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

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CSV REPORT 2022

Coca-Cola Bottlers Japan Holdings Inc.

Top Message

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

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

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

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

Pushing forward with continual business transformation creates new growth opportunities

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

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

Realizing CSV with society through business

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

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

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

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

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

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

CSV REPORT 2022

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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	FY2021 (January 1, 2021 - December 31, 2021) * This report covers activities from January 2021 to the end of December 2021. (Including some activities reported in 2022) Numerical data is also for the period from January 2021 to the end of December 2021.
Scope of the report	Information presented in this report was collected from Coca-Cola Bottlers Japan Holdings Inc., Coca-Cola Bottlers Japan Inc., and the Coca-Cola Bottlers Japan Group companies*. The coverage of some environmental data can be found on page 36. (Please see page 45 for the Group structure.)
Date of issue	June 2022
Terminology	The "CCBJH Group" ("we") refers to Coca-Cola Bottlers Japan Holdings Inc. and its seven Group companies (Coca-Cola Bottlers Japan Inc., and the CCBJI Group's other companies), while "CCBJI" refers solely to Coca-Cola Bottlers Japan Inc. (As of December 2021) "CCBJI Group" refers to Coca-Cola Bottlers Japan Inc. and its Group companies. "Bottlers" refers to all bottling partners throughout Japan, as designated by Coca-Cola (Japan) Company, Limited. The "Coca-Cola system" comprises Coca-Cola (Japan) Company, Limited, its bottling partners, and other affiliated companies. "Customers" generally refers to both "consumers" (primarily product end- users) and "business partners" (primarily those who sell our products).

* 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.

CCBJH Group's Corporate Information

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

Financial information

Shareholder Information

Annual Review

- Presentation material
- Financial statements
- Annual Securities Report

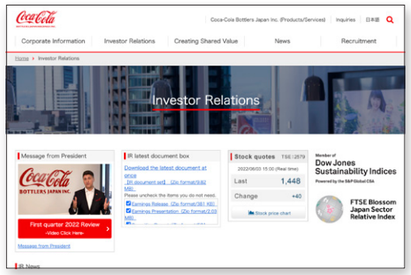
Non-financial information

CSV Report

- Corporate Governance Report
- ESG data
- GHG emissions results based on GHG protocols

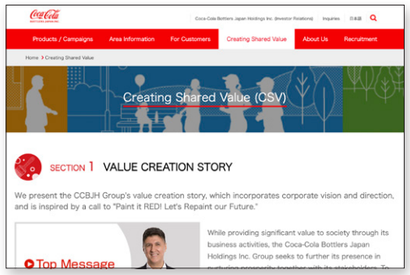
Financial and Non-financial Data
https://en.ccbj-holdings.com/corporate/download/

Investor relations



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

Creating shared value (CSV)



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

Mission, Vision, and Values

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

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

Mission

Deliver happy moments to everyone while creating value

Vision

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

Values

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

Tackling the challenge of Mission achievement

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

[1st CEO MVV Award (2021)]
The CEO MVV Award recognizes teams that have brought a positive impact to the entire organization by embodying the four Values and tackling new challenges. All employees and project teams at the CCBJH Group are eligible.

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

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

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

President Calin (left) and Wataru Aoki (right)

[Café meeting with the president]
We regularly hold café meetings involving President Calin and employees to promote a deeper understanding of MVV and ensure each and every employee puts MVV into practice.

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

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

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

Value Creation Process

Delivering happy moments to everyone while creating value

INPUT

Main capital / Strengths

Intellectual capital

Global brands such as 'Coca-Cola' and access to the worldwide Coca-Cola system network

Billion dollar brands **21** brands

Coca-Cola bottlers worldwide About **225**

Manufactured capital (equipment, etc.)

Robust supply chain and sales foundation for realizing innovation and solutions provision

Plants **17**

Sales / distribution centers About **320**

Vending machines About **700,000**

Human capital

Diverse workforce (respect for diversity, global talent, beverage pros) and foundation for work styles where employees maximize their skills

Employees About **15,000**

Natural capital

CSV promotion system and awareness of social responsibilities as a company that uses earth's limited resources

Water usage **12,993** thousand m³

Water source replenishment **353** %

* Water usage refers to the total amount of water used in manufacturing processes (excluding water as a product)

Social capital

Solid relationships of trust with stakeholders including communities

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

Consumers in sales area About **112** million

Financial capital

Robust financial foundation

Total assets Approx. **¥870** billion

Rating **A+(R&I)/AA-(JCR)**

As of the end of 2021

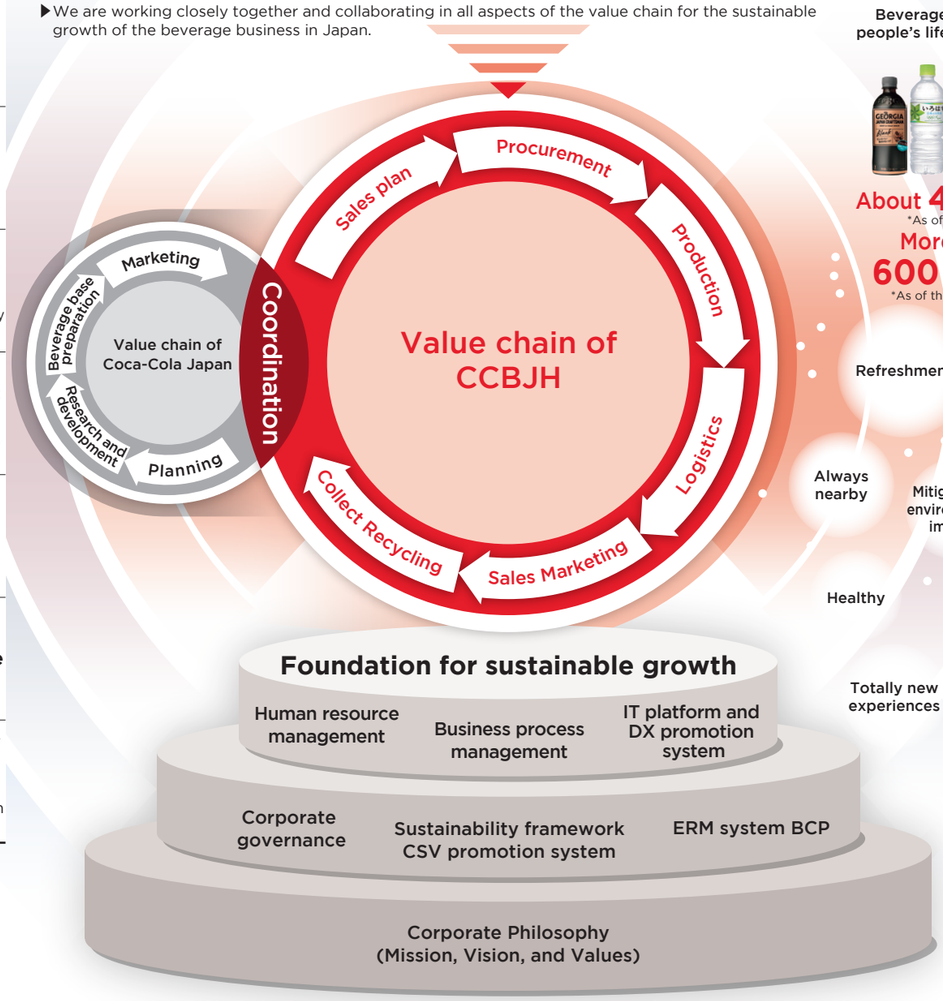
Business Model

Sustainability framework	Key issues in the CSV Goals
Inclusion	Diversity & Inclusion
Communities	Products: Tailored product development / health support
	Society: Contributions to the Local Community
Resources	World Without Waste: Zero waste society
	Water
	Climate change
	Procurement / Human rights: Strengthening of business foundation

Concept of Sustainability Framework
CSV Goals P09-12

Partnerships with Coca-Cola (Japan) Company

- We use concentrate, which is the main raw material for products procured from Coca-Cola (Japan) Co., Ltd., procure other raw materials and supplies, manufacture, distribute, and sell final products, and engage in sales-driven marketing activities. Coca-Cola (Japan) Co., Ltd. is responsible for supply of concentrate, product planning and development, and consumer marketing activities such as advertising.
- We are working closely together and collaborating in all aspects of the value chain for the sustainable growth of the beverage business in Japan.



Output / Outcome

Beverages for Life

Beverages in tune with people's life and daily living

About **40** brands,
*As of April 2021
More than **600** products
*As of the end of 2021

Refreshment | Safe and secure | Always nearby | Mitigation of environmental impacts | Delicious | Healthy | Engagement Partnership | Totally new experiences | Innovation

CCBJH Group's Products and Brands P13-14

Value to Stakeholders

Customers (consumers and business partners)

- Enhancing wellness and loyalty through the provision of high quality products and services
- Contributing to expanded business opportunities for business partners through the provision of solutions through beverages (B-to-B)

Suppliers

- Appropriate transactions and responsible procurement
- Building long-term relationships and expanding business opportunities through sustainable growth of the Company

Employees

- Improving employee satisfaction by having the company and employees learn together and share profits
- Developing workplaces where employees can fully harness their skills

Communities

- Realization of CSV that contributes to business growth and community development

Natural Environment

- Mitigating impact through formation of a low-carbon society and recycling-oriented society
- Contributing to increased environmental awareness among consumers

Shareholders / Investors

- Increasing share value throughprofit growth and enhanced shareholder returns

Ideal image

Continuing to strengthen the cycle of corporate value enhancement

Mutual growth from economic value and social value

Enhancing capital that will drive value creation

Creating economic value

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

Sales and profit growth

Transformation and cost efficiency

Good stewardship of capital

Creating social value

- Returning profits to society through CSV
- Contribution to SDGs

CSV Goals

Inclusion | Communities | Resources

CSV Goals P11-12

Concept of Sustainability Framework

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

Purpose of Coca-Cola System Sustainability Activities

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

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

	Inclusion	Communities	Resources
Priority topics	Gender Age/Generation	・Drive impact through two national platforms (Inclusion and Resources) ・Initiatives that are sustainable and additionally have local relevance	Packaging/PET Water
Focus topics	Disabilities LGBTQ		Greenhouse gas emissions Renewable energy

We have examined the impact of the three platforms against the Sustainable Development Goals (SDGs) and are progressing towards them. 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 the Coca-Cola system in Japan and seek to engage in activities aligned with the times, referring to the advice of NPOS, outside specialized organizations, experts and other third parties.

Process of Establishing the Sustainability Framework

1. Identified social issues in Japan based on third-party studies
2. Narrowed down the list from 189 to 33 issues
3. Plotted a materiality matrix of 33 issues and specified 15 priority issues
4. Conducted interviews within The Coca-Cola system in Japan and adjusted priority issues
5. Specified 3 platforms and 9 priority issues

Workshop held in 2019

Details of the Sustainability Framework for the Coca-Cola System in Japan
https://en.ccbji.co.jp/csv/materiality/

INTERVIEW

Promoting CSV to maximize corporate value

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

Q1 What position does the Sustainability Framework occupy within management?

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

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

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

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

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

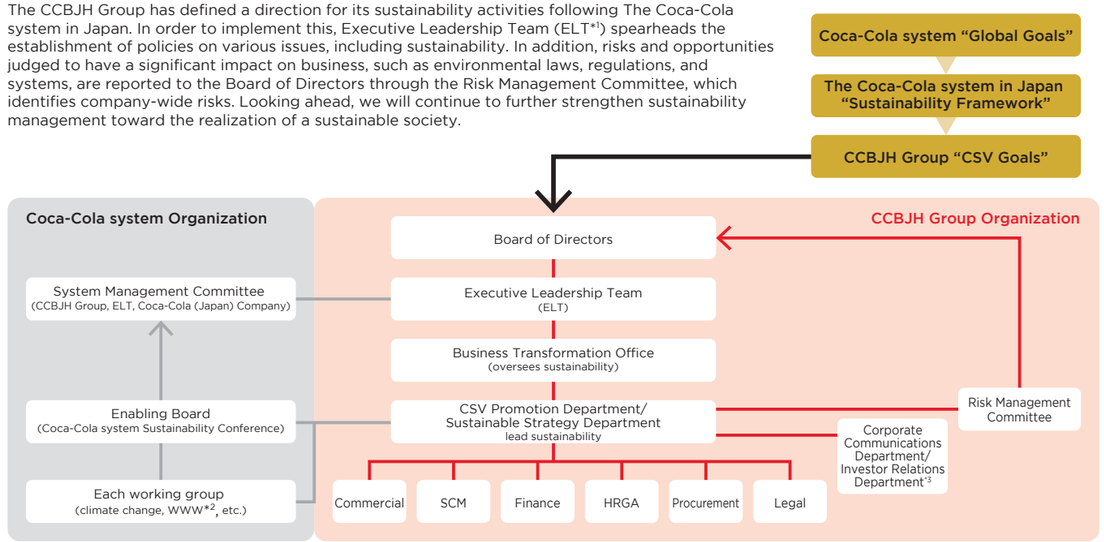
Creating Shared Value (CSV) is the foundation of our business, and the more a social issue is close to us, the more we are motivated to address it. CSV is at the core of our business. Our expertise allows us to make sustainable investments. Our ability to address social issues allows us to increase the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

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

Sustainability Management Structure

As of December 31, 2021

The CCBJH Group has defined a direction for its sustainability activities following The Coca-Cola system in Japan. In order to implement this, Executive Leadership Team (ELT*1) spearheads the establishment of policies on various issues, including sustainability. In addition, risks and opportunities judged to have a significant impact on business, such as environmental laws, regulations, and systems, are reported to the Board of Directors through the Risk Management Committee, which identifies company-wide risks. Looking ahead, we will continue to further strengthen sustainability management toward the realization of a sustainable society.



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

CSV Goals

Based on the common sustainability framework of The Coca-Cola system in Japan, the CCBJH Group established a detailed action plan of CSV Goals to achieve our Mission of realizing a sustainable business and society.
In terms of our sustainable material usage rate, we have accelerated initiatives such as "bottle-to-bottle" to achieve 40% of the total by the end of 2021. In addition, through strengthened cooperation with forest conservation groups in water source areas, the actual results for water source replenishment rates at the end of 2021 significantly exceeded targets. The employee volunteer rate remains low due to the impact of the COVID-19 pandemic, which has limited volunteer activities. We are preparing an environment to achieve our goals when the pandemic has subsided.
We are steadily moving ahead to reach our targets using the Plan Do Check Action (PDCA) cycle across the entire value chain while confirming the progress of initiatives every year.

At least 80%
50%-79%
Less than 50%

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

Sustainability Framework	CSV Goals			2020 Results	2021 Results	Progress
	Key issues	Category	Target			
Inclusion	Diversity & Inclusion	Female managers by 2025	10%	5.8%	6.3%	At least 80%
		Female managers by 2030	20%			
Communities	Products (Tailored product development/ health support)	Zero/low-calorie options for core brands	100%	100%	100%	At least 80%
		FOSHU/functional product growth (compared to 2016)	300%	190%	177%	50%-79%
		Front-of-pack calorie label and straightforward nutritional information	100%	100%	100%	At least 80%
		Observation of The Coca-Cola Company Responsible Marketing Policy	100%	100%	100%	At least 80%
	Society (Contributions to the Local Community)	Employee volunteers	10%	—	3.7%	Less than 50%
		Participants in community programs	1,000,000	890,000	900,000	At least 80%
Resources	World Without Waste (Zero-waste society)	Sustainable materials usage*1 by 2022	50%	28%*2	40%	At least 80%
		Sustainable materials usage*1 by 2030	100%			
		Ratio of products using sustainable materials*1 (number of bottles sold)	100%	About 90%	About 90%	At least 80%
		Further lightweight PET packaging by 2030 (compared to 2004)	35%	30%+	30%+	At least 80%
		Collection percentage compared to sales volume by 2030	100%	96.7%*3	—	At least 80%
		Extensive partnerships across industry and environmental organizations by 2030				
	Water	Water source replenishment, focusing on watersheds near our plants	200%	364%	353%	At least 80%
		Water usage reduction by 2030	30%	19%	19%	50%-79%
	Climate change	Scope 1 and 2 reduction in greenhouse gas emissions by 2030	50%	19%*4	21%	Less than 50%
		Scope 3 reduction in greenhouse gas emissions by 2030	30%	17%*4	24%	50%-79%
		Net zero in greenhouse gas emissions by 2050				
		Promotion of renewable energy				
	Human rights / Procurement (Strengthening of business foundation)	Sustainable sourcing	100%	100%	100%	At least 80%
		Adherence to Supplier Guiding Principles across the CCBJH Group value chain	100%	100%	100%	At least 80%

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

Details of CSV Goals
https://en.ccbji.co.jp/csv/csvgoal/

Efforts to instill the CSV Goals internally

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

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

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

TOPICS

Participation in UN Global Compact

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

WE SUPPORT UN GLOBAL COMPACT

CCBJH Group's Products and Brands

To support various lifestyles and healthy living, the CCBJH Group offers an extensive lineup of categories, flavors, and packaging that delivers happy moments to everyone.
We are also focusing on packaging made from sustainable materials* such as 100% recycled PET, expanding labelless products, and promoting reduction in bottle weight with the aim of reducing plastics usage per container.

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

Number of brands
About **40**
As of April 2021

Number of products
More than **600**
As of the end of 2021

Main products related to CSV Goals ★ No/low-calorie products ■ Foods for Specified Health Uses (FOSHU) ● Functional product

★ ★ ★ ■

Sparkling soft drinks

■ ● ■ ●

Tea

★

Sports drinks

Water and flavored waters (mineral waters)

★ ★ ★ ★ ★ ★ ★

Coffee

Juice

★

Energy and related products

Alcohol-free drinks

Alcoholic drinks and alcohol-free drinks

As of May 31, 2022

100% recycled PET bottle

リサイクルしてね
100%リサイクルペット

Our fully recycled PET is made possible with bottle-to-bottle recycling where PET bottles are collected and recycled into new PET bottles. Fully recycled PET bottles are used for 5 brands and 37 products*.

* The Coca-Cola system in Japan performance in Japan as of February 2022.
CCBJH Group offers 4 brands and 34 products

Labelless products

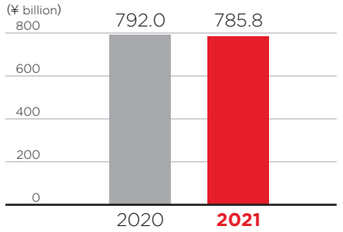
Labelless products eliminate the need to remove labels, making them easier to sort for recycling. Starting with "I LOHAS Natural Mineral Water" released in April 2020, we primarily offer 18 labelless products across 8 brands, including "Ayataka," "Sokenbicha," "Icy Spark From Canada Dry," "Aquarius,"and"Coca-Cola," online.

Financial Highlights

2021 Financial Highlights (consolidated; IFRS)

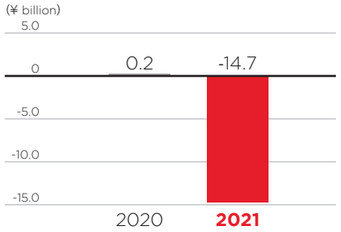
Revenue

¥785.8 billion



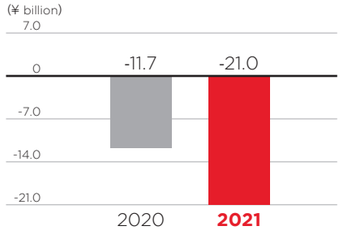
Business income

-¥14.7 billion



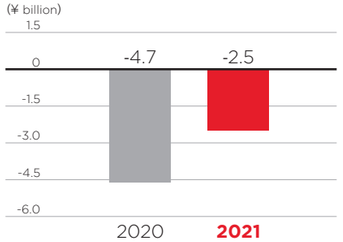
Operating loss

-¥21 billion



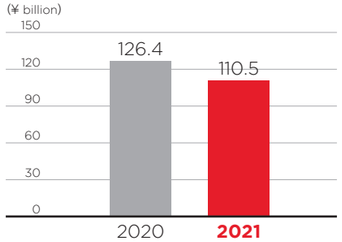
Net loss for the year attributable to owners of the parent

-¥2.5 billion



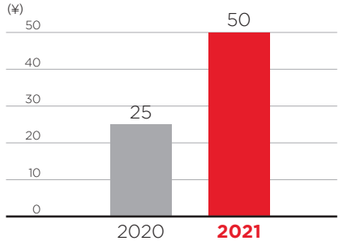
Cash and cash equivalents at the end of the year

¥110.5 billion



Dividends per share

¥50



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

2022 Targets

Market share

Value share growth in vending
Balanced approach in OTC
with sustainable pricing in mind

Recurring cost savings

Target ¥5billion

Transformation continues
to deliver savings

Capex

Target ¥46billion

Control capex and monitor
market environment for
expanding investments gradually

* Not including IFRS 16 non-cash items

Depreciation

Target ¥47billion

Controlled capex spending and
decrease YoY

*Revised to account for the change in useful life of sales equipment

Annual dividends

Target ¥50/share

Solid balance sheet allowing
stable dividend payout

Sustainable PET Ratio

Target 50%

About 60% reduction in CO_2 per
bottle, switching from virgin PET
bottle to 100% sustainable PET bottle

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

External Evaluations and Participation in External Initiatives

External Evaluations

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

Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

EcoVadis Sustainability Questionnaire Received Silver medal in 2021

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

Green Purchasing Award 21st Received the Grand Prize

Health & Productivity Management Outstanding Organization 2022 White 500

New Diversity Management Selection 100 Awarded in 2020

Nikkei Smart Work Management Survey Awarded 4.5 stars in 2021

Nikkei SDGs Management Survey Awarded 3.5 stars in 2021

Semi-Nadeshiko Brand Received in 2021

L-boshi Certification Awarded 2 stars in 2019

Tokyo Metropolitan Government Women's Participation Awards Awarded in 2021

Kurumin Certification Received in 2011

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

Tokyo Sports Promotion Company Certification System Certified in 2021

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

Cancer Ally Award 2021 Received Silver

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

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

Participation in External Initiatives

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

The United Nations Global Compact

The CEO Water Mandate

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD Consortium

Japan Climate Initiative

Business for Marriage Equality (BME)

Business Support for LGBT Equality in Japan

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

Details of External Evaluation and Participation in External Initiatives
https://en.ccbji.co.jp/csv/evaluation/

Inclusion

Our initiatives

To address the different needs of our stakeholders and ensure sustainable growth, we are focused on developing diversified human resources. In addition, we are continuing to create a working environment in which each and every employee can fully demonstrate their strengths, regardless of their background or values.

Related CSV Goals	
Female managers by 2025	10%
Female managers by 2030	20%

* Baseline year is 2015

Progress towards CSV Goals

To promote women's active participation, we have introduced sponsorships and training for the development of female director candidates. The percentage of female managers reached 6.4% in January 2022 as a result of our efforts to recruit recruit talented people from a wide range of internal and external sources. Furthermore, we have set a goal of reaching 10% by 2025 and 20% by 2030 so as to build an environment in which women can actively participate.

Diversity and inclusion initiatives

The CCBJH Group has made the promotion of diversity and inclusion as one of its key management priorities. We are creating a diverse workplace that meets the various needs of our business environment, our customers and consumers, and contributes to the Group's sustainable growth. Simultaneously, we aim to create a workplace where each and every one of our employees with a wide range of backgrounds, can demonstrate their abilities without losing their aspirations.

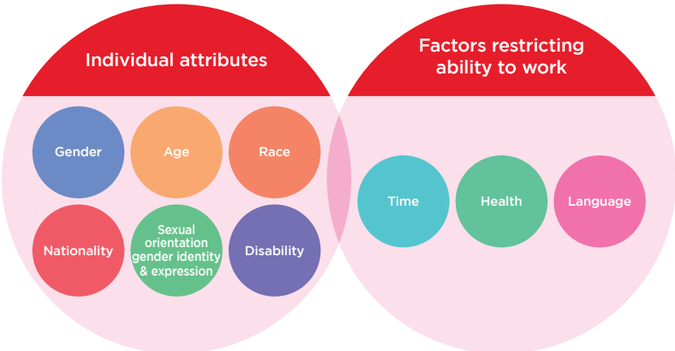
We also promote diversity at the management level by welcoming diversity on the board of directors, such as nationality, gender, age, and experience, so that we can consider and make decisions on issues from various perspectives.

The Diversity and Inclusion Section organizes and promotes company-wide efforts through various initiatives. In addition, each business unit implements its own initiatives that are adapted to its organizational characteristics.

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, ensuring that they are unaffected by factors that may restrict their ability to work.

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



VOICE Our diversity and inclusion

As mentioned in our Mission, in order to deliver happy moments to everyone through our products, it is critical that we ourselves are composed of people with diverse values and backgrounds, and that we leverage our diversity to create a new value.

To accomplish this, we are taking a variety of steps, including increasing the percentage of women and female managers, improving LGBTQ awareness and fostering an environment where people with disabilities can play an active role. We're working hard to change our culture and consciousness so that differences are respected rather than excluded, and new ideas can emerge.

Talent Development Manager **Risa Kinoshita**

Initiatives to increase the number of female employees, managers and directors

We are working to foster female director candidates through systems and initiatives such as the launch of the sponsorship program.

To increase the female manager ratio, we have introduced a selective training program for management candidates and are recruiting talented people from within and outside the company to achieve our target female manager ratio by 2030.

Time is set aside at the annual company-wide people development review meeting to focus on female employees and discuss female management candidate appointment, their development status, and measures for further development, if needed. In addition, we are working to achieve a 50% ratio of female recruits and a 15% ratio of permanent female employees by 2025 as part of our goal of increasing the number of female employees company-wide.

Besides these efforts, we are developing Unconscious Bias and Inclusive Leadership training. We aim to dispel preconceived notions about female employees. Our company will enable all employees to explore various career paths. By doing so, we will foster and establish an organizational culture that understands and respects diversity. Also, we are focused on creating an environment in which women can play an active role by expanding the spousal maternity leave system.

Diversity and Inclusion symbol "DEAR"

* Unconscious bias is an unconscious assumption. Unconscious bias refers to the unconsciously biased manner of looking at things in our daily lives.

VOICE Thinking about diversity and inclusion

Through my career of sales, marketing, and HR, I've come to realize that discussion among individuals with different values and backgrounds is necessary in order to create new ideas and new ways of doing things. In that situation, to break out of the normal or "norm", it is essential to to be open to different opinions and feel that one will not be rejected even if he/she is incorrect. As I am now working closely with management, I am feeing the importance of diversity for the company's sustainable growth and transformation. I'd like to continue working with everyone to create a workplace where all employees, may thrive, including those with visible and invisible differences.

Senior Business Manager to CEO **Yuki Higashi**

Diversity and Inclusion symbols for each division

Toward achieving the goal of "20% of Female Managers by 2030"

Our female manager ratio was 6.4% as of January 2022.

In order to achieve the 2030 target of 20%, we set specific quotas for each division in August 2021, based on the results of an analysis of the business characteristics and current status of each division. In November, the Head of HR and General Affairs explained to all employees the necessity and reasons for our current focus on promoting women's advancement. For this purpose, we have mentioned the need of have human resources with varied beliefs and viewpoints who can respect one another's differences while also generating and implementing new ideas and solutions through in-depth discussions.

We are making steady progress toward achieving a workplace where women can play an active role through these initiatives.

Details of Inclusion initiatives
https://en.ccbji.co.jp/csv/inclusion/

Gender

Female manager development program

Since 2021, we have been providing training for female employees to advance their careers. Eligible female employees learn the mindset and necessary skills for leadership through approximately six months of women's leadership training. The goal is for each individual to become aware of their own strengths and challenges, and to take new actions toward career development. A total of one day of training is also provided to supervisors of female employees, contributing to the creation of an inclusive corporate culture that encourages the promotion of women. We continue to build a platform where female employees can consult with each other on issues related to their leadership roles after the training, thereby supporting the success of female employees.

Initiatives to encourage male employees to take maternity leave

Prior to the implementation of national legislation, we created our own childcare leave system to make it easier for male employees to take childcare leave. In addition, in order to make it more convenient, we extended the timeframe for taking leave from the initial three months to one year from 2022. This increases the flexibility in taking leave based on necessity, making the system more meaningful.

Since 2018, we've been promoting a project called "Papa Apron" to raise awareness of male parental leave and encourage its use. The managers subsequently present it to the male employees who have become fathers at meetings and other occasions to congratulate them and encourage them to take the leave. We continue to focus not only on creating systems, but also on the strategy and behaviors that will enable these systems to be used.

TOPICS

Initiatives on International Women's Day

On March 8, International Women's Day (International Women's Day), CCBJH held an internal event to discuss gender equality. At the event, employees learned about the CCBJH Group's active commitment to diversity and gender equality, with the promotion of diversity and inclusion as one of the priorities in its management strategy. In addition, male employees who have taken maternity leave and female managers took the stage to share their learning through their experiences with flexible work styles, workplace environment, and motivation for female employees to take an active role and advance their careers, providing an opportunity for the participating employees to envision their desired work styles and careers. We continue to make efforts to create an environment where each employee with diverse backgrounds can demonstrate their abilities, grow, and feel proud to be an employee of the CCBJH Group while being highly motivated to perform to their fullest.

Age/Generation

Nurture next-generation leaders (CCUJ)

Based on the CCBJH Group's belief that "Business as usual is not an option", Coca-Cola University Japan (CCUJ), a program to nurture next-generation leaders, was launched in 2020 with the goal of fostering next-generation leaders who will drive the transformation and future growth of the Coca-Cola system in Japan, as well as create new value in the beverage market.

CCUJ is separated into three leadership levels: department managers, supervisors, and general staff.

GET English proficiency program

We support our employees in developing their English skills and advancing their careers.

We are implementing the Global English Transformation (GET) English proficiency program for employees in their 20s and 30s in order to more proactively communicate CCBJH Group's initiatives overseas while also absorbing knowledge from outside Japan and applying it to our daily activities and business.

Creating inclusive 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 demonstrate their abilities. These efforts have been evaluated and highly rated by various external assessments of the working environment at the CCBJH Group.

The New Diversity Management Selection 100 2020 Selection		Selected as one of the New Diversity Management Selection 100 by the Ministry of Economy, Trade and Industry (METI), which recognizes advanced efforts made by companies that link diversity promotion to business results.
Nikkei Smart Work Management Survey Awarded 4.5 Stars in 2021		In a survey conducted by Nikkei, outstanding companies that increase organizational performance, including productivity, through the realization of diverse and flexible work styles are evaluated on a 5-star scale. We were recognized with 4.5 stars.
Nadeshiko Brand Selected as a "Semi-Nadeshiko" brand in 2021		For three consecutive years, we have been selected as one of the "Semi-Nadeshiko Brands" in the "Nadeshiko Brands" event, a joint effort by the Ministry of Economy, Trade and Industry (MEIT) and the Tokyo Stock Exchange to select listed companies with excellent performance in promoting women's advancement.
L-boshi Certification Awarded 2 stars in 2019		We were awarded 2 stars by the Minister of Health, Labor and Welfare (MHLW) for our outstanding implementation of initiatives to promote women's advancement.
Tokyo Metropolitan Government Women's Participation Awards Awarded in 2021		Under the guidance of the Tokyo Metropolitan Government, we were awarded the Grand Prize for the commitment to promoting women's participation toward the fulfillment of a society in which all women can select varied ways of life based on their motivation and talents.
Kurumin Certification Received in 2011		We received "Kurumin Certification" from the Ministry of Health, Labor and Welfare (MHLW) as a company that provides child-rearing support.
work with Pride Received Gold rating in PRIDE Index 2021		We received a Gold award from work with Pride. The award was for initiatives in five areas, including the Work with Pride Policy (Declaration of Conduct) and establishing a welcoming environment for LGBTQ+ employees.

Disabilities

Being active at a special subsidiary

In order to support people with disabilities, we continue to employ more individuals with disabilities than the legally mandated employment rate and are developing various other initiatives. The special-purpose subsidiary established in 2019 offers a variety of work positions, including laundry, clerical, and sales equipment parts washing, creating a business environment where each individual may demonstrate his or her unique qualities and abilities. In addition to their sporting endeavors, the four para-athletes and deaf athletes at the company contribute to the local community by providing lectures about disabilities as well as diversity and inclusion to schools and community groups.

In addition, we have reached a comprehensive agreement with Nippon Sport Science University regarding the active participation of persons with disabilities. Under this agreement, the company and the university are developing programs to support the active participation of people with disabilities.

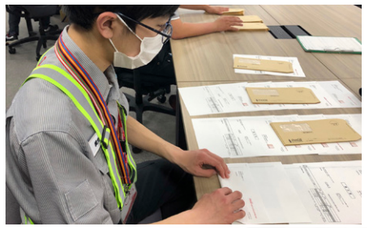
Our initiatives and achievements have been externally recognized with awards such as the Tokyo Excellent Company Award for Employment of People with Disabilities in 2019 and recognition of the company's proactive initiatives to develop the skills of and improve the treatment of people with disabilities.
We will continue to foster an environment where people with disabilities can play an active role and realize a society where diversity is respected.

Employment rate of persons with disabilities*

2021 As of June 1

2.39%

* "Report on the Employment Status of People with Disabilities" submitted to Director of the Public Employment Security Office with jurisdiction.



Clerical work

Uniform laundry duties

Cleaning operations for equipment components

Highlighting para-athlete activities

Katsuji Takashima, a para-athlete employee, competed in the Tokyo Paralympics 2020 as a member of the Japanese para-equestrian team.

After a fall from a horse while riding for JRA and undergoing rehabilitation, Katsuji Takashima joined our company as a para-athlete employee with the goal of competing in the Paralympics. He was able to attain his aim while juggling work and competition.

Colleagues are proud to see a fellow employee standing on the world's biggest stage with the Japanese flag. In addition, the support initiative using in-house SNS etc. also helped increase the Group's sense of oneness.

We are committed to assisting our para-athlete employees in balancing their work and competition while pursuing their dreams and goals.

INTERVIEW

Interview with Kotaro Suzuki, who works for a special subsidiary

Ozaki Please tell us about your job, Mr. Suzuki.
Suzuki When I first joined the company, I only washed components of vending machines, but now I also clean dispenser panels, organize incoming letters of the company, and do clerical work.
Ozaki You clean the components of time-consuming sales equipment, as well as support administrative work, which has been quite helpful for us. Mr. Suzuki, please tell us about your working environment.
Suzuki Everyone is nice and smiling, and I enjoy working every day. I like my workplace and want to work here for as long as I can.

Coca-Cola Bottlers Japan Business Services Inc. Business Support Department Manager **Kenjiro Ozaki**

Business support staff **Kotaro Suzuki**

LGBTQ

Efforts to instill internally

We focus on raising awareness through training, talk sessions, and sponsorships with external organizations to ensure that all employees have accurate knowledge of LGBTQ issues to foster an environment where diversity is respected and discrimination is avoided, both inside and outside the company.

We specifically provide awareness training for all employees, unconscious bias* training for managers, regular interactive chat sessions with outside experts, sponsorship of NPOs, and participation in Rainbow Pride events in various regions.

Major internal and external Initiatives
LGBTQ E-learning program
Online events to promote understanding of LGBTQ
Online application for partnership registration
Participation in Tokyo Rainbow Pride
Participation in "Rainbow Mapping" of Kyushu Rainbow Pride

Exhibit a booth jointly with Coca-Cola Japan in Tokyo Rainbow Pride

Special rainbow design Coca-Cola Label

Various measures

As an initiative to promote diversity and inclusion (D&I), the CCBJH Group amended the definition of a "spouse" in the company regulations (such as Employment Regulations) 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.

Furthermore, we also amended our Human Rights Policy and D&I Policy to include gender identity and expression in addition to sexual orientation. These policies are set forth not just in terms of physical traits, but also in a manner that is consist with the diversity of "mind" and "character".

In October 2021, we launched an LGBTQ consultation service, where not only the employees but their managers can seek help and guidance on LGBTQ related topics.

[LGBTQ endorsement]

- In December 2020, we announced our endorsement of Business for Marriage Equality (BME), a campaign calling 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.
- In June 2021, we endorsed the "Business for LGBT Equality Declaration," a multinational signature campaign for enacting legislation against discrimination based on sexual orientation and gender identity and for creating an inclusive workplace and society where everyone is treated equally.

Business for Marriage Equality

#EqualityActJapan

ビジネスによるLGBT平等サポート宣言

Business Support for LGBT Equality in Japan

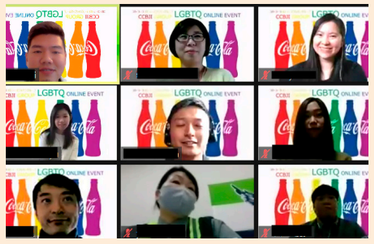
EVENT

LGBTQ internal online events

So far, CCBJH has organized two internal online events focusing on LGBTQ issues, introducing the CCBJH Group's LGBTQ initiatives and inviting guests from outside the company. At the events, our staff and guests engaged in a vibrant exchange of ideas during a crosstalk session, which was highly valued by participants. We will continue to host similar events on a regular basis to enhance awareness and penetration of LGBTQ issues.

[Contents]

- Current status of LGBTQ in Japan
- Introduction to case studies of other companies' initiatives
- D&I of the CCBJH Group
- Crosstalk between guest speakers from outside the company and our employees



Communities

Our initiatives

Our aim is to develop sustainable communities and work toward solutions for social issues while maintaining communication with communities.

Related CSV Goals	
Zero/low-calorie options for core brands	100%
FOSHU/functional product growth (compared to 2016)	300%
Front-of-package calorie label and straightforward nutritional information	100%
Observation of The Coca-Cola Company Responsible Marketing Policy	100%
Employee volunteers	10%
Participants in community programs	1,000,000

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

Progress toward CSV Goals

In order to familiarize people with our CSV programs, we sponsor lectures, online plant tours, and lectures at schools, all of which facilitate lively two-way communication between us and local residents.

We encourage local residents and employee volunteers to engage in grassland restoration and forest conservation activities to protect the watersheds that provide water to our 17 bottling plants.

Local seminars on the Sustainable Development Goals (SDGs)

As interest in SDGs increases, our dedication to achieving these goals has led us to engage in new efforts. We have developed a series of lectures and presentations at schools in order to introduce our CSV activities. We will continue to focus on communication with local communities as we devise new approaches to our goals.

In July 2021, CCBJH was invited to give the keynote lecture at a workshop held at Tokyo's Toyosu Market under the theme of "Trends in the Recycling of Plastic Resources and Measures Against Marine Waste: What We Can Do at Toyosu Market." The title of the keynote lecture was "How the Coca-Cola System Addresses SDGs." In his keynote lecture, Ryuichiro Maruyama, Head of CSV Department, described the priority issues in the Coca-Cola System Sustainability Framework, including the bottle-to-bottle initiative, and engaged in lively discussions with people involved with the market.

In July 2021, employees held a special online seminar about recycling PET bottles for students at Anjo Nishi Junior High School in the city of Anjo, Aichi Prefecture. Held at the request of Anjo's municipal government, the seminar, aimed at third-year students, emphasized learning about two SDG themes "Goal 12 "Ensure sustainable consumption and production patterns" and Goal 14 "Life below water." The presenters provided easily understood explanations through a series of quizzes.

In September 2021, employees of the vending Shiga SC were invited to Aketomi Junior High School in Moriyama, Shiga Prefecture to give first-year students a class on the environmental efforts of the city of Moriyama and our company and on PET bottle recycling. The presenters received many messages from the students, who routinely learn about SDGs and climate change. These messages included statements such as "I didn't know that my own actions are linked to worldwide movements" and "I want to support 100% recycling, too."

In November 2021, employees went to Higashi Fukuoka Jikyokan Junior High School, part of the private school Higashi Fukuoka Gakuen in the city of Fukuoka, Fukuoka Prefecture, to conduct an exploratory lesson for second-year students, "What We Can Do to Achieve SDGs: Learning from the Example of Coca-Cola." In August 2020, Higashi Fukuoka Gakuen and our company issued their "Joint Statement on Efforts To Meet SDGs," stating their future intentions of building a better world through common efforts at sustainability.

Plant tours for new lifestyles

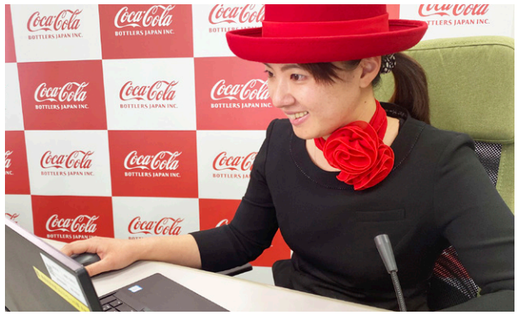
CCBJI is positioning its plant tours as venues for direct communication with customers, consumers, and other stakeholders. Plant tours were suspended in February 2020, but in June 2021, CCBJI started online plant tours. These online tours allowed people who were unable to travel to our plants to have a similar, virtual experience.

During these online tours, participants learn about the history of Coca-Cola and the manufacturing process, as well as the sustainability program and the new Hiroshima plant. The tour guides give quizzes and allow time for questions, so that the participants feel almost like an in-person tour. In addition to allowing people to enjoy a plant tour with family or friends at home, these online tours are also used as learning opportunities for social studies classes in schools.

We will continue to offer online tours as important venues for two-way communication with our stakeholders.

An online plant tour

Used in social studies class



Guides in the plants explain to participants remotely

FOCUS

CCBJI Museum completed in the Tama plant tour area

In January 2022, the CCBJI Museum was completed at the Tama Plant in Higashi Kurume, Tokyo, by remodeling a tour facility. It is a future-oriented museum that also looks back at the history of Coca-Cola in Japan as well as how CCBJI was founded.

The interior of the Museum is divided into a History Area, which presents the history of Coca-Cola and the bottling companies, and a Blue Sky Photo Area, which displays photos of the delivery trucks that operate in our business areas.

* Museum tours for the general public will be permitted when in-person tours are resumed at the Tama plant.

History Area

Blue Sky Photo Area

Details of Communities initiatives
https://en.ccbji.co.jp/csv/community/

Contributions to the Local Community

Addressing local issues in cooperation with industry, academia, government, and the private sector

The CCBJH Group collaborates with local governments, educational institutions, private organizations, and industries to support youth-led workshops and activities, as well as awards systems and other programs for addressing local issues and achieving SDGs.

Since 2017, we have cooperated with the city of Sendai in Miyagi Prefecture to offer the Sendai Youth Award to recognize outstanding efforts by youth organizations that contribute to solving social issues and achieving SDGs. Youth-led activities aimed at solving social issues have proliferated in the so-called "Academic City Sendai," especially since the Great East Japan Earthquake in 2011. At the fifth award ceremony in 2021, eight teams of finalists gave online presentations.

CCBJH is supporting the creation of an environment where cooperation among industry, academia, government, and the private sector can actively work toward solutions for local issues.

The Sendai Youth Award (Miyagi Prefecture)

SDGs Workshop, Mie Mirai (Mie Prefecture)

SDGs Workshop Mie Mirai is held as a collaborative effort among Mie Prefecture, Dr. Masao Aoki's research lab (Faculty of Humanities, Law and Economics, Mie University), the nonprofit organization MBridge, 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.

Challenge Internship (Fukushima Prefecture)

Since 2016, we have cooperated with Fukushima Prefecture's Challenge Internship Project, aimed at fostering the development of young people who will be actively involved in the community and to revitalize the region.

This project supports young people's education and experiential learning through internships with local non-profit organizations. Through these internships, young people learn about regional issues and the attractive advantages of the prefecture with an eye toward helping to mold the future of Fukushima. CCBJH collaborates with the prefectural government and the Fukushima Local Activities Support Center in supporting this project.

MIYAZAKI SDGs ACTION (Miyazaki Prefecture)

In Miyazaki Prefecture, high school and university students, use indices and words shared with the companies that support Miyazaki's economy to learn and consider what a sustainable economy and society should look like. CCBJH is one of the companies that cooperates with this Miyazaki SDGs Action project. High school students, university students, and young workers form a single team to spend half a year drawing up a vision for the future, based on various themes, and then creating, implementing, and presenting action plans.

Energizing communities through sports

[Company sports]

Administered by the CCBJH Group the Coca-Cola Red Sparks field hockey team is based in Hiroshima and is a member of the Hockey Japan League (HJL).

In 2021, seven members of the Coca-Cola Red Sparks team participated in the Tokyo 2020 Olympics to represent Japan. The team also took a second place in the Prince Takamado Trophy 2021 Women's Hockey Japan League and the 82nd All-Japan Women's Hockey Championship.

In recognition of these achievement, team member Aki Mitsuhashi received the Shield of Honor from her hometown, Kurihara in Miyagi Prefecture, while teammates Natsuha Matsumoto and Kanon Mori received the Shiga Prefecture Award for Excellence in Sports from their home prefecture and were named Shiga Sports Ambassadors. In addition, team member Emi Nishikori received the Seiichi Kishi Special Honorary Award from Shimane Prefecture.

The Coca-Cola Red Sparks hockey team not only delivers excitement to local fans but also proactively participates in local events as part of helping to build vibrant communities.

* The National Sports Festival and the All-Japan Masters Hockey Tournament have been suspended.

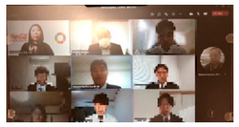
The Coca-Cola Red Sparks field hockey team

[Company Ambassadors]

The CCBJH Group has appointed Shotaro Tsuoka as Company Ambassador. Tsuoka aspires to join the 7-man rugby team that will represent Japan in the 2024 Paris Olympics. As a result of CCBJH's support, Tsuoka, a major member of the team, will be able to concentrate on competitions.

Scholarship program

Coca-Cola's scholarship aid program dates back to 1966. As an affiliate of The Coca-Cola Foundation, CCBJH supports grant-based scholarships to foster the development of top-caliber young people who can contribute to the local community. In addition to prospective undergraduate students, students who plan to enter graduate school to work on sustainability and SDGs are also eligible for scholarships.



An online screening session

Going forward, we continue to focus on supporting high school students with high academic achievement and strong aspiration but are facing difficulty in pursuing higher education for financial reasons. We will also support undergraduate students who engage in more specialized research in environmental issues, especially in areas related to global and environmental resources.

Ichimura Nature School in Kyushu

As part of efforts to help reform children's education, CCBJH was involved in the establishment of Ichimura Nature School, which has as its basic principle "Learning from the Earth to enrich our lives." The Nature School provides a place where children can develop a sense of independence and social skills, and nurture qualities such as proactiveness and creativity through activities such as cultivating and harvesting crops and working together as a team. They spend the 8 months between the end of March and the beginning of December with peers and staff members in a lovely natural setting near the city of Tosu in Saga Prefecture.

Stakeholder's VOICE

A Cooperative Partner in Supporting the Development of Our City

CCBJH and our city share a common aspiration to provide further support to young people who are concerned with solving local and societal issues, and to that end, we have instituted the Sendai Youth Award. We have many educational institutions, including universities, with one of the highest percentage of students in its population of any government-designated city in Japan. Given the concentration of young people in this city, we believe that we can leverage their flexible thinking and dedicated action for building the future of our city. It also serves as a driving force for the growth of our city.

We sincerely hope that CCBJH will continue to act as a partner in promoting young people's successful involvement in creating the city's future.

Mayor of the city of Sendai, Miyagi Prefecture **Kazuko Kori**

VOICE

Giving courage, energy, and inspiration

My name is Shotaro Tsuoka, and I have been a CCBJH Group Company Ambassador since October 2021. I am currently a member of Japan's 7-man rugby team. Last year, I participated in the Tokyo 2020 Olympics, not as a regular team member but as an alternate. Now, With that bitterness in mind, I am working hard with an eye toward making the Paris Olympics team as a regular member and winning a medal.

These are tough times due to COVID-19 but I hope to give courage, energy and inspiration to everyone by accomplishing goals one by one and sharing with you the progress I am making toward the Paris Olympics. I thank you for your continued warm support.

Company Ambassador **Shotaro Tsuoka**

Shotaro Tsuoka training in Japan

Working with the community on water replenishment

In the Coca-Cola's "Learn from the Forest" project, local residents living near our plants and our employees learn about the importance of irreplaceable water resources through working together on tree planting, forest thinning, rice planting and harvesting, and wood crafting. In April 2022, for the first time in 3 years, volunteers from Ebino and employees of the Ebino Plant joined forces to work on forest conservation.

Water is an essential resource for our business, and we will continue to join forces with local residents near our 17 plants to promote water replenishment activities.

Manufacturing plants	Locations of watershed conservation activities
Zao Plant	Zao-machi, Katta-gun, Miyagi
Saitama Plant Iwatsuki Plant	Katashina, Tone-gun, Gunma
Ibaraki Plant	Ishioka-shi, Ibaraki
Tama Plant	Higashi-Kurume, Tokyo
Ebina Plant	Atsugi and Ebina, Kanagawa
Hakushu Plant	Hokuto, Yamanashi
Tokai Plant	Ena, Gifu
Kyoto Plant	Ujitawara, Tsuzuki-gun, Kyoto

Manufacturing plants	Locations of watershed conservation activities
Akashi Plant	Tamba-Sasayama, Hyogo
Oyama Plant	Houki, Saihaku-gun, Tottori
Hiroshima Plant	Mihara, Hiroshima
Komatsu Plant	Saijo, Ehime
Tosu Plant	Tosu, Saga
Kiyama Plant	Kiyama, Miyaki-gun, Saga
Kumamoto Plant	Aso and Ozu, Kikuchi-gun, Kumamoto
Ebino Plant	Ebino, Miyazaki

In April 2022, CCBJI signed a contract to enter into a three-way partnership with the Tokyo Metropolitan Government and the Local Partnership Support Center based on the metropolitan government's Tokyo Greenship Action project. The aim is to promote projects that involve with nature and environmental conservation in the watershed of Tama Plant.

Going forward, we will work together with the metropolitan government, as well as Tokyo Environmental Public Service Corp., the city of Higashi-Kurume, and Higashikurume Fureai Volunteer to carry out activities.

Maintaining the Aso Grasslands, the water source for the Kumamoto Plant

CCBJI was selected as the first recipient of the Certificate of Recognition for Corporate Supporters of the Aso Grasslands, which acknowledges companies and organizations that have made active contributions to Kumamoto Prefecture's Aso Grasslands Maintenance Program. The certificate was presented to the Kumamoto Plant manager by the governor of Kumamoto Prefecture at the prefectural office.

Presentation of the certificate (right: the governor of Kumamoto Prefecture)

Since 2011, toward solving the social issues of decreasing grassland area, lack of manpower and aging population involved in restoration projects, we have been supporting the Aso Grassland Restoration Project, which works to preserve and restore the Aso Grasslands environment. For many years, we have continued to provide grants to the Project and have supported company employees who volunteer for field burning.

Field burning helps to restore and maintain the grasslands and makes a major contribution to grassland water retention and recharging functions, maintenance of the grassland landscape, elimination of harmful insects, and preservation of the living environments of endangered species. The Aso region is home to 56 endangered species of animals and plants, including Polemonium caeruleum, and our support for grassland restoration has led to the protection of diverse life forms.

In addition to Aso Grasslands restoration, we also support employees at the Kumamoto Plant in their involvement in other projects in the watershed, such as forest conservation and rice field flooding. CCBJI will continue to support water replenishment activities at its plants and create an environment where employees can actively participate in volunteer activities as a means of solving local issues.

Employees engaged in field burning

Support for communities

Since 2016, CCBJI has been in partnership with Second Harvest Japan, the country's first food bank (a member of the Japan Food Bank Association) and the National Food Bank Association to cooperate with local food banks in supplying regular supplies of beverages to institutions that provide meals for children and other social welfare institutions. Food banks are organizations and programs that collect discarded food that is still of good quality and receive donations from companies. They then deliver the food to social welfare institutions and people who are in need.

In 2021, Coca-Cola donated 11,063 cases (262,382 bottles) of beverages to organizations in twenty prefectures.

Donations in 2021

11,063 cases

262,382 bottles

We have received a large number of letters from grateful recipients.

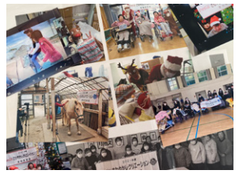
Partnering with local governments and organizations to address regional issues

In 2021, the CCBJH Group entered into agreements with local governments and organizations in its sales areas to address local issues, provide emergency product supplies during disasters, promote tourism, and facilitate SDGs. It is hoped that these comprehensive agreements would facilitate ties with the company's stakeholders.

In order to create value through our beverage business, we are working on addressing local issues in our sales areas.

Support for Zenshiren* disability care

In the Coca-Cola System, including the CCBJH Group, we donate a portion of the proceeds of sales from vending machines with the Zenshiren sticker to Zenshiren, an organization that promotes greater social participation for disabled people and an increase in facilities for disabled children and adults. This program began in 1980 and has continued for over 40 years.



Photos sent from all over as tokens of appreciation

* National federation of the physically disabled and their parents associations

Table for Two Donation-type Vending Machine

As a collaborative project to help meet SDGs, CCBJI installed a "Table for Two" (TFT) vending machine at Hamamatsu Kaiseikan High School in Shizuoka Prefecture. This initiative was driven by the desire of students to support efforts to address the global social issue of hunger. A portion of the sales from this vending machine are donated to the anti-hunger organization Table for Two and are used to fund school meals for children in developing countries.

CCBJI will continue to work with Hamamatsu Kaiseikan High School to consider what can be done in the future to achieve SDGs.

* The mission of Table for Two (TFT) International is to eliminate food inequality in the form of hunger and malnutrition and to improve the health of people in both developing and developed countries at the same time.

A Joint Message about SDGs

The first program of the Nagoya City University (NCU) SDGs Center was a joint effort between students of Professor Yasuhiko Ito of the Faculty of Humanities and Social Sciences, who aim to create a sustainable society, and CCBJI, which aims to create a society where plastics are recycled. The wrapped vending machine with the message "Protect the Oceans!" was designed by the students, and installed by CCBJI.

This vending machine has motivated the creation of opportunities to learn about SDGs.

Local assistance during natural disasters

We have prepared for large-scale natural disaster by entering into disaster relief agreements with 1,062 organizations (as of the end of 2021) in our sales areas. The provisions include prioritizing supplies of drinking water to emergency shelters and providing beverages from vending machines free of charge during disasters, so that people in the areas impacted by the emergency can rapidly access drinking water.

Resources

Our initiatives

In order to make effective use of valuable resources in a sustainable manner, we will make continuous devise and improve ways to contribute to environmental protection.

Related CSV Goals*1	
Sustainable materials*2 usage by 2022	50%
Sustainable materials*2 usage by 2030	100%
Ratio of products using sustainable materials*2 (number of bottles sold)	100%
Further lightweight PET packaging by 2030 (compared to 2004)	35%
Collection percentage compared to sales volume by 2030	100%
Extensive partnerships across industry and environmental organizations by 2030	
Water source replenishment, focusing on watersheds near our plants	200%
Water usage reduction by 2030	30%
Scope 1 and 2 reduction in greenhouse gas emissions by 2030	50%
Scope 3 reduction in greenhouse gas emissions by 2030	30%
Net zero in greenhouse gas emissions by 2050	
Promotion of renewable energy	

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

Progress toward the CSV Goals

We have set a target of reducing greenhouse gas (GHG) emissions to net zero by 2050, and we are striving to reduce GHG throughout our supply chain. We have promoted the bottle-to-bottle project to achieve our target of 50% sustainable material* usage by 2022, and achieved 40% in 2021. We have also made definite progress toward our targets for water usage reduction and water replenishment.

FOCUS
Enhancing Climate Change Initiatives

Endorsement of the TCFD recommendations

In February, 2022, we endorsed the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and participated in the TCFD Consortium, a forum for discussion among the supporting firms and financial institutions. Based on these recommendations, we will analyze the financial impact of climate change-related risks and opportunities, consider measures to address them, and strive for enhanced information disclosure from the perspectives of the core elements of governance, strategy, risk management, and indicators and targets.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Endorsement of the GX League Basic Concept

The Ministry of Economy, Trade and Industry established the GX League as a forum for companies, government, and academia working on Green Transformation (GX), which is a transformation of the entire economic and social system toward achieving carbon neutrality by 2050, to collaborate in discussions toward GX and implement new market building. We stand in agreement with the GX League Basic Concept, the basic guideline for promoting GX, and will continue to work toward achieving a decarbonized society.

Participation in and support of the Japan Climate Initiative

In March, 2022, we endorsed and participated in the declaration of Japan Climate Initiative (JCI), a network of companies and local governments in Japan promoting climate change action. We will continue to strive to achieve the GHG emissions reduction targets set by the Coca-Cola System in Japan by 2030.

Greenhouse gas reduction targets of The Coca-Cola System in Japan

In October 2021, the Coca-Cola System in Japan established a target to reduce its Scope 1 and 2 greenhouse gas (GHG) emissions by 50% and Scope 3 emissions by 30% (both compared to 2015) by 2030 across its entire value chain in Japan.

The Coca-Cola Company and The Coca-Cola system in Japan are working to reduce GHG emissions across their supply chains following absolute GHG reduction targets based on the Paris Agreement and scientific evidence at the same time as growing their businesses. Our goal is to reach net zero GHG emissions worldwide by 2050.

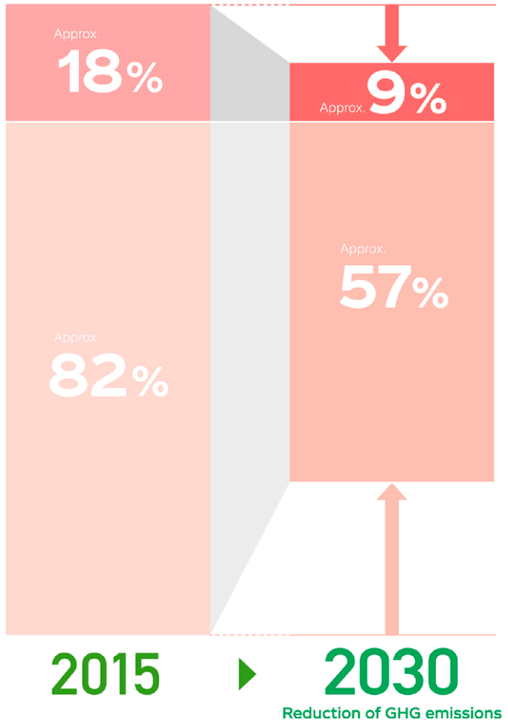
The new GHG emissions reduction target we formulated aims to quantify the total GHG emissions, both direct and indirect, from the activities of the Coca-Cola System in Japan based on the SBT Initiative*, and to reduce the absolute amount of Scope 1, 2 and 3 GHG emissions in each domain. This target is unique to the Coca-Cola System in Japan and is higher than the level set by The Coca-Cola Company to achieve worldwide (25% reduction compared to 2015 across the entire value chain).

The Coca-Cola System in Japan will continue to work to reduce Scope 1, 2, and 3 GHG emissions in all domains going forward and will actively contribute to the achievement of the Japanese government's GHG reduction target (46% reduction in emissions compared to fiscal 2013 by fiscal 2030).

*The calculation of greenhouse gas emissions at the company level is consistent with the greenhouse gas protocol standard (company emissions and company value chain; Scope 3 standard), a best practice standard for company greenhouse gas emissions administered by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

Greenhouse gas (GHG) reduction targets of The Coca-Cola system in Japan

Announced in October 2021



2030 Reduction Targets (Compared to 2015)		Representative Efforts by Coca-Cola System	Concrete Actions
Scope 1 Direct GHG emissions **Scope 2** Indirect emissions from use of electricity/heat purchased from a third party	-50%	• Introduce renewable energy • Improve energy consumption at plants and offices • Improve distribution/transportation 	Solar panels were installed at the plant tour facilities of the Tokai, Hiroshima and Ebina factories to supply electricity. Transparent solar panels were installed at the Hiroshima factory completed in October 2020 Streamlined delivery routes to customers, practiced eco-friendly driving, promoted switch to low fuel consumption vehicles such as EVs and hybrids, and adopted smaller sales vehicles
Scope 3 GHG emissions across our value chain (Other indirect greenhouse gas emissions)	-30%	• Promote introduction of bottle-to-bottle (horizontal) recycling and 100% rPET bottles • Improve vending machine operation and optimize the value chain CO_2 emissions to drop approx. 60% per bottle 1 1 Assuming a switch from ordinary PET bottles to 100% rPET bottles	We adopted 100% recycled PET bottles for I LOHAS Natural Mineral Water from March 2020 and Coca-Cola and Georgia from May 2021. Using 100% recycled PET resin in key flagship products offer an estimated reduction in GHG emissions of approximately 60% per bottle, or approximately 26,000 tons per year across The Coca-Cola system in Japan.* *Total for all affected products, estimated for 2022 by Coca-Cola (Japan) Company based on the shipments in 2021.

Details of Resources initiatives
https://en.ccbji.co.jp/csv/environment/

Packaging/PET

Aiming for a World Without Waste

[2030 Packaging Vision]
In 2018, The Coca-Cola Company established the global target of achieving a World Without Waste in order to reduce environmental impacts. To achieve this target, in January 2018 the Coca-Cola System in Japan established the 2030 Packaging Vision, and in July 2019 an update to the previous target to be achieved ahead of schedule.

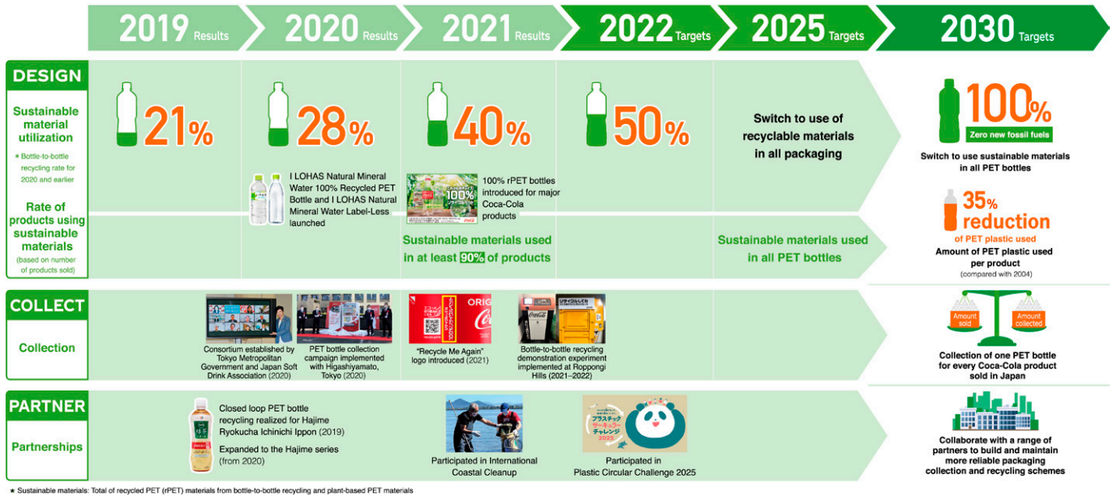
[Three core elements and Roadmap]
The 2030 Packaging Vision consists of three pillars: Design, Collect, and Partner. Each pillar sets specific targets and we are making steady progress with activities aimed at 2030.

Three core elements of 2030 Packaging Vision

Design	We are promoting bottle-to-bottle recycling to increase the usage of sustainable material to at least 50% by 2022 and 100% by 2030, while aiming for the complete introduction of PET containers that eliminate the use of new fossil fuels.
Collect	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	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.

2030 Packaging Vision of The Coca-Cola system in Japan—Roadmap and Results

(Updated June 2022)



* Sustainable materials: Total of recycled PET (rPET) materials from bottle-to-bottle recycling and plant-based PET materials

Design

The Coca-Cola system in Japan expects*1 to reduce petroleum-based new plastics by around 29,000 tons and greenhouse gas emissions by around 26,000 tons annually overall through various initiatives.

[The Coca-Cola system in Japan Initiatives]
- In 2021, we achieved 40% sustainable materials*2 used in PET bottles in the domestic soft drinks business.
- We use sustainable materials*2 in more than 90% of the PET bottle products (number of bottles sold) sold in Japan.
- As of February 2022, we have introduced 100% recycled PET bottles in in 5 brands and 37 products*3 including flagship products such as Coca-Cola.
- We first released labelless products in April 2020 and today they are used for 8 brands and 18 products such as "I LOHAS." We plan to steadily expand these products in the future.
- From spring 2021, reduced the packaging weight of 700ml Coca-Cola PET bottles from 42g to 27g
- In April 2022, Coca-Cola and Coca-Cola Zero Sugar 100% recycled 350ml PET bottles, 2g lighter than the conventional labelless bottles of the same size (bottle weight 21g).

*1 Total target products and 2022 sales forecasts based on 2021 shipment results represent preliminary calculations by Coca-Cola (Japan) Company.
*2 Sustainable materials refer to the total bottle-to-bottle recycled PET materials and plant-derived PET materials
*3 The Coca-Cola system in Japan performance in Japan as of February 2022.

100% recycled PET bottles

Collect / Partner

[Participated in Japan's first bottle-to-bottle recycling field test at Roppongi Hills in collaboration with Mori Building]
In November 2021, Coca-Cola Japan and CCBJI participated in a bottle-to-bottle recycling field test for the development and sustainable operation of resource circulation models at businesses in urban areas.

This field test is Japan's first initiative to establish a new resource circulation model for business-based PET bottles at Roppongi Hills managed by Mori Building. This field test aims to build and operate a new resource circulation system that can promote behavioral changes in consumers' daily lives and curtail the amount of CO_2 generated by a series of businesses.

Dedicated automated collection machine (left) installed and PET bottle compressor installed in Mori Tower (right)

[Cooperative bottle-to-bottle venture with a local government]
In April 2022, we entered into a community-revitalization comprehensive partnership agreement with the town of Yoshimi in Saitama prefecture. The first step will be a cooperative bottle-to-bottle business where used PET bottles will be collected in a Yoshimi processing facility then broken down and washed. After that, the recycled raw materials will be used in our Saitama Plant to make containers for Coca-Cola products.

Partner

[Cleanup activities in the community]
In October 2021, The Coca-Cola system in Japan and the CCBJH Group participated in the ICC* initiative and conducted cleanup activities of each area with the cooperation of NPO green bird while utilizing the garbage picking social media site Pirika. On the day of the event, we posted and visualized cleanup activities nationwide to Pirika in a timely manner to enhance the sense of solidarity among employees working across Japan.

Pirika

* International Coastal Cleanup (ICC) is the world's largest coastal cleanup campaign established as an environmental education center for marine life and launched by the United States' largest marine conservation organization. It collects coastal garbage data in a standard way around the world and uses it to resolve the world's garbage issues.

[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 with the goal of achieving 100% effective utilization of PET bottles by 2030, along with the industry's own declaration for achieving 50% bottle-to-bottle recycling by 2030. In this manner, we are promoting initiatives for the horizontal recycling of PET bottles through collaboration.

In addition, to promote understanding of the role of the recycling box next to vending machines and reduce the rate of foreign material contamination, we have attached approximately 90,000 industry-unified educational stickers (CCBJI) promoted by Japan Automatic Merchandising Association of which we are a member, in the Tokyo metropolitan area, Chubu area, and Kinki region to encourage customers not to insert any items other than empty containers.

Water

CCBJI's initiatives regarding water

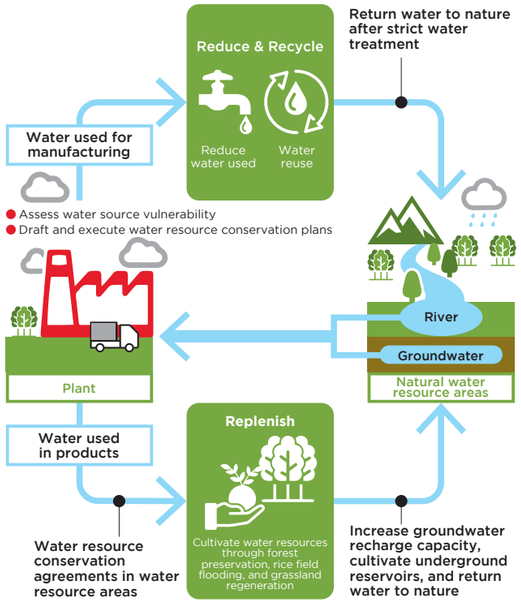
The Coca-Cola system in Japan considers issues related to water a priority topic to be addressed in its Sustainability Framework. The CCBJH Group is promoting various initiatives with the aim of achieving its own CSV Goals, which include a 30% reduction in water usage (compared to 2015) and maintaining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

For water used for manufacturing, we are promoting the effective use of water during production (Reduce) while complying with the quality standards of Coca-Cola's proprietary management system KORE. After reusing the cleaning water and cooling water for containers and equipment as much as possible (Recycle), we treat it responsibly based on appropriate effluent management standards and then discharge the treated water into rivers to return it to nature.

When water is used for products, we return it to nature using source recharging activities (Replenish). We seek to nurture abundant groundwater through long-term agreements with local governments, forest cooperatives, and communities for conservation activities with high groundwater recharge capacity through forest conservation, rice field flooding, and grassland regeneration.

Water used for manufacturing	Replenishment area
12,993,000 m³	Approx. 8,117 ha
+3.4% year on year	+154 ha year on year
Water used in products	**Replenishment rate**
4,011,000 kL	353%
+3.3% year on year	−11% year on year
Water usage per liter of product (WUR : Water Use Ratio)	**Water resource conservation agreements**
3.24 L/L	16/17 plants
+0.01 liters per product liter year on year	±0 year on year

Coca-Cola system's concept of the water cycle



Mihara City, Hiroshima

Ebino City, Miyazaki

In December 2021, we earned our first leadership level score of A- in the 2021 water security survey conducted by the international non-profit organization CDP, which operates a system for companies and municipalities to disclose environmental information.

CDP DISCLOSER 2021

In April 2022, we signed The CEO Water Mandate, a global platform for water resource issues that supports corporate development, implementation, and disclosure of water sustainability policies and practices.

UN GLOBAL COMPACT WE SUPPORT CEO WATER MANDATE

VOICE

Reducing use of energy and water

In 2016, the manufacturing division instituted and put into action projects aimed at reducing the use of energy and water. Each plant has continued its efforts on a variety of issues, including further reductions in the use of energy and water in the manufacturing workplace, and in cooperation with other plants, we have learned to use new viewpoints and concepts to bring about results. Our efforts have been rewarded with the CEO MVV Award. We will build upon our long-standing culture of improvement as our 17 plants undertake improvement programs. We are cultivating human resources who can think for themselves, act in a timely manner and produce results as we move forward with an eye toward projects for reducing greenhouse gas as well.

Performance Control Section
Manufacturing Planning Department SCM Function
Kenichi Matsuo

Greenhouse Gas Emissions, Renewable Energy

Optimization of the entire value chain

The CCGJH Group has implemented a number of efforts aimed at reducing greenhouse gas (GHG) emissions. Furthermore, we are accelerating our investigations and analyses of specific technologies and solutions for reducing GHG emissions across each department, with the aim of optimizing our entire value chain.

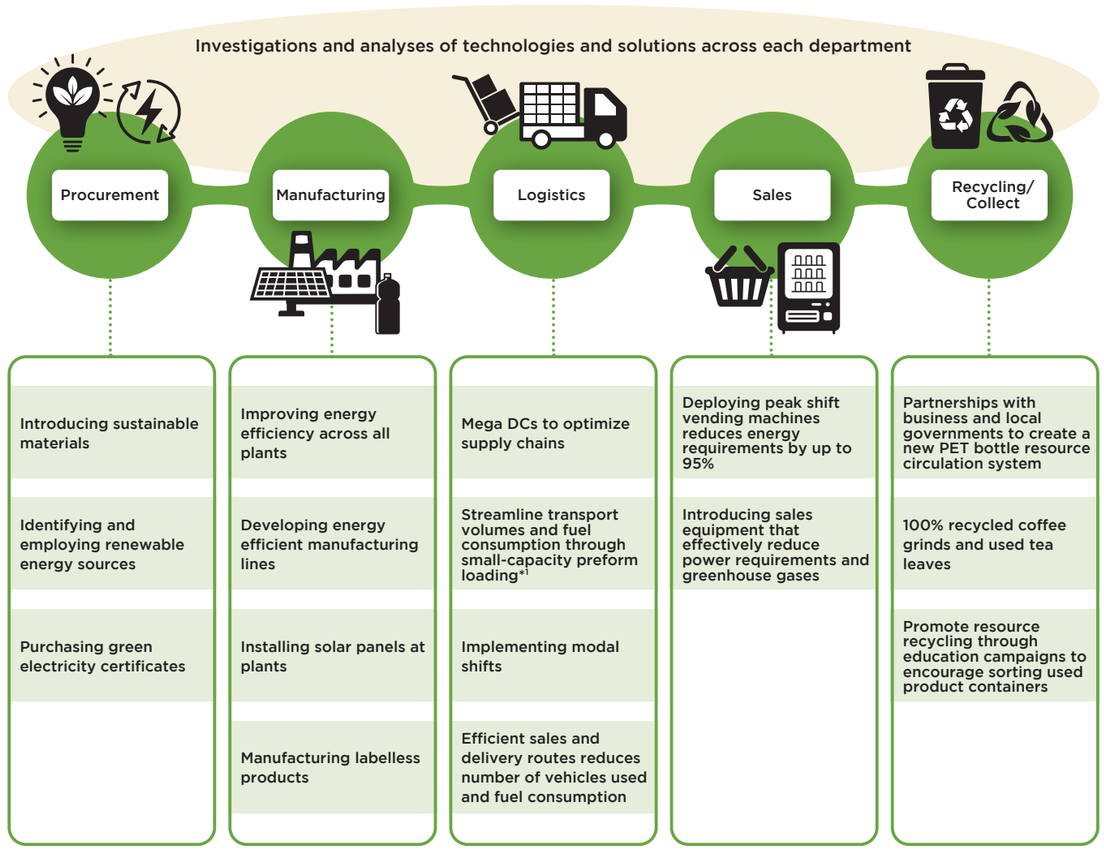
In January 2022, we agreed to the Ministry of the Environment's Leading Tenant Action Policy. In cooperation with building owners, we are proceeding with efforts to decarbonize our business premises through energy-saving measures and the use of renewable energy.

Use of renewable energy

Our Hakushu plant runs on hydroelectric power provided by Yamanashi Power. Yamanashi Power is a joint enterprise operated by TEPCO and Yamanashi Prefectural government.

At other plants we use hydroelectric and other renewable energy sources thanks to a plan offered by TEPCO Energy Partner. We purchase hydroelectric energy through this plan that produces no CO_2 at generation. We also use the "Tradeable Green Certificate" system. This certifies that power used in plants is electricity generated from natural energy sources. Across our business we seek ways to promote and use green energy.

Main initiatives in the value chain to reduce GHG emissions

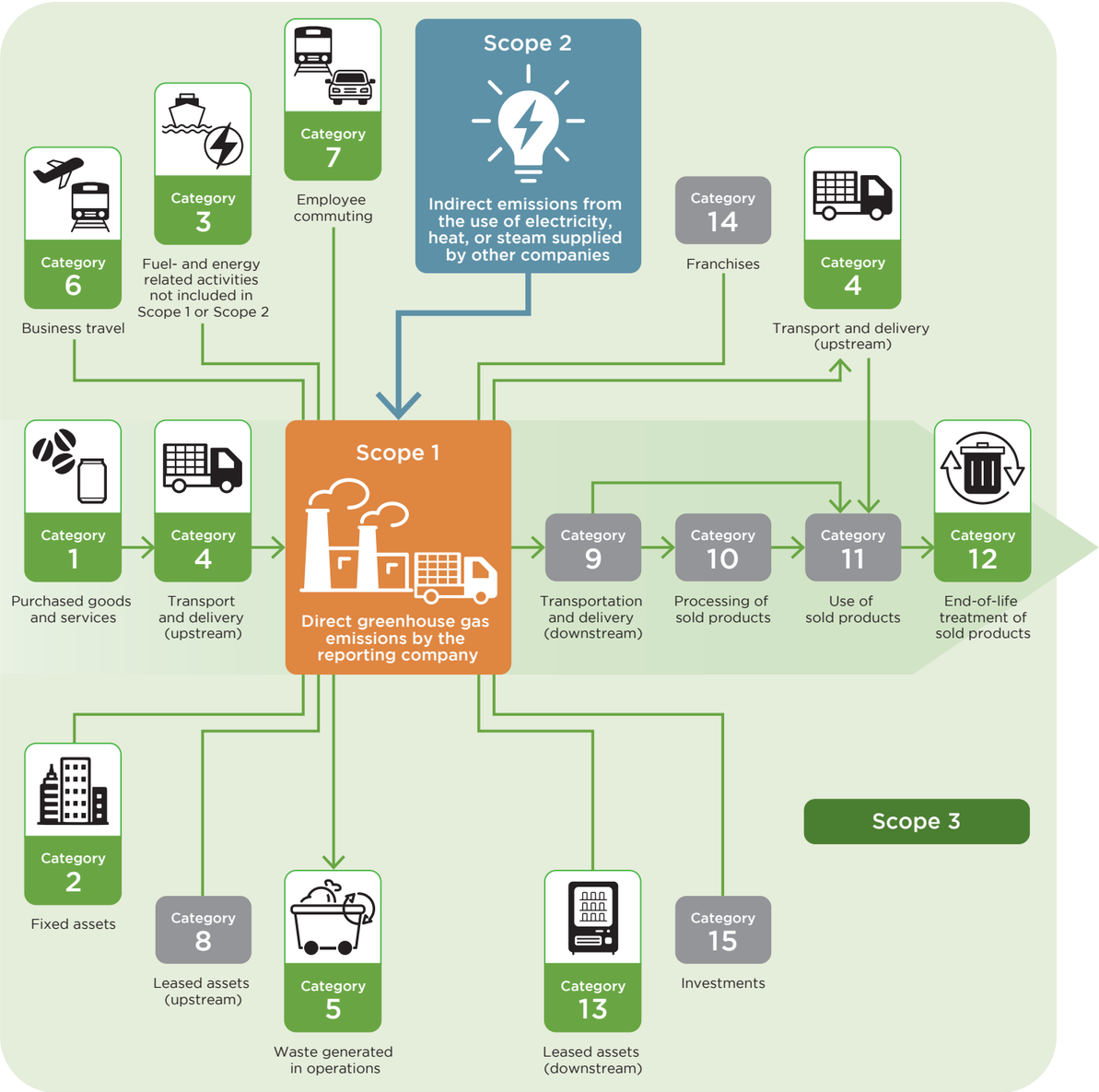


*1 Preform is the prototype of a PET bottle like a test tube
*2 Peak shift vending machines are vending machines that reduce power consumption during the day by centrally cooling at night.

CCBJH Group's Greenhouse Gas (GHG) Emissions Results and Accounting Methods

We aim to reduce our greenhouse gas emissions (Scope 1 and 2 GHG emissions by 50% and Scope 3 by 30% by 2030 (compared to 2015)) across the entire supply chain by 2030 at the same time as achieving business growth.
By visualizing our GHG emissions, we hope to share information with our many stakeholders about the overall state of GHG emissions, potential countermeasures, and other topics in the hope that this will lead to further emissions reduction.

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



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

★: Covered by third-party assurance

Scope		Emissions ($t\text{-}CO_2e$)	Accounting method	
		CCBJH Group	Activity data	Emission factor
Scope 1	Direct greenhouse gas emissions by the reporting company	188,371★	Amount of fuel used in offices, sales centers, plants, distributions, etc., and the amount of Fluorocarbons leakage.	Emission factor from the Greenhouse Gas Emissions Accounting and Reporting Manual (Ver.4.8) (Ministry of the Environment and Ministry of Economy, Trade and Industry; January 2022) and GWP file for 2021 report of Fluorocarbon Emissions Control Act
Scope 2	Indirect emissions from the use of electricity, heat, or steam supplied by other companies	167,343★	Amount of electricity used in offices, sales centers, plants, etc.	Based on Emission factor by Electricity Provider (Greenhouse Gas Emissions Accounting for Specified Organizations) – Results for Fiscal 2020; (Jan. 7, 2022; Ministry of the Environment and Ministry of Economy, Trade and Industry), for manufacturing, we use the adjusted emission factor for each power company plan, and for all others, we use national average emission factor of 0.433kg-CO_2/kWh
Total (Scope 1 and 2)		355,714★		

Scope/Category			Emissions ($t\text{-}CO_2e$)	Accounting method	
			CCBJH Group	Activity data	Emission factor
Scope 3	1	Purchased goods and services	1,262,673	Procured raw materials (based on weight)	The Coca-Cola Company's emission factor
	2	Fixed assets	125,375	Fiscal year increase in amount of fixed assets (net price)	Emission factor according to price of fixed assets from the Ministry of the Environment's emission factor database (Ver.3.2) 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	65,805	Amount of fuel, electricity, heat used	Emission factor for fuel procurement from the Ministry of the Environment's emission factor database (Ver.3.2) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	4	Transport and delivery (upstream)	113,182★	Amount of fuel used for outsourced transportation	Emission factor from the Greenhouse Gas Emissions Accounting and Reporting Manual (Ver.4.8) (Ministry of the Environment and Ministry of Economy, Trade and Industry; January 2022)
	5	Waste generated in operations	21,828	Waste by weight or disposal fee	Emission factor for industrial waste based on an industry input-output model from the Ministry of the Environment's emission factor database (Ver.3.2) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	6	Business travel	2,285	Employee transportation expenses paid	Emission factor for transportation expenses from the Ministry of the Environment's emission factor database (Ver.3.2) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	7	Employee commuting	3,840	Employee commuter expenses paid	Emission factor for transportation expenses from the Ministry of the Environment's emission factor database (Ver.3.2) 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
	9	Transportation and delivery (downstream)			
	10	Processing of sold products			
	11	Use of sold products			
	12	End-of-life treatment of sold products	13,552	Recycling of containers and packaging recycled applied for in accordance with the Recycling of Containers and Packaging Act	Emission factor for waste by treatment method from the Ministry of the Environment's emission factor database (Ver.3.2) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	13	Leased assets (downstream)	401,817★	Electricity use of sales equipment (vending machines, coolers, dispensers)	Emissions from electricity use is calculated by multiplying the annual electricity use of one sales equipment by the number of vending machines in operation in the applicable fiscal year. The emission factor for electricity is 0.433 kg-CO_2/kWh.
	14	Franchises	N/A	N/A	N/A
	15	Investments			
Total (Scope 3)			2,010,358		
Total emissions (Scope 1, 2 and 3)			2,366,072		

Main Environmental Data

★: Covered by third-party assurance

Category			CCBJH Group	Unit
Raw materials		Sweeteners, coffee beans, tea leaves, milk, etc.	342	thousand t
Packaging		PET bottles, cans, cardboard, etc.	295	thousand t
Water used for manufacturing			12,993	thousand m^3
Water consumption ratio		Water used per 1L of product	3.24	L/L
Energy consumption ratio		Energy used per 1L of product*1	0.87	MJ/L
Energy use	Manufacturing	Electricity	314,017	thousand kWh
		City gas	45,766	thousand m^3
		LNG	9,642	t
		Fuel oil	1,126	kL
	Logistics	Gasoline	5,315	kL
		Diesel	59,376	kL
		LPG	745	t
	Offices*2	Electricity	68,420	thousand kWh
		City gas	116	thousand m^3
		LPG	90	t
		LNG	187	t
		Kerosene	13	kL
	Sales*3	Electricity	927,984	thousand kWh
Total energy use		Manufacturing	5,751,545★	GJ
		Logistics	2,461,798★	GJ
		Offices*2	702,612★	GJ
		Sales*3	9,252,004★	GJ
Greenhouse gas emissions		Manufacturing	269★	thousand t-CO_2e
		Logistics	168★	thousand t-CO_2e
		Offices*2	32★	thousand t-CO_2e
		Sales*3	402★	thousand t-CO_2e
Manufacturing waste		Total amount	103,590	t
		Recycled amount	103,499	t
		Recycle rate (recycled amount/total amount)	99.9	%
Industrial plastic waste		Coca-Cola Bottlers Japan	39,227	t
		FV Japan	1,739	t
Containers collected by our company		Steel cans	12,733	t
		Aluminum cans	11,879	t
		Glass bottles	2,394	t
		PET bottles	36,926	t
		Paper, cardboard, etc.	24,353	t
Vending machines		Vending machines recycled	40,310	machines
		CFC-free vending machine ratio	81.4	%
		Energy-efficient type vending machines*4	529,535	machines

*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, the calculations were conducted by estimation based on the purpose and the number of employees for 21 out of 392 business locations. 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 CO_2 emissions in sales areas covered only vending machines in the previous fiscal year, but from the current fiscal year, coolers and dispensers are included. Total energy use and CO_2 emissions for coolers and dispensers are 2,743,047 GJ, and 125 thousand t-CO_2e.
*4 Energy-efficient type vending machines are heat-pump type or peak shift vending machines

Third-party assurance report

KPMG

Independent Assurance Report

To the Representative Director, President and CEO 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, 2021 to December 31, 2021 included in its CSV REPORT 2022 (the "CSV Report") for the fiscal year ended December 31, 2021.

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 reporting criteria.
- 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 Zao 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 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
June 9, 2022

Accounting process

	Calculation scope	Accounting method
Manufacturing	CCBJI Group's 17 manufacturing plants	● Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) ● Greenhouse gas (CO_2) emissions (thousand t-CO_2e) = total of (energy use for each energy type × CO_2 emission factor*)
Logistics	Logistics related to the Group's business from the CCBJI Group's 17 manufacturing plants to the market (customer stores and vending machines, etc.). Also includes third-party (outsourced) transportation.	
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 (GHG) emissions (thousand t-CO_2e) = total of (energy use for each energy type × CO_2 emission factor*), and the amount of fluorocarbons leakage (CO_2 equivalent) based on Fluorocarbon Emissions Control Act
Sales	Sales equipment (vending machines, coolers, dispensers) operating in the Company's sales areas (excluding leased assets)	● Total energy use (GJ) = annual sales equipment electricity use × thermal conversion factor* ● Greenhouse gas (CO_2) emissions (thousand t-CO_2e) = annual sales equipment electricity use × CO_2 emission factor*

* Sources for thermal conversion factor and CO_2 emission factor
For fuel sources other than electricity, the CCBJH Group uses a thermal conversion factor and a CO_2 emission factor from the Greenhouse Gas Emissions Accounting and Reporting Manual (Ver.4.8) (Ministry of the Environment and Ministry of Economy, Trade and Industry; January 2022).
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 May 14, 2021), and CO_2 emission factor are based on Emission Factor by Electricity Provider (Greenhouse Gas Emissions Accounting for Specified Organizations) – Results for Fiscal 2020; (Jan. 7, 2022; Ministry of the Environment and Ministry of Economy, Trade and Industry), for manufacturing, CCBJH group uses the adjusted emission factor for each power company plan, and for all others, CCBJH group use national average emission factor of 0.433 kg-CO_2/kWh.

Customer Satisfaction

Voluntary declaration to supply consumer-oriented products

Coca-Cola Bottlers Japan has defined its mission to deliver happy moments to everyone while creating value, and we aim to continue being the preferred partner for our customers. Now that we have issued our voluntary declaration of consumer orientation, we will proceed with our efforts to achieve consumer-oriented management. In April 2022, we assented to the principle of consumer-oriented management promoted by the Consumer Affairs Agency and issued a voluntary declaration of consumer orientation, expressing our intention to move forward with our customers on the basis of five policies.

For our customers

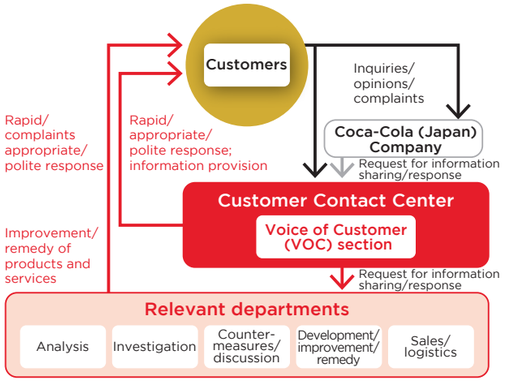
We are developing processes that meet the expectations of our customers—primarily through the Voice of Customer (VOC) section and the Customer Contact Center—to achieve communication that is always open and honest, and easily understandable to anyone.

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.

Process for ensuring customer satisfaction



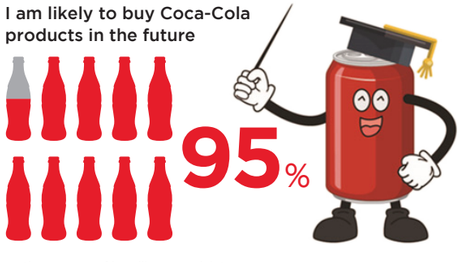
Initiatives for ensuring customer satisfaction

[Hot Voice]
Customer inquiries, opinions, and complaints are shared with employees throughout the Group "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.

To meet further customer's expectations

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.



* 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, The Coca-Cola system in Japan only declare their compliance after receiving an independent compliance audit.

Details of customer satisfaction initiatives
https://en.ccbji.co.jp/csv/customer/

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 maintaining quality as 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, industrial health and safety. We implement KORE throughout our entire process from procurement to manufacturing, logistics to consumer sales. 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 have acquired these certifications at all our plants. We have also acquired ISO 14001 certification at all our sales centers and offices.

Basic principles for quality

1. **Each function is aware of their roles and responsibilities, and implements customer-driven quality control.**
2. **We will perform our daily work while prioritizing quality.**
3. **Every one of us keeps in mind and thinks about quality. At all times we act to enhance our brand value.**

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 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.

KORE Quality Management System

Details of quality assurance initiatives
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 one of our Values, we value acting with integrity and trust.

The Code of Business Conduct and Ethics covers four areas: appropriate conduct, respect for human rights, managing 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.

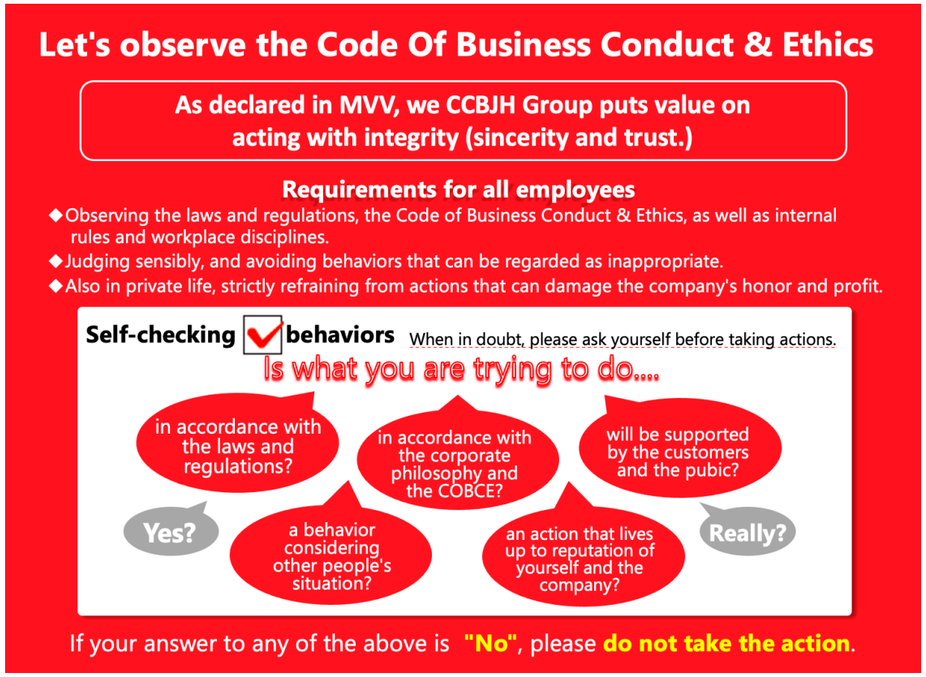
Compliance education

To further foster and instill 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 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. These include issuing ethics and compliance bulletins, posting hotline contact details on our intranet, and displaying posters in workplaces. 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.

Materials on the CCBJH Group's code of business conduct and ethics
https://en.ccbji.co.jp/vision/pdf/ja/CCBJIgroup_Ethics_jp.pdf



Ethics and compliance poster

Details of ethics and compliance initiatives
https://en.ccbji.co.jp/csv/compliance/

Human Rights

Respect for human rights

The CCBJH Group recognizes that respect for human rights is the basis of corporate activities for the sustainability of communities. We actively implement initiatives to ensure the respect for human rights.

We ensure compliance with the Supplier Guiding Principles, which are a vital pillar of The Coca-Cola Company's human rights and workplace accountability programs, across the entire value chain.

Human Rights Policy

The CCBJH Group has formulated a Human Rights Policy to ensure its business activities comply with international human rights principles that promote and protect human rights, including the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

In accordance with this policy, we strive to thoroughly respect the rights of all, to help resolve various issues in Japan and globally, and to establish respect for human rights in the workplace.

Items defined in the Human Rights Policy	
Respect for human rights	Prohibition of forced labor
Relationship with communities and stakeholders	Prohibition of child labor
Diversity and inclusion	Labor conditions
Freedom of association and right to collective bargaining	Healthy living
Workplace security	Guidance for employees and reporting

Educational activities in-house

To deepen our understanding of respect for human rights, we conduct rank-based training and e-learning as well as raise awareness by sharing information via the company intranet with regard to compliance with Japan's Labor Standards Act and encouraging employees to take annual paid leave.Through these activities, we are creating vibrant, sound workplaces and fostering employees who take ownership of human rights issues, are considerate of others and always act from the other person's point of view.

Human rights awareness and promotion program

Supplier Guiding Principles

The Supplier Guiding Principles are a set of guidelines for ensuring that suppliers understand and promote our values, such as the highest standards of quality, integrity, excellence, and legal compliance. Based on these, we require suppliers to build and implement ethical business processes that comply with laws and regulations.

From the perspective of human rights due diligence, we clearly prohibit child labor, forced labor, abuse and discrimination and provide safe and healthy workplaces with appropriate working hours and wages.

Materials on Supplier Guiding Principles
https://www.coca-colacompany.com/policies-and-practices/supplier-guiding-principles

Principles for Sustainable Agriculture

In supply chain procurement, we have established the proprietary PSA(Principles for Sustainable Agriculture) under The Coca-Cola system in Japan as a proprietary standard for the origin of ingredients. Under this, we continue with efforts to toward procuring 100% of the main agricultural products used in our beverages from sustainable sources. In addition to food safety, environmental conservation, and responsible agricultural management, we have also established guiding principles for human rights and occupational safety in agriculture.

The Ayataka uses GAP(Good Agricultural Practice) certified farm tea leaves

Details of human rights policy
https://en.ccbji.co.jp/csv/humanrights/

Health & Productivity Management

Development of personnel 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.

In addition, we are establishing systems and mechanisms so that our employees can select the right working style for their personal situation and can fully contribute their skills at work.

In recognition of these initiatives, we received a score of 4.5 stars, marking an increase of 0.5 stars from the previous year, in the Nikkei Smart Work Management Survey for fiscal 2021.

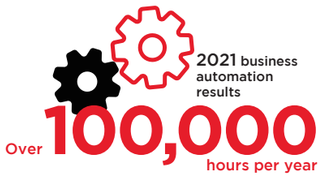
Examples of systems and policies

- Evaluations and human resource development programs that emphasize Values (behaviors) 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

Initiatives to enhance work style reforms

[Improving operational processes]
We are promoting fundamental operational reforms using a division of labor system in the vending business optimized logistics and delivery systems by constructing Mega DC and automated warehouses, and efficiency improvement of routine operations through shared services in the back office (BSO).

In addition, we are strengthening the foundation for work style reforms by actively promoting digitalization and IT utilization, such as the introduction of RPA for improving operational efficiency and the distribution of smartphones to all employees



RPA (Robotic Process Automation)

RPA is a digital technology where software-powered robots perform the work of people. We have been introducing automation since 2018 because of our extensive experience in the automation of routine work and repetitive work.

CCBJI Group's automation assistant: John

[Countermeasures for flexible work styles and appropriate working hour management]
In order to realize flexible work styles, we are endeavoring to achieve a work-life balance by promoting working remotely and working at satellite offices as well as by establishing an employee-friendly system, such as allowing sales departments to conduct business negotiations remotely wherever possible and permitting employees to go direct to client sites and return home directly thereafter.

Moreover, we are promoting employee awareness of time management, such as introducing a clock-in system (the time between reporting to work and leaving work equals actual working hours) that enables accurate attendance management, promoting plans to take annual leave at the beginning of the year, and providing opportunities to learn about the importance of time management in the training of supervisors.

Specific initiatives

- Distribution of smartphones to all employees and utilization (clock-in system, overtime application approval, general approval applications, confirmation of safety, etc.)
- Expansion of IT tools (PCs/tablet devices)
- Promotion of teleworking (holding remote meetings, business negotiations, and interviews online)
- Expansion of satellite offices (approx. 100 locations)
- Introduction of super flex-time
- Volunteer activity leave
- Expansion of bicycle commuting system
- Permission for second jobs

working at satellite offices

Smartphone app Clock-in

Providing COVID-19 vaccinations in the workplace

With the aim of creating a workplace environment that is safe and secure for all employees, the CCBJH Group carried out COVID-19 vaccinations in the workplace following government guidelines on workplace vaccinations. We conducted the first and second rounds of workplace vaccinations from June to August 2021, and the third round in March 2022, at our five offices in Tokyo, Saitama, Aichi, Osaka, and Fukuoka.

The Company provides employees who wish to be vaccinated, not just at work, with time off to receive their vaccination. In addition, if an employee feels unwell due to side effects on the day of vaccination, they can take the day off as special paid leave for vaccination. If an employee feels unwell the day after or at a later date, they are allowed one additional day of special paid leave.

Initiatives for health management

Maintaining and improving employee health is an important management issue. CCBJI health declaration "Sawayaka Style" seeks to nurture a corporate climate of "Health Comes First" aiming for all employees to remain healthy until the age of 100 under with the slogan of "Road to 100." This initiative is led by President and CEO Calin Dragan as "Chief Health Management Officer," while Head of Human Resources and General Affairs Function Narihiko Uemura, plans and implements specific measures as "Chief Health Management Promotion Officer."

We are also implementing the "Sawayaka Challenge" program to provide opportunities for employees to think about health promotion on their own, take concrete action, and habituate these actions.

Coca-Cola Bottlers Japan Health Declaration "Sawayaka Style"

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

Coca-Cola Bottlers Japan supports initiatives to promote health in communities and society, including suppliers, customers, and consumers, thereby helping to solve social issues and contribute to a healthy and prosperous future. 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 we are working to advance various actions to nurture a corporate climate of "Health Comes First"

Carrying out the "Sawayaka Challenge"

Because autonomous health maintenance and promotion by employees is important, through "Sawayaka Challenge," we provide a program called John, the name of the CCBJI Group's automation assistant, that promotes initiatives to improve living habits.

* Sawayaka Challenge is a mechanism for improving health that arranges living habits into five categories.

Details of health management initiatives
https://en.ccbji.co.jp/csv/humanrights/health.php

Specific initiatives

Held Sawayaka Walk events using a smartphone app four times (approx. 7,500 participants)

- **#Sawayaka Photo Contest** for scenic photographs taken during the walk posted to the company's social media site Yammer
- **Health Advancement Badge,** a mechanism on the intranet for recognizing daily step counts

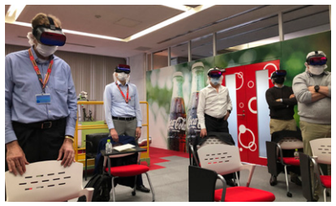
Employee health advancement and countermeasures against secondhand smoke

- Introduced regular no smoking program using the company's social media site
- Smoking is completely banned at company facilities during business hours and inside company-owned vehicles
- E-learning session held on secondhand smoke
- Company pays entire cost of online treatments to stop smoking

Initiatives for occupational safety

Based on the philosophy that "health and safety come first," protecting the safety and health of employees and achieving a 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.

As part of this effort, in October 2021, we opened the Safety Learning Center to teach employees about safety in-house. We are now working to heighten risk sensitivity to prevent occupational accidents before they occur with training using both an interactive safety device for getting caught in machinery, electrical shock, trips and falls, and Coca-Cola's proprietary interactive VR device. In addition, we are strengthening efforts to prevent recurrence, such as sharing information on incidents that occur with all employees and providing guidance to a department where an accident occurred to prevent similar incidents from happening again.



Training using the interactive VR device

Safe driving training for new graduate employees

Business Resilience

Business Resilience systems

The CCBJH Group's business resilience program addresses the ways in which we manage risk and opportunity; protect our people and assets; enhance our capabilities to respond in a crisis situation; and the manner in which we transfer risk through insurance. To strengthen our approach, in 2021 we established the Risk Management Senior Group and appointed a Head of Risk Management (HRM) who reports to the President. Our enterprise risk management (ERM) program, based on the COSO framework and ISO31000, continues to be enhanced and provides the framework to drive business growth by promoting appropriate risk based decision-making, as well as the identification and response to foreseeable risks and business opportunities. In 2021, we focused on strengthening the integration of ERM into our corporate culture through the creation and delivery of training and awareness courses.

We enhanced the visibility of risks and opportunities through monthly Executive Leadership Team (ELT) dialogue and senior manager participation in facilitated functional risk identification and review sessions. This was supplemented by the ELT members providing additional insights through focused one on one interviews with our HRM.

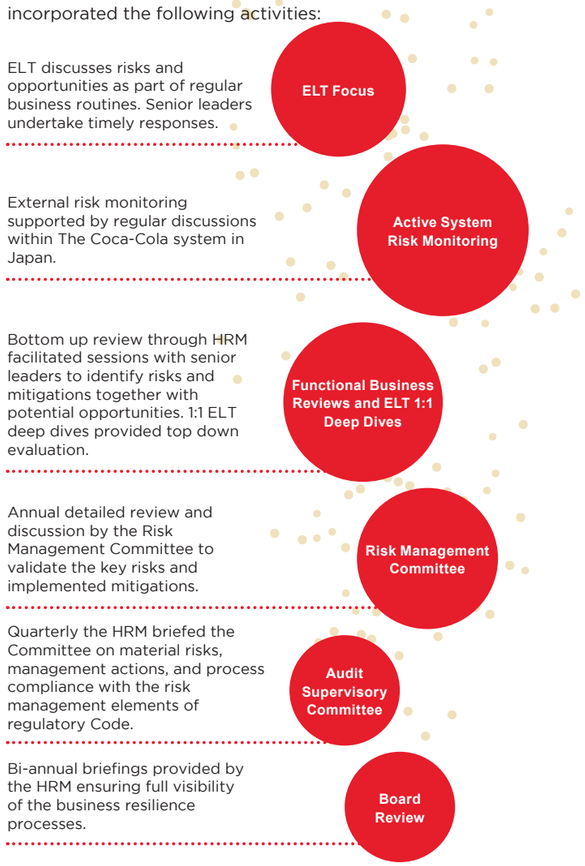
Our risks and the associated mitigation and response initiatives are constantly evaluated. The Audit and Supervisory Committee are provided quarterly updates on the full program with the Board of Directors receiving bi-annual updates. The program is annually audited by our Internal Audit team against global best practice.

The ERM program now incorporates a variety of elements that enable us to ensure alignment to our business strategies, objectives and principles; drive integration in our strategic direction, ethics and values; link into the business planning cycle; continually monitor our internal and external environment for factors that may change our risk profile and create opportunities; and an annual evaluation of the type and amount of insurance we should purchase. In a hardening insurance market, our approach is influenced by the availability of insurance cover and cost, measured against the probability and magnitude of the relevant risks.

A robust crisis management program with associated business continuity plans provides us with the capability to effectively respond to a crisis. These programs are subject to annual review with training provided to the leadership who are tested via simulation.

Risk management actions and accountabilities

Our enterprise risk management process for the identification, review, management and escalation of both risks and opportunities was further enhanced in 2021 and integrates the best aspects of both ISO 31000 and the revised COSO frameworks. In 2021, this process incorporated the following activities:



ERM Initiative in 2021

Implementation of the Smart Risk Concept

In 2021, we enhanced our overall ERM program by introducing the Smart Risk concept. This concept, step changes our risk management thinking by linking risk management to our growth mindset and it drives cultural change by empowering us to be innovative and take informed risks, in an agile way, in order to leverage growth opportunities. The cultural integration component is supported by a robust ERM framework, which is subject to annual review and enhancement as required. This boosts our speed in risk identification and management together with spotting and leveraging growth opportunities in a timely manner.

Overall, our business resilience program is focused on enabling growth while protecting the business.

SMART RISK
EMPOWER INNOVATE GROW
BUSINESS RESILIENCE
Enable Growth & Protect our Business

Business Resilience Initiatives
https://en.ccbji.co.jp/csv/risk/

Corporate Governance

Basic policy on corporate governance

The basic policy of CCBJH is to increase management quality, transparency, and efficiency, and strive to enhance mid-and long-term corporate value.

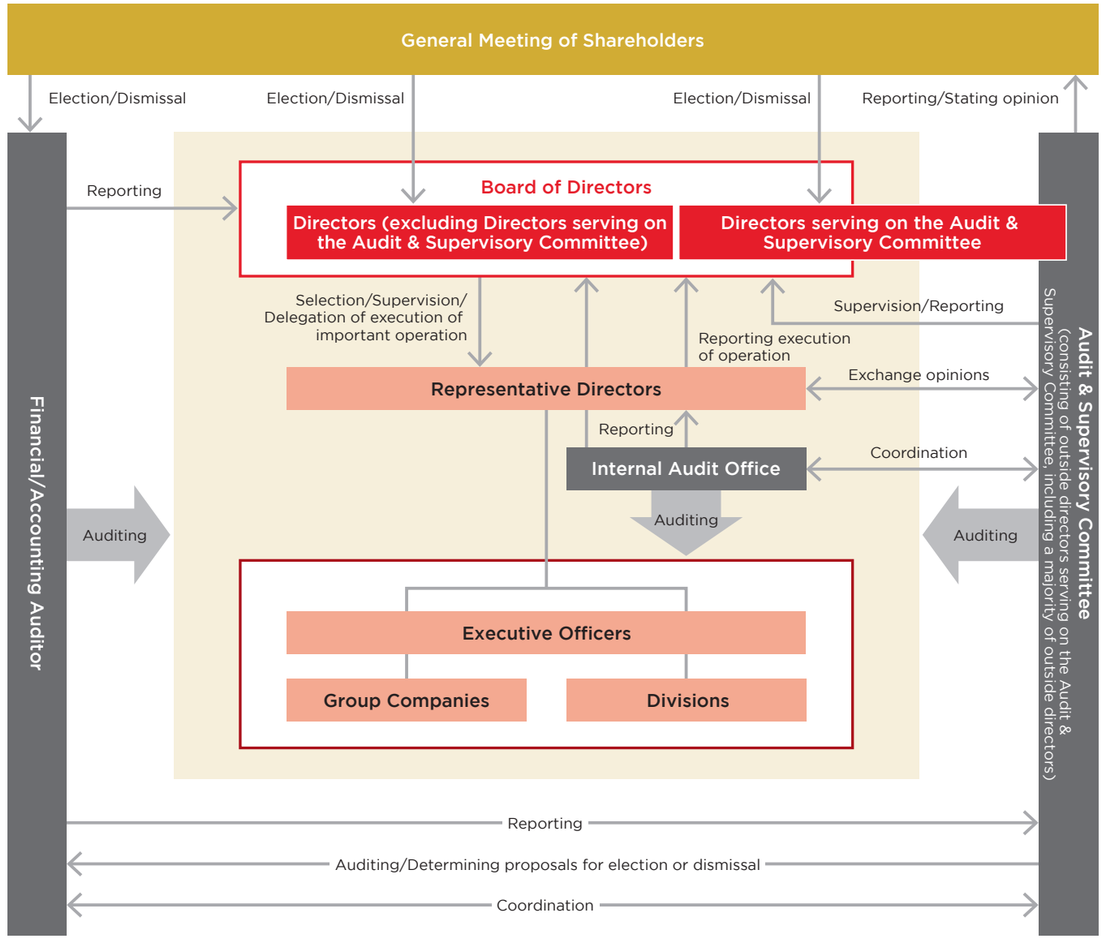
To further strengthen the governance structure, the Company has put in place an audit and supervisory committee structure. The Audit & Supervisory Committee, which is responsible for the Company's auditing, consists of multiple independent outside directors. The Company's management oversight function 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 Report
https://en.ccbj-holdings.com/corporate/governance/pdf/report_en.pdf

Corporate governance system

(as of March 24, 2022)



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

(As of March 24, 2022)

Board of Directors

Representative Director, President
Calin Dragan

Calin Dragan has nearly three decades of experience working for Coca-Cola bottlers globally, including Japan.
Previously, he served as President of The Coca-Cola Company Bottling Investments Group.

Representative Director and Vice President, CFO
Bjorn Ivar Ulgenes

Bjorn Ivar Ulgenes has considerable financial experience in Europe, the Middle East, Africa and the Coca-Cola System in Japan.
Previously, he served as Deputy Finance Director, Central, East & West Africa Group, The Coca-Cola Company.

Outside Director
Independent Directors
Hiroshi Yoshioka

Hiroshi Yoshioka developed management experience and global knowledge at Sony and previously served as an outside director of Coca-Cola East Japan.

Outside Director
Independent Directors
Hiroko Wada

Hiroko Wada has a wealth of experience in marketing, management, and organizational/HR development in the consumer goods industry.
Previously, she has served as an officer for Procter & Gamble as well as CEO of Dyson and Toys "R" Us Japan.

Outside Director
Independent Directors
Hirokazu Yamura

Hirokazu Yamura has worked for Coca-Cola Bottlers Japan Inc. for around 15 years.
Currently, he serves as President and CEO of Michinoku Coca-Cola Bottling Co., Ltd.

Outside Director
(serving on the Audit & Supervisory Committee)
Irial Finan

Irial Finan has management experience at The Coca-Cola Company and has been involved in the Coca-Cola business for many years as head of the bottling investment group responsible for Coca-Cola bottlers around the world.

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

Celso Guiotoko has experience in IT and supply chain with multinational corporations.
He has abundant management experience and audit experience at Nissan Motor and Nishimoto.

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

Nami Hamada has a wealth of experience in finance and accounting, including leading her own financial consulting firm.
Previously, she managed the Japanese subsidiary of Lehman Brothers.

Outside Director
(serving on the Audit & Supervisory Committee)
Vamsi Mohan Thati

Vamsi Mohan Thati has displayed strong leadership in various areas within the bottling investment group of The Coca-Cola Company, and he has global management experience in the Asia region.
Currently he serves as President of Greater China and Mongolia for The Coca-Cola Company.

Attribution of board members

Governance and Independence			Diversity and Professional Skillset					
Executive Directors	Independent Outside Directors	Outside Directors in Audit & Supervisory Committee (ASC)	Female Directors	Nationalities	Coca-Cola System	Finance/Audit	Food and Beverage Industry	Sustainability and CSV
2	5	4	2	6	5	4	6	3
22%	56%	100%	22%		56%	44%	67%	33%

* Prime market from April 2022, due to a reconsideration of market sectors.

(As of December 2021)

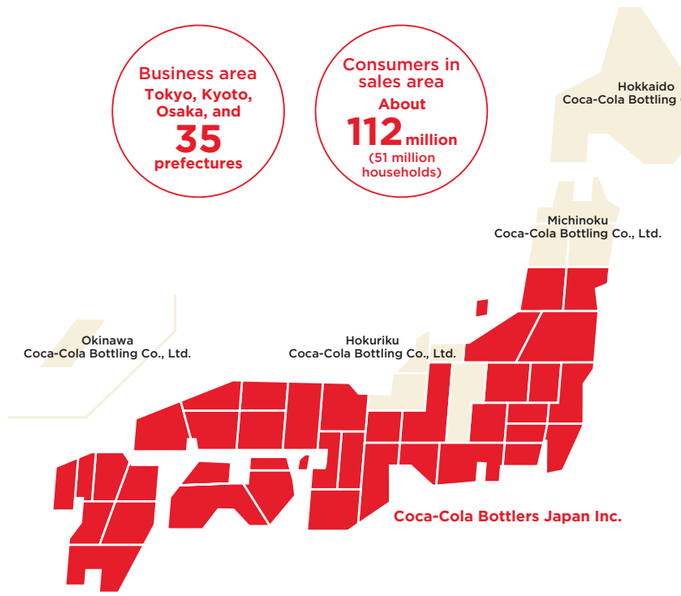
CCBJH Group Profile

Corporate Profile

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 (Prime Market) * Prime market from April 2022, due to a reconsideration of market sectors.		

Business area
Tokyo, Kyoto, Osaka, and
35
prefectures

Consumers in sales area
About
112 million
(51 million households)



Number of employees
About
15,000

Customer outlets
About
250,000

Vending machines
About
700,000

Vehicles
About
12,500

Sales centers
About
320

Annual sales volume
About
500
million cases

Plants
17

Group Structure

Coca-Cola Bottlers Japan Holdings Inc. — Coca-Cola Bottlers Japan Inc.

- 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.
- Coca-Cola Bottlers Japan Benefit Inc.

Plant Tours

Since 2021, the CCBJH Group has hosted online plant tours in which stakeholders can participate remotely from anywhere in Japan, from home or at school. In addition to introducing the history of Coca-Cola and the manufacturing process, participants enjoy lively quizzes led by the tour guide and time is also set aside for questions. We have also made a virtual plant tour available on our website where participants can watch a guided tour of the production line and experience the Coca-Cola certification process. We look forward to your 'visit'.

Plant tours available on our website

For online plant tour reservations or to experience the virtual plant tour, please visit our website.

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

Online plant tours

Our plant tour guides will direct visitors through the plant online

Virtual plant tours

Virtual Plant Tour with videos and photos

Plant tours

*Tours are currently suspended. (As of May 2022)

Six of the 17 plants in Japan, namely the Zao Plant (Miyagi), Tama Plant (Tokyo), Tokai Plant (Aichi), Kyoto Plant (Kyoto), Hiroshima Plant (Hiroshima), and Ebino Plant (Miyazaki), have tour facilities, providing opportunities for communication with over 170,000 visitors annually.

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

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

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

Kyoto Plant
128 Tai Shinarami, Kumiyama, Kuse, Kyoto

Hiroshima Plant
247 Nutanishicho Sojo, Mihara, Hiroshima

Ebino Plant
1321-1 Aridome, Higashikawakita, Ebino, Miyazaki

Third-party Evaluation

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.

In this report, the relationship between the Value Creation Process and the CSV Goals is showed in an easy-to-understand manner with graphics and Q&A. In addition, the management system has been established well to promote the process strongly, and there is a strong desire to mobilize all members to achieve the goal by various methods, such as the establishment of award in relation to the Mission, Vision, and Values (MVV). I admire the Company's efforts in creating shared values (CSV) in the mid-and long-term, despite the fact that business earnings have been significantly affected by COVID-19.

Now, three platforms are identified in the Sustainability Framework.

In terms of inclusion, initiatives on diversity and inclusion have ensured the psychological safety of all employees and are establishing the conditions for them to fully demonstrate their individual abilities. There has been a growing tendency in recent years towards human capital disclosure, which reflects the value of the Company's human resources, and I hope that the Company will take this initiative.

In communities, beverages play an important role in strengthening connections between individuals, but as COVID-19 makes this more difficult, industry-academia-government partnership with educational institutions, civic groups, and local governments is being further promoted. Despite the fact that SDGs are often seen as remote to local people, I hope the CCBJH Group will continue to promote initiatives that are typical of a beverage company with customers in all parts of the region, in order to localize the realization that local issues close to home are what will lead to the realization of a sustainable society.

In the area of resources, the CCBJH Group has long been working on global environmental issues with clear goals and practices. The CCBJH Group has now set a goal to reduce greenhouse gas (GHG) emissions even more throughout the Company's supply chain. SDGs initiatives, including carbon neutrality, I hope, will not be a test for endurance, but rather an attempt to meet the demands of the current generation while also meeting the needs of future generations, and rather initiative creation of new ideas that will lead to the development of new technologies.

CSV Report 2022 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.

Access the website by scanning the URL or QR code below.

https://form.ccbji.co.jp/form/csv2022_en