

Initiatives Aimed at Creating Shared Value (CSV) with Society

Our Basic Thinking Concerning CSV

With Creating Shared Value (CSV) at the core of our management, and taking the respective importance of society and our business into account, our Group identifies three key themes : contribution to people's health, evolution to an environmentally leading company, and strengthening of collaboration with communities.

Contributing to people's health

Evolution to an environmentally leading company

Strengthening of collaboration with communities

Contribution to the Achievement of SDGs

In September 2015, "Transforming our world: the 2030 Agenda for Sustainable Development" was adopted as a position document at the "United Nations Sustainable Development Summit", with over 150 participating member nations. At the center of the agenda are the Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets.

Taking on the SDGs is vital for us as we aim to achieve CSV. Under this recognition, we will accept the SDGs as new metrics and will contribute to their achievement.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Highest Priorities for Achieving CSV

Contributing to People's Health

Examples of initiatives

- Enforcement of quality control based on KORE
- Support of customers' health with diverse products
- Holding of seminars on hydration
- Activities to address the issue of lack of food

Basic principles concerning health

As a company closely tied to people's everyday lives, we provide valuable products and services matched to the needs and preferences of a range of generations, always focusing on health first. In addition, through education on proper dietary habits and opportunities to enjoy sports, we will work to maintain and promote people's health as we advocate active and healthy lifestyles.



Evolution to an Environmentally Leading Company

Examples of initiatives

- Implementation of water resource management
- Reduction of greenhouse gas emissions
- Promotion of recycling
- Adoption of environmentally-friendly containers

Basic principles concerning the environment

We view the effective use of natural resources, including the water that is indispensable to our business activities, and the handing down of the global environment in a sustainable form to the next generation, as our vital mission. Toward that end, by engaging in conservation of the global environment through innovation that balances the reduction of environmental burdens with business growth, and through environmental protection and awareness-building in local communities, we will achieve Creating Shared Values (CSV) together with those communities.



Strengthening of Collaboration with Communities

Examples of initiatives

- Sports clinics led by the Coca-Cola Red Sparks
- Family Musicals
- Summer Schools
- Environmental clean-up activities

Basic principles concerning the community

We will continue to deepen the ties to local communities that we have nurtured over the years, and will grow together with society toward a sustainable future. As a company loved by all, we will continue to address issues in society and local regions while reinvigorating those regions, and will achieve Creating Shared Value (CSV) with communities and our Group.

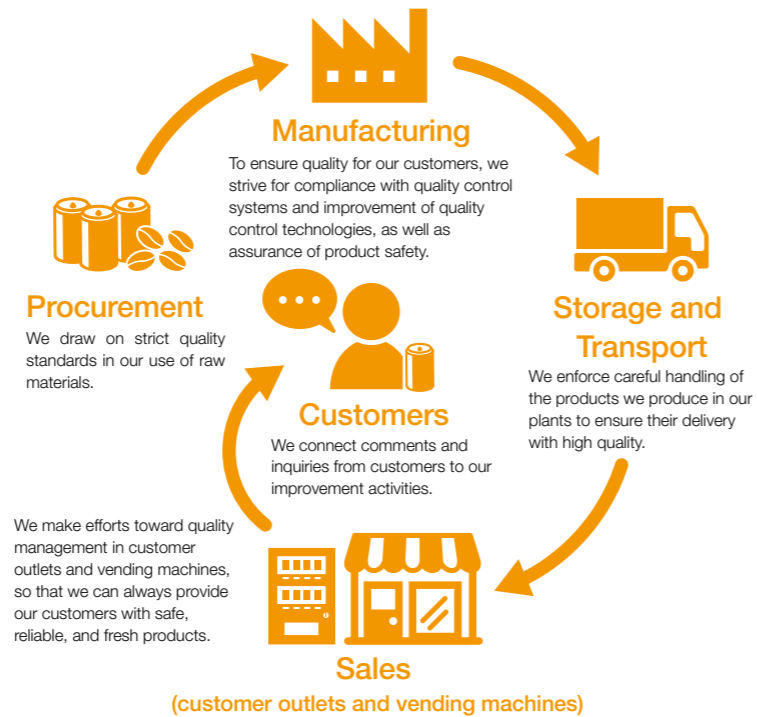


Contributing to People's Health

Quality Control Initiatives

We engage in rigid quality control under KORE (Coca-Cola Operating Requirements), the proprietary management system that Coca-Cola Systems operates globally. KORE is a system* covering standards related to quality, food safety, the environment, and occupational safety and health in all processes, from raw materials procurement to manufacturing, distribution and transport, and delivery to the customer through sales. It meets the requirements of laws and regulations such as ISO international standards, and incorporates proprietary content that imposes even stricter standards. We engage in initiatives for safety and security to ensure that customers can enjoy our products with peace of mind at any time.

* The system complies with ISO9001 for quality, FSSC22000 for food safety, ISO14001 for the environment, and OHSAS18001 for occupational safety and health.



Launch of Foods for Specified Health Use (FOSHU) and Foods with Function Claims

As a company closely tied to our customers' varied lifestyle scenarios, we deliver refreshing moments together with a full lineup of delicious beverages that meet the needs of the times. To address customers' growing health consciousness, in 2017 we expanded our lineup of foods for specified health use and foods with function claims. By providing products that aid the promotion of health while refreshing mind and body, we will offer support for our customers' lifestyles.



Holding of Seminars on Hydration

In order to promote proper hydration in a variety of scenarios in everyday life and sports, we hold seminars on hydration for schools, groups, and companies. In 2017, we held 33 seminars with about 5,000 participants. Comments from seminar attendees include "I realized the importance of a well-regulated life once again" "I learned the importance of minerals," and "I understood the importance of timing in hydration."



Donation of Products through Food Banks

"Food bank" refers to an activity or organization that delivers edible but discarded foodstuffs to people in need of food. We partner with food bank organizations including Second Harvest Japan and foodbankalljapan in initiatives to donate our products. We donated about 26,000 cases of drinks in 2017. Drinks contributed by our company are provided to social welfare facilities through various groups.



Evolution to an Environmentally Leading Company

Promotion of Water Resource Protection Activities

As a company that makes use of irreplaceable water in our business, we engage in Water Neutrality initiatives. Through these, we return the same volume and quality of water that we use in our products to the nature. We engage in activities centered on the reduction of water usage (Reduce), the recycling of water used in the manufacturing process (Recycle), and the protection of local water resources (Replenish). Since 2016, we have achieved effectively zero water usage.

Water Resource Protection Activities

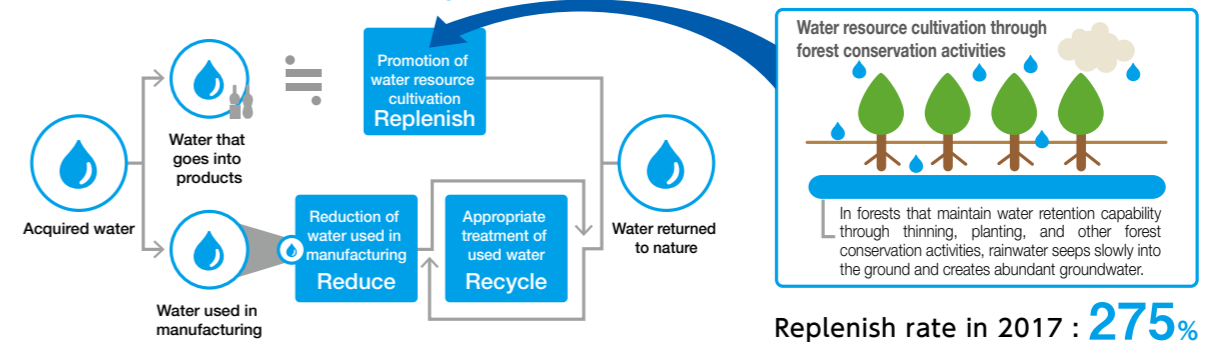
Through agreements with regional governments, forestry cooperatives, and other organizations regarding the water resource areas of the Group's plants, we engage in water resource protection activities. In 2017, we conducted such activities in 13 regions within our company areas. In the Coca-Cola Bottlers Japan water resource forests Ebino contract forest in Ebino, Miyazaki Prefecture, for example, about 100 participants consisting of our employees, their family members, and local residents took part in cutting underbrush, pruning, logging, and other activities that deepened their understanding of the importance of water resource protection.



Cutting underbrush

We engage in conservation and regeneration of grasslands, as well as the flooding of rice paddy fields with high cultivation capability while focusing on forest conservation activities. We currently have about 6,583 ha of water resource cultivation.

Water circulation in the Coca-Cola System



Working to Mitigate Climate Change

With the aim of contributing to the mitigation of climate change throughout our businesses, from procurement and manufacturing to distribution and sales, we endeavor to reduce greenhouse gas emissions.

In terms of sales, we are moving ahead with the development and implementation of machinery and equipment that lightens environmental burdens, to reduce the electric power consumption and CO₂ emissions of our vending machines and other sales equipment. Our energy-conserving "peak shift" vending machines shift the use of electric power for cooling from daytime to night, cutting daytime electric power consumption by up to 95%. We began introducing these vending machines in 2013. In addition, we are moving forward with plans to make all vending machines introduced to the market HFC-free by 2020.

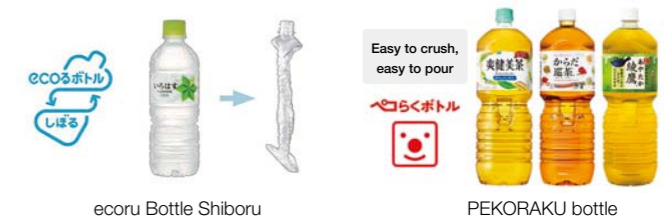


"Peak shift" vending machine

Toward a Recycling-Oriented Society

We are working to reduce product waste losses and wastes generated in manufacturing through careful inventory control, while also seeking to improve our empty container recycling rate and our adoption of environment-friendly containers.

Acting on the latter under the idea of "Gentle to the environment, easy to use," we are advancing the development and adoption of containers through the "Sustainable Container" concept that is shared by the Coca-Cola system worldwide. We have introduced ecoru Bottle Shiboru, a bottle which can be easily crushed after drinking, and the PEKORAKU bottle, a large-sized PET bottle that is easy to crush and easy to pour. Our goal through these is to achieve reduction of both environmental load and energy usage. We also aim to have all Coca-Cola products adopt PET bottles made with plant-derived raw ingredients or with recycled PET resin by 2020.



Strengthening of Collaboration with Communities

■ Sports Clinics Led by the Coca-Cola Red Sparks

Coca-Cola sponsors a men's rugby team and a women's hockey team (both are entitled as Coca-Cola Red Sparks), both of which compete in the country's top leagues. Through sports clinic by Coca-Cola Red Sparks, our Group contributes to the sound physical and mental development of children, while proposing active and healthy lifestyles to people in our communities. We held eight clinics in 2017, and enjoyed engaging in interactions with participants.



Hockey clinic (Yamaguchi Prefecture)



Rugby clinic (Ehime Prefecture)

Number of participants
957

■ Family Musicals

For the sound development of the youth who will shoulder the next generation, we put on a family musical during the summer holiday season. In 2017, Jijiji's Wondrous Restaurant was performed at three venues within our company areas. All of the children as well as their guardians watched the original musical that addresses the modern societal issues of food poverty and eating alone with great excitement.



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Number of audience members
4,763

■ Summer Schools

During the summer vacation, we hold summer schools for local children and their guardians to offer hands-on workshops where students learn about the various activities throughout the manufacturing process of Coca-Cola products as well as the importance of forests that provide irreplaceable water, and engage in various hands-on workshops in the rich natural environment. In 2017, summer schools were held at four of our Group plants.



Number of participants
1,786

■ Environmental Clean-up Activities

Recognizing global environmental conservation as a vital issue, our Group promotes environmental conservation activities for each region within our company areas, and we worked in environmental Clean-up activities in 17 areas around our company in 2017. For example, 50 employees engaged in environmental clean-up activities together with the local community in the All Kyoto Beautification Drive, a cleaning activity to achieve the world's most beautiful city Kyoto.



Areas of activity
17

■ Support Activities for Ichimura Shizenjyuku Kyushu

Ichimura Shizenjyuku Kyushu is a non-profit organization (NPO) that supports the growth and sound physical and mental development of children, under a basic philosophy of "learning about the power to live from Mother Nature." We provide a place to foster qualities in children that include discipline, independence, and creativity around three pillars: hands-on farming activities, nature experience activities, and communal living. Over the course of eight weeks, students from the fourth year of elementary school to the second year of junior high school spend weekends with fellow students, experiencing a variety of activities among the abundant nature of Tosu City in Saga Prefecture.



Program graduates
863

Human Resource Management to Enhance Corporate Value

Our Group values The Route corporate philosophy as an important corporate code for respecting human rights and societal norms as well as complying with laws and regulations. We stand for corporate dignity by always holding ourselves to high ethical standards while respecting the rights and individuality of each and every employee. We advocate diversity that actively incorporates a wide range of values and ideas by creating an environment where everyone can find success.

We are promoting a variety of initiatives according to these values with the goal of building an environment where our people can reach their full potential.

»»» Promotion of Diversity

Examples of Main Initiatives

- Respecting human rights
- Promoting the active participation of women
- Promoting the employment and active participation of disabled persons

Our Group aims to be an excellent company that embodies corporate dignity by promoting and recognizing diversity through constructive debate. The active participation of women and disabled persons are pillars of our activities founded in our respect for human rights, which is the policy of our initiatives leading up to 2020.

We hold training and e-Learning to raise awareness about human rights, which is the bedrock for promoting diversity, as a way to heighten sensitivity and teach accurate information about the respect of human rights. We will also strengthen our awareness raising activities, especially for management, under a theme to eliminate harassment.

We are engaging in initiatives to increase the percentage of female employees and managers as well as female leadership to promote active participation of women in all facets of our corporate activities. We also hold educational programs specifically for women while introducing policies and systems to allow women to shape their careers through various life events. We are also cultivating opportunities for women who aim to become influential leaders through active promotional activities via projects to advance diversity in each key division as well as interaction between female employees throughout the Group.

We have established a section for the employment of disabled persons and furthered the setup of systems to promote the employment of disabled persons throughout the entire Group to encourage active participation. In addition to the statutory employment rate, the Group also actively builds opportunities and environments where every employee can work enthusiastically by conducting established support activities through a full-time staff in charge of the employment of disabled persons.

We are also advancing initiatives set to facilitate telecommuting and satellite offices as part of this effort to build an environment where everyone can reach their full potential.



Human Rights Training



International Women's Day Event

»»» Career Support

Examples of Main Initiatives

- Career/skill development plans
- Educational programs by career stage
- Global training programs

Consultations between supervisors and their staff are conducted every year for the staff's career plans and their achievement, to develop the staff and help them grow.

Our three self-development programs focus on support through on-the-job training, group training, and self-learning programs for employees in the workplace as skill development plans that aid in employee growth and career success. Our group training provides employee education programs that aim to cultivate the best human resources for our Group by the stage of their career. The specific group training includes supervisor training to heighten organizational operation and human resource development skills, global leadership training that utilizes the Coca-Cola system, overseas training for employees to visit Atlanta, the birthplace of Coca-Cola, and Coca-Cola Bottlers overseas as well as open training that aims to nurture the next generation of leaders.



Global training programs