



Coca-Cola

BOTTLERS JAPAN HOLDINGS INC.

CSV REPORT 2019



Toward 2020 and Beyond

What kind of future can we create?

The Sustainable Development Goals (SDGs), which were adopted by the United Nations in 2015, identify corporations as key actors in solving global social issues. The continued expansion of the CCBJH Group's business comes with a duty to respond to social issues. Now more than ever, we must confront the impact our activities have on those around us, and how we should engage with the problems our communities face.

What should the CCBJH Group do?
And what can we do? When we think
about the future, we know
the time to act is now.

SUSTAINABLE
DEVELOPMENT
GOALS

What are the SDGs?

The SDGs are common global goals to be achieved by 2030.

The Sustainable Development Goals (SDGs), adopted at the United Nations Sustainable Development Summit held in September 2015, are a set of shared global priorities to be achieved by 2030 through the efforts of the international community in order to realize a world in which no one is left behind. The SDGs are universal goals that broadly encompass economic, social, and environmental topics.

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Editorial policy

The Coca-Cola Bottlers Japan Holdings Group (CCBJH Group) believes we can help build a more sustainable society through our beverage business and our healthcare and skincare 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 2016

● Period covered

This report covers activities from January 2018 to the end of December 2018. Numerical data is also for the period from January 2018 to the end of December 2018.

● Scope of the report

Information presented in this report was collected from Coca-Cola Bottlers Japan Holdings Inc., Coca-Cola Bottlers Japan Inc., the Coca-Cola Bottlers Japan Group companies*1, Q'SAI CO., LTD., and the Q'SAI Group companies*2. (Please see page 40 for the Group structure.)

● Date of issue

June 2019

● Terminology

The "CCBJH Group" ("we") refers to Coca-Cola Bottlers Japan Holdings Inc. and its eight Group companies (Coca-Cola Bottlers Japan Inc., the CCBJI Group's other companies, and Q'SAI CO., LTD.) as well as Q'SAI CO., LTD. Group companies, while "CCBJI" refers solely to Coca-Cola Bottlers Japan Inc. "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).

*1 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.

*2 QSAI Analysis and Research Center Co., Ltd., QSAI FARM SHIMANE Co., Ltd., and CQ Ventures Co., Ltd.

CSV Report 2019 survey

This survey is to aid in the development of our future CSV initiatives and our next CSV Report. Please let us know your thoughts and opinions. The feedback you give us will play a role in improving our CSV activities and disclosures.

Please access the survey via the URL below or the QR code.

https://form.ccbji.co.jp/form/csv2019_en



THE ROUTE

Our philosophy that supports value creation

Mission

What we should do for society
(meaning of existence)

Deliver happy, refreshing moments to
everyone in the community, every day.

Corporate Identity

What employees should
always consider in the course
of operations

Community- based

We help build and support sustainable communities, foster strong connections with them, and help protect the environment, Creating Shared Value.

Customer- centric

We focus on all our consumers and customers to become their trusted partner.

Hinkaku (Corporate Dignity)

We respect human rights, honor community principles, and strive to maintain the highest ethical standards.

Diversity

We respect the individuality of our employees, actively incorporating diverse values and ideas so all can achieve their full potential.

Culture

What we value and how we
act in order to be a company
that supports society

- 1 Build on our HERITAGE as we shape our FUTURE.
- 2 Fuel life and work with commitment and PASSION.
- 3 Base judgments on ETHICS.
- 4 Think independently, take RESPONSIBILITY.
- 5 Enjoy life and welcome CHALLENGE.
- 6 Act with RESPECT, inspire RESPECT.
- 7 Value COOPERATION.
- 8 Pursue "SIMPLE AND SPEEDY" solutions.



CCBJH Group philosophy

<https://en.ccbji.co.jp/vision/about.php>

As society changes, our company must as well. How we transform is up to us.

A year in which the CCBJH Group achieved results while also recognizing new challenges

The Coca-Cola Bottlers Japan Holdings Group (CCBJH Group), created from the management integration of Coca-Cola West and Coca-Cola East Japan bottling companies, consists of two business segments: the Coca-Cola beverage business and the healthcare and skincare business. Among more than 250 Coca-Cola bottlers worldwide, the CCBJH Group is the largest Coca-Cola bottler in Asia, and the Group's beverage business is one of the largest in the world in terms of revenue.

Our corporate identity consists of four ideals to which all CCBJH Group employees should aspire in their daily business activities: community-based and customer-centric values, *hinkaku* (corporate dignity), and diversity. Our standard for being community-based is to realize the concept of Creating Shared Value (CSV) by placing importance on connections with local communities and the environment that we have nurtured over many years. We suffered a major blow in July 2018, when the Hongo

Plant in Mihara, Hiroshima Prefecture, sustained severe damage from torrential rains and flooding in western Japan and suspended all operations. Spurred to action by our commitment to being community-based and customer-centric, we quickly decided on an appropriate relocation site in the local Mihara area and are now steadily working to rebuild and restart operations in the spring of 2020 at the new site.

Although our business integration has created many benefits in terms of scale and operational synergies, we face the challenge of how to respond to a rapidly changing market environment and diversifying customer needs. To help address this challenge, we implemented a reorganization in March 2019, shifting to an organizational structure that enables faster and more efficient decision-making, a renewed growth mindset, and a reenergized commitment to creating shared value.

On a personal note, I am excited to be back in Japan, a place that is like a second





The outcome of creating shared value is where our true results lie.

home to me, and I feel a great sense of purpose in having this opportunity to shape the future development of the CCBJH Group. I take very seriously the social responsibilities that the Group must fulfill as a leader in the Japanese beverage market and will devote myself wholeheartedly to rebuilding a foundation for future growth under the new corporate structure.

Engaging with the SDGs and reinforcing our ESG-focused initiatives

The Sustainable Development Goals (SDGs), comprising 17 goals to be achieved by 2030, were adopted at a United Nations Summit in 2015, and Japan's Corporate Governance Code went into effect the same year. In 2018, Japan's Ministry of Economy, Trade and Industry endorsed and signed a statement of commitment to the purpose of the Task Force on Climate-related Financial Disclosures (TCFD), instituted by the Financial Stability Board in accordance with the instructions of the

G20 Finance Ministers and Central Bank Governors Meeting. It is clear that corporate environmental, social, and governance (ESG) performance is only becoming more important.

Since before the business integration, the CCBJH Group had established CSR priorities in accordance with ISO 26000, the international standard for social responsibility, and managed its businesses with a strong focus on ESG. The Group continues to place the concept of Creating Shared Value (CSV), a further refinement of CSR, at the core of management, and all of the Group's employees and business divisions will concentrate their efforts on realization of CSV in their own work.

In addition to the priorities of customer satisfaction, quality assurance, ethics and compliance, risk management, human rights, and job satisfaction, we will consider what new added value we can deliver by leveraging the power of the Coca-Cola brand and how we can help solve problems facing local communities through our business. We will focus on our priority issues of health, the environment, and community while further reinforcing

initiatives aimed at creating shared value.

In the area of health, we will promote healthy lifestyles through the provision of safe, high-quality products and services suited to the needs and preferences of people of all ages. In addressing the environment, we aim to be on the cutting edge and leverage innovation to simultaneously grow our business and reduce our environmental impact through programs focused on packaging and water—which is essential to our business—as well as other natural resources. To benefit communities, we will make real the concept of CSV by further boosting collaboration and engaging in activities that contribute to community revitalization.

Sustainable growth is not possible for a company that believes business expansion can only come at the expense of the environment and society. The CCBJH Group is not simply interested in the short-term pursuit of profits. Rather, we want to maintain a wide perspective and farsighted outlook to ensure close alignment between the future needs of society and the communities in which we operate, and our vision for the long-term health of our

business. As we embrace new challenges with corporate dignity and become a place in which every employee understands that business results can contribute to shared value with society, we look forward to earning and maintaining the continued trust of our many stakeholders.

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

WHO WE ARE

Among the world's largest
by revenue and
Asia's largest
independent Coca-Cola bottler



JAPAN

Business area

**Tokyo,
Kyoto,
Osaka, and 35** prefectures

Responsible for close to 90% of the sales volume of
the Coca-Cola system in Japan

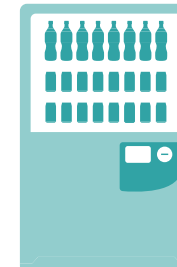


Brands offered
in Japan

Over **50**

Plants*
17

* Includes the Hongo Plant, Hiroshima,
which is currently inactive



Vending machines
About
700,000

Sales and
distribution
centers

About
350

Consumers
(Households and consumers in sales areas)

About **112** million
(51 million households)

Customer outlets
240,000



CREATING SHARED VALUE

While providing significant value to society through its business activities, the CCBJH Group seeks to further its presence in nurturing prosperity together with its stakeholders. To this end, the Group has adopted the CSV concept as a part of managing how it carries out business.

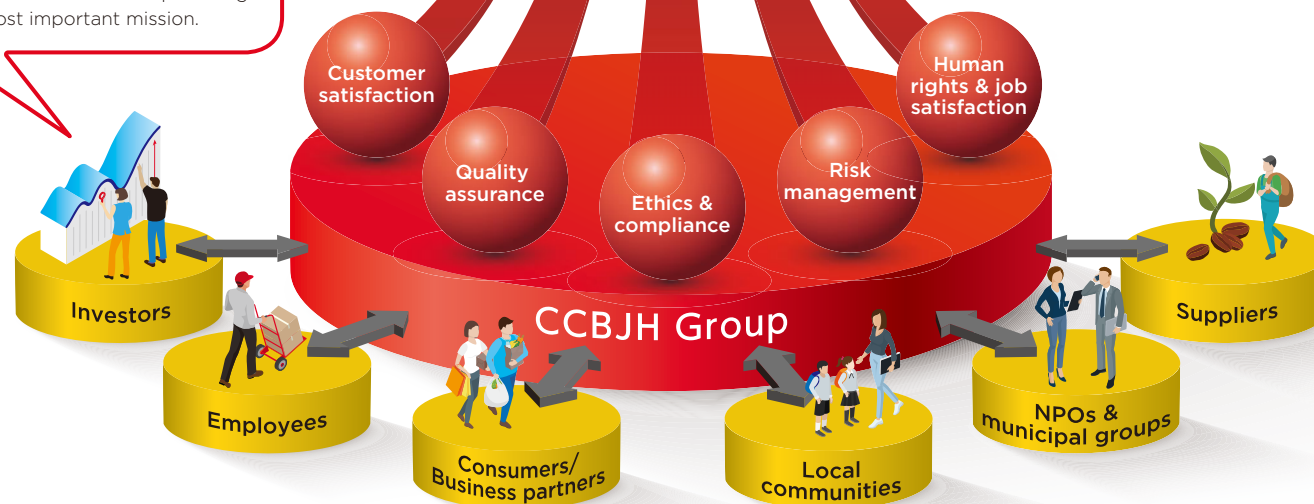
Conducting business together with stakeholders

The stakeholders with which the CCBJH Group creates shared value include local communities, various associations and organizations, consumers, business partners, suppliers, investors, and the employees that work as part of the Group. As the issues that society faces become more diverse and complex, the participation of our stakeholders is crucial. Listening to our stakeholders' needs and providing value to society is the Group's most important mission.



CSV focal points

Since the CCBJH Group recognizes that addressing social issues in areas closely related to its business activities is key to realizing CSV, the Group has decided to focus on the three priority issues of health, the environment, and community. We believe that using the strengths of the CCBJH Group to contribute to the development of a sustainable society will help cultivate the support and trust of many stakeholders. Building on the main topics of customer satisfaction, quality assurance, ethics and compliance, risk management, respect for human rights, and employee job satisfaction, we have set goals and guidelines for all employees to carry out their daily tasks.



2018 AT A GLANCE

Revenue

¥927,307
million

Business income

¥23,276
million

Operating profit

¥14,682
million

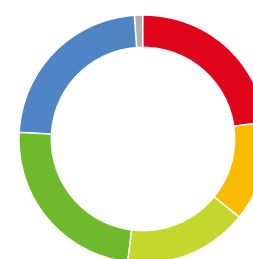
Net profit for the year attributable
to owners of the parent

¥10,117
million

Earnings per share
(EPS)

¥52.68

Beginning from the full-year fiscal 2018 results, we have reported financial information according to International Financial Reporting Standards (IFRS). "Business income" has also been introduced as a measure of recurring business performance since the adoption of IFRS.

Volume
comparison
by channel

● Supermarket	23%
● Drug store & discount store	13%
● Convenience store	16%
● Vending machine	24%
● Retail & food service	23%
● Other	1%

Volume
comparison
by category

● Sparkling soft drink	27%
● Non-sugar tea	20%
● Sports drink	9%
● Water	9%
● Coffee	20%
● Juice	7%
● Other	8%

Sales volume does not include alcoholic beverages.

2019 Key Metrics*

Revenue growth	Revenue unchanged year on year, volume -1%
Value share	Value ahead of volume
CAPEX	¥99.8 billion
Business income (BI)	¥15.4 billion
Dividend	Full-year ¥50/share

*Based on the "Revision of Full-Year 2019 Forecast" released on May 15, 2019

2018 CSV HIGHLIGHTS



Hydration seminar and
Drink Education seminar participants

Approx. **8,600**
(approx. +3,600 year on year)



Brands and products offered in Japan

Over **50** brands and Over **800** beverage products



FOSHU* and Food with
Function Claims products sold in Japan

11.5 million cases
(-800,000 year on year)



Water used for manufacturing

14,071 thousand m³
(-7.30% year on year)



Recycling rate of waste from plants

Approx. **99.11** %
(approx. -0.83% year on year)



CFC-free vending machine ratio

Approx. **78** %
(approx. +10% year on year)



Sports clinic and class participants

4,415
(-608 year on year)



Plant tour visitors

Approx. **167,000**
(approx. -6,000 year on year)



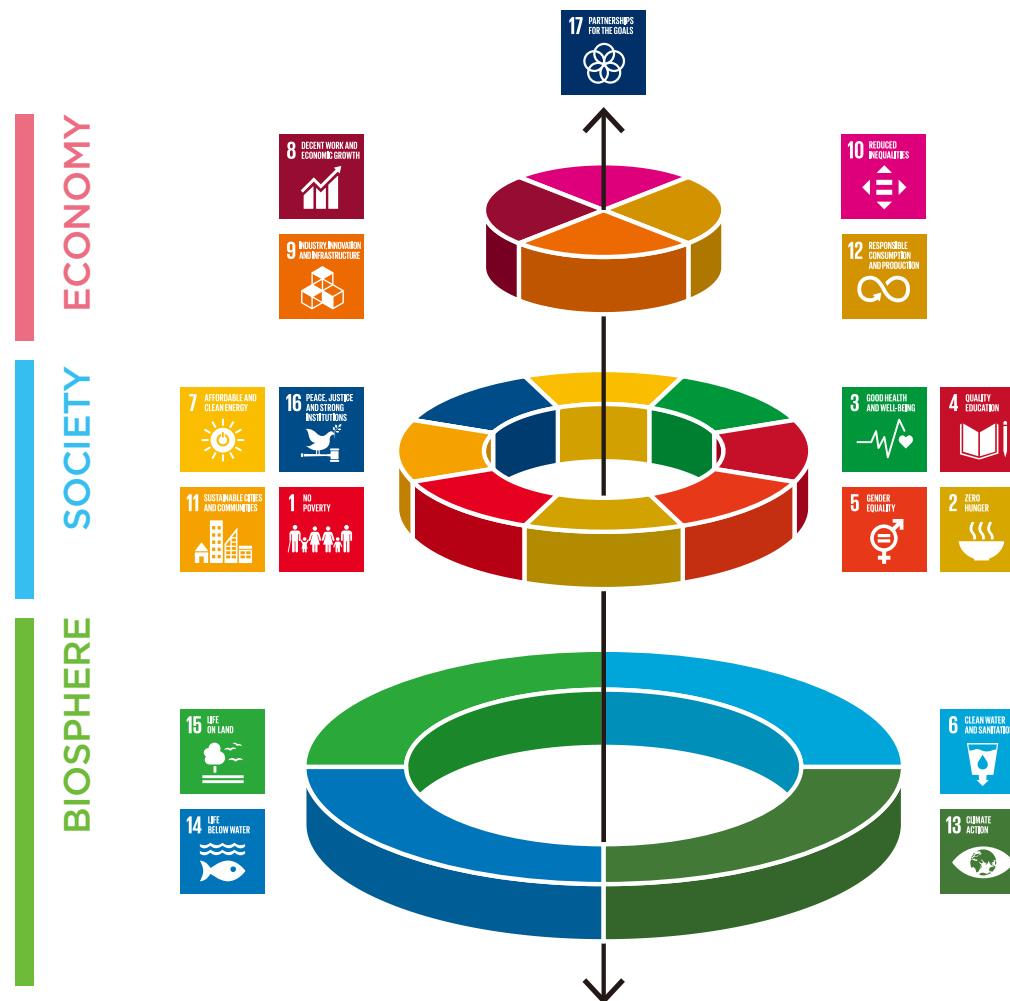
Disaster agreements with local governments

586
(+2 year on year)

FOR A HEALTHIER WORLD

The Sustainable Development Goals (SDGs), adopted at the United Nations Sustainable Development Summit held in September 2015, are a set of shared global priorities to be achieved by 2030. The CCBJH Group aims to contribute to the SDGs through its business activities, and is developing specific action plans in collaboration with Coca-Cola Japan and other stakeholders.

Using the model on the right to examine the SDGs overall, while also referring to the standards from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board, we have formulated goals and initiatives that are interconnected with our business activities. We will next consider and proactively address the risks and opportunities to be found in our value chain structure.



Goals closely connected to the CCBJH Group's business activities



Good Health and Well-being



Clean Water and Sanitation



Responsible Consumption and Production



Climate Action



Quality Education



Decent Work and Economic Growth



Life Below Water



Gender Equality



Reduced Inequalities





Peace, Justice and Strong Institutions


Based on the SDG "wedding cake" illustration presented by Johan Rockström and Pavan Sukhdev (Image credit: Azote for Stockholm Resilience Centre, Stockholm University)

SDG-related Initiatives


	● Supporting consumers' health with an extensive product line-up (Foods for Specified Health Uses, Foods with Function Claims)	P.13
	● Healthcare and skincare business	P.14
	● Health support initiatives (Coke ON Walk, mocktails, and "Enjoy Walking until 100 Project")	P.15
	● Hydration seminars, Drink Education seminars	P.16

	● Sports clinics by company sports teams	P.24
	● Plant tours	P.25
	● Environmental education programs	P.25


	● Diversity and inclusion initiatives	P.32
	● Initiatives for expanding women's roles in the workplace	P.32

	● Water resource conservation	P.18
	● Returning to nature the water used for manufacturing	P.19
	● Forest preservation activities (Coca-Cola "Learn from the Forest" project)	P.19


	● Human resources development (career advancement and performance evaluation)	P.31
	● Human rights initiatives	P.32
	● Occupational safety and health initiatives	P.32
	● Work-style reform initiatives	P.33

	● Welcoming consumers from overseas (multilingual POP communication materials, visitor-friendly vending machines)	P.23
	● Customer Contact Center	P.27
	● Compliance education	P.29
	● Ethics & Compliance Reporting Hotline	P.29

<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	● Open communication and correct information	P.16
	● Bins for sorting recycling and consumer awareness stickers	P.17
	● 2030 Packaging Vision	P.17, 22
	● Compliance with ISO 14001 and other international regulations	P.20
	● Recycling waste from plants (zero emissions)	P.22
	● Agreements with local governments and installation of disaster-response emergency vending machines	P.26
	● Quality assurance system (KORE)	P.28

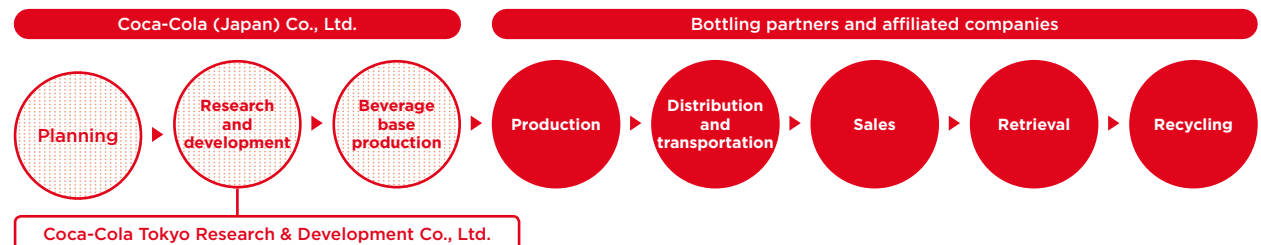
	● Production department initiatives	P.21
	● Increased efficiency and use of modal shift by the logistics and transportation department	P.21
	● Eco-driving and use of hybrid vehicles	P.21
	● Use of energy-saving, non-chlorofluorocarbon equipment by sales department	P.21

	● Collaborating with members of the beverage industry and other stakeholders on recycling initiatives	P.17
	● Participation in community cleanup campaigns	P.17

	● Risk management systems	P.30
	● Corporate governance	P.35-36

The Coca-Cola system in Japan

The Coca-Cola system in Japan is composed of Coca-Cola (Japan) Co., Ltd.—which supplies beverage bases, plans and develops new products, and conducts marketing activities—as well as five bottling partners and other affiliated companies that manufacture or sell products and retrieve their containers.



Supporting Consumers' Health with an Extensive Product Line-up

We offer a wide product line-up adapted to diverse needs. We have responded to growing health consciousness with products such as mineral water, non-sugar tea, and no-calorie beverages, and in recent years we have also expanded our line-up to include Foods for Specified Health Uses (FOSHU) and Foods with Function Claims. We support our consumers' lifestyles through products that provide overall refreshment and contribute to improving health.

1993
debut



Sokenbicha

Since its launch in 1993, as a unique non-sugar tea that provides refreshment while aiding health and beauty, *Sokenbicha* has become a leader in the non-sugar tea category because of its clean aroma and is loved by a wide range of people.

2009
debut



LOHAS Natural Mineral Water

LOHAS is a brand of Japanese mineral water developed out of a love for great-tasting water and the environment. *LOHAS* mineral water is drawn from carefully selected water sources and locally produced for a delicious taste that can be enjoyed at any time.

2018
debut

Canada Dry The Tansan Strong

Canada Dry The Tansan Strong is highly carbonated water with zero calories, zero sugar, and zero caffeine created to provide an invigorating feel and crisp flavor. Both the water and gas used for carbonation are filtered in the uncompromising pursuit of delicious taste.



Ayataka Tokusencha

This product is a FOSHU green tea that contains indigestible dextrin, a plant-derived dietary fiber. The product provides two health benefits by suppressing fat absorption and slowing sugar absorption.

Aquarius S-Body

Aquarius S-Body is the first beverage with the Food with Function Claims label offered under the *Aquarius* brand. It contains tilioside, a flavonoid derived from rose hips that has been reported to help decrease body fat. It has all the great taste of original *Aquarius* with zero calories.

2007
debut



Coca-Cola Zero

Since its launch in 2007, *Coca-Cola Zero* has delivered the delicious signature taste of *Coca-Cola* with zero calories, zero preservatives, and zero artificial flavorings. This product provides all the powerful, refreshing sensation and rich flavor of regular *Coca-Cola*.

Check /



Please refer to the link below for details on label permissions and notifications regarding these FOSHU and Food with Function Claims beverages (in Japanese only).

<https://www.cocacola.co.jp/inryoguide/lineup>

Background: Key Societal Issues



Demographic changes and lifestyle diversification in Japan

In recent years, major changes in Japan's population demographics, such as declining birthrate and aging population, have increased in severity. The lifestyles of individuals are also likely to become even more diverse in the coming years due to the increasing number of nuclear families and single-person households.



Healthcare and Skincare Business

Q'SAI's mission is to enhance value in consumers' lives and lifestyles through the healthcare and skincare business. Q'SAI provides kale juice and other high-quality, safe, and trustworthy products that contribute to the achievement of consumer health and happiness with the aim of helping consumers remain energetic, active, beautiful, and able to enjoy life.

Contributing to consumer health and happiness with healthcare and skincare products

Although the environments in which we live will continue to change in the years ahead, the importance of considering health in everyday living will remain constant. Q'SAI's signature product, *Kale Aojiru* (kale juice), contributes to improving consumer quality of life because it is full of nutrients that are often missing in the modern diet. The kale used in this product is grown with absolutely no pesticides or chemical fertilizers. Q'SAI is committed to making products that people can use with peace of mind, and applies its own rigorous management and control systems to ensure product quality.

We will continue to provide a broad range of healthcare and skincare products to help people lead energetic and enjoyable lives at any age. These products include *Kale Aojiru* to promote health, *Knee-support Collagen* to help consumers walk energetically, and *cola-rich* collagen skincare products to make consumers look and feel young and beautiful so they enjoy going out and socializing.

Main products from Q'SAI



Background: Key Societal Issues



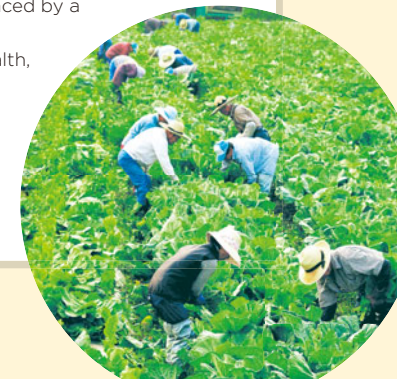
Longer lifespans and escalating health needs in Japan

In postwar Japan, cases of illness decreased dramatically and the average life expectancy increased substantially. However, lifestyle diseases associated with aging have increased and this, together with rising medical costs, has become a major social issue. As people continue to live longer, it is becoming more important to maintain health and the ability to live on one's own, with emphasis now being placed on not just extending the average lifespan but on attaining a prolonged healthy life expectancy.

Rigorous quality control

Since Q'SAI makes products for people to use in their daily lives, we make absolutely sure that consumers can use any of our products with true peace of mind. We strive to maintain high product quality through strict inspection and control.

Q'SAI Analysis and Research Center, a specialized food product analysis institution that focuses on residual agricultural chemicals, engages in every aspect of food product testing and analysis on behalf of major food product companies, including testing for residual agricultural chemicals, antibiotic substances, nutrient levels, and foreign substances. Because it constantly pursues improved technologies, in December 2004 the center became the first private-sector institution financed by a food products company to be registered as a Ministry of Health, Labour and Welfare-certified laboratory. The center's policy is to provide food safety and security in Japan and abroad through analysis and testing.





What we are doing

- ▶ We promote healthier living by supporting efforts to reduce the incidence of lifestyle disease and raising awareness of proper hydration.
- ▶ We comply with international standards and local laws and regulations within our value chain, which extends from raw materials procurement to delivery of products to consumers, and engage in rigorous quality control to ensure delivery of safe, trustworthy products.
- ▶ We provide products and services adapted to customers' diverse situational needs in an extensive and varied product line-up.

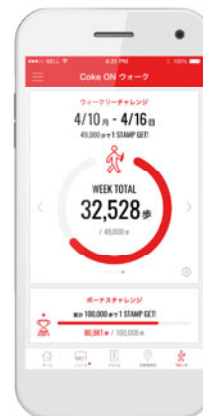


Main health-related initiatives
[https://en.ccbji.co.jp/
 csv/quality/](https://en.ccbji.co.jp/csv/quality/)

Products and services that support consumers' health

Coke ON Walk

Coke ON is a smartphone app that enables consumers to collect one stamp for each beverage purchased at compatible vending machines and then receive a drink voucher when they have collected 15 stamps. The app now features the Coke ON Walk function, which enables consumers to collect stamps for achieving certain walking targets. Through rewards for reaching cumulative step goals and special events, we help consumers develop healthy habits.



Mocktails

We are expanding the ways in which we can support a variety of consumer lifestyles by proposing a range of mocktail (non-alcoholic cocktail) recipes for the enjoyment of people who do not drink alcohol.



COLUMN

Q'SAI CO., LTD.

“Enjoy Walking until 100 Project”

The average life expectancy in Japan is 81 years for men and 87 years for women. It is said that a healthy life expectancy, the number of years that a person can expect to live independently in full health, is 10 years shorter than that*. Q'SAI holds various events to motivate people to think about healthy life expectancy with the aim of extending it to the age of 100.

In April 2018, Q'SAI held the Ashiyu Café and Nikkori Walk events at Maizuru Park in Fukuoka's Chuo Ward as part of the month-long campaign for the Q'SAI Enjoy Walking until 100 Project. At Ashiyu Café, participants relaxed and enjoyed samples of kale juice and other healthy drinks, as well as sweets made using kale powder, while soaking their feet in a warm footbath. As part of the Nikkori Walk event, an instructor led a class on stretching before and after the walk, and participants of all ages had fun while learning how to improve their health.

*Life expectancy: Ministry of Health, Labour and Welfare “Abridged Life Tables for Japan 2017”
 Healthy life expectancy: Ministry of Health, Labour and Welfare data from the “11th meeting of the committee for Health Japan 21 (2nd term)”



Enjoy Walking until 100 Project (in Japanese only)
<https://100aru.com/>

Open communication and correct information

In the Coca-Cola system, we strive to provide easy-to-understand product information to consumers so they can manage their health and choose the beverages best suited to their individual needs. This includes product explanations on our website and calorie information on the front of nearly all Coca-Cola Company products*.

Furthermore, CCBJI conducts programs for local community residents in order to help support active, healthy lives and lifestyles through beverages.

*Front-of-package calorie information is not provided for fountain beverages (including products for in-cup vending machines and dispensers), returnable bottles, powdered products, diluted products, or water (non-sugar and unflavored).



Source: Coca-Cola Journey

Hydration seminars

There has been an increase in heatstroke and other health incidents related to high temperatures and humidity in recent years, and proper hydration during daily life and recreational activities has become more important than ever. Since we manufacture and sell beverages, we work toward the prevention of heatstroke through providing hydration seminars for schools, various organizations, and companies. At these seminars, we communicate the importance of hydration and replenishing minerals, and the basics of preventing heatstroke.

In 2018, we held 44 hydration seminars, which were attended by around 7,000 people. Participants indicated that they had learned when to effectively hydrate and now understood the need to hydrate frequently. We will continue to communicate information about proper hydration to as many people as possible and contribute to the prevention of heatstroke and related incidents.



Number of
hydration seminars

44

(+11 year on year)

Number of
seminar participants

Approx.
7,000

(approx. +2,000
year on year)

Drink Education seminars

In addition to hydration seminars, we have begun holding Drink Education seminars to familiarize people with beverage categories and how to select the products best suited to specific occasions and current physical condition. In 2018, we held summer school programs, which involved Drink Education seminars and plant tours, at our plants in Zao, Tama, Tokai, and Kyoto. Some 1,600 students and their guardians participated.

At the seminars, we explained the differences between FOSHU and Foods with Function Claims, since these categories are sometimes confused, as well as how to read packaging labels in order to find helpful information, such as ingredients, nutritional content, calories, and expiration dates. Participants commented that they had learned how to select beverages suited to their circumstances and that they want to apply what they learned in their daily lives.

We will continue to provide beverage information and actively assist our consumers in selecting the products best suited to their lifestyles and needs.



Number of
Drink Education
seminars

24

(introduced in 2018)

Number of
participants in
the seminar

Approx.
1,600

(introduced in 2018)

Environment

Featured
Topic

1

Aiming to Realize a “World Without Waste”

The CCBJH Group considers empty bottles an important resource, not waste, and promotes their collection and recycling. In recent years, the Coca-Cola system has used its role as a beverage industry leader to engage in initiatives to help solve social issues, such as the problem of plastic waste in oceans and rivers.

2030 Packaging Vision

In January 2018, the Coca-Cola system in Japan announced its 2030 Packaging Vision, based on the global initiative to realize a “World Without Waste” announced by The Coca-Cola Company in 2018. As a member of the Coca-Cola system, the CCBJH Group will further accelerate its initiatives to realize the 2030 Packaging Vision.

Three core elements of the 2030 Packaging Vision

- 1 Whenever possible, avoid using non-renewable, petroleum-based raw materials for PET bottles. Promote the use of recycled PET resin or plant-based raw materials, aiming for, on average, 50% or more of either in each PET bottle.
- 2 Help achieve even further improvements to recycling rates and PET bottle/aluminum can collection in Japan by collaborating with national and local governments, the beverage industry, and local communities to build and maintain a more robust packaging collection and recycling scheme. Aim to collect and recycle an amount of packaging equivalent to the volume used for Coca-Cola products sold in Japan.
- 3 Help keep communities looking beautiful through cleanup campaigns and actively participate in awareness activities related to plastic waste in oceans and rivers.

Collaborative initiatives with the beverage industry and other stakeholders

CCBJI endorses the Soft Drink Business Plastic Resource Reclamation Declaration, announced in November 2018 by the Japan Soft Drink Association with the goal of achieving the 100% effective utilization of PET bottles by fiscal 2030, and is cooperating on initiatives with others in the industry. For one such initiative, as of May 2019, CCBJI had attached approximately 100,000 industry-designed consumer awareness stickers to vending machine recycling bins in the Tokyo metropolitan and Keihanshin areas.



Beach cleanup in Suma

In April 2018, employees and their families participated in a cleanup at Suma Beach as part of addressing the problem of plastics in oceans and rivers. It was an excellent opportunity for the participants to learn that beaches are littered with trash that has drifted ashore or been tossed there, and to think about this social problem as personal and closely connected to their own well-being.



Background: Key Societal Issues



Global focus on plastic waste in oceans and rivers

Large quantities of improperly disposed plastic waste and other trash are flowing from rivers into the world's oceans and having an enormous impact on marine ecosystems. PET bottles, when properly handled, are a recyclable resource, so the CCBJH Group supports recycling initiatives aimed at keeping the environment healthy.



Collaborating with students

Members of the Coca-Cola system are always looking to engage in various projects in cooperation with students and private organizations. One such project is the design and development of recycling bins that will increase the accuracy of sorting collected recyclables. Before the demonstration of these new bins, we met with Mr. Ryobun Santo from the NPO, Think the Earth.

Mr. Santo commented, “I hope that something like this new initiative, which brings together corporations and classrooms, will become a catalyst to change the world and contribute to student motivation and confidence.”

Mr. Ryobun Santo

Nitobe Bunka Academy and
NPO Think the Earth

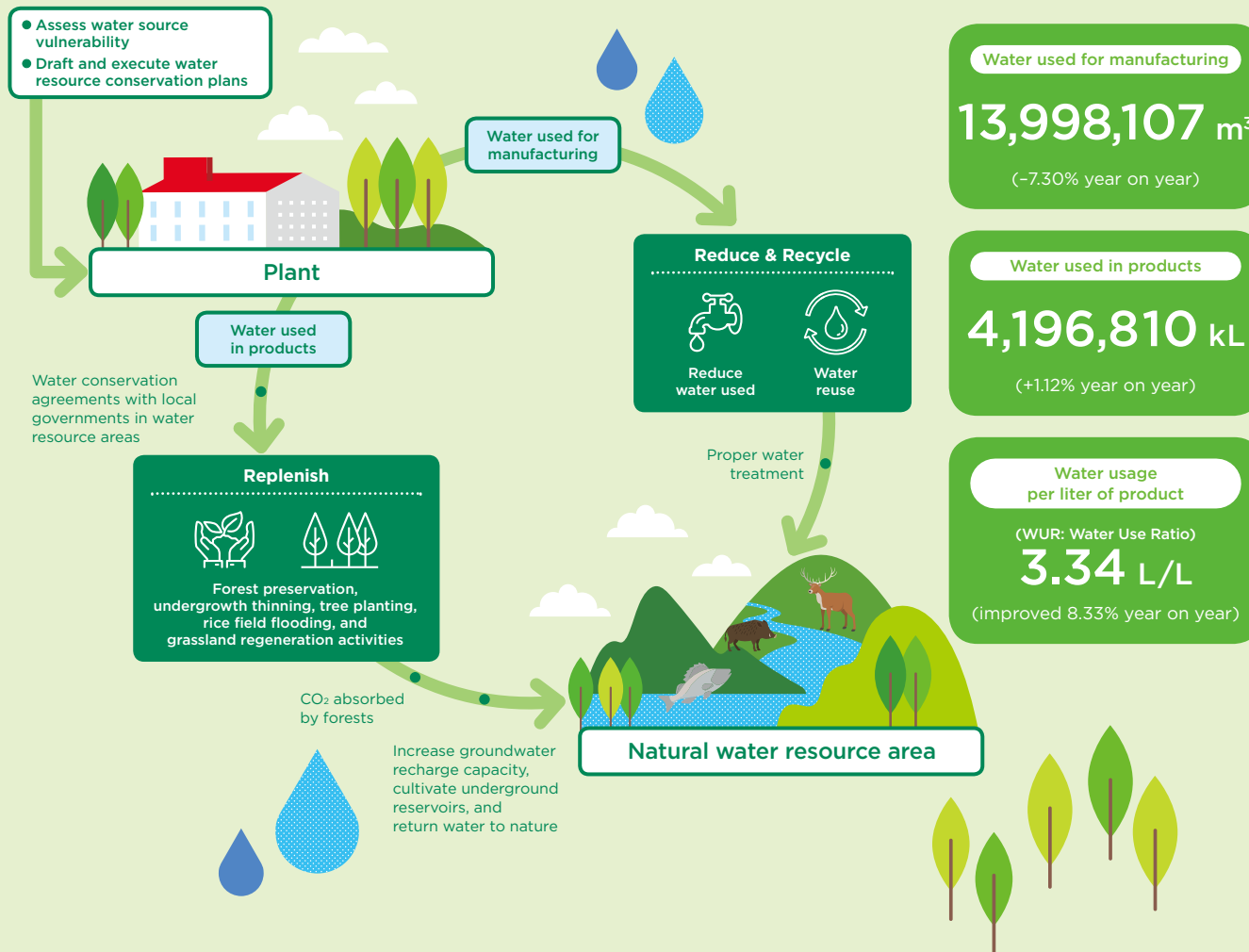


Environment

Featured Topic 2

Water Resource Conservation

Since our business relies on the use of water, an indispensable natural resource, we engage in initiatives to return to nature the volume of water equivalent to what we use in the manufacturing of our products. In 2016, we achieved our original goal of returning to nature an amount of water equivalent to 100% of that used at our plants (total plant amount). In 2018, we increased that amount to 277%.



Background: Key Societal Issues

World water demand will rise significantly by 2030

Population increase and climate change in recent years has led to emerging global water risk. The Organisation for Economic Co-operation and Development concluded in an investigative report that there will be a large increase in global water demand and severe water scarcity by 2030. Water issues on this scale require international cooperation and swift action to be solved.

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 we develop conservation plans for the water we use at our plants. These plans are the basis for our activities that focus on reducing the amount of water used in the manufacturing process, recycling what water is used in manufacturing, and replenishing water resource areas.

The water we use is classified into two major categories: water used for manufacturing, and water used in products. The water used for manufacturing—specifically for rinsing and cooling—is collected, processed, and then reused. After proper treatment, it is eventually discharged into rivers. For the water used in products, we work to return its equivalent to nature by contributing to better groundwater recharge capacity through activities that include planting trees, thinning forest undergrowth, flooding rice fields, and regenerating grasslands, as well as by cultivating abundant underground water reservoirs.

Aiming for 100% replenishment at each plant

At each plant, we have made long-term agreements with regional bodies, including forest cooperatives and landowners, and are carrying out activities to conserve water resource areas in order to achieve a 100% replenishment rate* for the water used in our products.

Our forest preservation activities are centered on cultivating abundant underground reservoirs within the CCBJI water resource forests, which cover a total of 6,974 hectares. The current focus of these activities is to increase the efficiency of groundwater recharge capacity and to aid carbon capture, which is the absorption and storage of CO₂ by trees and other plants.

We also want to increase awareness regarding the importance of conserving water resources and our efforts toward that goal, so we hold activities through the Coca-Cola "Learn from the Forest" project for people in the community and our employees and their families to participate in.

Replenishment rate

277%

(+2% year on year)

Replenishment
area

Approx.
6,974 ha
(+391 ha year on year)

Plants with 100%
replenishment

14/17
(+2 year on year)

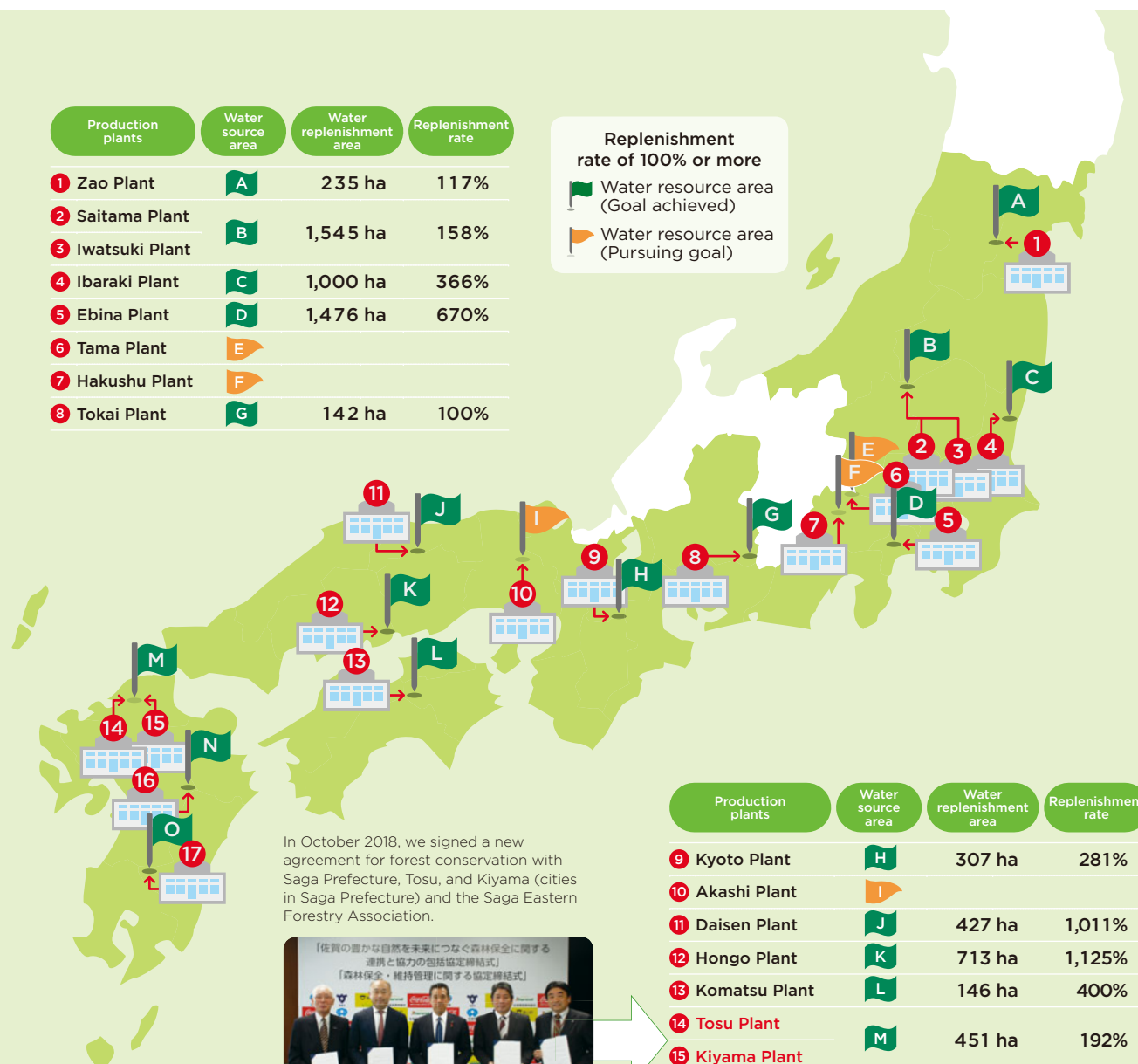
$$\frac{\text{Replenishment area (ha)} \times 10,000 \times \text{Precipitation (m)} \times \text{Recharge}}{\text{Production output (kL)}} \times 100$$

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

Production plants	Water source area	Water replenishment area	Replenishment rate
1 Zao Plant	A	235 ha	117%
2 Saitama Plant	B	1,545 ha	158%
3 Iwatsuki Plant	C	1,000 ha	366%
4 Ibaraki Plant	D	1,476 ha	670%
5 Ebina Plant	E	1,476 ha	670%
6 Tama Plant	F		
7 Hakushu Plant	F		
8 Tokai Plant	G	142 ha	100%

Replenishment
rate of 100% or more

- Water resource area (Goal achieved)
- Water resource area (Pursuing goal)



In October 2018, we signed a new agreement for forest conservation with Saga Prefecture, Tosu, and Kiyama (cities in Saga Prefecture) and the Saga Eastern Forestry Association.



Production plants	Water source area	Water replenishment area	Replenishment rate
9 Kyoto Plant	H	307 ha	281%
10 Akashi Plant	I		
11 Daisen Plant	J	427 ha	1,011%
12 Hongo Plant	K	713 ha	1,125%
13 Komatsu Plant	L	146 ha	400%
14 Tosu Plant	M	451 ha	192%
15 Kiyama Plant	M		
16 Kumamoto Plant	N	328 ha	363%
17 Ebino Plant	O	203 ha	506%



What we are doing

- ▶ We use water, one of our most precious resources, in a responsible manner throughout our business activities, and work to conserve our sustainable water resources.
- ▶ As part of our efforts to help mitigate climate change, we monitor the environmental impact of our corporate resources in order to help realize a sustainable society.
- ▶ We plan to reduce product packaging, as well as continue recycling efforts for items such as empty containers and vending machines.



Main environment initiatives
[http://en.ccbji.co.jp/
 csv/water/](http://en.ccbji.co.jp/csv/water/)

In order to contribute to the creation of a sustainable society, we must balance both business growth and the reduction of environmental impact. Since our business deals primarily in consumer goods, we pursue waste management and recycling initiatives, and all our business locations—including offices, manufacturing plants, and sales centers—operate under ISO 14001, comply with laws and regulations, and target the reduction of environmental impact.

The CCBJH Group's primary environmental data

Category		2018	Unit
Raw materials	Sweeteners, coffee beans, tea leaves, milk, etc.	439	thousand t
Packaging	PET bottles, cans, cardboard, etc.	354	thousand t
Water used for manufacturing		14,071	thousand m ³
Consumption ratios	Water used per 1 L of product	3.34	L/L
	Energy used per 1 L of product	0.89	MJ/L
	Electricity	329,121	thousand kWh
	City gas	48,710	thousand m ³
	Liquefied natural gas (LNG)	11,547	t
	Liquefied petroleum gas (LPG)	143	t
	A-grade diesel	2,414	kL
	Gasoline	13,291	kL
	Diesel	56,225	kL
	Natural gas	55	thousand m ³
	LPG	548	t
	Electricity	59,361	thousand kWh
	City gas	150	thousand m ³
	LPG	237	t
	Gasoline	91	kL
	Diesel	40	kL
	Kerosene	13	kL
	A-grade diesel	0.2	kL
	Electricity (vending machines, etc.)	700,396	thousand kWh
	Total amount	108,239	t
	Recycled amount	107,124	t
	Manufacturing	280	thousand t-CO ₂
	Logistics	180	thousand t-CO ₂
	Offices	27	thousand t-CO ₂
	Vending machines	295	thousand t-CO ₂
Retrieval and recycling	Steel cans	8,826	t
	Aluminum cans	17,960	t
	Glass bottles	12,564	t
	PET bottles	35,903	t
	Paper, cardboard, etc.	28,163	t
Vending machine recycling	Number of machines processed	100,869	machines
Environment-friendly vehicles	Hybrid (gasoline or diesel)	1,488	vehicles
	Natural gas	5	vehicles
	Electric vehicles	46	vehicles
	Clean diesel	25	vehicles
Number of CFC-free vending machines		507,309	machines

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.

Decrease
in beverage business
CO₂ emissions
-39.32%
(compared to 2010)

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 reduction.



For information on Scope 1, 2, and 3 CO₂ emissions results, please refer to the link below.
<https://en.ccbji.co.jp/csv/water/carbon/emissions.php>

Production initiatives

At our plants, we are actively adopting new processes and the latest technology for improving energy efficiency. We are striving to reduce the greenhouse gases produced and fuel oil used in our manufacturing

2018 EUR
(Energy Use Ratio)
per liter of product
0.89 MJ/L
(-0.97% year on year)

processes through measures such as introducing cogeneration systems that can create both electric power and heat from a single energy source, installing insulation and heat exchange systems that can effectively keep energy losses to a minimum, and converting from the use of fuel oil to natural gas.

Logistics and transportation initiatives

Our logistics divisions are implementing transportation efficiency improvements by accelerating the use of larger vehicles in order to improve load ratio and by continuing to utilize modal shift in transportation. In addition, we are undertaking greenhouse gas emissions reduction throughout the Group by improving the efficiency of shipping routes to our business partners; rigorously implementing eco-driving; increasing the replacement of existing fleet vehicles with electric, hybrid, and other fuel-efficient vehicles; and switching to the use of smaller vehicles for sales representatives.

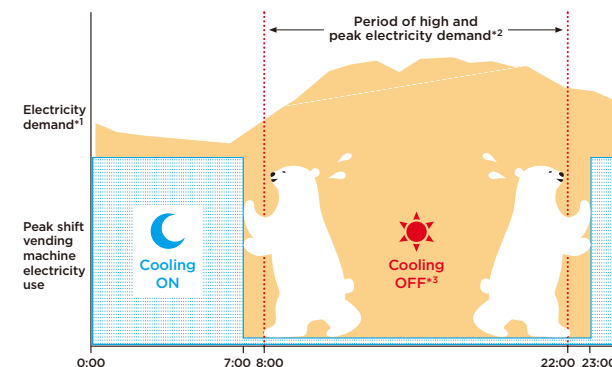
Sales initiatives

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.

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.

CFC-free vending
machine ratio

Approx.
78%
(+10% year on year)

Number of
CFC-free vending
machines, including peak
shift vending machines

Approx.
507,000



Building a recycling-oriented society

We strive to reduce environmental impact by collecting and recycling as much as possible of the waste generated throughout a product's life cycle. Through various initiatives such as reducing waste generated by production, using inventory controls to reduce product disposal, making containers easier to recycle, and using environment-friendly containers, we are contributing to the development of a sustainable society.

Recycling waste materials

At our 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 have achieved 99.88% and 100% recycle rates for them, respectively, as fertilizer or animal feed.

For example, 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 also plans to pursue research into a way to efficiently use 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.

Recycling
rate of waste
from plants

Approx.

99.11%

(~0.83% year on year)

Increasing sustainable packaging

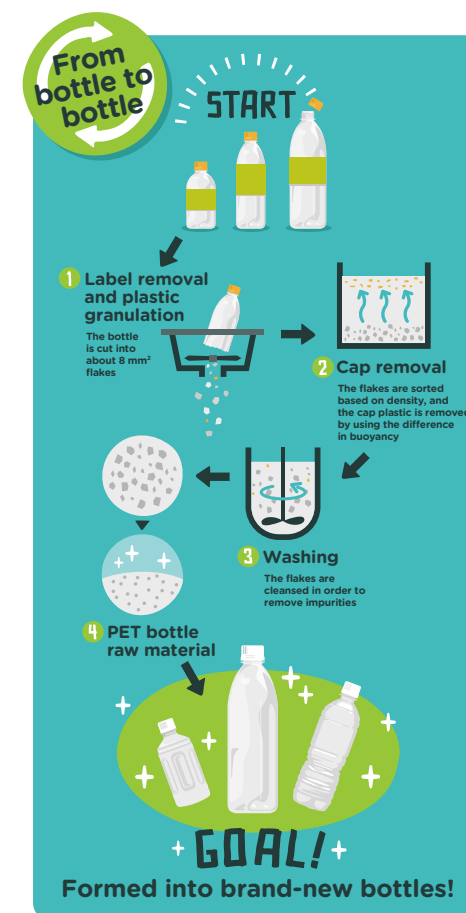
Under the shared global concept of sustainable packaging, we develop and use packaging within the Coca-Cola system that is specifically designed to be environment-friendly and also easy to use. We have introduced packaging like the *ecoru shiboru* bottle, which is easy to twist and flatten after drinking, to reduce both environmental impact and energy use. By the year 2030, we are aiming to eliminate non-renewable petroleum-based raw materials whenever possible from our PET bottles. We will pursue the use of recycled PET resin and plant-based raw materials, with the goal of using, on average, 50% or more of either in each PET bottle.



An *ecoru shiboru* bottle, which is easy to twist and flatten

Bottle-to-bottle recycling

As a part of achieving the aims of The Coca-Cola Company's "World Without Waste" global initiative, we are taking part in the bottle-to-bottle recycling project to convert used PET bottles into product-ready PET bottles. Bottle-to-bottle recycling makes it possible to manufacture PET bottles with a lower environmental impact.



Source: Coca-Cola Journey

Welcoming Consumers from Overseas

As the number of tourists and foreign residents in Japan has increased in recent years, the CCBJH Group has been taking part in business initiatives for the development of regional areas. We are also promoting the Olympic Movement in advance of the Olympic Games Tokyo 2020. This currently includes measures to help international customers conveniently purchase products they trust.

Providing multilingual POP communication materials

We have prepared multilingual POP materials (in-store supplementary materials) to help consumers from many nations conveniently purchase products they trust. Coordinating with our business partners, we will offer materials at restaurants so that consumers from overseas can easily order and enjoy Coca-Cola products. On our vending machines, information is also displayed in multiple languages and, with the help of a smartphone, product information can be accessed in up to 15 languages. We aim to expand the number of multilingual vending machines by 2020.



Development of visitor-friendly vending machines

Previous vending machines were not designed in a way that took the needs of non-Japanese consumers into consideration, even in locations with many tourists. Accordingly, we developed a vending machine that makes it easy for consumers from overseas to select and purchase beverages. We installed the first such machine in Asakusa, a historic district that attracts many overseas visitors.

These vending machines are covered in appealing, original Japanese-style art and display information in multiple languages. The product line-up includes Coca-Cola and Fanta, brands familiar to overseas consumers from many countries, as well as beverage flavors that are exclusive to Japan. Information can also be viewed on local tourist attractions by scanning a QR code, which was added to help consumers have an even more satisfying experience.



Background: Key Societal Issues

Toward a future of multicultural coexistence

Given the outlook for long-term population decline in Japan, the Japanese government has strengthened policies that support the acceptance of foreign nationals in society. In addition, an increase in the number of foreign visitors to Japan is expected ahead of the Rugby World Cup 2019 and the Olympic Games Tokyo 2020. Multilingual support on vending machines and elsewhere is necessary to eliminate inconvenience for people whose native language is not Japanese.

Popularization of JOC Olympic support vending machines

As part of providing support for athletes aspiring to compete in the Olympic Games Tokyo 2020 and as another way to promote the Olympic Movement, the Coca-Cola system members are working to install and popularize Japan Olympic Committee (JOC) support vending machines. A portion of the proceeds from JOC Olympic support vending machines is donated to assist athletes through the JOC. By the end of 2018, 2,068 machines had been installed in our sales area.



Community

Featured
Topic **2**Energizing Communities
through SportsBackground:
Key Societal IssuesConcern over children's
decreasing health and
fitness in Japan

In a time of significant change to how children live and form lasting habits, opportunities for daily physical activity, through playing outside or sports, are decreasing, and it is said that physical fitness and athletic ability in younger generations is declining. Decreased physical fitness in today's children could eventually mean a decline in the fitness of the entire population and there is concern regarding the effect of that on Japan in the future.

The CCBJH Group aims to create shared value by contributing to the revitalization of regional economies through business, while also staying mindful of community issues and undertaking a wide variety of specific support activities. In particular, we manage two corporate sports teams, the Coca-Cola Red Sparks men's rugby team and the Coca-Cola Red Sparks women's field hockey team, who not only deliver game-day thrills to a large number of local fans but also create opportunities for kids to be active and improve their skills in a safe way through educational sports clinics. Both teams are also proactive participants in local events as part of building vibrant communities and a society in which everyone can live healthy and active lives.

Principal community activities in 2018

Coca-Cola
Red Sparks rugby team

- Held 12 sports clinics with a total attendance of 1,280 participants
- Held 16 rugby classes with a total attendance of 2,440 participants
- Participated in the Love Earth Cleanup 2018 in Fukuoka City
- Participated in the FOR CHILDREN Japan Rugby Top League charity activity (Fukuoka Children's Hospital visit)
- Participated in the 2018 Hokkaido Eastern Iburi Earthquake charity *mochi*-pounding event

Coca-Cola
Red Sparks field hockey team

- Held 4 sports clinics with a total attendance of 220 participants (Aichi, Kanagawa, Kyoto, and Nagasaki Prefectures)
- Held 6 field hockey classes with a total attendance of 475 participants
- Participated in LECT sports event (talk show, field hockey experience) (Joint event with the Hiroshima Izumi Maple Reds handball team in a shopping center)
- Participated in the Hiroshima Zero Litter & Clean Walk Campaign
- Participated in the 38th Hiroshima International Peace Marathon



What we are doing

- ▶ We help address local community issues through encouraging interest in sports and the arts and through supporting the healthy development of young people.
- ▶ We strive to be a trustworthy partner to stakeholders of all generations by conveying information about our production processes and food safety initiatives in an easy-to-understand manner through our plant tour programs.
- ▶ Along with creating emotional connections through our company sports teams, we develop activities specific to local regions, and contribute to the healthy development of children and vibrant local communities.



Main community initiatives
[https://en.ccbji.co.jp/
 csv/township/](https://en.ccbji.co.jp/csv/township/)

Plant tour initiatives

CCBJI considers plant tours 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 167,000 visitors toured these plants in 2018. In order to remain a trusted partner to our stakeholders, CCBJI will continue to communicate information in an easy-to-understand manner about its activities and The Coca-Cola Company's production processes and food safety initiatives, so that consumers can feel confident in choosing The Coca-Cola Company's products.

COLUMN

We engage in various community initiatives at our plant!

Let's Enjoy the Environment in a Foreign Language 2018

In March 2018, with the cooperation of students from the Kyoto University of Foreign Studies, we held the "Let's Enjoy the Environment in a Foreign Language 2018" event at the Kyoto Plant. Parents and children learned about environmental problems while becoming familiar with English, through a fun program consisting of a skit, a filtration experiment, and other activities devised by the university students.



Environmental education programs

We hold environmental education programs in various locations in order to raise awareness about the importance of conserving water and preserving nature.

In 2018, local community members and employees participated in water conservation activities in 13 of our plants' water source areas through the Coca-Cola "Learn from the Forest" projects. At Coca-Cola "Learn from the Forest" projects held in May and September in Nakanohou, Gifu, a total of 112 employees and their family members thinned forest undergrowth, helped plant rice fields, and tried woodworking while learning about the indispensable nature of water resources.

We also contribute to the healthy physical and mental development of youth by providing a place to experience farming, nature, and communal living through supporting the NPO Ichimura Nature School. In 2018, during an 8-month period, 58 elementary school (from 4th grade) and junior high school students (up to the 2nd year) spent their weekends learning leadership skills in a natural setting in Tosu, Saga Prefecture. The program has received a commendation from Saga Prefecture and won acclaim from those in the community and beyond.



Children helping to plant rice fields at a Coca-Cola "Learn from the Forest" project



Ichimura Nature School students harvesting their own vegetables



Contributions to local communities through business

The CCBJH Group believes that thriving communities are a prerequisite for sustainable business activities and conducts a wide range of social activities in local communities based on this belief. Through our core business, we engage in activities such as supporting food banks and collaborating with local governments on agreements to supply drinking water to emergency shelters during disasters. By being involved in these ways, we are forging deeper ties with the community and expanding relationships.

Donating products through food banks

A food bank is an initiative or group that provides food—which was disposed of but is still fit for consumption—to people and organizations in need. We have entered into partnerships with food banks such as Second Harvest Japan, which was the first food bank in Japan and is a member of the Alliance of Japan Foodbanks, and the Food Bank All Japan Association, to carry out initiatives regarding food donations. In 2018, we started donating to new food banks in Osaka and Kagoshima prefectures and supplied beverages through 18 organizations to approximately 1,100 institutions including social welfare facilities and facilities that provide meals for children with busy or absent parents. Because we want to help in any area that we can, while also ensuring our reduction of wasted stock, we are continuing to develop our product donation activities.

Regional contributions using vending machines

In preparation for large-scale disasters, the CCBJI Group has entered into agreements with local governments within our distribution area to provide emergency supplies during a disaster. In addition to giving priority to the supply of drinking water to

emergency shelters during a disaster, the Group provides beverages, free of charge, from vending machines at city offices and schools. At the end of 2018, we had made agreements with 586 local governments.

COLUMN

CCBJI Main Plant (Mihara City, Hiroshima Prefecture)

What actions did CCBJI take during the torrential rains in 2018?

In July 2018, Japan was struck by a concentration of torrential rains, especially in western Japan, which inflicted damage on many facilities including those of the CCBJI Group. During this natural disaster, CCBJI put its business continuity plan (BCP) into action. While quickly establishing a framework for restoring its main operations and collaborating with related divisions, CCBJI moved forward to systematically deploy the necessary corporate resources.

As the record rainfall continued, a nearby river's banks overflowed and inundated the Hongo Plant, halting operations at manufacturing facilities and automated warehouses. As the impact spread, affecting plants, warehouses, and the logistics function for the region, the first action was to put in place an emergency response headquarters. We simultaneously set up a response office on-site and, the very next day, dispatched managers from the HR, General Affairs, and SCM functions to coordinate actions at the plant. CCBJI also began to provide food and personal necessities to employees.

The rain had caused damage to the homes and vehicles of many employees and because of the time it took for the power and water supply to be restored, it was more than a week before employees were able to return to work. During the intense heat of summer, while exercising proper precaution against heat exhaustion and serious injury, employees rallied together to carry out the restoration work. Furthermore, because the water supply to the surrounding area was interrupted for an extended period of time, manufacturing water that remained in the supply tanks and emergency water delivered from nearby plants was distributed to people in the neighboring areas, and CCBJI provided a location for the Japanese Self-Defense Force to set up the water distribution center.

Damage to equipment, other property assets, and inventories, along with disruptions to the transportation network, had a major impact on product supply and distribution. There was an increase in demand due to a heat wave, which caused continual product shortages. We visited our business

partners to explain the difficult situation and gain their understanding, but we also put together a support network that allowed us to distribute products from other areas of the country.



Providing local residents with water for their daily lives



Employees hard at work on the restoration

Customer Satisfaction

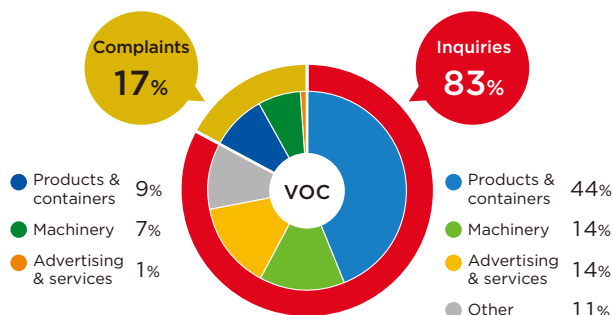


Customer satisfaction initiatives
[https://en.ccbji.co.jp/
csv/customer/](https://en.ccbji.co.jp/csv/customer/)

For our customers

In accordance with our corporate philosophy, THE ROUTE, at CCBJH Group we focus on all our consumers and customers to become their trusted partner. The Customer Contact Center plays a central role in developing processes with which to meet the expectations of our customers.

Customer consultation by topic



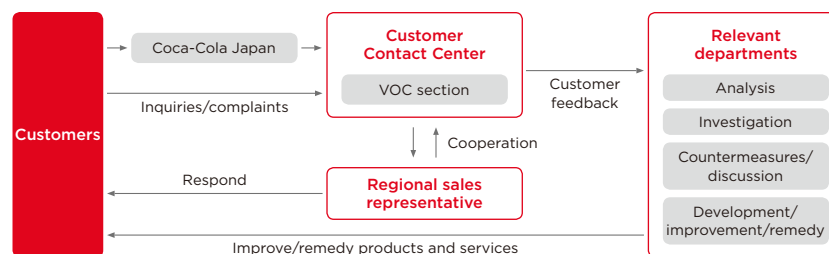
Realizing customer satisfaction

The Customer Contact Center, which operates under the slogan “Good customer contact makes everyone happier,” is the point of contact for all customers of the CCBJH Group. We have put in place a system by which the center receives opinions and requests from customers and promptly relays their content to regional representatives, who can respond swiftly. The center’s Voice of Customer (VOC) section shares opinions, requests, complaints, and other feedback received from customers within the Group to inform initiatives aimed at improving products and services. We comply with ISO 10002 (JIS Q 10002)*, which covers the handling of customer complaints, throughout our customer response processes and management system.



*A standard issued by the International Organization for Standardization (ISO) that provides guidance on the process of handling complaints related to products and service quality. ISO 10002 does not involve third-party certification. While any organization can self-evaluate its compliance, Coca-Cola system members in Japan declare their compliance after receiving an independent compliance audit.

Customer response process



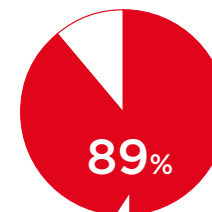
Customer Contact Center initiatives

To ensure customer satisfaction, the customer service representatives who answer telephone calls take care to provide responses that are accurate and attuned to customer needs. To increase response quality, the Customer Contact Center has introduced response quality assessment by an external organization, and each customer service representative is constantly working on skills improvement.

Effective response to customer complaints

We conduct questionnaires for consumers who have lodged complaints, and provide surveys to evaluate the quality of our customer response and consumers' intention to purchase Coca-Cola products in the future. For many consumers whose complaints have been addressed, their interest in purchasing Coca-Cola products remains unchanged or even increases according to our survey.

Consumer willingness to repurchase Coca-Cola products



Combines those who answered that their desire to repurchase was unchanged, had increased, and was unchanged plus they would recommend the products to others

Survey method: A questionnaire via SMS text message sent to consumers who had lodged complaints (Survey period: March to December 2018)



Customer inquiry response rate

94%



Quality Assurance



Quality assurance initiatives
[https://en.ccbji.co.jp/
csv/assurance/](https://en.ccbji.co.jp/csv/assurance/)

Quality assurance policy

We seek to provide all consumers with safe products and high-quality services. This goal motivates us throughout our operations. During the entire process from the procurement of materials, through manufacturing, logistics, transportation, sales, and service, we work tirelessly to secure and improve customer-centric quality.

Basic principles for quality

- 1 Each of our departments is aware of its roles and responsibilities and implements customer-driven quality control.
- 2 We will perform our daily work with the top priority on "quality."
- 3 Each one of us keeps in mind and thinks about "quality" at all times and acts to enhance our brand value.

The *KORE* management system for safeguarding quality

In the Coca-Cola system, we manage operations using *KORE* (Coca-Cola Operating Requirements), our globally integrated, unique management system, and manage product quality under rigorous standards imposed by *KORE*. *KORE* covers a comprehensive range of standards in the areas of quality, food safety, the environment, and industrial safety and health and is implemented in each process from procurement of raw materials to manufacturing, logistics and transportation, and sales, until our products are delivered to consumers. In addition to meeting the requirements of laws and regulations, and standards from the International Organization for Standardization (ISO), *KORE* includes even more rigorous standards.*

We have a certification organization measure performance against various requirements at least once a year as a means of confirming the integrity of operations. Fair and honest management of operations within the Coca-Cola system is guaranteed by the addition of evaluation by an external third party. We rigorously incorporate *KORE* management standards in all business processes for which the CCBJH Group is responsible, and constantly strive to ensure and improve quality from a customer-centric perspective.

* Concerning quality, we comply with ISO 9001; concerning food safety, we comply with FSSC 22000; concerning the environment, we comply with ISO 14001; and concerning industrial safety and health, we comply with OHSAS 18001 (currently converting to ISO 45001). We have acquired these certifications at all our plants. We have also acquired ISO 14001 certification at all our sales centers and offices.

KORE Quality Management System

Coca-Cola (Japan) Co., Ltd.



Procurement

Raw materials are only sourced from suppliers certified by the Global Food Safety Initiative (GFSI).



Beverage base preparation

Beverage bases undergo strict quality inspection using the latest analysis equipment (physicochemical and microbiology testing, etc.).



Manufacturing

To deliver reliable quality, we endeavor to ensure product safety by striving to comply with quality management systems and improve our quality management technologies.



Logistics and transportation

We ensure careful handling of the products manufactured at our plants so that they are delivered in excellent condition.



Sales (retailers and vending machines)

We work to maintain merchandise control at retailers and vending machines to ensure that we provide consumers with products that are always safe, trustworthy, and fresh.



Customers

We integrate opinions, inquiries, and other feedback from customers with improvement activities.

CCBJH Group

Ethics and Compliance



Ethics and compliance initiatives

[https://en.ccbji.co.jp/
csv/compliance/](https://en.ccbji.co.jp/csv/compliance/)

Ethics and compliance policies

In order to be a sustainable business, the CCBJH Group must fulfill its social responsibilities and every individual employee should always act with dignity. As part of this, we have enacted the Code of Business Conduct and Ethics, and promote a corporate culture that emphasizes ethics and compliance.

The Code of Business Conduct and Ethics covers five areas: acting righteously with dignity, right conduct, respect of human rights, dealing with stakeholders, and conflicts of interest. All employees are expected to observe all laws and regulations as well as the Code, internal rules, and workplace principles. They are also expected to act with integrity and honesty, to think before acting, and to seek guidance when in doubt.



WEB

Coca-Cola Bottlers Japan Holdings Group Code of Business Conduct and Ethics

[https://en.ccbji.co.jp/vision/pdf/en/
CCBJIgroup_Ethics_en.pdf](https://en.ccbji.co.jp/vision/pdf/en/CCBJIgroup_Ethics_en.pdf)



WEB

Basic Policy for Suppliers

[https://en.ccbj-holdings.com/corporate/
governance/pdf/supplier_en.pdf](https://en.ccbj-holdings.com/corporate/governance/pdf/supplier_en.pdf)

Ethics & Compliance Reporting Hotline

We have set up the Ethics & Compliance Reporting Hotline (a dedicated email address and telephone number), with points of contact in-house and at an external legal counsel's office, to accept requests for consultation about matters that conflict with, or may conflict with, the Code of Business Conduct and Ethics. Anonymous consultation is available, and we are striving to raise awareness of the hotline and create an environment that facilitates consultation by a variety of means, such as issuing ethics and compliance bulletins and posting the hotline points of contact on the Group intranet. Furthermore, we value the cooperation of employees who report issues that need to be addressed, and any form of retaliatory measures against reporting employees has been made a violation of the Code. We confidentially investigate any problem requiring examination under the Code, determine whether there has been a violation of the Code or laws and regulations, and take any appropriate corrective measures.

Compliance education

The standing CCBJH Group Ethics & Compliance Committee, which comprises members of the management team, meets on a regular basis and takes the lead in promoting activities that further foster and inculcate high ethical standards and compliance awareness among the Group's employees and encourage a corporate culture that places importance on ethics and compliance. These initiatives include the implementation of awareness and education activities, operation of the Ethics & Compliance Reporting Hotline, other responses to compliance-related incidents, and consideration and implementation of measures to prevent the reoccurrence of incidents.



An ethics and compliance seminar

CHECK!

Violations of the Code of Business Conduct and Ethics

➡ None

Payment of important environmental or ecological fines or penalties over the past four years

➡ None

Political contributions

Donations or spending for political activities/groups, lobbyists/lobbyist organizations, trade association, or other tax-exempt groups

➡ None

Risk Management



Risk management initiatives
[https://en.ccbji.co.jp/
csv/risk/](https://en.ccbji.co.jp/csv/risk/)

Risk management systems

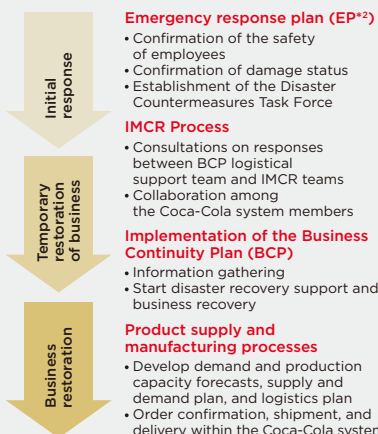
The CCBJH Group has set up 1) the standing Risk Management Committee, which formulates basic policies, and deliberates and decides risk prevention activities; 2) the Crisis Management Committee, which decides and leads the response when a major problem or accident occurs; and 3) the Disaster Countermeasures Task Force, which deliberates and initiates the business continuity plan (BCP) when a wide-area disaster occurs that significantly impacts business activities.

All CCBJH Group companies and departments implement PDCA cycles and engage in risk prevention activities. Those responsible for risk management have the ability to make autonomous decisions and serve as the Group's first line of defense. Risk monitoring by the department in charge of ERM^{*1}, which handles the administrative duties for the committees listed above, is the second line of defense. Assurance by the internal audit department is the third line of defense. If an incident occurs, the Group gathers information and discusses an initial response and solutions using the Coca-Cola system's Incident Management and Crisis Resolution (IMCR) protocols, and the president of CCBJH may convene the Crisis Management Committee if needed.

Disaster Countermeasures Task Force

Business Continuity Plan (BCP)

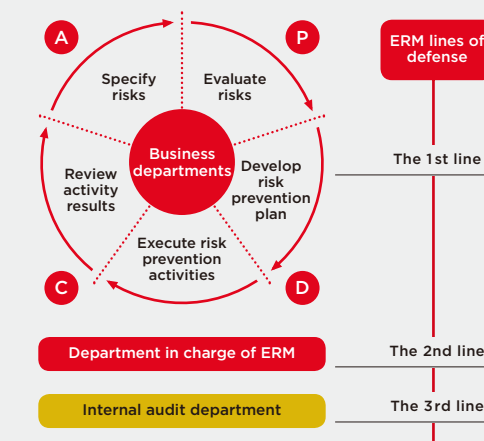
Response to large-area, large-scale disasters



Risk Management Committee

Enterprise Risk Management (ERM)

Formulation of basic policies and prevention of risks



Crisis Management Committee

Incident Management & Crisis Resolution (IMCR)

Response to serious incidents or accidents



List of risks the Company identifies

1. Risks related to changes in assets
2. Risks related to retirement benefit obligations
3. Risks related to increased costs of raw materials, etc.
4. Risks related to competition and changes in markets
5. Risks related to changes in consumer preferences and health concerns
6. Risks related to economic conditions
7. Risks related to infrastructure investment
8. Risks related to the supply chain
9. Risks related to changes in the retail environment
10. Risks related to water resources
11. Risks related to trademarks and trust in brand
12. Risks related to relevant laws and regulations
13. Risks related to alcoholic beverages
14. Risks related to tax reform
15. Risks related to product safety and quality
16. Risks related to business integration
17. Risks related to litigation
18. Risks related to the business of affiliated companies
19. Risks accompanying dependence on The Coca-Cola Company
20. Risks related to weather
21. Risks related to natural disasters
22. Risks related to information security
23. Risks related to securing and developing human resources

ERM Global Workshop

The CCBJH Group, in cooperation with The Coca-Cola Company, held an ERM Global Workshop led by Mr. Gerold Knight, Chief Risk Officer of Coca-Cola Hellenic Bottling Company, for the leadership of Coca-Cola Japan and the Coca-Cola bottlers in Japan.

Members of the Coca-Cola system confirmed the importance of routinely engaging in risk prevention, and earnestly and strategically engaging in integrated risk management.



^{*1} Enterprise Risk Management: A process used in the overall management of any risk that could occur in the course of business

^{*2} Emergency Planning

Human Rights and Employee Job Satisfaction



Initiatives promoting respect for human
rights and employee job satisfaction

[https://en.ccbji.co.jp/
csv/humanrights/](https://en.ccbji.co.jp/csv/humanrights/)

HR system

To foster a consistently fair and equitable system that builds a sense of unity, and to recruit and retain people capable of promoting overall sustainable growth, the CCBJI Group has introduced an integrated human resources (HR) system in terms of job grades, performance evaluations, compensation, and benefits.

Based on the corporate philosophy of THE ROUTE and the elements that comprise the Group's direction—Organize for Growth; Operate as One Enterprise; System Mindset; Industry Leadership—the Group has set forth a basic policy pertaining to the HR system. Using a role-based and results-oriented approach, we aim to increase employee motivation and promote the growth of the organization and individuals. We also provide employee benefit programs aimed at enabling employees to feel secure in pursuing long-term careers with the Group.

THE ROUTE

Basic policy

- We shall set up a remuneration system according to roles and results and treat employees fairly and justly.
- We shall set up a remuneration system that will lead to the enhancement of motivation for frontline employees who offer value and services to customers.
- We shall establish an attractive, career-oriented employee benefit system that promotes high job satisfaction, free of worry or anxiety, for members of the CCBJI Group.

CCBJI corporate direction

HR development

The CCBJI Group conducts various programs that support employee skills development according to their career stage, including four types of training: mandatory, voluntary, selective, and overseas.

Mandatory training covers the skills necessary to each level of a position, while voluntary training provides opportunities for employees who want to boost their careers by attaining the skills and knowledge needed to increase their overall abilities. Selective training is for nurturing the next generation of leaders, and overseas training involves visiting The Coca-Cola Company headquarters, international bottlers, and foreign markets.

The Group provides correspondence courses and e-learning materials as part of its employee self-study program, and holds various career-design courses according to age group. Supervisors and veteran staff members also conduct daily on-the-job training. In addition, the Group encourages employees to periodically discuss their career plan with their manager.

The CCBJI Group's ideal employee image

A person who aims to enhance the corporate value of the CCBJI Group and is capable of contributing to the achievement of organizational goals through a customer-centric perspective by being proactive, learning on their own, and continuously accomplishing self-growth by actively embracing challenges.

- | | |
|------------------|--|
| Mindset | Accept various opinions and points of view, engage in constructive discussion, and create new value |
| Abilities | Be professional and constantly hone one's knowledge and skills |
| Behavior | Accomplish duties in a timely manner with sincerity and enthusiasm, and proactively fulfill one's responsibilities |



Overseas training

Performance evaluation system

The CCBJI Group's performance evaluation system has the twin purposes of improving business results and nurturing employees. The system is built upon evaluating work-related results and assessing whether daily conduct matches what is expected of a CCBJI Group employee. In order to properly evaluate activities and support employee growth, each employee has discussions regularly with a supervisor throughout the year to ensure that he or she understands the content of evaluations. As employees consistently demonstrate skilled performance, the company will continue to reward them appropriately.



Human rights initiatives

Respect for human rights is the foundation of our business activities. In addition to observing international human rights principles, which call for the promotion and protection of those rights, the CCBJH Group has instituted a human rights policy and engages in awareness activities to contribute to the resolution of human rights issues and establish respect for human rights in the workplace.

We raise awareness of human rights by holding human rights meetings in every department of the Group, and work to both ensure correct understanding of general human rights problems and foster a culture that respects diversity through sharing information via level-specific training, e-learning, and the company intranet. We aim to create a vibrant and healthy workplace environment by cultivating employees who think of human rights issues on a personal level, are considerate of others, and are capable of viewing situations from other perspectives before taking any actions.

Occupational safety and health initiatives

Based on the philosophy that “health and safety come first,” protecting the safety and health of all CCBJI Group employees, creating vibrant workplaces, enhancing productivity, and fulfilling corporate social responsibility form the Group's foundation for business continuity. The Group works to create and nurture a culture of safety based upon mutual trust and by putting principles into practice.

To prevent emergencies and accidents, we rigorously engage in occupational injury management and vehicle accident management under the key concepts of eliminating unsafe behavior and eradicating unsafe situations. We will improve overall workplace safety awareness and inform every employee of safe behaviors and safe driving practices, and work toward achieving zero emergencies and zero accidents at each workplace.

In cooperation with our health insurance association, we strive to prevent the onset and aggravation of illnesses and to help maintain the physical and mental health of employees. For employees who actively seek to improve their health by changing their lifestyles, we have set up an internal health office to analyze the results of employees' physicals and stress checks jointly with our health insurance association. From these results, we are constructing our own scientifically based health risk management system. We are supporting the health of each employee through internal health business initiatives.



CHECK!

Lost Time Incident Rate (LTIR)



0.23

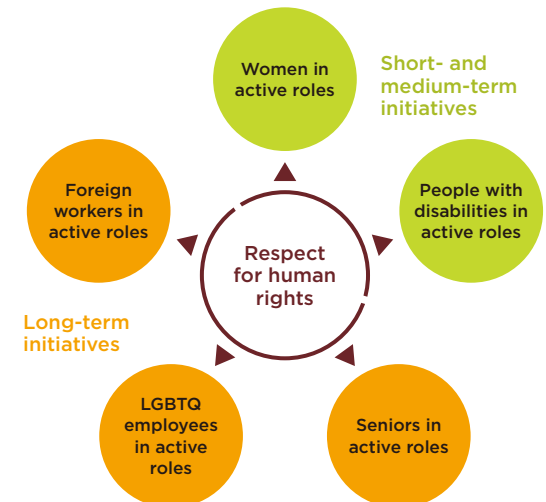
Diversity and inclusion initiatives

The CCBJH Group has established a policy on diversity and inclusion based on the corporate philosophy of THE ROUTE. It engages in diversity initiatives to promote the acceptance of diverse views and values, without regard to individual attributes, in order to produce further innovation. The Group also seeks to implement stronger diversity management under an international management structure that includes three female directors.

Our activities for the medium- to long-term period will focus on expanding opportunities for women and people with disabilities. We will also provide opportunities for LGBTQ employees, seniors, and foreign workers, and create a workplace environment that enables employees to demonstrate their full potential through varying and more flexible work styles, including programs that support various types of work-life balance and telework opportunities.

Medium- to long-term vision for diversity

Under diversity and inclusion policies, the CCBJH Group aspires to be a strongly competitive company that functions with excellence and dignity by utilizing diversity for innovation and reform.



Selection as a 2019 Semi-Nadeshiko Brand

Since 2012, the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange have selected listed companies—those that make outstanding efforts to encourage women's success in the workplace—for recognition as Nadeshiko Brands. In 2019, CCBJH and CCBJI were selected as Semi-Nadeshiko Brands, companies recognized for efforts nearly equivalent to those of Nadeshiko Brand companies.





Human Rights and Employee Job Satisfaction

Roundtable Discussion:

Smart Work

The CCBJI Group is promoting “smart work,” a concept that takes advantage of employees’ diverse work styles and increases effectiveness and productivity, while also contributing to employee job satisfaction. The Group is also pursuing system reform and further implementation of information and communication technology (ICT). Employees from various departments gathered to discuss how smart work is being used, current utilization issues, and future developments.



Coca-Cola Bottlers Japan Inc.

Seiya Ishii

Com. & KAM BP Section
HR Business Partner
Commercial Department
HR Division
HR & General Affairs

Ariha Kawai

Commercialization Section
Commercial Planning &
Operation Division
Commercial

Makiko Akimoto

SCM Planning & Control Section
Senior Group Division
SCM Strategy Department
Strategy Management
SCM

Teng Zhang

Inbound Planning Department
Marketing Division
Commercial

A fulfilling career as part of a rewarding and fruitful life

Zhang: My team has been proactively making use of the flextime system, satellite offices, and the ability to work at home in a way that fits the schedule of each member. If team members stay at work late, then they adjust their responsibilities and come into the office later the next day, or when they are out of the office they may work at a nearby sales branch during free time. Because every project has a different workflow, it is vital to have an environment that promotes working remotely. Some people have mentioned that a change of location can be refreshing and good for motivation, which, I think, leads to higher productivity.

Akimoto: I have a young child, so if I get an emergency call from the pre-school, I make use of the hourly system for annual paid leave. Using that, I can solve the issue without taking a half day off, which is much more convenient. I also appreciate having childcare leave, because all my annual paid leave used to go toward taking care of my child, but thanks to this system I can use some days off for myself.



“Choosing a flexible work style is the first step. Something like telework can improve the productivity of an entire department.”

“We need to be realizing a work-life balance that fits every individual. By employing this system well, I have been able to secure time for myself even while raising a child.”



Kawai: I have a lot of interaction with teams outside of the main office and most of my meetings are held via teleconferencing. As long as we are not speaking for the first time, we do not always have to meet face to face to make progress. And given how long it takes to travel, this is more efficient by far. Also, when I want to just focus on my work—I make more progress at home—I adjust my schedule to include working from home.

Ishii: Working from home can be better for some people than others, depending on someone's task and personality. But by using it well, it is definitely possible to work more effectively. It can lighten one's physical and mental burden too, so I think it can help contribute to better work-life balance.

Not just a change in work style, but a new way of thinking

Zhang: I have always thought that work-style reform really means “mindset reform.” We have to change our way of thinking and build a structure in which we support each other, so that we can move away from the idea that working overtime is the best way to show dedication.

Ishii: Even if we are very aware of smart work, the concept will not take hold if those around us are not. And even if we have a good system, it will be pointless if no

one uses it. I am in a position where I can support people in sales from the HR side, but I feel that the system's usage differs by department.

Kawai: Sometimes it just depends on how a supervisor thinks, right? The concept will catch on if management takes the lead in influencing awareness and promoting work efficiency.

Akimoto: For those in bottling plant jobs, for example, working from home and shorter hours are difficult systems to implement. And while there is an increasing number of places where women can make full use of their talents, the challenge is to create an environment in which they can advance their careers while also becoming mothers and raising children.

Kawai: All sorts of things can occur in life. For instance, how does someone balance caring for family members, or just being available to look out for them, with job responsibilities? For situations that are not covered by the current employee support system, we need a work environment that allows flexibility and the ability to select what fits best.

Zhang: It can be hard to make changes all at once, but it is important that reforms never stop. Public initiatives, like “Jisa Biz,”* that connect with businesses are great too.



“The ideal environment is one in which work styles can be chosen to fit the job or any kind of situation at any time.”

Ishii: By listening to those in the workplace and reflecting their opinions in the system, it will become easier for others who use the system to voice their needs. We need more of those kinds of examples. Because CCBJI is a company that values people, I expect reform to progress further and I look forward to the day when our company is one where anyone is happy to work.

*An initiative related to work-style reform from the Tokyo Metropolitan Government that encourages staggered work times in order to avoid the peak of commuter rush hour on public transit.

“I look forward to the day when our company is one where anyone is happy to work.”



Work-style reform at the CCBJI Group

Major initiatives

CCBJI is building a better work environment, with an emphasis on shortening working hours, and has become a special cooperative organization supporting “Telework Days,” which is sponsored by the national government and cooperates with the Jisa Biz initiative from the Tokyo Metropolitan Government. We promote coming straight to or returning home from a third-party location, working at home or at satellite offices, and using a work/break interval structure. We have also introduced a flextime system, an hourly system for annual paid leave, and company-mandated annual days off. In addition, we are proceeding with the introduction of ICT, such as a sales support system using tablets and smartphones, in order to improve work efficiency and productivity.

Corporate Governance



Corporate governance
<https://en.ccbj-holdings.com/corporate/governance/>

Corporate governance system

Organizational structure

Outside directors

6/9 members

Executive officers

2/9 members

Independent directors

4/9 members

Outside directors on the Audit & Supervisory Committee

4/4 members

Company with an audit and supervisory committee



WEB

Corporate Governance Report (in Japanese only)
https://www.ccbj-holdings.com/corporate/governance/pdf/report_jp.pdf

Basic policy on corporate governance

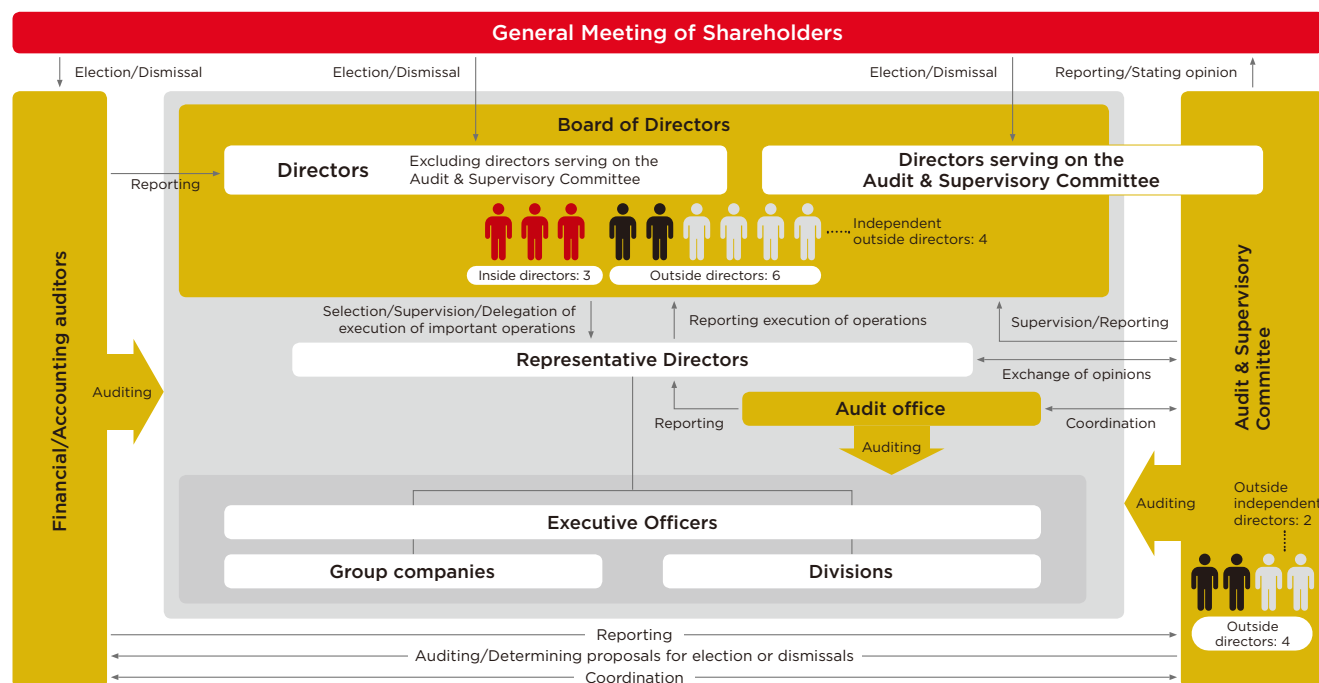
The basic policy of Coca-Cola Bottlers Japan Holdings Inc. (the Company) is to increase management efficiency and transparency and strive to enhance shareholder value.

To further strengthen the governance structure, the Company has put in place an audit and supervisory committee structure. The Audit & Supervisory Committee, which is responsible for the Company's auditing, consists solely of outside directors (Audit & Supervisory Committee members), including multiple independent outside directors. The Company's management oversight function is further strengthened by granting to these outside directors serving as Audit & Supervisory Committee members voting rights at

meetings of the Board of Directors and the right to state opinions at the General Meeting of Shareholders on matters such as the nomination and remuneration of directors.

In addition, the Company has adopted the executive officer system for the purpose of separating decision-making and management oversight from business execution. By delegating some important decisions on business execution to executive officers, the Company endeavors to enrich discussion of particularly important matters at meetings of the Board of Directors and expedite management decision-making on other matters by executive officers under the representative directors (the management team).

Corporate governance system (as of March 26, 2019)



Effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors on the basis of director self-evaluations of the Board's operation, support system, composition, and other matters. The following five points were confirmed in the effectiveness evaluation performed in 2018.

- 1) Appropriate time allowed for full deliberation on important matters
- 2) Prompt provision of information to directors to allow full deliberation before meetings
- 3) Enhancement of information provision to outside directors
- 4) Assurance of diversity on the Board of Directors
- 5) Continuous review of structure to determine the optimal governance model

Taking into account the self-evaluation results, the Company is proactively and continuously undertaking improvement of Board operation in order to enhance and deepen discussion at meetings and promote diversity on the Board, and will strive for further sustained growth and enhancement of medium- and long-term corporate value.

The Board of Directors in fiscal 2019 has been structured to consist of a majority of outside directors with enhanced independence and features a diverse composition of directors with respect to gender and nationality. This is so it can specialize in highly effective management oversight and strategy and be conducive to a wide variety of discussions.

Election of outside directors

The Company nominates as candidates for outside director persons who it judges can be expected to make outstanding contributions to increasing its corporate value. Furthermore, when nominating candidates for outside director who will also serve as Audit & Supervisory Committee members, the Company nominates at least one person who has appropriate knowledge of finance and accounting.

Also, the Company determines that outside directors have sufficient independence from the Company, if, as a result of investigation to the extent reasonably possible, they fall under none of the following categories.

- 1) A person who is currently, or was within the past 10 years, an executive officer of the Company or any of its subsidiaries
- 2) An entity for whom the Company is currently, or was within the past year, a major business partner (a business partner for whom the CCBJH Group accounts for 2% or more of its consolidated sales in its most recent fiscal year) or an executive officer of such an entity
- 3) An entity who is currently, or was within the past year, a major business partner of the Company (a business partner who accounts for 2% or more of consolidated sales in the Company's most recent fiscal year) or an executive officer of such an entity
- 4) A consultant, certified public accountant, attorney, or other professional who currently receives, or received during the past year, an annual sum of ¥10 million or more in remuneration from the Company, other than remuneration as a director or Audit & Supervisory Committee member
- 5) An entity who currently receives, or received during the past year, an annual sum of ¥10 million or more in donations from the Company or an executive officer of such an entity
- 6) A close relative within the second degree of any person falling under 1 to 5 above

Remuneration for directors

The maximum total amount of remuneration allotted for all directors (excluding directors serving as Audit & Supervisory Committee members) is set at ¥750 million per year (of which, the maximum amount allotted for outside directors is ¥50 million per year), the maximum amount allotted for directors serving as Audit & Supervisory Committee members is set at ¥100 million per year, and remuneration for each director is determined as described below within the scope of this total amount.

- 1) Directors (excluding directors serving as Audit & Supervisory Committee members)
Representative directors authorized by the Board of Directors determine the remuneration for each director (excluding directors serving as Audit & Supervisory Committee members).
Although the Board of Directors determines remuneration criteria, since the Company has a company with an audit and supervisory committee governance structure and the Board of Directors includes more than one independent outside director, the Company judges that transparency and fairness are ensured. To ensure that the remuneration reflects the responsibilities of directors and the Company's business performance, remuneration consists of fixed remuneration and remuneration that varies in accordance with the Company's business performance and other factors.
- 2) Directors serving as Audit & Supervisory Committee members
Remuneration for each director serving as an Audit & Supervisory Committee member is determined through discussion among the directors serving as Audit & Supervisory Committee members.



Specific shareholding requirement rules for CEO and other executive officers

➡ None



Calin Dragan

Representative Director and President

Calin Dragan possesses a wealth of management experience and knowledge pertaining to the global Coca-Cola business gained as representative director and president of a Coca-Cola bottler in Japan and in positions at overseas Coca-Cola bottlers in several countries.



Hiroshi Yoshioka

Outside Director
Independent Director

Hiroshi Yoshioka possesses a wealth of management experience and global business knowledge gained as an outside director of a Coca-Cola bottler in Japan and at Sony Corporation.



Bjorn Ivar Ulgenes

Representative Director, Vice President,
Chief Financial Officer and Head of Finance

Bjorn Ivar Ulgenes possesses a wealth of management experience and knowledge pertaining to the global Coca-Cola business gained as an executive officer and head of finance in various positions at The Coca-Cola Company.



Hiroko Wada

Outside Director
Independent Director

Hiroko Wada possesses a wealth of management experience and global business knowledge gained as a corporate officer at The Procter & Gamble Company (U.S.) and as representative director and president of Dyson Ltd. and Toys "R" Us-Japan, Ltd.



Tamio Yoshimatsu

Director and Chairman

Tamio Yoshimatsu has a proven track record gained in the Sales, Distribution, and Management Planning Divisions and possesses a wealth of management experience gained as representative director and president of a Coca-Cola bottler in Japan.



Irial Finan

Outside Director
(serving on the Audit & Supervisory Committee)

Irial Finan possesses a wealth of management experience and global business knowledge gained as a corporate executive involved in the Coca-Cola business over many years as an outside director of a Coca-Cola bottler in Japan, senior vice president at The Coca-Cola Company, and as president of the Bottling Investments Group, which manages The Coca-Cola Company's company-owned bottling operations worldwide.



Celso Guiotoko

Outside Director
(serving on the Audit & Supervisory Committee)
Independent Director

Celso Guiotoko possesses a wealth of management experience and global business knowledge gained at Nissan Motor Co., Ltd. and auditing experience gained as a statutory auditor of Nissan.



Jennifer Mann

Outside Director
(serving on the Audit & Supervisory Committee)

Jennifer Mann is senior vice president, chief people officer, and president of global ventures at The Coca-Cola Company and possesses a wealth of management experience and global business knowledge gained through many years of experience in the Coca-Cola business as a corporate executive of The Coca-Cola Company.



Nami Hamada

Outside Director
(serving on the Audit & Supervisory Committee)
Independent Director

Nami Hamada has extensive experience in finance and accounting, including management of her own financial consulting company, and possesses a wealth of experience and global business knowledge gained as a corporate executive at Lehman Brothers Japan Inc.

Main Product Line-up



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THE ROUTE

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Sparkling soft drinks

Coffee drinks



Sports drinks

Tea drinks

Juice and juice drinks



Yogurt drinks

Water and flavored waters

Energy drinks

Foods for Specified Health Uses



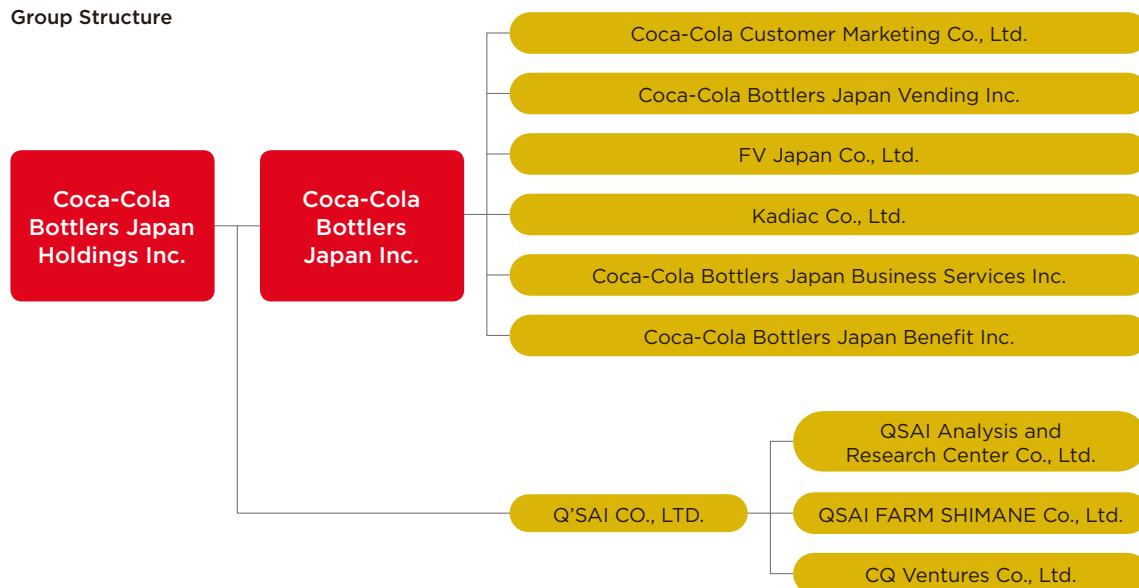
Foods with Function Claims

COCA-COLA, GEORGIA, CRAFTSMAN, SOKENBICHA, KARADA MEGURI-CHA, ADVANCE, KARADA SUKOYAKA-CHA, AYATAKA, KOCHAKADEN, AQUARIUS, S-BODY, FANTA, SPRITE, REAL GOLD, QOO, PURUN-PURUN, MINUTE MAID, I LOHAS, and YOGUR STAND, are registered trademarks of The Coca-Cola Company. CANADA DRY is a registered trademark of European Refreshments. ©The Coca-Cola Company

Corporate Profile (As of March 26, 2019)

Company name	Coca-Cola Bottlers Japan Holdings Inc.
Founded	December 20, 1960 (Trade name changed to Coca-Cola Bottlers Japan Holdings Inc. on January 1, 2018)
Fiscal year end	December 31
Capital	¥15,232 million
Representative	Calin Dragan, Representative Director and President
Stock market listings	Tokyo Stock Exchange (First Section) Fukuoka Stock Exchange

Group Structure



Corporate History

April 2017

Coca-Cola West Co., Ltd. and Coca-Cola East Japan Co., Ltd. concluded a share exchange agreement in which Coca-Cola West became a wholly owning parent company and Coca-Cola East Japan became a wholly owned subsidiary.

Coca-Cola West Co., Ltd. changed its trade name to Coca-Cola Bottlers Japan Inc., and all of Coca-Cola West Co., Ltd.'s businesses other than its Group management and administration operations and asset management operations were transferred to a new wholly owned subsidiary named New CCW Establishment Preparation Co., Ltd. (whose trade name was subsequently changed to Coca-Cola West Company, Ltd.). In this way, the companies shifted to a holding company structure.

Coca-Cola West Co., Ltd. and Coca-Cola East Japan Co., Ltd. were placed under the control of Coca-Cola Bottlers Japan Inc.

January 2018

Coca-Cola Bottlers Japan Inc. changed its trade name to Coca-Cola Bottlers Japan Holdings Inc. to clearly indicate its role as a holding company.

External Evaluations

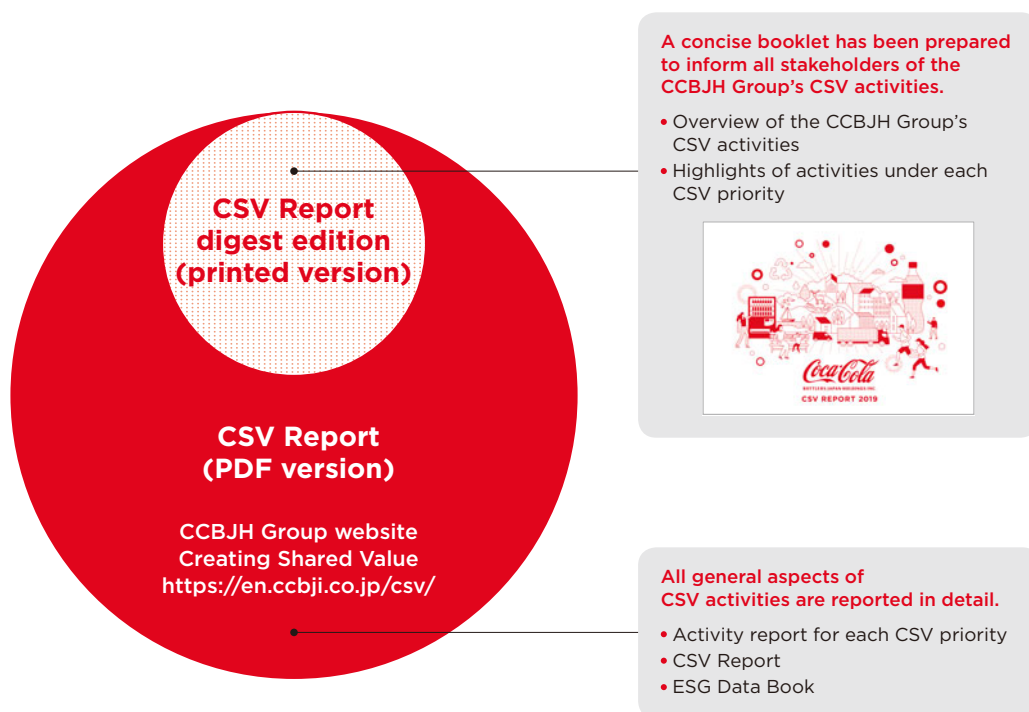
In 2018, CCBJH was selected for inclusion in the regional department of the Dow Jones Sustainability Index (DJSI), the DJSI Asia Pacific. The DJSI is the representative index for environmental, social, and governance (ESG) investments worldwide. Each year, CCBJH responds to a climate change questionnaire administered by the CDP, an international NGO which operates a global information disclosure system for managing the environmental impacts by investors, companies, and cities. The CDP collects, analyzes, and then publishes information and scoring on climate change initiatives and environmental performance.

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Corporate Communication Tools

We issue the CSV Report as part of our corporate communication to enable stakeholders to better understand the CSV activities of the CCBJH Group. CSV Report 2019 is available in print as a digest edition and the complete report is available as a PDF on the corporate website, along with an ESG Data Book, containing more detailed information.



CSV information can be accessed by clicking on "Creating Shared Value" on the homepage of the corporate website. Investor relations information, new product and campaign information, recruitment information, and news are also available on the website.

<https://en.ccbj-holdings.com/>

Third party contribution to the report



Masao Aoki

Professor, Mie University,
Faculty of Humanities,
Law and Economics

As a specialist in business administration, business history, and R&D management, I address what defines good management and explore the independent identities of corporations, including the roles that they fill in society, while I research how society can become better through its companies. PhD graduate (2002) of the Ritsumeikan University Graduate School of Business Administration.

The CCBJH Group puts significant effort into Creating Shared Value (CSV) within its priority areas of health, the environment, and community. I find it admirable that not only do they attain concrete results with those initiatives, but that they collaborate with community members on local projects in addition to partnering with industry, government, and academia.

By developing the smartphone app Coke ON, in which users can earn stamps for walking, and holding seminars to help raise awareness regarding beverage information, the Group builds connections with consumers through their beverages. If those connections can lead to more interactions between consumers as well, that will contribute to strengthening the relationships that create value for everyone in the community—which is a part of the Group's Mission.

In addition, the promotion of "smart work," which contributes to employee job satisfaction, is allowing people to find work styles that match their lives. Through smart work efforts, employees will have more time to spend on other activities and on learning, which can benefit their jobs and generate further value creation.

Plant Tours

CCBJH offers plant tours to help customers become more familiar with The Coca-Cola Company's products. Guides will introduce the origin and history of *Coca-Cola*, as well as quality control and environmental efforts. You will also be able to see the plant's impressive production lines. Please come visit!

Zao Plant

1-1 Minamikawazoe, Miya, Zao-machi,
Katta-gun, Miyagi



Tel. 0224-32-3505

Open: Monday through Friday and
occasionally Saturday, including holidays
(excluding certain holidays)

Tama Plant

1-2-9 Nobidome, Higashi-Kurume,
Tokyo



Tel. 042-471-0463

Open: Monday through Friday and
occasionally Saturday, including holidays
(excluding certain holidays)

Tokai Plant

266-18 Tonowari, Minamishibata-machi,
Tokai, Aichi



Tel. 052-602-0413

Open: Monday through Friday and
occasionally Saturday, including holidays
(excluding certain holidays)

Kyoto Plant

128 Tai Shinarami, Kumiya-machi,
Kuse-gun, Kyoto



Tel. 0774-43-5522

Open: Tuesday through Sunday, and
Monday if it is a holiday
(excluding certain holidays)

Ebino Plant

1321-1 Aridome, Higashikawakita,
Ebino, Miyazaki



Tel. 0984-25-4211

Open: Tuesday through Sunday, and
Monday if it is a holiday
(excluding certain holidays)



Check /



For more information on reservations,
please check our website.

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





BOTTLERS JAPAN HOLDINGS INC.

Coca-Cola Bottlers Japan Holdings Inc.

Tokyo Midtown Tower, 9-7-1 Akasaka,
Minato-ku, Tokyo 107-6211

For inquiries:

Please use the “Inquiries” form
on the Coca-Cola Bottlers Japan Holdings Inc. website.

<https://en.ccbj-holdings.com/inquiry/>

