

CSV REPORT 2021



Coca-Cola Bottlers Japan Holdings Inc.



The CCBJH Group has implemented a range of initiatives to continuously support the communities in which it operates amid the effects of the COVID-19 pandemic. To continue delivering happy, refreshing moments to everyone, we have taken comprehensive measures, such as supporting our communities, selling products designed to address the "with corona" era, and putting systems in place that allow employees to work more flexibly. As a preferred partner of our customers, our employees are working as one to continue to supply safe and trustworthy products and carry out business activities to overcome these challenging times together.

Support for communities

Donating products

Since April 2020, we have provided approximately 32,000 cases of products free of charge to approximately 365 medical institutions as well as national and local government organizations for the medical professionals working to prevent the spread of COVID-19 infections. We have also delivered approximately 14,000 cases of products to facilities that provide meals for children with busy or absent parents and various social welfare facilities through a

total of 48 food banks. Going forward, we will continue to donate products to support people in need during the COVID-19 pandemic.

Number of product donations More than 6,00 cases

Donation of infection prevention equipment

In April 2020, when there was a shortage of personal protective equipment for medical professionals, the Coca-Cola Red Sparks men's rugby team donated 3,000 plastic raincoats that were originally meant for use by spectators to the city of Osaka to be repurposed. As part of plastic resource recycling efforts, the Coca-Cola system has manufactured approximately 11,000 simple face shields made from recycled PET materials and is donating them to medical institutions through public organizations.

A simple face shield

New forms of business associated with the "with corona" era





From June 2020, we started applying an antivirus/antibacterial treatment to our vending machines by sticking a protective film to product selection buttons and dispensing slot covers. The protective film has been certified by the Society of Industrial-Technology for Antimicrobial Articles (SIAA) and has received the mark that certifies its antiviral and antibacterial properties and that strict standards have been met.

The CCBJI Group company FV Japan commenced mask sales at its vending machines in July 2020, and is working to provide an environment where masks can be purchased without face-to-face contact. As one of the infection prevention measures being promoted by the Tokyo Metropolitan Government, and in cooperation with the Japan Soft Drink Association (JSDA), the CCBJI Group is also in the process of attaching stickers listing COVID-19 safety measures to approximately 70,000 vending machines in the Tokyo metropolitan area to aid public awareness of COVID-19. We will continue to pursue new kinds of sales activities while implementing comprehensive measures for consumers and business partners.

Vending machines for selling masks $oldsymbol{\angle}$ machines in Tokyo and 3 prefectures

As of September 2020

Vending machines with antiviral/ antibacterial treatment

65,000

As of December 2020

Vending machines with Tokyo Metropolitan **Government COVID-19** safety sticker

Approx.

Aiming for flexible ways of working during the "with corona" era

In the "with corona" era, the CCBJH Group is encouraging work styles that are consistent with the changes in society brought about by the effects of COVID-19. While accepting change with integrity, we are implementing a variety of measures to balance risk countermeasures and business continuity while ensuring employee safety and sustainable growth.

Balancing risk countermeasures and business continuity

As a result of having actively introduced IT tools—such as the distribution of smartphones to all employeesand smoothly shifting to new ways of working in response to the "with corona" era, CCBJI was selected as an honorable mention in the new lifestyle support category at the 38th Information Technology Awards 2020. We also worked on our telework program, a super flextime system with no core working hours, the promotion of a bicycle commuting policy, the expansion of satellite offices, and the holding of welcome ceremonies online. In 2021, we announced a special paid leave policy for employees to receive COVID-19 vaccinations during work hours.

Major initiatives for the "with corona" era

- Promotion of teleworking
- Expansion of satellite offices
- Promotion of bicycles as alternative means of commuting
- Promotion of IT tools, such as distribution of smartphones to all employees
- Special paid leave for COVID-19 vaccination

Regular internal messaging for employees

We are utilizing the company intranet and other communication tools to provide information and set up a Q&A page regarding COVID-19 for employees, as well as sending messages from management regarding work styles for the "with corona" era. These tools are also used for "message relays," in which employees can tell each other about their work and how they are doing to feel closer to each other even in the midst of the COVID-19 pandemic, Colleagues' responses, regardless of geographical area and department, become encouragement for everyone.

Message Relay

July 2, 2020

"Activities that are always close to our customers. Together!"





Work-style reform is also covered in Section 3 "Human Rights and Employee Job Satisfaction" P. 41



The CCBJI Hongo Plant (Mihara City, Hiroshima Prefecture), which was severely damaged by flooding following torrential rainfall in western Japan in July 2018, moved to a new location within the city in June 2020 and was reborn as the new Hiroshima Plant.

A tour area in the plant was completed in October of the same year. While delivering safe and trustworthy products, we will use these facilities to contribute even more than before to the reconstruction and development of the region so that the Hiroshima Plant will become a symbol of reconstruction not only for the people who work there, but also for everyone in the local community.

Hiroshima Plant History



Following torrential rainfall in western Japan, 2.5 meters of floodwater inundated the Hongo Plant, halting operations due to serious damage to the production lines and automated warehouse.



After rapid restoration work, we decided to move to a location about 4 kilometers from the Hongo Plant. After holding a service to pray for safety at the planned site, we started full-scale construction.



Featuring a production capacity about 1.5 times that of the damaged Hongo Plant, the new plant has been reborn to play a key role in product supply to the Chugoku and Shikoku areas.



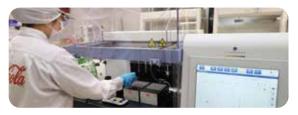


At the completion ceremony, CCBJI Representative Director and President Calin Dragan expressed his gratitude to all those involved, including the governor of Hiroshima Prefecture, Hidehiko Yuzaki, and the mayor of Mihara City, Yoshihiro Okada.

Building on the concept of achieving an advanced and appealing plant where people from all over the world can gather, the goal of the new Hiroshima Plant was not just to restore the lost Hongo manufacturing capacity, but to create a top-class facility we could be proud to present to the world in terms of the environment, quality, working conditions, employee training and contribution to the community.

Process controls for manufacturing high-quality products

To maintain safe and high-quality product standards, we carry out quality control assessments using automated inspection machines. These automated routines ensure that process controls are carried out in accordance with high standards on the latest equipment, which has enabled the efficient manufacture of high-quality products.



Introduction of latest IoT technology

We have installed a system to remotely monitor the status of equipment, and operate the production facilities and utility equipment in a stable manner. We have also achieved rigorous labor and energy savings, by such means as automating the process from the delivery of ingredients and raw materials to supply shipments and lot management, and by digitizing the creation of forms.



World-class occupational safety conditions

We manage operations using KORE (Coca-Cola Operating Requirements), our unique global management system, which is more rigorous than domestic standards. We are also working to create safe workplaces by implementing equipment design and working conditions based on strict safety standards and risk management protocols.



Elimination of unnecessary work and new technological innovation

Water and energy consumption used to be calculated with spreadsheets, but we have reduced the time spent on calculation and management through automation. By incorporating new technologies, we are realizing energy savings and utilizing timely data as part of promoting invigorated improvement activities.



New role as the center for communication with the community

In the plant, we have set up an innovative tour facility that serves as a place for interacting with people from all over the world. We have prepared a variety of surprising and fun experiences with the goal of creating a plant tour where visitors can immerse themselves in our best-in-class production processes. Through these activities, we will contribute to the process of regional revitalization as a new symbol of the Hiroshima area.



Information about the Hiroshima Plant is also covered in Section 2 "Platform: Communities" P. 26 ▶

WORLD WITHOUT WASTE

Toward a World Without Waste







The Coca-Cola Company announced its global vision, a World Without Waste, in 2018. As part of realizing that vision, in January of the same year, the Coca-Cola system in Japan launched its 2030 Packaging Vision, which is made up of three core elements—design, collect, and partner.

In July 2019, the Coca-Cola system in Japan renewed its goals to exceed the environmental targets of the global initiative, including shortening the timeline to achieve certain targets at an earlier date, and it is making progress with specific initiatives.

Three core elements of the 2030 Packaging Vision

Through the promotion of its bottle-to-bottle initiative, the Coca-Cola system in Japan is working to realize the 2030 Packaging Vision, with a primary goal of transitioning all PET bottles to 100% sustainable materials by 2030.

Design	We are promoting bottle-to-bottle recycling to increase the usage of recycled PET plastic content to at least 50% by 2022 and 90% by 2030, while aiming for the complete introduction of PET containers that eliminate the use of new fossil fuels.
Collect	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.
Partner	Under our Partner initiative, we are working to build and maintain more robust recovery and recycling schemes through collaboration with the national and local governments, the beverage industry, and our communities.



Design



Promotion of bottle-to-bottle initiative

Based on our 2030 Packaging Vision, the promotion of the bottle-to-bottle* initiative by the Coca-Cola system in Japan is steadily progressing toward its goal. In 2020, as a result of having adopted 100% recycled PET bottles for both *I LOHAS Natural Mineral Water* and *I LOHAS Natural Mineral Water Labelless*, we received the Plastic Resource Recycling Special Category Grand Prize at the 21st Green Purchasing Awards in recognition of our contributions to a recycling-oriented society.

Since February 2021, we have also been engaged in awareness-raising activities, such as the introduction of the "Recycle Me Again" logo on all our recyclable product packages, to aid in the realization of a circular economy for plastic. In May 2021, We have expanded our 100% recycled packaging to include our flagship brand *Coca-Cola* and *GEORGIA JAPAN CRAFTSMAN* in small PET packaging.

*An initiative to collect used PET bottles and make them into new PET bottles.

Bottle-to-bottle usage rate of recycled PET plastic

28%

(+7% year on year)





Reduces CO₂ emissions by approximately 60% per bottle*

*When switching from regular PET bottles to bottles with 100% recycled PET materials

Design

Reducing PET plastic usage through package lightweighting

In 1996, a 500 milliliter PET bottle for Coca-Cola's water brand in Japan weighed 32 grams. Launched in 2009, the bottle for *I LOHAS Natural Mineral Water* had been reduced to approximately 12 grams, which at the time was the lightest in Japan.* We are continuously looking at opportunities to reduce the amount of PET plastic used in our products while maintaining bottle quality and performance.



*As of March 2009. Estimate for 500 milliliter PET bottles manufactured in Japan. Coca-Cola (Japan) Company, Ltd. estimate



Collect

Partner

Realizing 100% recycling with Seven & i Holdings

Hajime Ryokucha green tea, a product jointly developed with Seven & i Holdings Co., Ltd., has been on sale since June 2019. The product is sold in 100% recycled PET bottles made only from PET resin generated from the recycling of used PET bottles

collected from Seven & i Group stores

By switching to 100% recycled PET bottles, we have achieved a reduction in CO₂ emissions.



World Without Waste is also covered in Section 2 "Platform: Resources" P. 29 ▶



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.

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

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VALUE CREATION STORY

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

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Editorial policy

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

Referenced guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Standards

Period covered

This report covers activities from January 2020 to the end of December 2020.

Numerical data is also for the period from January 2020 to the end of December 2020.

Scope of the report

Information presented in this report was collected from Coca-Cola Bottlers Japan Holdings Inc., Coca-Cola Bottlers Japan Inc., and the Coca-Cola Bottlers Japan Group companies*. The coverage of some environmental data can be found on page 36. (Please see page 45 for the Group structure.)

Date of issue

May 2021

Terminology

The "CCBJH Group" ("we") refers to Coca-Cola Bottlers Japan Holdings Inc. and its seven Group companies (Coca-Cola Bottlers Japan Inc., and the CCBJI Group's other companies), while "CCBJI" refers solely to Coca-Cola Bottlers Japan Inc. "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 endusers) 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., Kadiac Co., Ltd., Coca-Cola Bottlers Japan Business Services Inc., and Coca-Cola Bottlers Japan Benefit Inc.



Business as usual is not an option. We are embracing change to achieve sustainable growth.

We offer our sincerest sympathies to everyone impacted by the COVID-19 pandemic. We would also like to express our deepest respect and appreciation for the medical professionals, and for all who have been on the front lines throughout this difficult time.

Delivering happy moments to everyone while creating value

We are all living through unprecedented times because of the COVID-19 pandemic. Economic and social activity have been severely impacted, while businesses have been forced to change in order to protect the bottom line and continue to provide services in a dramatically changed environment. The beverage industry in Japan is no different, and has experienced lower consumer traffic in channels such as convenience stores and vending machines due to the impact of more people working from home and refraining from going out. In this environment, the CCBJH Group has rapidly adapted its work styles in an agile way; secured the safety of consumers, business partners, employees, and communities; and prioritized the continued support of local communities, by such means as donating beverages, implementing strict hygiene protocols, and shifting to a flexible work-from-home model. Our Mission is to "Deliver happy moments to everyone while creating value." We will continue striving to provide safe and trustworthy products and services that are essential for daily life.

An unrelenting focus on transformation for greater growth

The CCBJH Group has placed creating

shared value (CSV)—in which business growth and society's sustainability are treated as one issue—at the core of its business management.

In order to achieve our Mission and to continue our CSV activities, we must strengthen our business. In 2020, inspired by the strong determination that business as usual is not an option, we accelerated the transformation of our business under difficult circumstances. One example of this is our focus on developing a quicker and more agile supply infrastructure. With the startup of seven aseptic production lines-in which we have been investing since 2019—we have increased our production capacity for aseptic packaging by 20% to meet growing demand. Moreover, the optimization of our logistics network is progressing steadily with our advanced, largescale automated distribution center (Saitama Mega Distribution Center) becoming operational in February 2021. Operations at the Saitama facility will ramp up in 2021 and this will play an important role in future delivery of efficiency savings. In addition, the new Hiroshima Plantforced to relocate due to damage from torrential rains in western Japan in 2018-became operational in June 2020, and in October 2020, the plant's tour facilities, which will provide an important venue for communication with stakeholders, were completed.

Solid progress in addressing society's priority issues

With less than a decade until the target year of the United Nations Sustainable Development Goals (SDGs), activities related to the

environment, society, and governance (ESG) are of growing importance. The Coca-Cola system in Japan has identified three Sustainability Platforms based on the SDGs—Inclusion, Communities, and Resources—and has determined nine priority issues within these categories. To address these issues, the CCBJH Group has set its own non-financial CSV Goals and is advancing concrete initiatives.

In the area of Inclusion, in January 2021, we achieved our initial target—6% of our managers being female—earlier than planned, and we have updated our goal to having 20% female managers by 2030.

In Resources, the Coca-Cola system in Japan established its 2030 Packaging Vision in January 2018 (revised in July 2019) based on the global Coca-Cola vision of a World Without Waste. We are working to achieve this vision via three core elements: design, collect, and partner. We are making solid progress and have increased the content of recycled PET plastic in PET bottles to 28% (7 percentage points higher year on year). We have significantly reduced our use of plastics made from fossil fuels with the launch of products such as I LOHAS Natural Mineral Water in 100% recycled PET bottles and labelless packaging for online sales—which became available in March and April 2020, respectively.

For Communities, we are undertaking initiatives that leverage our valuable community partnerships to support Inclusion and Resource priorities as part of realizing flourishing communities.

Stakeholder collaboration is crucial for creating a virtuous cycle of sustainable growth

We face increasing uncertainty as social issues become more complex, and we are also dealing with the unprecedented threat of COVID-19. However, no matter the circumstances, our aim is to achieve our Mission. Realizing our Mission means more than just delivering happy moments to our consumers. It also involves continuing to provide society with value through our business activities, while maintaining a profit, therefore helping the whole of society to grow sustainably in a virtuous cycle. To do this, it is crucial to cooperate with our stakeholders. We aspire to fulfill our role in society in order to earn the support of our stakeholders, and, at the same time, strive to evolve even further as a corporate group. The Tokyo 2020 Olympic and Paralympic Games, long awaited by many around the world, is expected to be held in 2021. As a bottling company in the host country—and in collaboration with Worldwide Olympic Partner, The Coca-Cola Company, as well as Coca-Cola (Japan) Co., Ltd.—we will deliver happy moments to everyone and do our part to make the games a successful and memorable occasion.

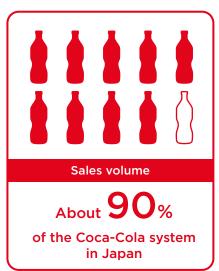
> Calin Dragan Representative Director and President Coca-Cola Bottlers Japan Holdings Inc.



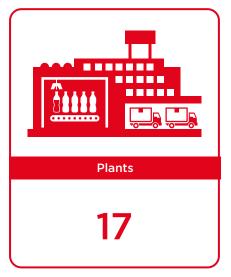














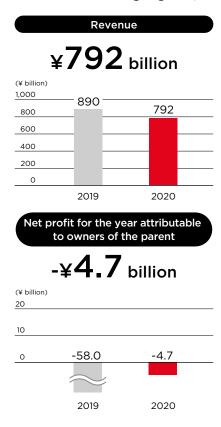


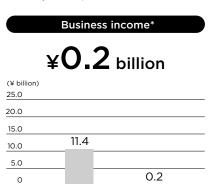






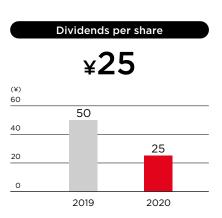
2020 Financial Highlights (consolidated; IFRS)





2020

2019



Operating profit -\frac{11.7}{50.0} billion (\frac{10.0}{50.0} \) 0 -58.9 -11.7

*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.

Note: Since it was decided in December 2020 to sell all shares of Q'SAI CO., LTD. held by the Company, Q'SAI CO., LTD. and its subsidiaries were classified as discontinued operations in fiscal 2020. Therefore, the values for revenue, business income, and operating loss in the previous fiscal year have been adjusted to constitute only those of continued operations and to exclude discontinued operations.

2021 Outlook KPIs

Shift from "Resilience" to "Recovery toward Growth"







¥45-50 billion

Restraint in new capex during ongoing COVID-19 uncertainty

¥55–60 billion

Driven by supply capacity investment through end of 2020

*Not including IFRS 16 non-cash items

Beverage Business Products and Brands

CCBJH Group has a wide line-up of products to meet the many needs of our consumers and to support their diverse lifestyles and healthy choices.



FOSHU











Coffee









Juice and juice drinks



















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 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.

MISSION

Deliver happy moments
to everyone while
creating value

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, leveraging the scale of the global Coca-Cola system, 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

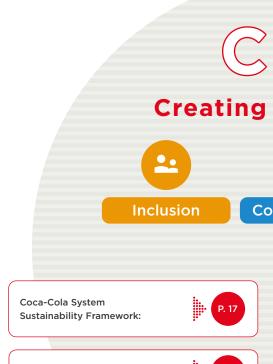
- Employment of diverse and inclusive human resources
- Different work styles that allow employees to maximize their talents

Social capital

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

Financial capital

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



Progress report by material issue:

OUTCOME

Economic value

Sustainable profit growth and cash flow generation of CCBJH Group

Balance

Social value Earning our "social license

to operate" with relevant ESG priorities based on the Sustainability Framework

CCBJH Group commitments toward value creation



OUTPUT



Beverage business products and brands



mmunities

Shared Value

Resources

Creating shared value (CSV) is at the core of our business because we believe opportunities for further Group growth come from helping address social issues. We carry out CSV initiatives based on our Sustainability Framework, which was developed from a detailed materiality analysis for the business. Our Sustainability Framework comprises three platforms— Inclusion, Communities, and Resourcesand nine priority issues.

BUSINESS MODEL

In our beverage business, the CCBJH Group aims to deliver to customers the beverages they want, when and where they want them. To make this a reality, we aim to achieve best-inclass innovation and operations while collaborating with The Coca-Cola Company and the Coca-Cola (Japan) Company. While rapidly responding to changes in society and the market environment, we are creating products that not only meet customer needs now, but will also fulfill unmet needs.

The Coca-Cola system in Japan

The Coca-Cola system in Japan is composed of Coca-Cola (Japan) Co., Ltd.—which supplies beverage base, 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 for recycling.



Coca-Cola Tokyo Research & Development Co., Ltd.

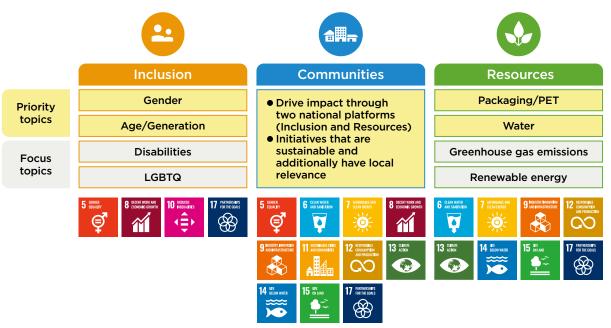
In 2019, Coca-Cola (Japan) Co., Ltd. and Coca-Cola Bottlers Japan Inc. jointly conducted a large-scale study to identify sustainability issues and set priorities based on materiality for the Coca-Cola system in Japan. The intent was to formulate a strategy reflecting issues unique to Japan, in addition to global sustainability targets being pursued worldwide, and to include these in a common action plan for the combined Coca-Cola system in Japan. The result was an agreement on the three platforms of Inclusion, Communities, and Resources, and nine priority issues to be addressed across Coca-Cola's operations in Japan.

Purpose of Coca-Cola System Sustainability Activities

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

Japan Coca-Cola System Sustainability Framework: Three Platforms and Nine Priority Issues

The nine priority issues are further subdivided into five priority topics specified for immediate action, and four focus topics that require dedicated attention and action plans. We have also examined the impact of the three platforms against the Sustainable Development Goals (SDGs) and are working toward progress against these SDGs.



Going forward, the Coca-Cola system in Japan will develop and implement concrete action plans 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.

Process of Establishing the Sustainability Framework

Identified social issues in Japan based on third-party studies

We selected 189 issues by categorizing social issues from outside consultant reports, ISO 26000, and government agency reports, among others.

Narrowed down the list from 189 to 33 issues

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

Plotted a materiality matrix of 33 issues and specified 15 priority issues

> We assessed the importance of the 33 issues, and then specified 15 issues of high social importance that were also highly relevant to the Coca-Cola system in Japan

Q&A with the head of IR and Corporate Communications, Raymond Shelton

Q. 1 How did you go about establishing the Sustainability Framework?

In 2018, The Coca-Cola Company adopted the global goal of realizing a World Without Waste. In addition to promoting, for example, a 100% recycling rate for our packaging, we are tackling a variety of social issues around the world, such as water resource conservation and encouraging women's success in the workplace. Then, within the Coca-Cola system in Japan, we emphasized how to approach not only global issues, but also issues unique to Japan that the country should take the lead on. We held discussion forums throughout the system, and while aligning with global goals, we identified priority issues from among the social issues that Japan is confronting. While aiming to address issues that can leverage our specific strengths, the most important thing is building a strategy to bring about business growth and protect our "social license to operate" as a local company fulfilling our mission to "Deliver happy moments to everyone while creating value."

Q. 2 What was your focus in establishing the Sustainability Framework?

We focused on three different perspectives. First, the relationship between Japan and the

First, the relationship between Japan and the rest of the world. We thought it was necessary to consider all the issues from both a global and a Japanese point of view. Second, the relationship between the present and the future. It was important to select themes that incorporate the future as well as the present. Third, we looked at social impact. We emphasized the positive impact we could make by fully utilizing our strengths to meet society's needs.

From these three perspectives, we have identified issues that balance Japan's unique challenges with our strengths. Among these issues, with regard to recycling packaging, we have set goals that are both unique to Japan and even higher than our global goals.



Q. 3 When establishing the Sustainability Framework, what was the reason for engaging with the entire Coca-Cola system in Japan?

What is most important is not the identification of the problems, but the practicalities of implementing the solutions. Issues and needs differ from region to region-even within Japan-and we must respond appropriately in each area, which can require cooperation with external organizations and coordination across our nationwide footprint of Coca-Cola related companies in Japan. We have the opportunity to leverage the full scale of the Coca-Cola "system's" operations across Japan and, indeed, around the world. To that end, it is important to collaborate across all five Coca-Cola bottling partners who have contacts with stakeholders in each region, and the Coca-Cola (Japan) Company. After formulating our Sustainability Framework, the Coca-Cola system in Japan has been strongly promoting united efforts on our priority platforms of Inclusion, Communities, and Resources.

Recently, the importance of sustainability has only increased. In the years to come, we will use our business to work alongside our stakeholders to promote activities that help resolve priority issues.

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

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

Specified 3 platforms and 9 priority issues

After discussions with the management of the Coca-Cola (Japan) Company and Coca-Cola Bottlers Japan, 3 platforms and 9 priority issues were agreed upon.



Workshop held in 2019

CCBJH Group Commitments toward Value Creation

The CCBJH Group is committed to achieving sustainable growth along with its corporate Mission. The Group has established business strategies and set key performance indicators (KPIs) for creating economic value, and has set non-financial goals, or CSV Goals, for creating social value. We are promoting a cycle of value creation by annually checking the progress of our commitments against the KPIs in a plan-do-check-act (PDCA) cycle.

CCBJH Group commitments (KPIs)

COMMITMENT

Economic value



Management strategy and KPIs • 2021 Outlook KPIs P. 12







Social value Non-financial goals: CSV Goals

	Products	• 100%	Zero/low-calorie options for core brands				
		• 300%	FOSHU/functional product growth				
		1 00%	Front-of-pack calorie label and straightforward nutritional information				
		1 00%	Observation of The Coca-Cola Company Responsible Marketing Policy				
	Maken	• 200%	Water source replenishment. Focus on watersheds near our plants				
	Water	• 30%	Water usage reduction by 2030				
APA .	Climate	• 25%	Reduction in greenhouse gas emissions by 2030				
THE STATE OF THE S	change	Promot	ion of renewable energy				
			● 50% Content of recycled PET in PET bottles by 2022				
			● 90% Content of recycled PET in PET bottles by 2030				
	World	Design	● 100% Sustainable PET without fossil fuel use by 2030				
۵	Without Waste		●100% Adoption of recyclable packaging by 2025				
			• 35% Further lightweight PET packaging by 2030 (compared to 2004)				
		Collect	●100% Collection percentage compared to sales volume by 2030				
		Partner	• Extensive partnerships across industry and environmental organizations by 203				
%	Procurement	• 100%	Sustainable sourcing				
	Human rights	• 100%	Adherence to Supplier Guiding Principles across the CCBJH Group value chain				
	Diversity and inclusion	• 10%	Female managers by 2025				
'N'N'N'		• 20%	Female managers by 2030				
	Society	• 10%	Employee volunteers				
	Society	• 1 million	Participants in community programs				

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





Value created (outcome)

OUTCOME

Economic value





The achievement of sustainable growth by promoting responsible business practices and ensuring profitability

Social value



Consumers and customers

- Delivering happy moments to consumers by providing refreshing beverages that support consumers' lifestyles, as well as promoting more informed and healthier choices
- Increasing awareness and support of appropriate beverage habits





Environment

 Promotion and development of a lowcarbon society, a circular economy, and a society that coexists with nature





Business partners/suppliers

- Building of constructive relationships aimed at shared sustainable growth
- Long-term support for producers, retailers, and food service establishments





Employees

 Provision of workplaces and opportunities that enable employees to work with pride and to continue learning regardless of gender, age, or generation





Communities

- Revitalization of communities
- Helping address social issues





Shareholders

 Creation of shareholder value by ensuring profitability and promoting ESG initiatives



Platform

Inclusion



- Setting an inspiring example of an inclusive workplace culture
- Nurturing the talents of our diverse workforce—and engaging





Gender

Age/Generation Disabilities

I GRTQ









Progress against CSV Goals

Since we already achieved our 2025 goal of 6% female managers in 2021, we have set a new goal of 20% by 2030. We are promoting initiatives to provide a workplace environment and support systems to foster a CCBJH organizational culture where every employee can independently build a career where they can shine.

Diversity and inclusion initiatives

The CCBJH Group has made the promotion of diversity and inclusion (D&I) as one of its key management priorities. We are building a diverse workplace that meets the various needs of our business environment, reflects our shoppers and consumers, and supports the Group's sustainable growth. At the same time, we want to create a workplace

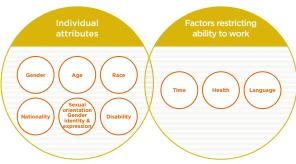
where each and every one of our employees, who come from a wide range of backgrounds, can demonstrate their abilities without losing their desire to improve.

We also promote diversity at the management level by welcoming differences in background such as nationality, gender, age, and experience in the Board of Directors and by considering and making decisions on issues from various perspectives.

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, race, nationality, sexual orientation, and other attributes, such as gender identity and expression, 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.









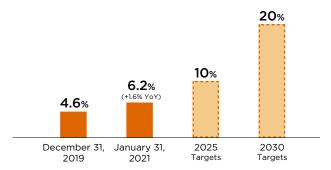
Initiatives to encourage women's success in the workplace

Updated target ratio for female managers to 20%

The CCBJH Group is promoting the active participation of women out of respect for the individuality of each one of its employees, and in order to continue to generate innovation by incorporating diverse values and ideas. Within the CCBJH Group, there are many female employees who give up returning to work or miss out on career advancement opportunities due to reasons such as taking maternity or childcare leave and family-related time constraints, which are unrelated to motivation or work ability. CCBJH Group is creating an environment in which all employees, regardless of gender, are able to maintain a balance between work and family care, and to foster an organizational culture that supports employees' individual career development needs.

In order to increase the ratio of female managers, we are promoting a workplace culture and support system to help increase the number of female employees who

Target ratios for female managers



proactively choose to drive results and advance their careers. In January 2021, we achieved our initial target of 6% female managers by 2025 ahead of schedule. We have set new targets of 10% female managers in 2025 and 20% in 2030.

Realization of flexible work styles

To achieve a balance between work and family care, it is essential to adopt flexible work styles that are not restricted to a specific time or place. In 2020, we introduced a super flextime system with no core working hours, expanded satellite offices, and implemented a direct-to-market/direct-to-home commuting system in the Commercial function. In addition to promoting the idea of taking childcare leave to male employees and strengthening the development of next-generation leaders, we are also working to further promote D&I by implementing targeted training programs. These programs include a Mentor Program for female managers, the "Female Next Leaders Program"—aimed at fostering next-generation leaders—as well as seminars for returning to work after taking leave for childcare.



We also share comments from our female employees on our website



Roundtable discussion for female employees on work styles (Japanese only)

https://www.ccbji.co.jp/recruit/newgraduates/special/crosstalk02.html





Aiming to step up as a leader

Natsuko Wakabayashi

Capability Development Manager Capability Development Division

It is said that many women do not want to be in managerial positions, and at one time, I did not want to either. I had declined to take the management exam because the thought of so much responsibility made me hesitate. Even so, my manager at that time recommended that I take it, and I am grateful for that advice now. I have learned many things from moving up a level. As a manager, I decide the direction we need to take and use my creativity and imagination on a daily basis to increase my team's happiness and, in turn, enable greater productivity. I believe that persevering through trial and error and continuing to learn with my fellow team members will lead to my own growth and the improvement of the company's business performance.

Photography: The Dream Collective





Programs to nurture next-generation leaders

CCBJI established Coca-Cola University Japan (CCUJ), its comprehensive program to nurture next-generation leaders, to develop employees who will drive the transformation and future growth of the Coca-Cola system in Japan. Through collaboration with The Coca-Cola Company, CCUJ will also serve as a foundation to organize global leadership training courses and overseas study programs aimed at developing competent and capable employees who will share their enriched knowledge extensively with Coca-Cola bottling partners around the world.

In addition, the Global English Transformation (GET) English language proficiency program not only allows employees to gain knowledge from overseas, but it also supports their English-speaking ability to support their advancement in the company. We are aiming to develop employees who can play an active role globally by linking these efforts to the revitalization and growth of the entire organization.





Highlighting para-athlete activities

To create opportunities for students and others to think about leadership in a diverse society, CCBJI and Japan University of Economics asked CCBJI athlete-employee Haruki Masanari to give a special lecture entitled "Leadership Theory" in December 2020. On the day of the event, the lecture was given both face-to-face and online, and, based on the turning points in Masanari's own life (before and after the discovery of his disability), many different forms of leadership were discussed as well as his various experiences as a para-athlete. Masanari explained to the students the importance of thinking about their roles within a team, staying committed to the task at hand and continuing to take on challenges in every aspect of life. In the years to come, we will continue to collaborate with all our partners and focus on creating a society where diversity is respected.

CCBJH Group Employment of people with disabilities: 2.45% As of June 1, 2020: -0.14% (YoY)



- As reported in the "Employment Report for Persons with Disabilities" submitted to the Director of Public Employment Security Office.
- 2. 2020 data is the total from the special provision subsidiaries, CCBJI and the CCBJB.
- 3. 2019 data reflects CCBJI





Success in the workplace for people with disabilities

Miki Nagashima

Business Support Promotion Leader Business Support Department, Coca-Cola Bottlers Japan Benefit Inc.

Coca-Cola Bottlers Japan Benefit (CCBJB) Inc. received certification as a special provision subsidiary of the CCBJH Group in September 2019 and is focused on the creation of an improved system to promote the employment of people with disabilities. While gradually gaining recognition and the trust of other departments, we are actively expanding the scope of our work, while facing up to the challenges of more demanding office support duties. In 2020, ten new colleagues with a variety of skills joined and are currently working at the company. In the years to come, I would like to contribute to the CCBJH Group as it creates workplaces where each person is happy and feels rewarded, and also supports their retention and training.





Revised company regulations to provide equal opportunities for members of the LGBTQ community

As an initiative to promote diversity and inclusion (D&I), the CCBJH Group amended the definition of "spouse" in the company regulations (Employment Regulations, etc.) in January 2020 to provide equal opportunities for employees with diverse lifestyles, including LGBTQ employees. This allows all employees to take advantage of welfare benefits, such as childcare leave and family care leave, regardless of the gender of their partners or their marital status. We also amended our Human Rights Policy and D&I Policy to include gender identity and expression in addition to sexual orientation. Furthermore, we provide e-learning programs for all employees in an effort to expand people's awareness throughout the organization.

In December 2020, we announced our endorsement of Business for Marriage Equality (BME), a campaign calling for companies to support

for companies to support marriage equality. BME works to raise the visibility of companies that support the legalization of same-sex marriage (marriage equality) in Japan.



Business for Marriage Equality

In addition, our LGBTQ-related initiatives received the highest gold ranking in our first application to be recognized in the PRIDE INDEX 2019 program, which is an assessment by the "work with Pride" (wwP) organization.



Conducting training sessions on unconscious bias for managers

We conducted training on unconscious bias for 1,263 managers and e-learning content to advance awareness of LGBTQ issues for approximately 16,000 employees. In the onboarding training given to new graduates and mid-career hires, we include programs designed to promote understanding of LGBTQ issues. Based on our medium- to long-term D&I vision, we are aiming to create change and innovation, lead to value creation, and enhance our competitiveness.

What is "work with Pride"?

The organization provides information to promote the creation of workplaces within Japanese companies where members of the LGBTQ community can work while being true to themselves. Once a year, wwP holds a "work with Pride" conference on LGBTQ issues—primarily targeting those responsible for personnel, human rights, and diversity in companies and organizations—to provide an opportunity for each company to actively engage.

What is unconscious bias?

Unconscious bias is a prejudice that a person is unaware of. It refers to the predisposed views that each person unknowingly has in his or her daily life.

Creating comfortable workplaces with diverse values

Driven by its senior management, the CCBJH Group is promptly and flexibly promoting the creation of workplaces in which diverse employees can do their job comfortably. These efforts have been highly rated and have been evaluated in various external assessments of the working environment at the CCBJH Group.













2020 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)



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

Platform

Communities



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







- Drive impact through two national platforms (Inclusion and Resources)
- Initiatives that are sustainable and additionally have local relevance















Progress against CSV Goals

Our efforts in partnering with communities have achieved various milestones such as completion of the Hiroshima Plant tour facility, receiving the Prime Minister's Award for the greening of our Ebino Plant, and our women's field hockey team winning three championships in Japan. Furthermore, to explore new ways of communicating with our communities we held Virtual Plant Tours and online



Energizing communities through sports

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

A member of the Japan Rugby Top Challenge League, the Coca-Cola Red Sparks team is based in the city of Fukuoka. In 2020, while many games and events were cancelled due to the impact of the COVID-19 pandemic, we undertook new initiatives, such as releasing videos created by the players and coaches with exercises that people could do at home to help them stay healthy and compensate for the lack of exercise associated with staying at home.

The Coca-Cola Red Sparks women's field hockey team is based in Hiroshima and is a member of the Hockey Japan League (HJL). Amid the restrictions placed on practices and games, the women's field hockey team won three major domestic championship titles* for the first time since the team was formed. The team has received numerous awards from local governments and regions for its achievements, including both the Hiroshima Prefecture Governor's Physical Education and Sports Award, and the Hiroshima Citizens Award (2020).

*42nd All-Japan Women's Hockey Company League, the HJL Takamadomiya Memorial Cup for 2020, and the 81st All-Japan Women's Hockey Championship



Online exercise videos for people staying at home





Note: Rugby team to terminate its activities at the end of 2021. We would like to express our heartfelt gratitude to all of you who have given us your support.





Main communities initiatives https://en.ccbji.co.jp/csv/community/





New Hiroshima Plant: Center for communication with the community is now complete

In October 2020, a tour facility was completed inside the new Hiroshima Plant (Mihara City, Hiroshima Prefecture). In addition to enabling visitors to see manufacturing processes, the Hiroshima Plant tours provide innovative and immersive content to experience our manufacturing processes. Visitors are also able to enjoy enhanced displays that showcase the history and brands of Coca-Cola, as well as videos and photos showing the path of reconstruction

from the flood damage sustained by the former CCBJI Hongo Plant to the new top-class Hiroshima Plant.

The CCBJH Group's plant tours are a method of direct communication with stakeholders, especially consumers and business partners. Since the end of February 2020, the plant tours have been suspended to prevent the spread of COVID-19 (as of May 2021), but we have made content available via our website that allows visitors to experience a Virtual Plant Tour, and we will continue to focus on communicating with our communities in new and innovative ways.

>> ELEMENTS OF THE HIROSHIMA PLANT TOUR



A theater room that visitors can reach by entering a one-of-a-kind huge PET bottle



A "museum zone" that showcases the history of Coca-Cola, its major brands, and much more.



Visitors can observe the process by which Coca-Cola is manufactured through viewing platforms and a special, exciting experience that awaits visitors.



In this second theater room, visitors have a chance to learn about logistics operations, the history of vending machines, and much more.



Here, visitors can taste product samples, take memorable shots at clever photo spots and even purchase souvenir merchandise.



A city striving to provide maximum support for regional revitalization

Yoshihiro Okada

Mayor, Mihara City, Hiroshima Prefecture

Playing a key role in supplying the Chugoku and Shikoku areas of Japan, the newly established Hiroshima Plant is an important facility which has installed automated production lines and the latest IoT technologies, and I hear there is a possibility of further plant expansion. An attractive plant tour has also been added, and, in combination with sightseeing locations and commercial facilities near the local airport, I feel this has the high potential to draw in new groups of tourists by being a stop on an area tour or as part of an industrial tour. I am confident the facility will be able to make major contributions through employment and other means to the revitalization of the local economy in this city and in Hiroshima Prefecture in the years to come. I will strive to provide maximum cooperation and support to the business development of the Hiroshima Plant.





Shinichi Masui Plant Manager, Hiroshima Plant

In 2018, the CCBJI Hongo Plant was damaged by the torrential rains in western Japan, and the new Hiroshima Plant commenced operations only one year and 11 months later. The team members of the former Hongo Plant and the management team were united in their commitment to staying in the local area, so the Hiroshima Plant is located just 4 kilometers from the former plant site. Utilizing the best-in-class functions of this plant, we will endeavor to contribute to the development of Mihara City, not only by providing a stable supply of products, but also by making the plant function as a venue for communication with the community.



Ebino Plant receives Prime Minister's Award in 2020 for promoting the greening of business sites

The CCBJI Ebino Plant (Ebino City, Miyazaki Prefecture) received the Prime Minister's Award in 2020, which is granted to individuals and organizations who have demonstrated outstanding contributions in promoting the greening of business sites.

An important production and logistics base in the southern Kyushu area, the Ebino Plant is a park-based facility in harmony with the rich, natural environment. The plant and its grounds attract as many as 150,000 visitors annually, including 70,000 visitors for our plant tours. In the plant's water source area, we have concluded agreements



with Ebino City and local forestry associations to carry out forest conservation activities and promote the protection of water

resources. This award is normally presented at the Ceremony of awarding the MIDORI Prize (hosted by the Cabinet Office), which is held in April each year. However, the ceremony was cancelled to prevent the spread of COVID-19, and an award presentation ceremony was held at the Miyazaki prefectural government's office in November 2020.



Anticipating further advancements from Ebino's valued partner CCBJI

Takaaki Muraoka

Mayor, Ebino City Mivazaki Prefecture

Upon your receipt of the Prime Minister's Award. I would like to offer my congratulations to those who have been promoting the greening of the Ebino Plant. I am very pleased to see results from the greening efforts in the city so soon. I am also grateful that this plant was established in harmony with Ebino's abundant nature, and that the plant's location has become a place of relaxation for the community.

In Ebino City, an increasing number of companies are, like CCBJI, engaged in promoting the greening of business sites. I have a sincere hope that there will be further advancements from CCBJI, as a leading company, and as a reliable and valued partner that will drive this city's development.





A collaborative program to address community challenges

In Miyagi, Fukushima, Mie, and Miyazaki prefectures, the CCBJH Group is supporting initiatives designed to help solve regional issues. Based on collaboration between industry, government, academia, and nonprofit organizations-for example, regional administrations, educational institutions, and municipal organizations—the initiatives are conducted through a variety of projects, such as youth-led workshops, activity presentations, and awards systems.

The event "Connecting us with society through happiness: SDGs Workshop Mie Mirai" was held beginning in 2018 as a collaboration among Mie Prefecture, Dr. Masao Aoki's research lab (Faculty of Humanities, Law and Economics, Mie University), the nonprofit organization M Bridge, and CCBJI. In this event, participants sought ideas to increase Mie Prefecture's attractiveness and solve its problems through dialogue, and envisioning a happy future. We will continue to provide opportunities for interaction and creativity so that local communities can take the initiative in solving problems in local communities.

Main activities

SDGs Workshop Mie Mirai (Mie Prefecture)



Challenge Internship (Fukushima Prefecture)



Sendai Youth Award ceremony

(Miyagi Prefecture)



Scholarship aid

The CCBJH Group supports a scholarship program sponsored by The Coca-Cola Educational & Environmental Foundation. The aim of this initiative is to promote sustainability and the Sustainable Development Goals (SDGs) by awarding scholarships to university and graduate school students.



Partnering with local governments to address regional issues

The CCBJH Group supports emergency product supply agreements and tourism promotion agreements with local

governments and organizations within its sales areas in order to strengthen collaboration with these important partners and stakeholders. The Group is also continuing to install regional support vending machines within its sales areas to create value in the region through its core beverage business.

Emergency agreements

We have concluded emergency agreements in preparation for large-scale disasters across our sales areas. These agreements are to ensure that people impacted by an emergency can rapidly access drinking water, so we will prioritize water supply to emergency shelters and provide residents with beverages free of charge from vending machines. As of the end of 2020, we had agreements with 1,059 local governments and organizations.

Disaster agreements with local governments and organizations 1,059

Tourism promotion agreements

We have concluded tourism promotion agreements with local governments such as in Chiba, Kanagawa, Saitama, and Kyoto prefectures, for the purposes of promoting tourism in the region. Based on these agreements, we are developing Coca-Cola bottles with unique designs in each region and carrying out initiatives that include donating a portion of the sales proceeds.



Community support vending machines

We are promoting the installation of community support vending machines with unique illustrations at sightseeing locations and tourist attractions within sales areas. A portion of the sales proceeds of The Coca-Cola Company's products from these support vending machines is donated to local governments and NPOs in those areas and is used to fund activities like regional revitalization and community development.







∞|€

In collaboration with official worldwide Olympic and Paralympic sponsor, The Coca-Cola Company, CCBJI, as a Coca-Cola bottling company serving the host city, is undertaking various community initiatives toward local revitalization including efforts to build momentum toward the upcoming Olympic and Paralympic Games Tokyo 2020, delayed due to the COVID-19 pandemic.

Vending machines to build momentum for the Olympics and support athletes

In cooperation with the Coca-Cola (Japan) Company, which is the Presenting Partner of the Tokyo 2020 Olympic Torch Relay, we developed the "Coca-Cola Olympic Torch Relay Memorial Vending Machine" exclusively for local areas through which the torch relay passes, to support the fostering of regional momentum toward the Olympic and Paralympic Games and regional revitalization initiatives. We are also developing the "JOC Olympic Support Vending Machine" and the "JPC Paralympic Support Vending Machine" to support top athletes aiming to participate in the Olympic and Paralympic Games.



Coca-Cola Olympic Torch Relay Memorial Vending Machine

Partnerships with local governments inspired by the Olympic and Paralympic Games Tokyo 2020

With the start of the Olympic and Paralympic Games Tokyo 2020, CCBJI will work closely with local governments as a partner in the region, as well as invigorate local communities, promote education, and support human resource development. We have concluded comprehensive agreements in many regions to promote

efforts to improve civilians' lives in a wide variety of fields, including crime prevention, disaster prevention, health, and sports.

> Signing ceremony for the comprehensive Partnership Agreement with Kami-cho, Miyagi Prefecture



Platform

Resources



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



Renewable energy



Progress against CSV Goals

We are making steady progress toward realizing a World Without Waste with the cooperation of the Coca-Cola system in Japan. In addition to implementing business solutions and projects for our bottle-to-bottle resource recycling initiative—in collaboration with local governments, companies, and beverage industry groups—we are making progress beyond our goals for water resource replenishment by entering into new agreements with local communities in our plants' water resource areas, and through ongoing cooperation.

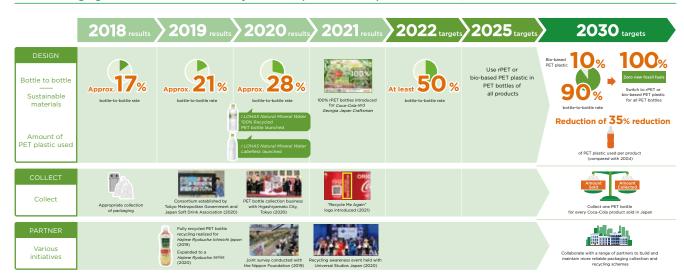


Initiatives for realizing a World Without Waste

The Coca-Cola system in Japan is promoting initiatives centered on the three elements of design, collect, and partner to realize the global World Without Waste vision

advocated by The Coca-Cola Company. Unique packaging targets for the Coca-Cola system in Japan include: the use of sustainable materials, such as recycled PET, in all PET bottles by 2025; recovering a volume of PET bottles equivalent to that of the products sold in Japan by 2030; and the building of stronger packaging collection and recycling schemes in collaboration with partners.

2030 Packaging Vision of the Coca-Cola System in Japan—Roadmap and Results (Updated March 2021)









Expansion of labelless products

In August 2020, the Coca-Cola system began selling labelless *Ayataka, Sokenbicha*, and *Canada Dry The Tansan Strong* products exclusively through major online shopping channels. By introducing these labelless products that are both environment friendly and easier to recycle, we are responding to the increased consumption rates in homes while contributing to reducing the impact on the environment.







PET bottle collection business with Higashiyamato City, Tokyo

In October 2020, CCBJI and Higashiyamato City, Tokyo, concluded a comprehensive collaboration agreement for community revitalization and, as part of that agreement, started to work jointly on a PET bottle collection venture. We will promote the bottle-to-bottle initiative to collect and recycle used PET bottles to be turned into new PET

bottles, while collaborating on, for example, the installation of automated PET bottle collection machines across the city.





Recycling pilot project with Welcia Holdings

In September 2020, CCBJI and Welcia Holdings Co., Ltd. embarked on a pilot project for the purpose of creating a bottle-to-bottle recycling model to turn PET bottles collected at Welcia drugstore locations into raw material

for new PET bottles. For this project, collection boxes have been installed at 11 Welcia drugstores in Oyama City, Tochigi Prefecture. CCBJI is responsible for designing and monitoring the whole sequence of recycling processes, from picking up the sorted PET bottles to turning them into recycled raw material, and CCBJI plans to expand the project area and number of stores after a certain period of implementation.





Recycling awareness event with Universal Studios Japan™

In September 2020, Universal Studios Japan and its official corporate marketing partners, Coca-Cola (Japan) Co., Ltd. and CCBJI, held a recycling awareness event in the theme park with the cooperation of Osaka City to promote a circular



TM & © 2021 Sesame Workshop TM & © Universal Studios.

economy for plastic. We created learning opportunities by featuring eco-bags made from PET bottles with original designs, and entertainers performed a show to present the recycling process.



Collaborative efforts in the beverage industry

We have endorsed the Japan Soft Drink Association's declaration on the recycling of plastic in the beverage industry—announced in 2018—with the goal of achieving

the 100% effective utilization of PET bottles by fiscal 2030, and we are collaborating with our industry peers in initiatives. Part of the bottle-to-bottle Tokyo Project, which was established with the Tokyo Metropolitan Government in 2020, involves conducting trials to, for example, change consumer behavior with regard to sorting recyclables and to prevent anything other than empty bottles from being placed in recycling bins.



Newly designed recycling bin (hole is facing downward)

TOPICS

Joint project to recycle PET raw material with Far Eastern New Century (Taiwan)

In July 2020, CCBJI started a joint project with Taiwan's Far Eastern New Century Corporation (FENC), one of the world's largest manufacturers of PET resins and polyester fibers, to commercialize PET bottles that use raw material from chemically recycled* PET plastic. A portion of the raw material for recycled PET resin used in this project is manufactured by FENC using a new method of

chemical recycling.
After carrying out
pilot sales in CCBJI
business areas, we will
be looking to
commercialize this
PET raw material in
the future.



^{*}The process of recycling by returning used resources to their raw material form through chemical treatment.



Climate change initiatives

In February of 2021, CCBJI began operation of its Saitama Mega Distribution Center, which is one of the largest automated distribution centers in terms of storage and shipping capacity within the Coca-Cola system in Japan. Logistics operations, such as the sorting that had previously been conducted at sales centers, and inventory storage spaces have been consolidated at the Saitama Mega Distribution Center. We are building a network that achieves

timely end-to-end product deliveries from the production site all the way to business partners and vending machines.

The Shinsei logistics network optimization project is driving the strategic transformation of our logistics as a whole by introducing new distribution centers—primarily mega distribution centers and others such as the Hakushu and Kumamoto warehouses—and reorganizing as well as consolidating hub warehouses and sales centers to streamline complex supply chains. Through these efforts, the CCBJH Group is optimizing its supply chain to resolve a variety of issues, such as reducing their environmental impact.

 Reviewing number of transit Improving efficiency of routes equipment at each of our plants Reducing the number of Working on solving a Developing projects to transportation vehicles variety of issues by improve energy efficiency, Using larger vehicles, streamlining and such as in productivity and improving cargo load ratios, Logistics and simplifying complex yield improvements at all and implementing modal shift Production supply chain networks transportation initiatives Streamlining delivery routes initiatives • Starting in 2019, seven new Reducing the number of production lines have begun vehicles by reviewing our operations, and we are further sales system promoting reduced energy Reducing GHG emissions and fuel consumption by switching to smaller vehicles Introducing sales equipment, such as vending machines, coolers, and dispensers to aid in reducing power consumption and GHG emissions Note: Akashi Mega Distribution Center is scheduled for Expanding the use of peak shift vending completion at the end of 2022 machines that reduce daytime power consumption by up to 95% by shifting Sales the electricity used for cooling to initiatives nighttime and not utilizing power during



Hakushu Plant's utilization of Furusato Hydropower Plan renewable energy

Since 2019 and the conclusion of a contract for the Furusato Hydropower Plan offered by Yamanashi Power

Plus—a power supply brand jointly operated by Yamanashi Prefecture and TEPCO Energy Partner, Incorporated—our Hakushu Plant has been utilizing hydroelectric power. Through this initiative, we are working to reduce environmental impact by eliminating CO₂ emissions associated with electricity use.

the day

Initiatives for improvements in the Supply Chain Management (SCM) Division

To nurture employees and produce results, we have put in place an organizational excellence (OE) certification system at SCM headquarters to engage in problem-solving by ranking problems in four stages from small improvements in the workplace to management issues according to the scale of improvement. It has become standard practice for employees to submit I-cards (improvement proposals) for issues they notice during their work and improvement ideas. Last year, 99% of SCM employees submitted one or more I-cards a month. Exceptional I-card proposals are rewarded quarterly and shared with other plants and departments to further enhance the effectiveness of the improvements. In 2020, the I-card Excellence Award in the environment category was won by Takatoshi Aonuma from the Tosu Plant for his proposal to reduce gas consumption by reviewing boiler operations, which assists in terms of both the environment and cost.



Takatoshi Aonuma (now at the Kiyama Plant)

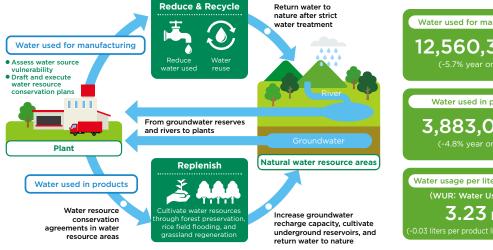


CCBJI's initiatives regarding water

The Coca-Cola system in Japan considers issues related to water a priority topic to be addressed in its Sustainability Framework. The CCBJH Group is promoting various initiatives with the aim of achieving its own non-financial CSV Goals, which include a 30% reduction in water usage by 2030 (compared to 2015) and maintaining a water source replenishment rate of 200% by 2025.

At our plants, we are working to reduce the amount of

water used and to reuse the water we do use by installing production lines equipped with the latest technology, and by improving the manufacturing processes and plant equipment by monitoring them on a daily basis. With the target of returning to nature a volume of water equivalent to the amount used for manufacturing products at our plants, we have also entered into agreements with local communities and organizations. Alongside members of local communities, we are promoting activities to enhance water source replenishment, which is the ability for the watershed areas supplying groundwater to our local manufacturing facilities to sustainably cultivate and store water.







Entering into agreements for the purpose of water conservation in plants' water resource areas

Hakushu Plant

Agreement with Yamanashi Prefecture

Based on a collaboration agreement for the cultivation of water resources, which was concluded in July 2020, CCBJI and Yamanashi Prefecture have commenced collaboration in a variety of activities related to cultivation and effective utilization of water and forest resources. These activities primarily involve promoting water resource cultivation (the conservation of an environmentally sound water cycle) and the provision of information in Yamanashi Prefecture. We are also working to support forest management in 282



hectares of prefectural forest land along the watersheds of the Nagare and Kakubosawa rivers originating on Mt. Amagoi, which makes up the water resource area for CCBJI's Hakushu Plant.

Saitama and Iwatsuki plants

Renewal of agreement with Nippon Paper Industries

In December 2020, CCBJI, Nippon Paper Industries Co., Ltd., and Marunuma Kogen Resort Co., Ltd. renewed their three-party agreement with respect to collaborating on forest management for the purpose of water resource replenishment. CCBJI supports the necessary management work, such as tree thinning and road maintenance, in the area (1,746 hectares) in order to maintain the environment of the Saitama and Iwatsuki plants' water resource area. We are also collaborating on activities geared toward promoting forest management and preservation, as well as



strengthening collaboration with the other parties by exchanging necessary advice and information.



Plant initiatives and water resource area activities https://en.ccbji.co.jp/csv/environment/





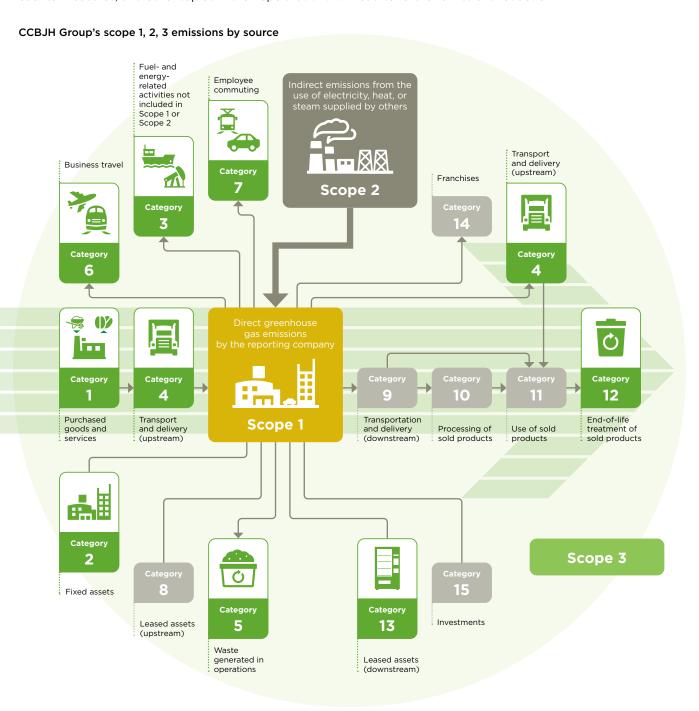
The Coca-Cola "Learn from the Forest" projects https://en.ccbji.co.jp/csv/community/





CCBJH Group's CO₂ Emissions Results and Accounting Methods

We consider the mitigation of climate change a crucial issue to address throughout the course of our business activities. As such, we transparently disclose corporate greenhouse gas emissions, of which CO_2 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

CONTENTS

2020 CO₂ emissions and accounting methods

★: Covered by third-party assurance

			Em	issions (t	-CO ₂)		Accounting method		
Scope		CCBJI Q'SAI		CCBJH Group (total)	Activity data	Emissions factor			
Scope 1	gas	rect greenhouse s emissions by the porting company	187,599	731	188,330 ★	Amount of fuel used in offices, sales centers, plants, distribution, etc.	Emissions factor from the Greenhouse Gas Emissions Accounting and Reporting Manual Version 4.7 (Ministry of Environment and Ministry of Economy, Trade and Industry; January 2021)		
Indirect emissions from the use of electricity, heat, or steam supplied by others		175,289 2,181 177,470		177,470 ★	Amount of electricity used in offices, sales centers, plants, etc.	Adjusted emissions factor of 0.470 kg-CO ₂ /kWh from Emissions Factors by Electricity Provider (Greenhouse Gas Emissions Accounting for Specified Organizations) – Results for Fiscal 2019 (Jan. 7, 2021; Ministry of Environment and Ministry of Economy, Trade and Industry)			
			Emissions (t-CO ₂)			Accounting method			
Scope		Category	CCBJI Q'SAI Group Group		CCBJH Group (total)	Activity data	Emissions factor		
	1	Purchased goods and services	965,724	7,460	973,184	Procured raw materials (based on weight)	The Coca-Cola Company's emissions factors		
	2	Fixed assets	204,425	394	204,820	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. 3.1) 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	65,271	431	65,702	Amount of fuel, electricity, heat used	Emissions factor for fuel procurement from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain		
		Transport and delivery (upstream)	97,491	1,552	99,043 ★	Amount of fuel used for outsourced transportation	Emissions factor from the Greenhouse Gas Emissions Accounting and Reporting Manual Version 4.7 (Ministry of Environment and Ministr of Economy, Trade and Industry; January 2021)		
	5	Waste generated in operations	10,325	134	10,459	Waste by weight or disposal fee	Emissions factors for industrial waste based on an industry input-output model from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain		
	6	Business travel	2,166	154	2,321	Employee transportation expenses paid	Emissions factors for transportation expenses from the Ministry of the Environment's emission factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain		
	7	Employee commuting	3,693	185	3,878	Employee commuter expenses paid	Emissions factors for transportation expenses from the Ministry of the Environment's emission factor database (Ver. 3.1) 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		
		End-of-life	11 477	222	11,695	Reported amount by weight of containers and packaging recycled, according to the Recycling of Containers	Emissions factors for waste by type and treatment method from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions		
	12	treatment of sold products	11,473			and Packaging Act	throughout the Supply Chain		
	13		352,151	0	352,151★				
	ig	products Leased assets		O N/A	352,151★ N/A	and Packaging Act Amount of electricity used by the company's sales equipment	throughout the Supply Chain 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 0.476		

Primary environmental data

 \bigstar : Covered by third-party assurance

		Category	CCBJI Group	Q'SAI Group	CCBJH Group (total)	Unit
Raw materials		Sweeteners, coffee beans, tea leaves, milk, etc.	359	3	362	thousand t
Packaging		PET bottles, cans, cardboard, etc.	294	1	295	thousand t
Water used for manufacturing			12,560	45	12,606	thousand m³
Water consumpt	ion ratio	Water used per 1L of product	3.23	_	3.23	L/L
Energy consumption ratio		Energy used per 1L of product*1	0.88	_	0.88	MJ/L
		Electricity	308,052	3,305	311,358	thousand kWh
		City gas	44,672	0	44,672	thousand m³
	Manufacturing	LNG	9,309	0	9,309	t
		Fuel oil	1,036	193	1,229	kL
		Kerosene	erosene 0 71		71	kL
		Gasoline	6,044	517	6,561	kL
_	Logistics	Diesel	53,646	147	53,794	kL
Energy use		LPG	848	0	848	t
		Electricity	64,903	1,336	66,238	thousand kWh
		City gas	184	0	184	thousand m³
	Offices*2	LPG	93	1	94	t
		LNG	574	0	574	t
		Kerosene	15	0	15	kL
	Sales	Electricity (vending machines)	749,257	0	749,257	thousand kWh
	:	Manufacturing* ³	5,621,333	43,093	5,664,426 ★	GJ
		Logistics	2,278,737	23,444	2,302,181★	GJ
Total energy use		Offices*2, 3	691,945	13,386	705,331★	GJ
		Sales	7,470,091	0	7,470,091★	GJ
		Manufacturing* ³	272	2	275 ★	thousand t-CO
		Logistics	155	2	157 ★	thousand t-CO
Greenhouse gas	(CO ₂) emissions	Offices*2, 3	33	1	33 ★	thousand t-CO
		Sales	352	0	352★	thousand t-CO
		Total amount	105,508	59	105,567	t
Manufacturing w	raste	Recycled amount	105,364	2	105,365	t
		Recycle rate (recycled amount/total amount)	99.9	2.6	99.8	%
		Steel cans	11,131		11,131	t
		Aluminum cans	10,919			t
Amount of conta		Glass bottles	5,238	0.10	10,919 5,238	t
(by our company)		PET bottles			40,064	t
		Paper, cardboard, etc.	40,064 24,728	11	24,739	t
		Vending machines recycled	25,449	_	25,449	machines
Vending machine recycling		5	,		-,	
Vending machine	e recvclina	CFC-free vending machine ratio	79.6	_	79.6	%

^{*1} The CCBJH Group uses the Coca-Cola system's global thermal conversion factors in accounting.
*2 In regard to calculating the electricity use and associated greenhouse gas emissions of office activity, 26 out of CCBJI's total 406 business locations were excluded from the scope of this year's calculations. This was due to reasons such as being unable to obtain an accurate measurement of electricity use at leased office locations.
*3 Energy use and greenhouse gas (CO₂) emissions for plant-associated facilities were accounted for in the manufacturing category in the previous year, but from this year they are accounted for in the offices category. Energy use for plant-associated facilities was 178,577 GJ, while greenhouse gas (CO₂) emissions amounted to 8.5 thousand t-CO₂.

Third-party
assurance report
and accounting
process



Independent Assurance Report

To the Representative Director and President of Coca-Cola Bottlers Japan Holdings Inc.

We were engaged by Coca-Cola Bottlers Japan Holdings Inc. (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with ★ (the "Indicators") for the period from January 1, 2020 to December 31, 2020 included in its CSV Report 2021 (the "CSV Report") for the fiscal year ended December 31, 2020.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the CSV Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the CSV Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the CSV Report and reviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the CSV Report and
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of the Company's Ibanaki Plant selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the CSV Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the CSV Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control I, we maintain a competensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG A25A Sustainability Co., Ltd. .
KPMG AZSA Sustainability Co., Ltd. .
Tokyo, Japan
May 24, 2021

Accounting process

	Calculation scope	Accounting method
Manufacturing	All bottling plants of the CCBJI Group (17 plants) and associated equipment within plant premises, as well as Q'SAI Group's Fukuoka Konominato Plant and Q'SAI Farm Shimane	Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) Greenhouse gas (CO ₂) emissions (thousand t-CO ₂) = total of (energy use for each energy type × CO ₂ emissions factor*)
Logistics	The CCBJI Group's business logistics, including distribution from all CCBJI Group plants (17 plants) to the market (customer retail outlets, vending machines, etc.) and the Q'SAI Group's business logistics, including distribution from the abovementioned plant and farm to the market (customer retail outlets, vending machines, etc.). Also includes third-party (outsourced) transportation.	Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) Greenhouse gas (CO ₂) emissions (thousand t-CO ₂) = total of (energy use for each energy type × CO ₂ emissions factor*)
Offices	Buildings operated by the CCBJH Group (head office, sales centers, distribution centers, and plant-associated facilities, etc.)	Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) Greenhouse gas (CO ₂) emissions (thousand t-CO ₂) = total of (energy use for each energy type × CO ₂ emissions factor*)
Sales	Vending machines in operation within CCBJI's sales area	Total energy use (GJ) = annual vending machine electricity use × thermal conversion factor* Greenhouse gas (CO ₂) emissions (thousand t-CO ₂) = annual vending machine electricity use × CO ₂ emission factor*

^{*}Sources for thermal conversion factors and CO₂ emissions factors

For fuel sources other than electricity, the CCBJH Group uses a thermal conversion factor and a CO₂ emissions factor from the Greenhouse Gas Emissions Accounting and Reporting Manual Version 4.7 (Ministry of Environment and Ministry of Economy, Trade and Industry; January 2021).

For electricity, the thermal conversion factor is 9.97 MJ/kWh for daytime electricity, as stipulated in Enforcement Regulations for the Law Concerning Rational Use of Energy (revised March 31, 2020), and the adjusted CO₂ emissions factor is 0.470 kg-CO₂/kWh, from Emissions Factors by Electricity Provider (Greenhouse Gas Emissions Accounting for Specified Organizations) – Results for Fiscal 2019; (Jan. 7, 2021; Ministry of Environment and Ministry of Economy, Trade and Industry).

Note: All shares of Q'SAI CO., LTD were divested on February 1, 2021, but Q'SAI CO., LTD and Q'SAI Group companies' results are still included in the 2020 CO₂ emissions and primary environmental data tables.

Customer Satisfaction







For our customers

Our mission at the CCBJH Group is to "Deliver happy moments to everyone while creating value" through our beverages and services. We are developing processes that meet the expectations of our customers—primarily through the Voice of Customer (VOC) section and the Customer Contact Center—to achieve communication that is always open and honest, and easily understandable to anyone.

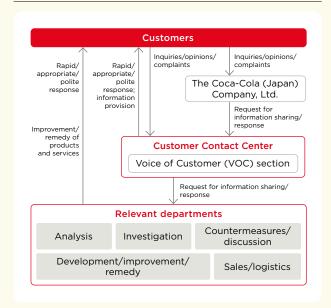
Ensuring customer satisfaction

The Customer Contact Center is the point of contact for all customers of the CCBJH Group. The center's 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 product 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 only declare their compliance after receiving an independent compliance audit.

Process for ensuring customer satisfaction



Initiatives for ensuring customer satisfaction

Employee newsletter highlighting customer views

Customer inquiries, opinions, and complaints are shared with employees throughout the Group in a weekly newsletter, the "Weekly Hot Voice," by the VOC section via internal social media channels and the intranet.



Customer response training videos

We are focusing on employee education in order to ensure even greater customer satisfaction. Our education system enables local customer service representatives to

appropriately manage customer interactions by watching customer response training videos produced by the VOC section before engaging with customers.



Customer feedback

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. The VOC section is structured so that a local customer service representative will follow up on the response to a complaint and ensure the customer's expectations have been met. Our surveys have found that for many customers who have had their complaints addressed in this way, their interest in purchasing Coca-Cola products remains unchanged or even increases.



Survey method: A questionnaire via SMS text message sent to consumers who had lodged complaints



Customer Contact Center, VOC section

Quality Assurance







Quality assurance policy

We offer safe, trustworthy, fresh and refreshing products and services to our consumers. To this end, we will work to ensure and improve quality in all operational processes by considering quality our top priority.

Our basic approach to maintaining quality involves not only complying with domestic standards, but also operating under our globally integrated, unique management system known as *KORE* (Coca-Cola Operating Requirements).

KORE covers a range of criteria in the areas of quality, food safety, the environment, and industrial safety and health, and it is implemented throughout the entire process from procurement of raw materials to manufacturing, logistics, and sales to the consumer. In addition to meeting the requirements of standards such as those from the International Organization for Standardization (ISO), and various laws and regulations, KORE imposes even more rigorous standards.*

*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 (though some locations are currently transitioning 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.



Fostering greater awareness of quality

We are fostering employee awareness of quality to deliver safe and trustworthy beverages to our consumers.

CCBJI Quality Assurance Monthly Report

We send out a quality assurance report every month to our function heads. Our function heads raise awareness of quality issues and how we are remedying these issues.

Sixty-second quality assurance lessons

On our intranet, we run a series of mini lessons on product quality assurance to really keep quality at the forefront of our employees' minds.



Quality surveys and inspections

We actively work to prevent risk by having members of the quality assurance function go to bottling plants and logistics and sales centers to check on quality management procedures and potential risks, and to communicate ways of reducing risks and improving procedures.

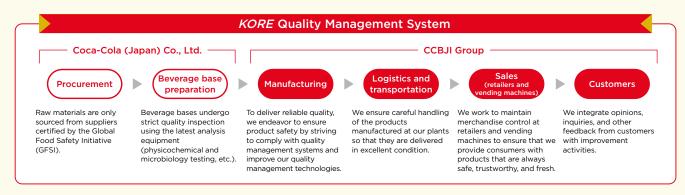
Helpful videos for customers

We produce easy-to-understand YouTube videos—in collaboration with the Coca-Cola (Japan) Company—about initiatives for ensuring safe and trustworthy products, and addressing simple questions for consumers who love our products. The videos (in Japanese only) can be viewed by scanning the QR code below.



Initiatives for safe and secure products https://en.ccbji.co.jp/csv/assurance/





Ethics and 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 appropriately. As part of this, we have enacted the Code of Business Conduct and Ethics, and we promote a corporate culture that emphasizes ethics and compliance. In line with our Mission, Vision, and Values, we value acting with integrity and trust.

The Code of Business Conduct and Ethics covers four areas: 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.

Compliance education

To further foster and inculcate high ethical standards and compliance awareness within the Group, we regularly disseminate ethics and compliance bulletins to all employees, and implement awareness and education activities, including training for specific groups—such as management or new employees—and e-learning for all employees.

Ethics and compliance reporting systems

We have set up the Ethics & Compliance Reporting Hotline (a dedicated email address and telephone number) so employees can directly consult 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, posting the hotline contact details on the Group intranet and displaying posters in each workplace. When a report is received, it is investigated and if a violation is deemed to have occurred, it is dealt with appropriately and corrective measures are taken. We also strive to protect employees in the process of a consultation, and prohibit the disadvantageous treatment of any employee who initiates a report.



Ethics and compliance poster



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

Risk Management







Risk management systems

The CCBJH Group's Enterprise Risk Management (ERM) program, which is embedded in the corporate culture, furthers business growth by promoting appropriate decision-making throughout the Group, as well as consideration of foreseeable risks and business opportunities. In 2020, the Group focused on strengthening integration of ERM into the corporate culture by increasing the involvement of management across the business via engaging in activities, such as risk interviews with the members of the leadership team, appointing the executive officers to be responsible for risks, and conducting surveys with all the corporate functions to identify risks.

Each function addresses its identified major risks under the direction and leadership of the executive officers who are also responsible for monitoring the progress of the actions taken. Furthermore, the effectiveness of these initiatives is measured to verify if they are effective risk mitigation responses. These initiatives are reported quarterly to the Audit & Supervisory Committee and the Board of Directors where the effectiveness of the ERM process and response is verified. Our program of ERM integration will be further enhanced in 2021. The CCBJH Group has set up a formal ERM process structure to evaluate and respond to risk. These include:

- 1) The standing Risk Management Committee, which formulates basic policies, deliberates and decides on risk prevention activities for strategic risks;
- 2) The Crisis Management Committee, which leads the response when a major problem or accident occurs;
- 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.

Role of the Risk Management Committee



- 1) Identify the risks and response actions currently taken from the Executive Leadership Team including the Representative Director & President, and
- Leadership leam including the Representative Director & President, and the leaders of all the internal organizations and consolidated subsidiaries 2) Determine the major risks based on the assessment of the severity, impact and likelihood of occurrence of the identified risks 3) Decide who will be responsible for each risk (executive officer) and what action to take
- 4) Execute the defined actions in each organization in charge under the direction of the person responsible for each risk (executive officer)
- 5) The person responsible for each risk (executive officer) monitors the progress of the actions taken to address each risk. In addition, the effectiveness of the actions taken is measured to confirm their validity as

Risk management accountabilities



Formulate and execute countermeasures to assigned organization's risks

Responsible for the integrated

Initiatives in 2020

Executive participation in ERM activities

In 2020, we conducted risk interviews with all function heads who were executive officers, including the president and vice president, to identify risks and risk mitigation plans from a top-down perspective. This was combined with the conventional bottom-up approach based on risk questionnaires to those in operations. In addition, we have further deepened the involvement of the executive management team in ERM promotion by appointing a number of them as accountable risk owners and by shifting to a system in which they take charge of the second defense line. We will continue to make efforts across the organization to prevent, identify, and manage existing and emerging risk and to maximize opportunities that enable business growth.



An interview with Mr. Calin Dragan President and CEO of CCBJI

Human Rights and Employee Job Satisfaction







HR system

We appropriately evaluate and compensate employees' contributions to the achievement of our strategic goals in line with our company Mission, Vision, and Values, as represented by our corporate philosophy "Paint it RED! Let's Repaint our Future."

Aiming to continue to be an employer of choice, we will work to attract more talented and diverse human resources and promote the personal growth of every individual.

Examples of systems and policies -

- Evaluations and human resource development programs that emphasize values (actions) in addition to business performance
- Introduction of results-based bonuses that reward high performers
- Remuneration that is competitive in the labor market and awarded in accordance with the position's roles and responsibilities
- An employee benefit system that enables employees to continue working with motivation and a feeling of security

Work-style reform

To improve productivity, the CCBJH Group is actively implementing information communication technology (ICT) tools, while also promoting the standardization and optimization of operations to strengthen the foundation of work-style reform. In 2020, we introduced a "super flextime" system that involves: no set core working hours; expanding satellite offices for approximately 100 locations; expanding initiatives to encourage sales employees to go straight to or return home directly from third-party locations; promoting commuting by bicycle; and encouraging utilization of annual paid leave through a system for planned annual leave.

Even before the COVID-19 pandemic, the Group has worked to establish teleworking capabilities by putting in place ICT tools, such as previously distributing smartphones and leasing computers with web cameras to all employees; by digitizing items like internal memos and forms needing signatures; and by moving meetings, business negotiations, and interviews online. Through these measures, our employees have been able to smoothly transition to working remotely. At present, all employees who are able to work from home are—as a rule—expected to continue to do so. We will ensure the safety and security of our employees and all stakeholders, while also pushing the boundaries of the work-style reforms responding to changes in society in order to realize business continuity.

Specific initiatives

- Promotion of teleworking (holding meetings, business negotiations, and interviews online)
- Expansion of satellite offices (approx. 100 locations)
- Introduction of a super flextime system (flextime system that involves setting no core working hours)
- Expansion of initiatives to encourage sales employees to go straight to or return home directly from third-party locations
- Promotion of a bicycle commuting policy
- Promotion of IT tools via the distribution of smartphones to all employees (use of smartphone apps for clocking in and out of the office, requests for overtime, etc.)



Company meetings







Digitalization of memos and forms



Online interview

Health management

Maintaining and enhancing the health of CCBJH Group employees is important to us, and we will nurture a corporate climate that prioritizes employees' health with the aim of remaining healthy even at the age of 100 ("Road to 100"). 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 together with our health insurance association to develop individual health management plans. We are supporting the health of each employee through various internal business initiatives.

Coca-Cola Bottlers Japan Health Declaration "Sawayaka Style"

"Road to 100" – Striving for a healthy body even at the age of 100

Coca-Cola Bottlers Japan offers products and services that meet the needs and preferences of all generations. We encourage our employees to lead active and healthy lifestyles in order to feel more secure and enjoy their work. We recognize the responsibility for each employee to proactively maintain good health and to take actions to enhance personal health, and the Company and the Health Insurance Association are working together to advance various actions to nurture a corporate climate of "Health as No. 1."



Specific initiatives

- Held Sawayaka Walk 2020 (walking event)
- Provided videos via the company intranet of the Coca-Cola Red Sparks rugby team demonstrating original "Sawayaka Stretch" exercises and holding physical exercises at all business locations
- Introduced program to help employees quit smoking

Occupational safety and vehicle safety initiatives

Based on the philosophy that "health and safety come first," protecting the safety and health of all CCBJH 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.

Under the key concepts of eliminating unsafe behavior and eradicating unsafe situations, we rigorously engage in overall safety awareness at the workplace, and inform every employee of safe behaviors and safe driving practices, and enforce initiatives aimed at achieving zero emergencies and zero accidents at each workplace.

Specific initiatives

 Drive recorder with personal authentication



 Safe driving training for new graduate employees



 Implementation of hazard prediction training



 Accident recurrence prevention training





Corporate Governance





Corporate governance

https://en.ccbj-holdings.com/corporate/governance/



Corporate Governance Report (in Japanese only)

https://www.ccbj-holdings.com/corporate/governance/pdf/report_jp.pdf



Basic policy on corporate governance

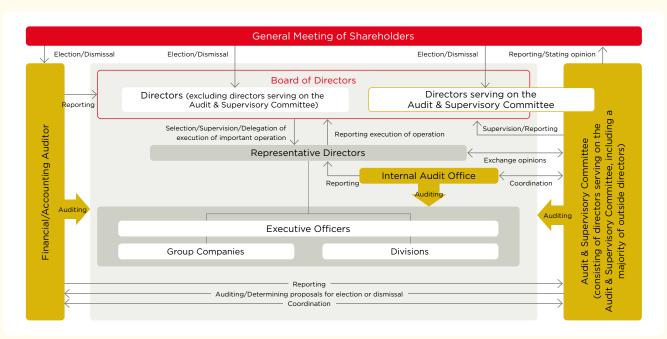
The basic policy of Coca-Cola Bottlers Japan Holdings Inc. (the Company) is to increase management quality, transparency, and efficiency, and strive to enhance midand long-term corporate value.

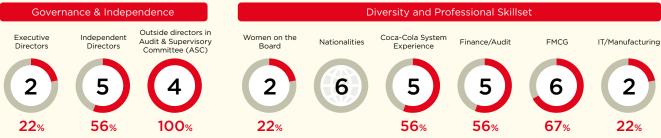
To further strengthen the governance structure, the Company has put in place an audit and supervisory committee structure. The Audit & Supervisory Committee, which is responsible for the Company's auditing, consists solely of outside directors (Audit & Supervisory Committee members), including multiple 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.

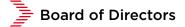
In addition, the Company has adopted the executive officer system for the purpose of separating decision-making and management oversight from business execution. By delegating some important decisions on business execution to executive officers, the Company endeavors to enrich discussion of particularly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

Corporate governance system (as of March 25, 2021)





Note: Figures in circles represent the number of corresponding directors. The figure for nationality represents the number of nationalities of directors.







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.



Bjorn Ivar Ulgenes

Representative Director, Vice President, Chief Financial Officer

Bjorn Ivar Ulgenes possesses a wealth of management experience and knowledge pertaining to the global Coca-Cola business gained at The Coca-Cola Company.



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.



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.



Hirokazu Yamura

Outside Director, Independent Director

Hirokazu Yamura possesses a wealth of management experience and knowledge pertaining to the Coca-Cola business gained as the representative director and president of Michinoku Coca-Cola Bottling Co., Ltd.



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, management of The Coca-Cola Company and global bottlers 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 Nishimoto Co., Ltd. and auditing experience gained as a statutory auditor of Nissan Motor Co., Ltd.



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.



Vamsi Mohan Thati

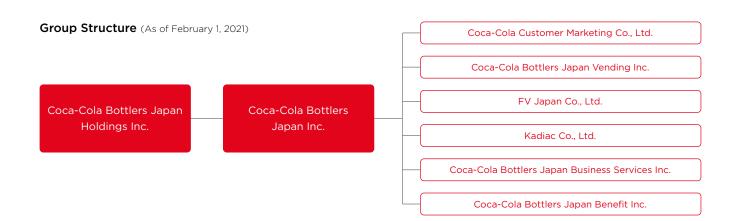
Outside Director (serving on the Audit & Supervisory Committee)

Vamsi Mohan Thati has extensive management experience gained as a manager at business units in the Asia region and as the President of the Greater China and Mongolia Operating Unit of The Coca-Cola Company.



Corporate Profile (As of February 1, 2021)

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)	





Note: Awarded to CCBJH and some of its Group companies.





SECTION 1 Value Creation Story SECTION 2
Value Creation
Initiatives



To enable stakeholders to better understand our business and place their trust in the CCBJH Group, we disclose information in a timely and appropriate manner. We work to provide integrated corporate information by using our CSV Report to communicate non-financial information, which includes strategies and initiatives to achieve sustainable growth in environmental, social, and governance (ESG) areas, and disclosing financial information in our Annual Review and Shareholder Information. Please see our corporate website for the most detailed and complete information.



Financial & non-financial data

https://en.ccbj-holdings.com/corporate/download/



Financial information

Annual Review



- · Annual Securities Report
- Financial Results
- · Presentation material

Non-financial information

CSV Report



- Corporate Governance Report (in Japanese only)
- ESG data
- CO₂ emission results based on GHG protocols

Investor relations





Investor relations

https://en.ccbj-holdings.com/ir/



Creating shared value (CSV)





Creating shared value (CSV) https://en.ccbji.co.jp/csv/





Note: All tours at our plants are currently suspended in an effort to prevent the spread of COVID-19. Please check our website for details (as of the end of May 2021).

CCBJI offers plant tours to help customers become more familiar with The Coca-Cola Company's products.

Plant tour 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.

Anyone can take a Virtual Plant Tour on our website, which includes watching videos of our production lines and testing their "Coca-Cola Knowledge" from home or school anywhere in Japan. We look forward to your "visit."



Note: Due to start from June 2021









To book an online plant tour or experience the Virtual Plant Tour, please check our website. https://en.ccbji.co.jp/plant/



Plants with tours (tours are currently suspended as of the end of May 2021)















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.

I have great respect for the CCBJH Group's continued efforts to donate products to medical workers, implement responses to the "new normal," rebuild its flood-damaged Hiroshima Plant, and even progress with efforts toward a World Without Waste, despite unfavorable performance brought about by the COVID-19 pandemic.

Together with their other environmental efforts—such as labelless bottles-in reducing waste, the CCBJH Group is taking concrete steps toward realizing bottle-to-bottle recycling by, for example, strengthening PET bottle collection. I am looking forward to how the CCBJH Group will be incorporating the circular economy concept in ways that account for changing business models.

As part of its social initiatives, the CCBJH Group is playing a role in promoting SDG 17 "Partnerships for the Goals" by encouraging collaboration with local governments, academia, civic organizations, and communities. Such efforts include maintaining positive relationships with local governments through actions such as rebuilding its bottling plant in Hiroshima and greening initiatives. I look forward to seeing these kinds of initiatives further promoted as they strengthen ties with customers in local communities.

The CCBJH Group's governance initiatives have been developing systems to make workplaces comfortable for all employees through support for women's success in the workplace and other diversity and inclusion initiatives. I look forward to the CCBJH Group enhancing the compatibility between these kinds of initiatives and employee performance reviews, and achieving a level where all employees can be comfortable in their workplaces and also feel the value of their work.

For the CCBJH Group, whose main focus is on the beverage business, further development in the "new normal" will not be easy. However, its stance of boldly tackling social issues—such as those addressed by the SDGs-through its business will help it continue to evolve into a company chosen by people from all sectorsconsumers, employees, and communities. In the face of social change, I hope the CCBJH Group will continue to demonstrate how it can continue providing value that meets society's needs through its CSV initiatives.



🝃 CSV Report 2021 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.



Please access the survey via the URL below or the QR code. https://form.ccbji.co.jp/form/csv2021_en





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/

