ/kWh, as stipulated in Enforcement Regulations for the Law Concerning Rational Use of Energy (revised December 27, 2002), and the CO₂ emissions factor is 0.421 kg-CO₂/kWh, which is the emissions factor of the average of all electricity sources in fiscal year 2004, as published by the Federation of Electric Power Companies (2005).

Water Resource Conservation

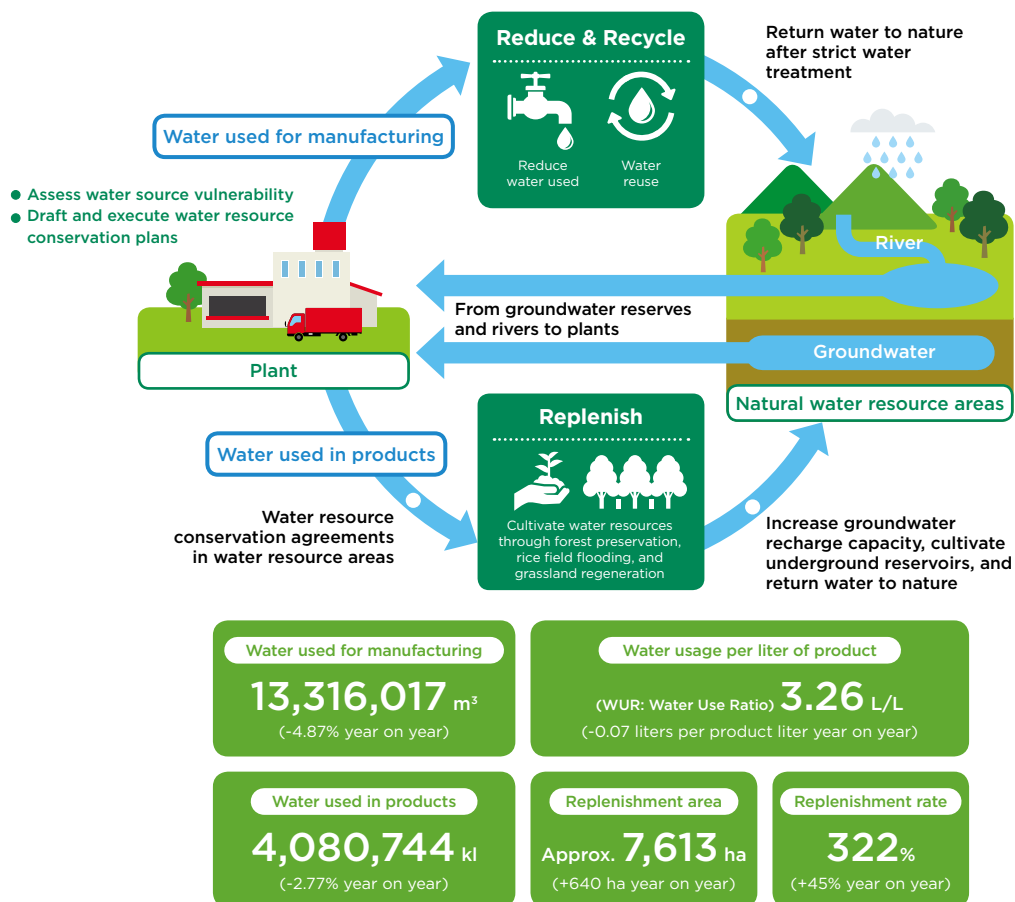
Since we engage in business that relies on the indispensable resource of water, we promote water resource conservation with the goals of reducing water use by 30% by 2030, and maintaining a 200% water resource replenishment rate through 2025.

At our plants, we strictly manage the water used to manufacture products while continually reviewing and improving manufacturing processes and plant equipment in order not to waste any of this precious natural resource. In 2019, the water use ratio (WUR) of product manufacturing was 3.26 liters of water per liter of product, a reduction of 0.07 liters year on year. We work to conserve water resources by cooperating with communities and experts in efforts to return to nature a volume of water equivalent to the amount of water used for manufacturing products, and to contribute to the ability of water resource areas to sustainably cultivate and store water. In 2019, we achieved a 322% water resource replenishment rate, which was a 45% increase year on year.

The Coca-Cola system's water cycle

Within the Coca-Cola system, we regularly assess the vulnerability of water sources in line with the resource conservation guidelines established by Coca-Cola Japan and develop water conservation plans. These plans form the basis for activities at our plants that reduce the amount of water used in the manufacturing process, collect and recycle as much of the water used for rinsing and cooling as possible, and then return it to nature by releasing water that has been properly treated back into rivers.

For the water used in our products, we also pursue initiatives to carefully use and return this precious natural resource to nature by replenishing water resource areas identified through scientific surveys by specialist agencies. We work to cultivate abundant underground water reservoirs through long-term agreements with regional bodies, forest cooperatives, landowners, and local communities to carry out conservation activities that include thinning forest undergrowth, planting, flooding rice fields, and regenerating grasslands.



Plant initiatives and water resource area activities

● Plant initiatives to reduce water use 30%

The Kumamoto Plant and Hakushu Plant succeeded in reducing water use to new levels through the adoption of chemical-free electron beam (EB) sterilization systems. By investing in new manufacturing lines and actively introducing the latest technologies, our plants are working to further reduce water use. We also use systems to manage and analyze water data to constantly improve water use.

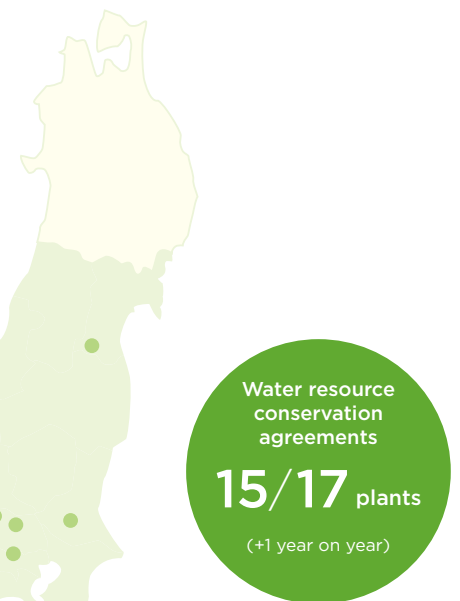


● Water resource area activities to maintain a 200% replenishment rate

In April 2019, the Akashi Plant signed its first agreement with Hyogo Prefecture and the local community for the conservation of the approximately 655 ha of forest in its water resource area. This marked the start of activities to conserve water resources over the next decade. We will continue to engage in and expand activities to cultivate groundwater resources by concluding further agreements for water conservation in all our plants' water resource areas. The water cultivated through these activities will generate groundwater reservoirs over the years to come, and that water will make its way through rivers to our plants where it can be used for product manufacturing.



Production plants (prefecture)	Local water resource agreements	Replenishment rate	Water replenishment area
● Zao Plant (Miyagi)	Zao, Miyagi	118 %	235 ha
● Saitama Plant (Saitama)	Katashina, Tone, Gunma	164 %	1,545 ha
● Iwatsuki Plant (Ibaraki)	Ishioka, Ibaraki	409 %	1,000 ha
● Tama Plant (Tokyo) *1	—	—	—
● Ebina Plant (Kanagawa)	Atsugi, Ebina, Kanagawa	702 %	1,476 ha
● Hakushu Plant (Yamanashi) *1	—	—	—
● Tokai Plant (Aichi)	Ena, Gifu	94 %	142 ha
● Kyoto Plant (Kyoto)	Ujitawara, Kyoto	231 %	307 ha
● Akashi Plant (Hyogo) *2	Tamba-Sasayama, Hyogo	328 %	655 ha
● Daisen Plant (Tottori)	Hōki, Saihaku, Tottori	1,084 %	427 ha
● Hiroshima Plant (Hiroshima) *3	Mihara, Hiroshima	—	705 ha
● Komatsu Plant (Ehime)	Saijyo, Ehime	363 %	146 ha
● Tosu Plant (Saga)	Tosu, Saga	190 %	451 ha
● Kiyama Plant (Saga)	Kiyama, Saga	—	—
● Kumamoto Plant (Kumamoto)	Ōzu, Kikuchi, Aso, Kumamoto	342 %	320 ha
● Ebino Plant (Miyazaki)	Ebino, Miyazaki	625 %	203 ha



*1 The Tama Plant and Hakushu Plant have not yet concluded water resource conservation agreements (as of the end of 2019).

*2 The Akashi Plant signed its first water resource conservation agreement in 2019.

*3 The Hiroshima Plant began operations in June 2020.

$$\text{Replenishment rate (\%)} = \frac{\text{Replenishment area (ha)} \times 10,000 \times \text{Precipitation (m)} \times \text{Recharge}}{\text{Production output (kL)}} \times 100$$