

# Coca-Cola

BOTTLERS JAPAN HOLDINGS INC.

## CSV REPORT 2020

DIGEST EDITION





# Paint it RED!

## 未来を塗りかえろ。

*Building off our mid-term strategic business plan, we have renewed our Mission, Vision, and Values and our promise to “Deliver happy moments to everyone while creating value,” with a new call to “Paint it RED! Let’s Repaint our Future.”*

*Red—both our corporate color and symbolic of passion—represents our strong determination to create value.*

*Unconfined by how we may have done things in the past, we aim to become a corporate group that can create new value for society.*

*Our journey might not be smooth, but we will face those challenges nonetheless.*

*Alongside our many partners, we will forge a new future.*

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### 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 QSAI Analysis and Research Center Co., Ltd., QSAI FARM SHIMANE Co., Ltd., and CQ Ventures Co., Ltd., 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).

\* Coca-Cola Customer Marketing Co., Ltd., Coca-Cola Bottlers Japan Vending Inc., FV Japan Co., Ltd., Kadlac Co., Ltd., Coca-Cola Bottlers Japan Business Services Inc., and Coca-Cola Bottlers Japan Benefit Inc.



*New Corporate Philosophy*  
**Paint it RED!**

*Our Mission, Vision, and Values state our commitment to continue being the preferred partner of our many stakeholders, especially our customers, shareholders and the communities in which we operate. These statements represent the kind of organization we wish to become and focus on growing sustainably, learning—both as individuals and as an organization—and demonstrating the value of integrity and trust.*

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## **Mission**

*Deliver happy moments to everyone while creating value*

## **Vision**

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

## **Values**

- *Learning*
- *Agility*
- *Result-orientation*
- *Integrity*

# Business as usual will not result in creating new value. It takes a persistently adventurous spirit to reach a better future.

## Renewing our Mission, Vision, and Values to guide greater growth

Creating shared value (CSV) is at the core of business management for the Coca-Cola Bottlers Japan Holdings Group (CCBJH Group), and the CCBJH Group actively promotes environmental, social, and governance (ESG) initiatives to create shared value with society.

If we look at the beverage industry over the past few years, we can see how the market has been impacted by various shifts, such as the diversification of consumer needs and intensifying competition. In this environment, we have continued to integrate and restructure our business and have created new economic and social value.

We cannot continue to rely on how we have done things in the past if we want to achieve greater growth in the future. Building off our mid-term business plan, we have put that resolution into action by renewing our Mission, Vision, and Values with a new corporate philosophy that is summed up by “Paint it RED! Let’s Repaint our Future.” Red—both our corporate color and symbolic of passion—represents our strong determination to create value.

We will achieve our Mission of

“Delivering happy moments to everyone while creating value” by continually learning and growing, and strive to be the preferred partner of our many stakeholders, especially our customers and shareholders. The new Mission, Vision, and Values communicate our strong determination and act as a guide to achieving sustainable growth and continuing to create value.

## Creating a positive cycle of sustainable growth for value creation

It is vital that we collaborate and engage with all our stakeholders to achieve sustainable growth through value creation. We will move forward with our environmental conservation and regional revitalization initiatives in collaboration with the local communities with whom we have cultivated a wealth of connections over many years. Furthermore, we will increase our involvement in solving social issues related to packaging, as part of realizing a World Without Waste. We will also strengthen initiatives concerning water, which is crucial to our business, by addressing both the responsible use of water and water resource conservation. By investing in our local communities in this way,

we will not only increase corporate value, but also set in motion a sustainable cycle of creating shared value with society.

## Addressing key social issues as a member of the Coca-Cola system

In 2015, the Sustainable Development Goals (SDGs) were adopted by the United Nations as an international framework to guide global actions toward the realization of a sustainable society. This led to greater scrutiny of our corporate initiatives from various perspectives and became the impetus for the Coca-Cola system in Japan to identify material issues (materiality) for our sustainability initiatives. Taking into account a number of SDG topics, we narrowed our focus to three broad platforms: Inclusion, Communities, and Resources. Within these categories, we established the materiality of nine priority issues. With that in place, the CCBJH Group plans to address each material issue, while further developing business activities grounded in our communities. We are wholly dedicated to enacting positive change and creating social value that meets the expectations of our stakeholders.

**Creating shared value with society is the right way to grow**

The year 2020 began tumultuously with the unprecedented threat of COVID-19. The resulting situation includes the postponement of the Tokyo 2020 Olympic and Paralympic Games, and not only have other sporting and entertainment events been affected, but the global economy and the very structure of society have also been disrupted. Whatever we face, we must keep moving forward and continue growing. While monitoring the situation and responding appropriately, we will fulfill our mission to deliver beverages to our consumers. We are determined to address social issues through our business activities and fulfill our responsibility to work together to create a better future. Building upon our renewed Mission, Vision, and Values and the individual integrity of our employees, we will continue to create new, shared value and further earn the trust and support of our stakeholders.

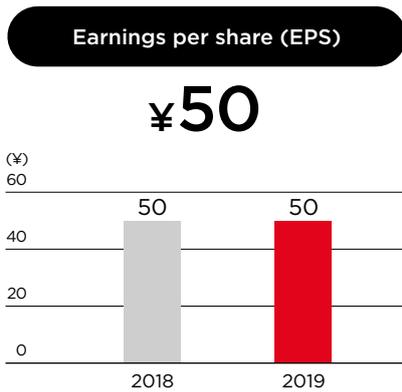
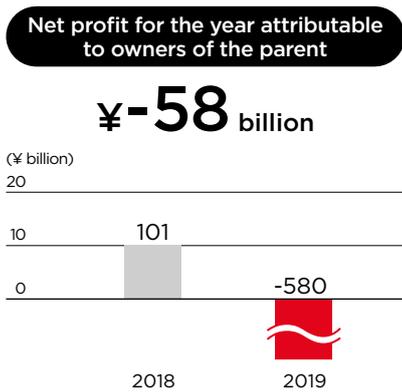
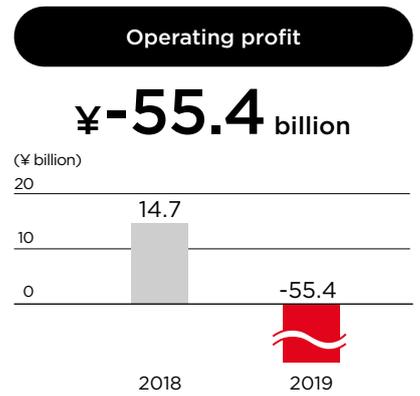
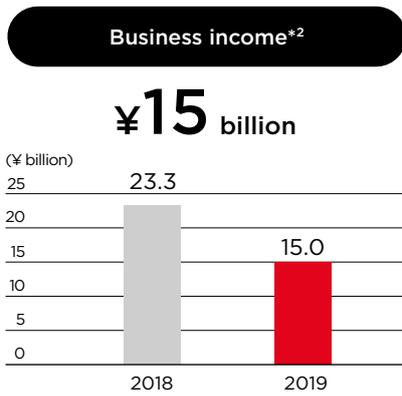
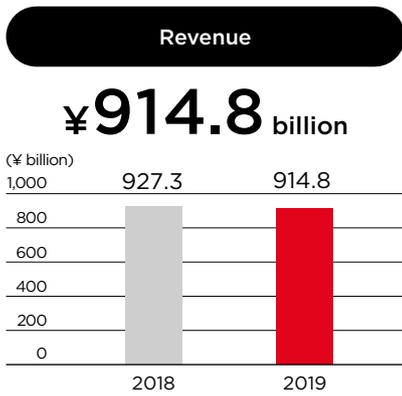
Calin Dragan  
Representative Director and President  
Coca-Cola Bottlers Japan Inc.



Beverage Business Overview



2019 Financial Highlights (consolidated; IFRS)



\*2 Business income is a measure of recurring business performance calculated by deducting the cost of goods and SG&A from revenue, and accounting for other recurring income and expenses.



\*1 Includes Hiroshima Plant, which began production in June 2020

### Segment information

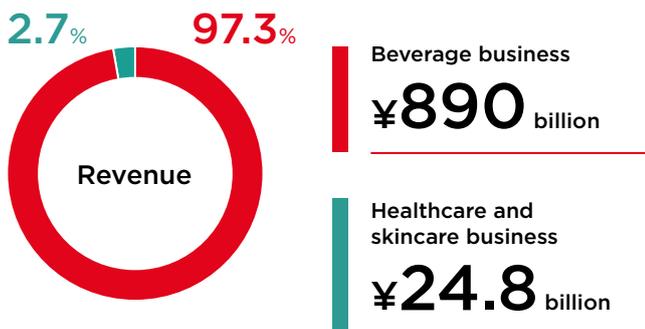
#### Beverage business

We sell beverages at supermarkets, drug and discount stores, convenience stores, in vending machines, and via retail and food service establishments.

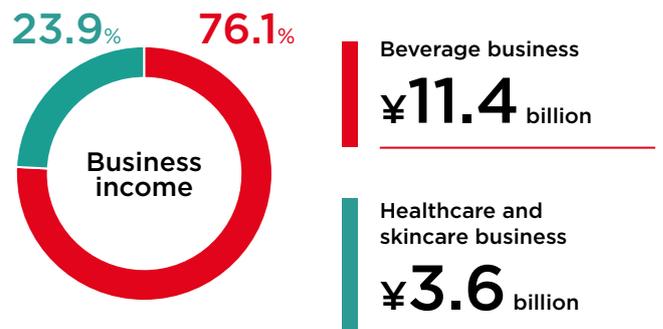
#### Healthcare and skincare business

We sell healthcare and skincare products primarily via online orders. This business is led by wholly owned subsidiary Q'SAI Co., Ltd.

#### Revenue



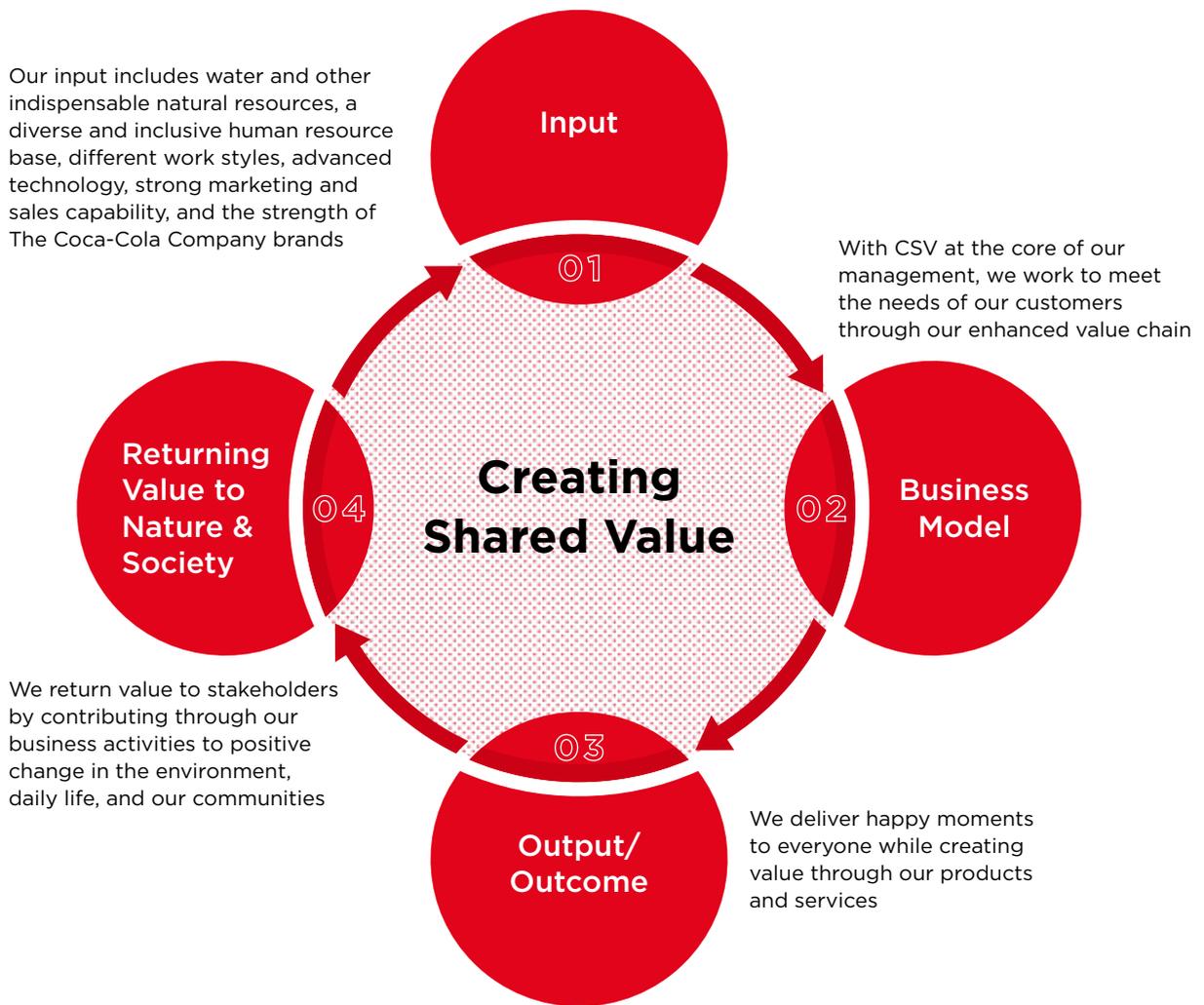
#### Business income



# Toward Realizing Our Mission of Achieving Sustainable Growth

The CCBJH Group aims to create both social and economic value and achieve sustainable growth by using water and other indispensable natural resources responsibly to provide all its customers high-quality value-added products, while working in collaboration with The Coca-Cola Company and the members of the Coca-Cola system in Japan.

## CSV Model



## 01 ▶ Input

### Natural capital

- Water, which is the source of our value creation, and other natural resources

### Intellectual capital

- Key global brands, led by “Coca-Cola,” and brands loved in Japan
- Marketing and R&D expertise to meet the needs of our customers
- Close relationships with The Coca-Cola Company, including the Coca-Cola (Japan) Company, and members of the Coca-Cola system in Japan

### Manufactured capital

- A raw materials procurement network that facilitates the production of safe and trustworthy products
- Cutting-edge management systems, facilities, and technology in our production plants
- A network of vending machines covering our entire sales area

### Human capital

- Employment of diverse and inclusive human resources
- Different work styles that allow employees to maximize their talents

### Social capital

- The trust of our stakeholders and their support for CSV initiatives
- Close involvement in activities throughout our sales area

### Financial capital

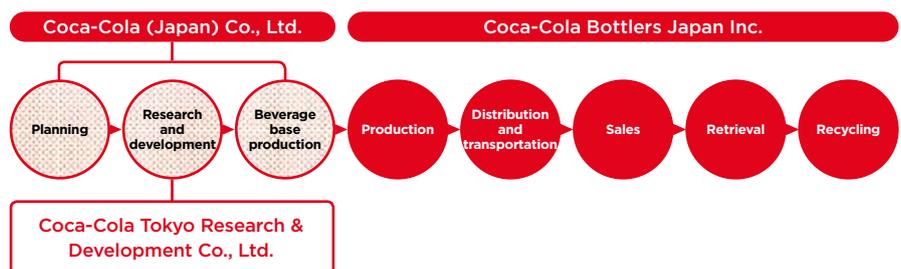
- Good stewardship of capital
- Solid balance sheet
- Shareholder returns

## 02 ▶ Business Model

In our beverage business, which accounts for more than 95% of the CCBJH Group’s revenue in 2019, we aim to deliver to our customers the beverages they want, when and where they want them. To make this a reality, we aim to achieve best-in-class innovation and operations while collaborating with The Coca-Cola Company and members of the Coca-Cola system in Japan. Creating shared value is at the core of our business because we believe opportunities for the Group’s further growth come from helping address social issues.

### 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.



## 03 ▶ Output/Outcome

While rapidly responding to changes in society and the market environment, the CCBJH Group works to achieve its mission to “Deliver happy moments to everyone while creating value” through our products and services, and by creating products that not only meet customer needs now but will also fulfill unmet needs.

## 04 ▶ Returning Value to Nature & Society

We cannot achieve sustainable growth by simply reinvesting profits back into our business. That is why the CCBJH Group is collaborating with communities to strengthen initiatives to revitalize those communities and to address the issues they face. We are also committed to giving back to nature, since natural resources are limited and we recognize our responsibility to handle them with future generations in mind.

We believe improving the sustainability of our communities and the environment (natural resources) through CSV initiatives is a driver of growth for the CCBJH Group.

# Coca-Cola System Material Issues

In 2019, Coca-Cola (Japan) Co., Ltd. and Coca-Cola Bottlers Japan Inc. jointly conducted a large-scale study to identify sustainability issues and set priorities based on materiality for the Coca-Cola system in Japan. The intent was to formulate a strategy reflecting issues unique to Japan in addition to global sustainability targets being pursued worldwide in order to develop a common action plan for the combined Coca-Cola system in Japan. This process gave us insight into a set of issues we need to address based on sustainability targets specific to Japan, while also moving toward the achievement of global targets.

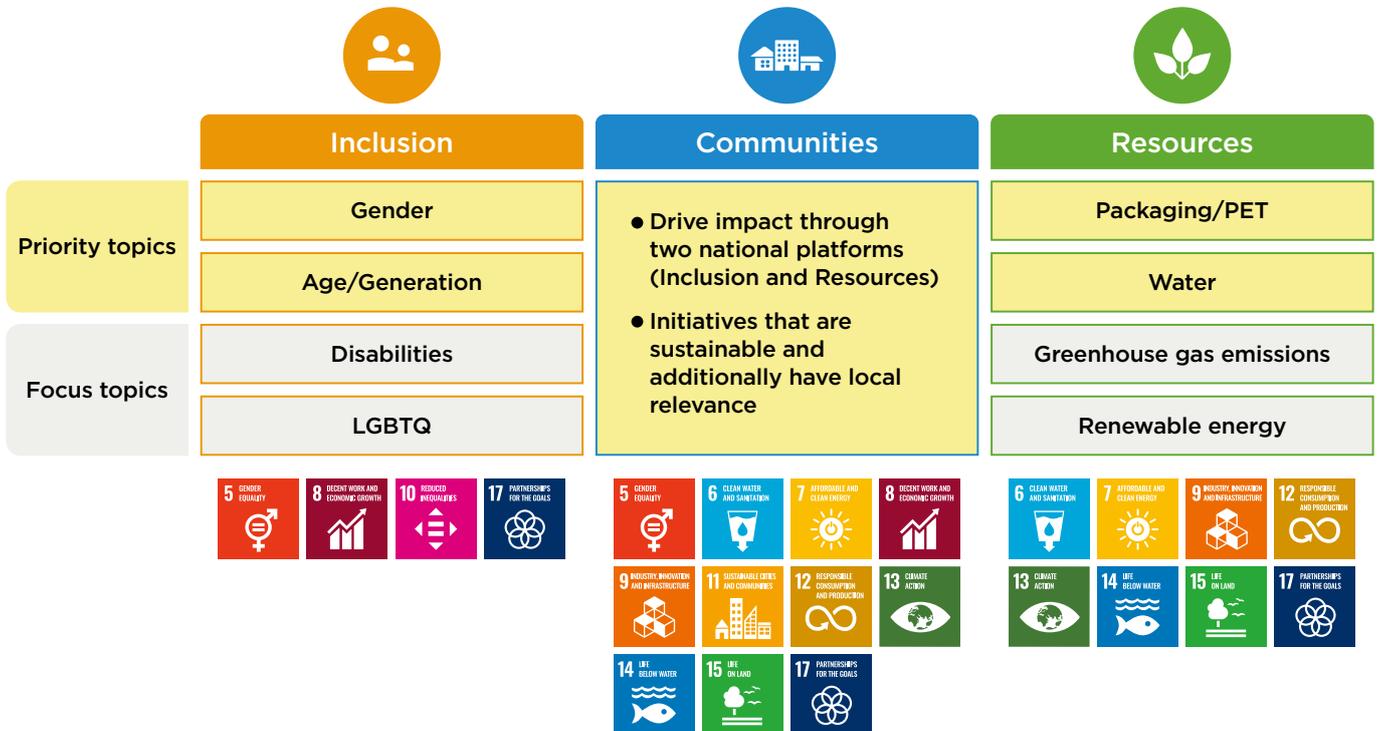
## Coca-Cola System Sustainability Activities—Purpose and Strategy

<b>Purpose</b>	We are committed to creating a shared future and a sustainable business that can make a difference when addressing important challenges facing Japan, including the environment, people’s lives, and our communities
<b>Strategy</b>	Leverage Our Leadership Position to Drive Attention and Action <ul style="list-style-type: none"> <li>● Lead with a powerful example of Inclusion in our own business</li> <li>● Leverage the power and reach of our system to partner with our Communities</li> <li>● Take a lead role—working with industry peers—on Resource usage</li> </ul>

## Three Platforms and Nine Priority Issues

The nine priority issues are further subdivided into five priority topics specified as urgent, and four focus topics that are important but considered less of a priority at this time.

In each domain, we will examine the Impact of our activities against the sustainable development goals (SDGs) and help to address social issues by also working toward the achievement of the relevant SDGs.



Going forward, the Coca-Cola system will develop and implement a concrete action plan based on the identified priority issues. We will continue to report regularly on the progress and results of activities by Coca-Cola Bottlers Japan, Inc., in partnership with the Coca-Cola system in Japan and seek to engage in activities aligned with the times, referring to the opinions of NPOs, outside specialized organizations, experts and other third parties.

## Materiality Identification Process

**1**

### Issue identification (1): Identified social issues in Japan based on third-party studies

We selected 189 issues by identifying and categorizing social issues from SDG-related reports and guidelines, outside consultant reports (including outside stakeholder interviews), ISO 26000, government agency reports, and benchmark surveys by outside consultants.

**2**

### Issue identification (2): Narrowed down the list from 189 to 33 issues

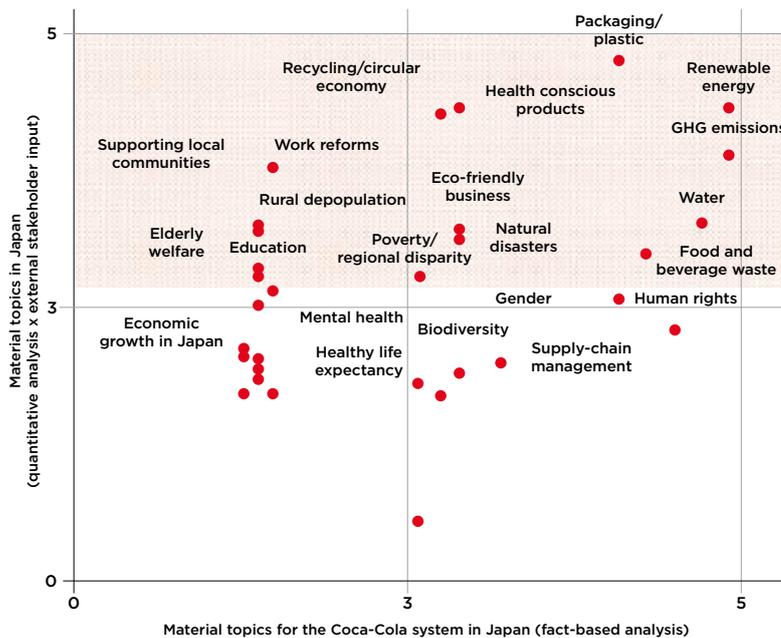
We then narrowed down the list of issues from 189 to 33 based on common shared categories, such as renewable energy and an aging society.

**3**

### Issue identification (3): Plotted a materiality matrix of 33 issues and specified 15 priority issues

The importance of each of the 33 issues selected in step 2 was assessed on a scale of 5 and plotted on a matrix with vertical and horizontal axes representing the importance to Japanese society and the Coca-Cola system, respectively. We then specified 15 issues of high social importance that were also highly relevant to the Coca-Cola system in Japan..

Priority matrix - We isolated “high-priority” topics within this matrix



Topics		
Environmental	Packaging/plastic	
	Water	
	Renewable energy	
	Natural disasters	
	Food and beverage waste	
	GHG emissions	
	Eco-friendly business	
	Recycling/circular economy	
	Social	Health conscious products
		Rural depopulation
		Poverty/regional disparity
		Education
		Elderly welfare
		Work reforms
		Supporting local communities

**4**

### Conducted interviews within the Coca-Cola system and adjusted priority issues

We then added 4 priority issues identified within the Coca-Cola system through interviews and workshops with management and junior employees of Coca-Cola Japan and Coca-Cola Bottlers Japan, which increased the number of priority issues to 19.



**5**

### Specified 3 platforms and 9 priority issues

Through workshop-style discussions on the 19 priority issues with the management of Coca-Cola Japan and Coca-Cola Bottlers Japan, agreement was reached on specification of 3 platforms not expected to change over the next 10 years—*Inclusion*, *Communities* and *Resources*—and 9 priority issues (material issues) requiring immediate attention.

Non-financial Goals

# CSV Goals

Our creating shared value (CSV) goals state our commitments and priorities in the environment, social, and governance (ESG) spheres towards realizing a sustainable future based on changes in society. We use a plan-do-check-act (PDCA) cycle to ensure we are achieving our CSV goals.

 <b>Products</b>	● <b>100%</b> Zero/low-calorie options for core brands
	● <b>300%</b> FOSHU/functional product growth
	● <b>100%</b> Front-of-pack calorie label and straightforward nutritional information
	● <b>100%</b> Observation of The Coca-Cola Company Responsible Marketing Policy
 <b>Water</b>	● <b>200%</b> Water source replenishment. Focus on watersheds near our plants
	● <b>30%</b> Water usage reduction by 2030
 <b>Climate change</b>	● <b>25%</b> Reduction in greenhouse gas emissions by 2030
	● Promotion of renewable energy
 <b>World Without Waste</b>	● <b>50%</b> Content of recycled PET in PET bottles by 2022
	● <b>90%</b> Content of recycled PET in PET bottles by 2030
	<b>Design</b> ● <b>100%</b> Sustainable PET without fossil fuel use by 2030
	● <b>100%</b> Adoption of recyclable packaging by 2025
	● <b>35%</b> Further lightweight PET packaging by 2030 (compared to 2004)
	<b>Collect</b> ● <b>100%</b> Collection percentage compared to sales volume by 2030
<b>Partner</b> ● Extensive partnerships across industry and environmental organizations by 2030	
 <b>Procurement</b>	● <b>100%</b> Sustainable sourcing
 <b>Human rights</b>	● <b>100%</b> Adherence to Supplier Guiding Principles across the CCBJH Group value chain
 <b>Diversity and inclusion</b>	● <b>6%</b> Female managers
 <b>Society</b>	● <b>10%</b> Employee volunteers
	● <b>1 million</b> Participants in community programs

Baseline year is 2015 and target year is 2025 unless otherwise stated.



Details on and progress of our CSV goals  
<https://en.ccbji.co.jp/csv/csvgoal/>

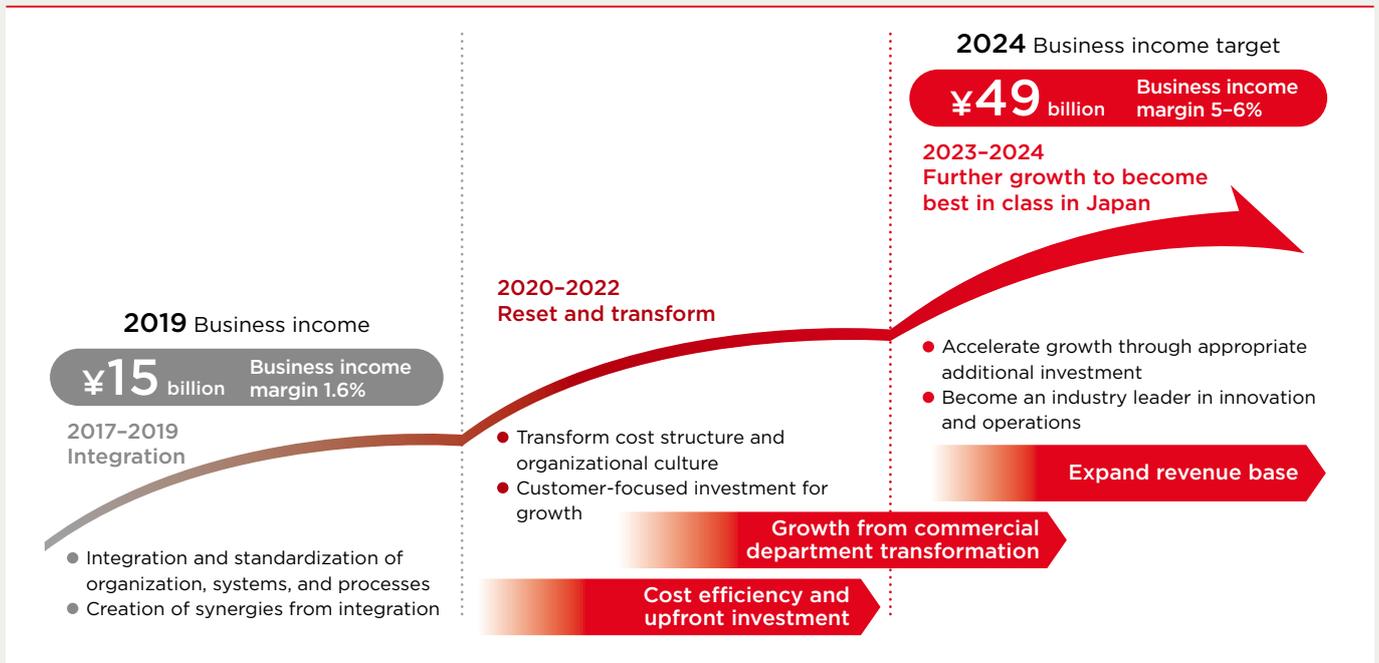


## Financial Goals

# Mid-term Business Plan

In August 2019, we released our mid-term business plan for the 2020-2024 period, which sets business income margin\*<sup>1</sup> and return on equity (ROE) targets of 5-6% for the year 2024. With the understanding that business as usual is not an option, we aim to achieve industry-leading innovation and operations through fundamental change.

## Fundamental transformation driving the return to a growth trajectory



\*1 Business income is a measure of recurring business performance calculated by deducting the cost of goods and SG&A from revenue, and accounting for other recurring income and expenses.

## 2024 key metrics and picture of success

Main indicator	2024 goals (2019 baseline)
Revenue	Revenue: <b>+0.5-1% annually</b> Sales volume: <b>+1-1.5% annually</b>
Business income margin	<b>5-6%</b>
Earnings per share (EPS)	Basic EPS* <sup>2</sup> : <b>3 times or more</b>
ROE (net profit for the year attributable to owners of the parent)	<b>5-6%</b>
Return to shareholders	Mid-term focus: <b>stable payouts</b> Long-term focus: <b>30% or greater payout ratio</b>

\*2 Basic EPS is EPS that excludes temporary impacts not included in business income



Earnings presentations

<https://en.cbj-holdings.com/ir/library/presentation.php>



# Inclusion



## What we are doing

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



## Diversity and inclusion initiatives

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

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

- **“Dear Café” roundtable discussions with female directors**

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

- **Six-month “To Be” women leaders training courses**

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

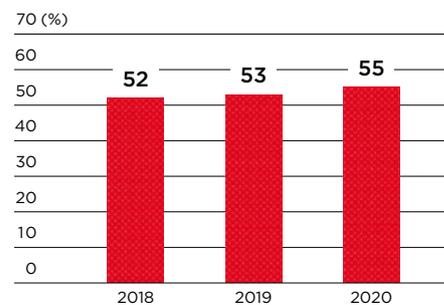


A “Dear Café” roundtable discussion with a female director



“To Be” female leader training course participants

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



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



Main resource initiatives

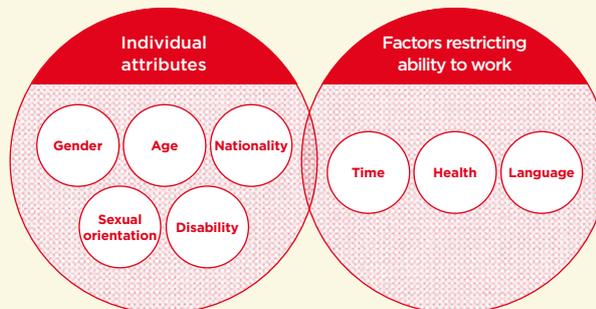
<https://en.ccbji.co.jp/csv/>



## Medium- to Long-term Vision for Diversity and Inclusion

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

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



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

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

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

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



Special provision subsidiary opening ceremony

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

### Corporate revitalization and communication: Friends & Family Fest 2019

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

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



Friends & Family Fest hands-on button badge-making



# Communities



## What we are doing

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



### Water resource conservation activities

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

In 2019, we conducted water resource conservation activities in 12 of our plants' water source areas—with a total of 421 participants from among the community, employees, and their families. One such event, a Coca-Cola

“Learn from the Forest” project in Ebino, was held in April 2019, and attended by 81 volunteers. These volunteers help cut back bamboo thickets, plant mushrooms, and tried woodworking, all while learning about the indispensable nature of water resources.

### Initiatives for youth helping to solve social issues

We are working to solve regional social issues collaboratively with local governments, academic, and civic organizations. We have undertaken numerous initiatives so far, including youth-led workshops, presentations, and awards recognizing and highlighting



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



Sendai Youth Award ceremony in Miyagi Prefecture



Main resource initiatives  
<https://en.ccbji.co.jp/csv/>





“Mie Mirai” workshop with community members

initiatives that tackle issues in the prefectures of Miyagi, Fukushima, Tochigi, and Mie.

In 2019, CCBJI held the Sendai Youth Award ceremony, in partnership with Sendai City and a local NPO, Wakatsuku, to energize and further encourage youth initiatives tackling regional issues. We want to continue to be the chosen partner of everyone in our communities and will promote community-building initiatives to help make them even better places to live.

### Plant tours

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

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



Summer school plant tour

community initiatives.

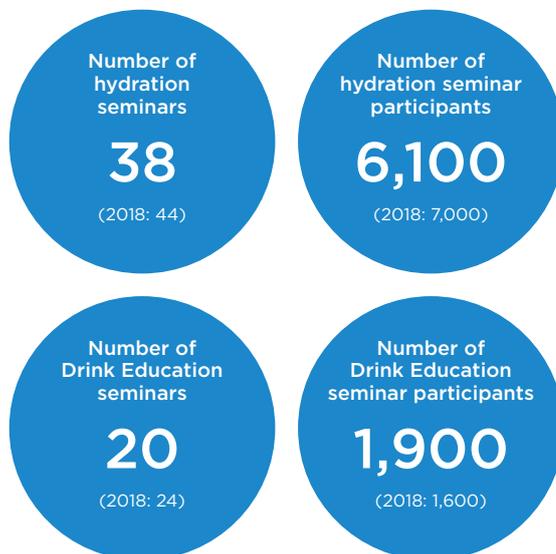
We also hold special events such as summer school—family-oriented learning experiences—at our plants during summer break, as well as tours specifically for business partners. At our Kyoto plant in 2019, we collaborated with students from the Kyoto University of Foreign Studies to showcase environmental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

We are using our plant tours to communicate The Coca-Cola Company’s production processes, rigorous health and safety initiatives, and environmental initiatives so that consumers can feel confident in choosing The Coca-Cola Company’s products.

### Hydration and Drink Education seminars

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

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



# Resources



## What we are doing

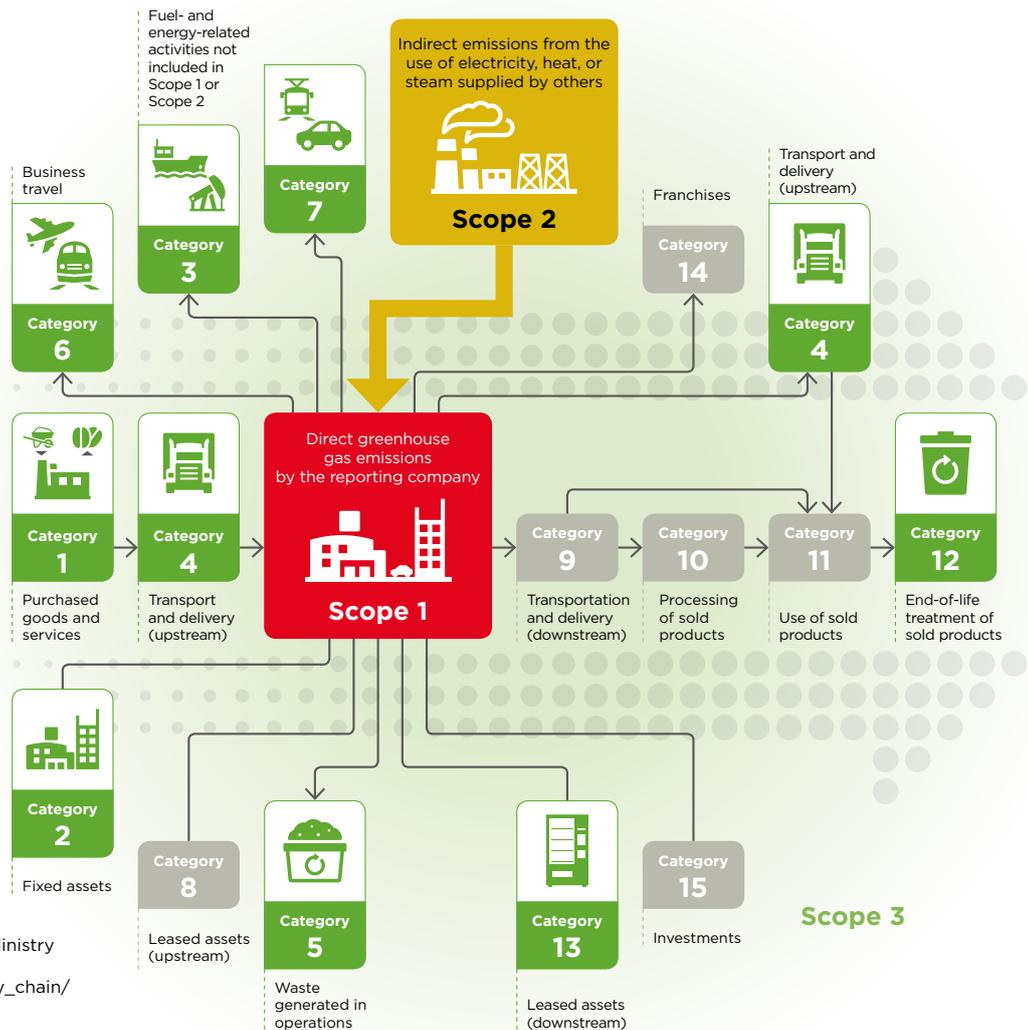
- ▶ Driving continuous improvement in the sustainable use of resources
- ▶ Supporting the environmental conservation of our country



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

## CCBJH Group's CO<sub>2</sub> Emissions Results and Accounting Methods

We consider the mitigation of climate change a crucial issue to address throughout the course of our business activities. As such, we transparently disclose corporate greenhouse gas emissions, of which CO<sub>2</sub> is a primary example, and share information with our many stakeholders about the overall state of greenhouse gas emissions, potential countermeasures, and other topics in the hope that this will lead to further emissions reduction.



Source: "Supply-chain emissions in Japan," Ministry of the Environment, 2015  
[www.env.go.jp/earth/ondanka/supply\\_chain/gvc/en/files/supply\\_chain\\_en.pdf](http://www.env.go.jp/earth/ondanka/supply_chain/gvc/en/files/supply_chain_en.pdf)



Main resource initiatives  
<https://en.ccbji.co.jp/csv/>



## 2019 CO<sub>2</sub> emissions and accounting methods

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

# Water Resource Conservation

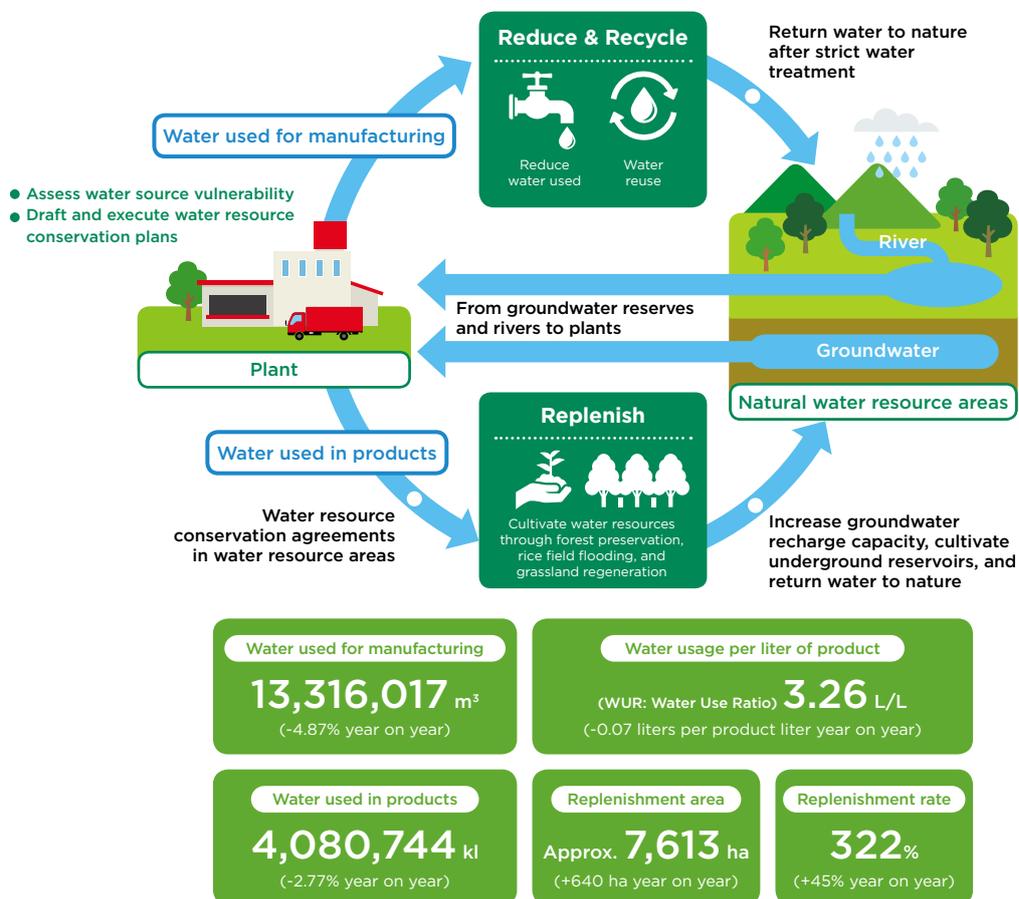
Since we engage in business that relies on the indispensable resource of water, we promote water resource conservation with the goals of reducing water use by 30% by 2030, and maintaining a 200% water resource replenishment rate through 2025.

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

## The Coca-Cola system's water cycle

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

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



## Plant initiatives and water resource area activities

### ● Plant initiatives to reduce water use 30%

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

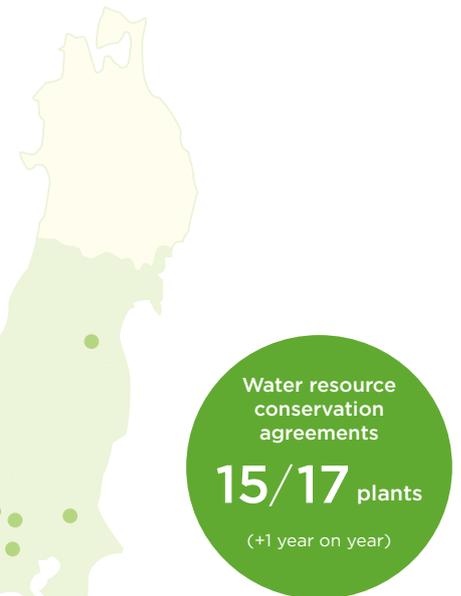


### ● Water resource area activities to maintain a 200% replenishment rate

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



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



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

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

\*3 The Hiroshima Plant began operations in June 2020.

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

# Toward Achieving a World Without Waste

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

## Three core elements of the 2030 Packaging Vision

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



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



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

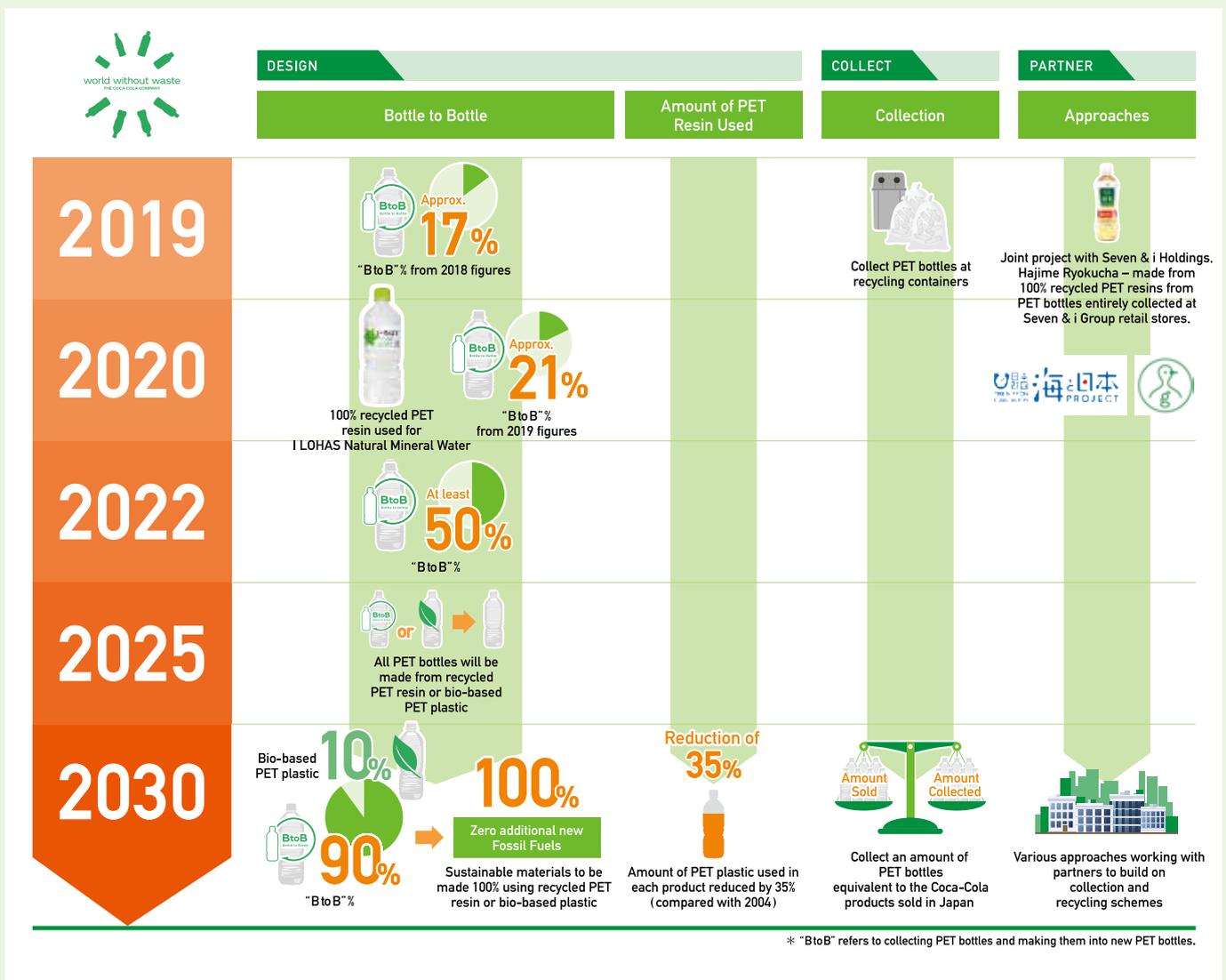
We are building and maintaining stronger collection and recycling schemes through partnerships with the national and local government, the beverage industry, and our communities

## Roadmap to 2030

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

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

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



Recent CCBJH Group initiatives

Design

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

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

Label-free I LOHAS Natural Mineral Water

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



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

01

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

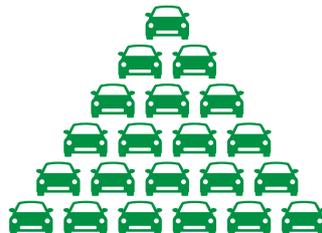
We maximize the use of resources by recycling used PET bottles to make new bottles



02

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

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

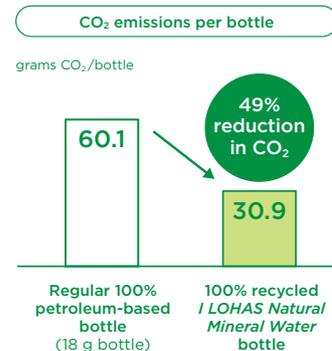


Reduces use of plastic by an amount equivalent to about 4,000 vehicles annually

03

Reduces CO<sub>2</sub> emissions by 49% per bottle

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



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



## Cooperating with communities in cleanup campaigns

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



## Beverage industry initiatives

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



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

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

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



## Online learning to raise employee awareness

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

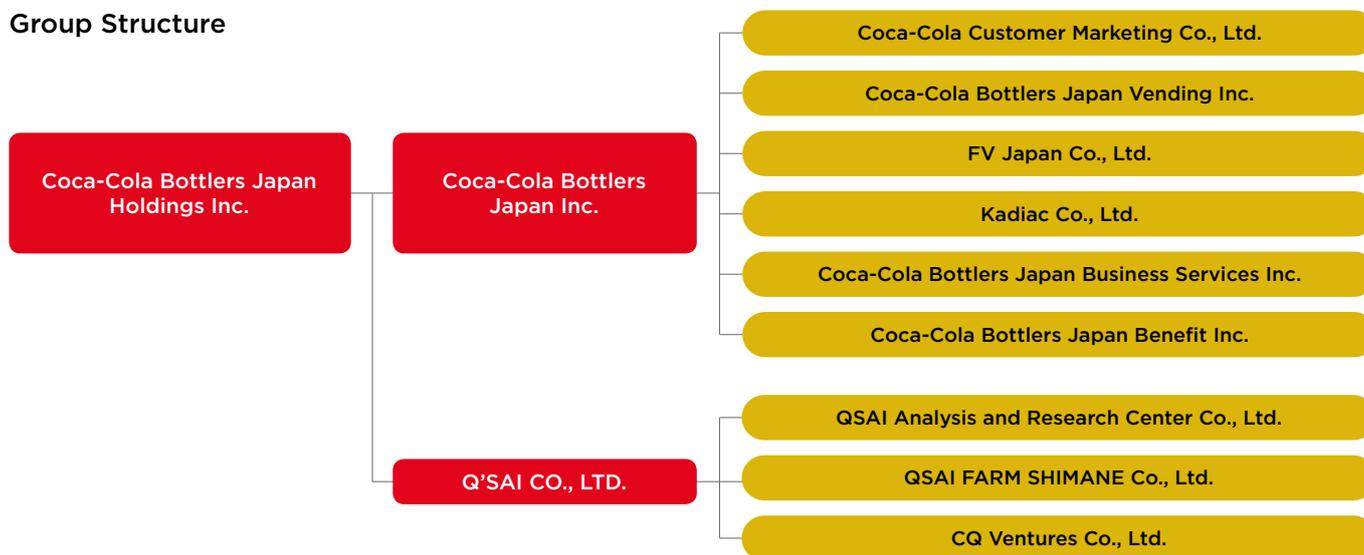


## Corporate Profile (As of December 31, 2019)

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

As of December 31, 2019, Coca-Cola Bottlers Japan Holdings Inc. was listed on the Fukuoka Stock Exchange, but the Company has submitted an application for delisting to the stock exchange and plans to do so once that process is completed.

## Group Structure



## External Evaluations

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

Dow Jones Sustainability Indices (DJSI)

**CDP**  
DISCLOSURE INSIGHT ACTION

CDP

**NADE SHIKO** 2020

Semi-Nadeshiko 2020

L-boshi

Kurumin

健康経営優良法人 2020  
Health and productivity  
ホワイト500

Health & Productivity Management Organization White 500

**DIVERSITY MANAGEMENT SELECTION 100** 2020

New Diversity Management Selection 100

**NIKKEI Smart Work** 2020  
★★★★

Nikkei Smart Work Management Survey four-star rating

**SPORTS YELL COMPANY**

Sports Yell Company

work with Pride  
**Gold** 2019

work with Pride

CERTIFIED  
**ISO 14001**

ISO: International Organization for Standardization

CERTIFIED  
**FSSC 22000**

Food safety management system FSSC 22000

Also received the Director's Award for Excellence in Disability Hiring in 2019 from the Bureau of Industrial and Labor Affairs

Awarded to CCBJH and some of its Group companies.

## Plant Tours

CCBJI 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 the plant's quality control and environmental efforts. You will also be able to see the plant's impressive production lines. Please come visit!



For more information on reservations, please check our website.

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



### Zao Plant

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



Tel. 0224-32-3505

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

### Tokai Plant

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



Tel. 052-602-0413

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

### Tama Plant

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



Tel. 042-471-0463

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

### Kyoto Plant

128 Tai Shinarami, Kumiyama,  
Kuse, Kyoto



Tel. 0774-43-5522

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

### Ebino Plant

1321-1 Aridome, Higashikawakita,  
Ebino, Miyazaki



Tel. 0984-25-4211

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



**BOTTLERS JAPAN HOLDINGS INC.**

## Our response to COVID-19

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



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

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

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



#### The full version of CSV Report



For the full version of CSV Report 2020 (PDF), please check our website.



<http://en.ccbji.co.jp/csv/doc.php>

#### CSV Report 2020 survey



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



[https://form.ccbji.co.jp/form/csv2020\\_en](https://form.ccbji.co.jp/form/csv2020_en)

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.

### 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/>

