

CSV REPORT 2022

Coca-Cola Bottlers Japan Holdings Inc.



Top Message

We aim to be the preferred partner by delivering happy moments to everyone while creating shared value with society

65 years since Coca-Cola was first sold in Japan A desire to connect with the future

Last year marked 135 years since the birth of Coca-Cola in Atlanta, Georgia, USA. It was also 65 years since Coca-Cola first went sale in Japan. Then this April, the Coca-Cola Bottlers Japan Holdings Group (CCBJH Group) celebrated its fifth anniversary. We would like to once again express our sincere gratitude to all of our stakeholders, including our customers, business partners, and the members of local communities who all support us.

The world around us has changed significantly over the past five years, and the speed of this change has accelerated. Yet the one constant is that everyone is looking for happy moments. The Mission of the CCBJH Group is to deliver happy moments to everyone while creating value. These words convey our strong desire to deliver moments of happiness in people's everyday lives, through the values created by our employees, products and services.

Pushing forward with continual business transformation creates new growth opportunities

To achieve this Mission, we ourselves must first attain sustainable growth. The CCBJH Group has placed creating economic value through business and creating shared value (CSV) with society at the core of its management, and we are promoting initiatives to enhance these values.

In terms of enhancing economic value, in the midst of a persistently challenging business environment, we have focused on the areas we can control. We will continue to target value share growth which is the foundation for growth, and implement a pricing and marketing investment strategy that balances competitiveness with profitability. Our initiatives for business transformation are making steady progress. They include further evolving the operation model in the vending machine channel, optimizing the logistics network, and improving operational efficiency through company-wide digital transformation (DX). We are confident that when market conditions normalize these initiatives will provide a solid foundation for new growth opportunities. Although the business environment remains uncertain, by being agile in our response to change we will overcome difficulties and return to a growth trajectory.

Realizing CSV with society through business

In terms of enhancing social value, The Coca-Cola system in Japan has developed the Sustainability Framework based on Sustainable Development Goals (SDGs) advocated by the United Nations. We have formulated CSV Goals for the environment, society, and governance (ESG), and we have accelerated our companywide initiatives in each of the three platforms of our Sustainability Framework, which are Inclusion, Communities, and Resources. In the area of Inclusion, we are focusing on Diversity & Inclusion. One such goal is to increase the percentage of female managers we employ. In the area of Communities, we are strengthening partnerships with local communities. We work to solve local issues and revitalize communities through activities such as SDG seminars and online plant tours. In the area of Resources, we became the first in the industry to achieve a 40% usage rate of sustainable materials*1 in PET bottles in 2021. In October 2021, The Coca-Cola system in Japan announced concrete reduction targets for greenhouse gas (GHG) emissions. These include reducing Scope 1 and 2 GHG emissions by 50% and Scope 3 by 30%*2 by 2030 across the entire value chain in Japan. In April 2022, we strengthened initiatives aimed at achieving net zero GHG emissions by 2050, including endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In recognition of our continued CSV work, we have been selected as a component of the DJSI Asia Pacific, a leading ESG investment index, for four consecutive years, and has also been included in the FTSE Blossom Japan Sector Relative Index.

*1 Sustainable materials refer to the total bottle-to-bottle recycled PET materials and plant-derived PET materials *2 Baseline year is 2015 and target year is 2025 unless otherwise stated

Delivering happy moments to everyone and continuing to make progress in value creation

The CCBJH Group will continue to maintain high quality standards and provide safe and secure products and services to meet the needs of everyone. By providing value while making a profit through our business activities, we will create a virtuous cycle for society as a whole. No matter how challenging the business environment, our driving force is the desire to create value for our stakeholders and to continue as the preferred partner for decades to come. We are committed to making great strides forward toward sustainable growth by delivering happy moments to everyone while creating value.

> Coca-Cola Bottlers Japan Holdings Inc. Representative Director and President Calin Dragan

VALUE CREATION STORY

VALUE CREATION INITIATIVES FOUNDATION FOR VALUE CREATION





CSV REPORT 2022

SECTION 1 VALUE CREATION STORY

We present the CCBJH Group's value creation story, which incorporates our corporate philosophy and direction, and is inspired by a call to "Paint it RED! Let's Repaint our Future."

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- 05 Mission, Vision, and Values
- Value Creation Process 07
- Concept of Sustainability Framework 09
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- CCBJH Group's Products and Brands 13
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We introduce our initiatives to create shared value, which are organized under the Inclusion, Communities, and Resources platforms.



SECTION 3 FOUNDATION FOR VALUE CREATION

We introduce the initiatives that form the foundation of the CCBJH Group's value creation and the management structure that drives its growth.



Editorial policy

The Coca-Cola Bottlers Japan Holdings Group (CCBJH Group) believes we can help build a more sustainable society through our beverage business. In this report, our aim is to communicate the CCBJH Group philosophy of Creating Shared Value (CSV) and introduce some of our specific CSV initiatives to our stakeholders.

Referenced guidelines	Global Reporting Initiative (GRI) Sustainability Reporting Standards				
Period covered	 * This report covers activities from January 2021 to the end of December 2021. (Including some activities reported in 2022) Numerical data is also for the period from January 2021 to the end of December 2021. 				
Scope of the report	Information presented in this report was collected from Coca-Cola Bottlers Japan Holdings Inc., Coca-Cola Bottlers Japan Inc., and the Coca-Cola Bottlers Japan Group companies*. The coverage of some environmental data can be found on page 36. (Please see page 45 for the Group structure.)				
Date of issue	June 2022				
Terminology	The "CCBJH Group" ("we") refers to Coca-Cola Bottlers Japan Holdings Inc. and its seven Group companies (Coca- Cola Bottlers Japan Inc., and the CCBJI Group's other companies), while "CCBJI" refers solely to Coca-Cola Bottlers Japan Inc. (As of December 2021) "CCBJI Group" refers to Coca-Cola Bottlers Japan Inc. and its Group companies. "Bottlers" refers to all bottling partners throughout Japan, as designated by Coca-Cola (Japan) Company, Limited. The "Coca-Cola system" comprises Coca-Cola (Japan) Company, Limited, its bottling partners, and other affiliated companies. "Customers" generally refers to both "consumers" (primarily product end- users) and "business partners" (primarily those who sell our products).				

CCBJH Group's Corporate Information

To enable stakeholders to better understand our business and place their trust in the CCBJH Group, we disclose information in a timely and appropriate manner. We work to provide integrated corporate information through our CSV Report, Annual Review and Shareholder Information. Our CSV report communicates non-financial information pertaining to strategies and initiatives to achieve sustainable growth in environmental, social, and governance (ESG) areas. Financial information including strategies and results are disclosed in our Annual Review and Shareholder Information.

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^{*} Coca-Cola Customer Marketing Co., Ltd., Coca-Cola Bottlers Japan Vending Inc., FV Japan Co., Ltd., Kadiac Co., Ltd., Coca-Cola Bottlers Japan Business Services Inc., and Coca-Cola Bottlers Japan Benefit Inc.

The CCBJH Group Continues Evolving Toward the Fulfillment of Its Mission.



Our Mission, Vision, and Values state our commitment to continue being the preferred partner of our many stakeholders, especially our customers, shareholders and the communities in which we operate.

The statements below represent the kind of organization we wish to become. They focus on growing sustainably, learning—both as individuals and as an organization—and demonstrating the value of integrity and trust.

Mission

Deliver happy moments to everyone while creating value

Vision

- We are the preferred partner for our customers
- We win in the market through sustainable growth
- We lead a learning culture with commitment to grow
- We are the best place to work with pride for Coca-Cola

Values

- Learning
- Agility
- Result-orientation
- Integrity





Tackling the challenge of Mission achievement

The CCBJH Group is steadily responding to changes in the business environment by ensuring its employees are always mindful of our Mission, Vision, and Values (MVV) as represented by our corporate philosophy "Paint it RED! Let's Repaint our Future." and working to change the way we operate. We continue to implement initiatives toward further progress along the MVV journey and achieving our Mission.

[1st CEO MVV Award (2021)]

The CEO MVV Award recognizes teams that have brought a positive impact to the entire organization by embodying the four Values and tackling new challenges. All employees and project teams at the CCBJH Group are eligible.

In January 2022, the CEO MVV Award ceremony 2021 was hosted live online. Of a total 237 entries (3,300 employees), seven teams were presented with awards, including the top MVV Award.

MVV Award

Team representative: Wataru Aoki, General Manager, Manufacturing Planning, Manufacturing Management Department, SCM Division

With the aim of achieving "multi-product, high-efficiency operation and optimization of non-manufacturing time," the small improvements made by our close to 150 members across the organization have resulted in a supply system with greater flexibility and agility. We have utilized the knowledge gained from suppliers, overseas bottlers, and The Coca-Cola system in Japan to make the most of our assets. Going forward, we will continue to take on the challenge of fulfilling our Mission while working day in and day out collectively as an organization.



[Sharing MVV practices]

We use out intranet "WE NET" and the company's internal social media platform as a channel for our management to communicate their philosophy and commitment of MVV directly to employees through video messages. Employees also share MVV best practices from day-to-day work. These activities help enhance employee understanding of MVV and provide inspiration for them to take action.



Messages from the President and other executive on Linked https://www.linkedin.com/company/ccbji/videos/



VALUE CREATION STORY

VALUE CREATION INITIATIVES FOUNDATION FOR VALUE CREATION



President Calin (left) and Wataru Aoki (right)

[Café meeting with the president]

We regularly hold café meetings involving President Calin and employees to promote a deeper understanding of MVV and ensure each and every employee puts MVV into practice.

Through such open dialogue with executive leadership, employees engage in positive and passionate discussions on one theme from the four values.





Value Creation Process

Delivering happy moments to everyone while creating value



VALUE CREATION INITIATIVES SECTION 2

Ideal image

Continuing to strengthen the cycle of corporate value enhancement

Mutual growth from economic value and social value

Enhancing capital that will drive value creation

Creating economic value

- Business growth led by
- growth and streamlining
- ► Acquisition of reinvestable resources

Sales and profit growth

Transformation and cost efficiency

Good stewardship of capital

Creating social value

▶ Returning profits to society through CSV ► Contribution to SDGs

CSV Goals

Inclusion Communities Resources





Concept of Sustainability Framework

In 2019, The Coca-Cola system in Japan jointly conducted a large-scale study to identify sustainability issues and set priorities based on materiality for The Coca-Cola system in Japan. The intent was to formulate a strategy reflecting issues unique to Japan, in addition to global sustainability targets being pursued worldwide, and to include these in a common action plan for the combined Coca-Cola system in Japan.

The result was an agreement on the three platforms of Inclusion, Communities, and Resources, and nine priority issues to be addressed most recently.

Purpose of Coca-Cola System Sustainability Activities

We are committed to creating a shared future and a sustainable business that can make a difference when addressing important challenges facing Japan, including the environment, people's lives, and our communities.



Process of Establishing the Sustainability Framework

Identified social issues in Japan based on third-party studies

- **2** Narrowed down the list from 189 to 33 issues
 - **3** Plotted a materiality matrix of 33 issues and specified 15 priority issues
 - Conducted interviews within The Coca-Cola system in Japan and adjusted priority issues
 - 5 Specified 3 platforms and 9 priority issues





ttps://en.cchii.co.in/csv/materiality/



Promoting CSV to maximize corporate value

Q1 What position does the Sustainability Framework occupy within management?

The Sustainability Framework demonstrates both inside and outside the company how committed Coca-Cola is to dealing with the social issues that need to be addressed in order to achieve a sustainable society. We are a beverage manufacturer, so we can't survive without clean water or a sustainable environment. Sustainability has always been at the heart of our management since our founding as an issue to resolve. Sustainability is not a mission recently added for economic growth. It is a fundamental for the growth of the company similar to air and water being required to maintain life.

Q2 What kind of systems have you devised to promote the Sustainability Framework?

We established a basic sustainability plan in the medium-term strategic business plan announced in 2019. Just as the marine plastics issue was in the spotlight worldwide, we are strongly aware of the PET bottle issue and have launched initiatives to achieve the Coca-Cola Company's vision for a World Without Waste

Initially, teams in charge of CSV were set up inside each division, and they worked on resolving social issues independently. Looking at the big picture, we identified a lack of conductors. For example, reducing water resources inevitably leads to an increase in energy resources. Therefore, we have consolidated the CSV Promotion Department and the Sustainable Strategy Department into a central team that reports to the Business Transformation Division and devises integrated strategies for planning, proposals, monitoring, and public relations from a cross-functional perspective of each team.



*1 ELT is the management organization of the entire CCBJH Group, including the CEO and each head *2 WWW stands for World Without Waste (zero waste society) *3 Communication for media/shareholders and investors

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Executive Officer, CTO (Chief Transformation Officer), and General Manager of Business Transformation Office

Maki Kado



Q3 What is the relationship between the Sustainability Framework and the CSV Goals?

Creating Shared Value (CSV) is the foundation of our business, and the more a social issue is close to us, the more we are motivated to address it. CSV is at the core of our business. Our expertise allows us to make sustainable investments. Our ability to address social issues allows us to increase the value of our company. We chose some issues, took a thorough look at where they overlapped, and used that combined knowledge to create our Sustainability Framework. Then, we know that we will not move forward unless we indicate how we will address these issues, so we have set specific goals and numerical targets in the form of CSV Goals. We describe what we must do in order to approach those ideals and express the results of those efforts in numerical form, which is a very important step. This is precisely the role of the CSV Goals and their link to the Sustainability Framework.

Going forward, we will continue our efforts toward attaining our CSV Goals by addressing social issues proactively and sustainably through our business. Our hope is creating a sustainable society for all our stakeholders.



CSV Goals

Sustainability

Framework

Key issues

Based on the common sustainability framework of The Coca-Cola system in Japan, the CCBJH Group established a detailed action plan of CSV Goals to achieve our Mission of realizing a sustainable business and society.

In terms of our sustainable material usage rate, we have accelerated initiatives such as "bottle-to-bottle" to achieve 40% of the total by the end of 2021. In addition, through strengthened cooperation with forest conservation groups in water source areas, the actual results for water source replenishment rates at the end of 2021 significantly exceeded targets. The employee volunteer rate remains low due to the impact of the COVID-19 pandemic, which has limited volunteer activities. We are preparing an environment to achieve our goals when the pandemic has subsided.

We are steadily moving ahead to reach our targets using the Plan Do Check Action (PDCA) cycle across the entire value chain while confirming the progress of initiatives every year.

CSV Goals

Category



2021 Results

Progress

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2020 Results

Target

We believe that each individual's change in consciousness and behavior will lead to the growth of the CCBJH Group and the enhancement of corporate value, while also resolving social issues. We have implemented various measures to promote internal awareness and understanding of the Sustainability Framework of the Coca-Cola System in Japan and the CCBJH Group's non-financial targets and CSV Goals.

In order to further instill this within the company, since 2021 we have been conducting regular online study sessions using the company intranet and e-learning with the aim of "taking ownership" in which employees understand, accept and embrace the CSV Goals and connect them to action.

[Utilizing the company's intranet]

- Online internal study sessions





In March 2022, we signed the United Nations Global Compact (UNGC), the world's largest sustainability initiative for building a healthy global society through collaboration between the United Nations, private companies and organizations. We announced our endorsement of the UNGC in April. We are committed to addressing social issues through our business activities by following the UNGC ten principles in the four areas of Human Rights, Labor, Environment, and Anti-Corruption.

	•		-				
Inclusion	Diversity & Inclusion	Female managers by 2025	10%	F 0%	6.3%		
		Female managers by 2030	20%	- 5.8%			
Communities	Products (Tailored product development/ health support)	Zero/low-calorie options for core brands	100%	100%	100%		
		FOSHU/functional product growth (compared to 2016)	300%	190%	177%		
		Front-of-pack calorie label and straightforward nutritional information	100%	100%	100%		
		Observation of The Coca-Cola Company Responsible Marketing Policy	100%	100%	100%		
	Society (Contributions to the Local Community)	Employee volunteers	10%	_	3.7%		
		Participants in community programs	1,000,000	890,000	900,000		
	World Without Waste (Zero-waste society)	Sustainable materials usage ^{*1} by 2022	50%	- 28%*2	40%		
		Sustainable materials usage ^{*1} by 2030	100%	2070	40%		
		Ratio of products using sustainable materials*1 (number of bottles sold)	100%	About 90%	About 90%		
		Further lightweight PET packaging by 2030 (compared to 2004)	35%	30%+	30%+		
		Collection percentage compared to sales volume by 2030	100%	96.7% ^{*3}	_		
Resources		Extensive partnerships across industry and environmental organizations by 2030					
	Water	Water source replenishment, focusing on watersheds near our plants	200%	364%	353%		
		Water usage reduction by 2030	30%	19%	19%		
	Climate change	Scope 1 and 2 reduction in greenhouse gas emissions by 2030	50%	19%*4	21%		
		Scope 3 reduction in greenhouse gas emissions by 2030	30%	17%*4	24%		
		Net zero in greenhouse gas emissions by 2050					
		Promotion of renewable energy					
	Human rights / Procurement (Strengthening of business foundation)	Sustainable sourcing	100%	100%	100%		
		Adherence to Supplier Guiding Principles across the CCBJH Group value chain	100%	100%	100%		
*1 Sustainable materials refers to the total bottle-to-bottle recycled PET materials and plant-derived PET materials *2 Ratio of bottle-to-bottle recycling up to 2020							

*2 Ratio of bottle-to-bottle recycling up to 2020 *3 PET bottle collection rate (Source: 2021 Report on PET Bottle Recycling from the Council for PET Bottle Recycling) *4 Actual results based on new standard aggregation method used in accordance with the GHG emissions reduction target announced in October 2021.

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Efforts to instill the CSV Goals internally

- Establishment of CSV library
- (collection of information on the company intranet)
- 90% of employees take e-learning programs every year
- Dissemination on the company's internal social media platform
- (introduction of initiatives linked to CSV Goals and the SDGs)



Participation in UN Global Compact





CCBJH Group's Products and Brands

To support various lifestyles and healthy living, the CCBJH Group offers an extensive lineup of categories, flavors, and packaging that delivers happy moments to everyone.

We are also focusing on packaging made from sustainable materials* such as 100% recycled PET, expanding labelless products, and promoting reduction in bottle weight with the aim of reducing plastics usage per container.

* Sustainable materials refers to the total bottle-to-bottle recycled PET materials and plant-derived PET materials

Main products related to CSV Goals	★ No/low-calorie products	Foods for Specified Health Uses (FOSHU)	Functional product	
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設綾 Sparkling soft drinks Теа



100% recycled PET bottle

リサイクルしてね

100%リサイクルペット







Sports drinks

recycling where PET bottles are collected and recycled into new PET bottles. Fully recycled PET bottles are used for 5 brands and 37 products*. * The Coca-Cola system in Japan performance in Japan as of February 2022. CCBJH Group offers 4 brands and 34 products

Our fully recycled PET is made possible with bottle-to-bottle





As of May 31, 2022



Alcoholic drinks and alcohol-free drinks









VALUE CREATION INITIATIVES

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Financial Highlights

2021 Financial Highlights (consolidated; IFRS)



Net loss for the year attributable to owners of the parent -_¥2.5 billion









Operating loss

billion

-21.0

-_¥21

-117

(¥ billion)

7.0

-7.0

30 25 20 10 2020 2021

bottle to 100% sustainable PET bottle

* Business Income is a measure of our recurring business performance that is calculated as costs of goods and SG&A expenses are deducted from revenue, and other income and expenses which we believe are recurring in nature are added and subtracted accordingly.

2022 Targets



Controlled capex spending and decrease YoY *Revised to account for the change in useful life of sales equipment

Solid balance sheet allowing stable dividend payout

*Sustainable materials refer to the total bottle-to-bottle recycled PET materials and plant-derived PET materials

External Evaluations and Participation in External Initiatives

External Evaluations

Our initiatives to resolve social issues have been recognized by both the government and outside institutions.

Dow Jones Sustainability Indices Powered by the S&P Global CSA



エフィシェン

Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)

FTSF Blossom Japan Sector Relative Index

第21回 グリーン購入大賞 大賞受賞 GP

健康経觉優良法人 ホワイト500

White 500

00 100 8 Health & Productivity Management New Diversity Management Selection 100

Green Purchasing Award 21st Outstanding Organization 2022 Received the Grand Prize

NADE OO SHIRE 000 KOE



Semi-Nadeshiko Brand Received in 2021

L-boshi Certification Awarded 2 stars in 2019



東京で輝く、

自分らしく









Tokyo Sports Promotion Company Certification System Certified in 2021

Sports Yell Company 2022 Certified as Sports Yell Company 2022 by Japan Sports Agency

Received Silver

* Awarded to CCBJH and some of its Group companies.

* Also received the Director's Award for Excellence in Disability Hiring in 2019 from the Bureau of Industrial and Labor Affairs and obtained ISO 14001 certification of our environmental management system.

Participation in External Initiatives

We are working to resolve social issues through participation in a number of external initiatives.







The United Nations Global Compact

The CEO Water Mandate

Task Force on Climate-related Financial Disclosures (TCFD)





Business for Marriage Equality (BME)

Business Support for LGBT Equality in Japan



Details of External Evaluation and Participation







S&P/JPX Carbon Efficient Index



Questionnaire Received Silver medal in 2021



Awarded in 2020



Tokyo Metropolitan Governme Women's Participation Awards



Cancer Ally Award 2021





Nikkei Smart Work Management Survey Awarded 4.5 stars in 2021



Kurumin Certification Received in 2011



SSON Impact Awards Asia Received Gold Award in Best Vendor Collaboration Best Shared Services Team



CDP scores for 2021 Water security "A-" Climate change "B"



Nikkei SDGs Management Survey Awarded 3.5 stars in 2021



work with Pride Received the Gold rating in PRIDE Index for 2021



TCED Consortium



Japan Climate Initiative

*In addition, we aim to reduce overall greenhouse gas emissions to zero by 2050, we have also endorsed the Green Transformation League Basic Concept, published by the Ministry of Economy, and the Leading Tenant Action Policy from the Ministry of the Environment, which summarizes companies' efforts at decarbonization

