

## Our foundation

## Our value chain closely aligned with Coca-Cola (Japan) Co., Ltd.

## Value provided

### 6 forms of capital

### Strengths

#### Intellectual capital

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

#### Manufactured capital

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

#### Human capital

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

#### Natural capital

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

#### Social capital

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

#### Financial capital

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

Brand

Cost competitiveness

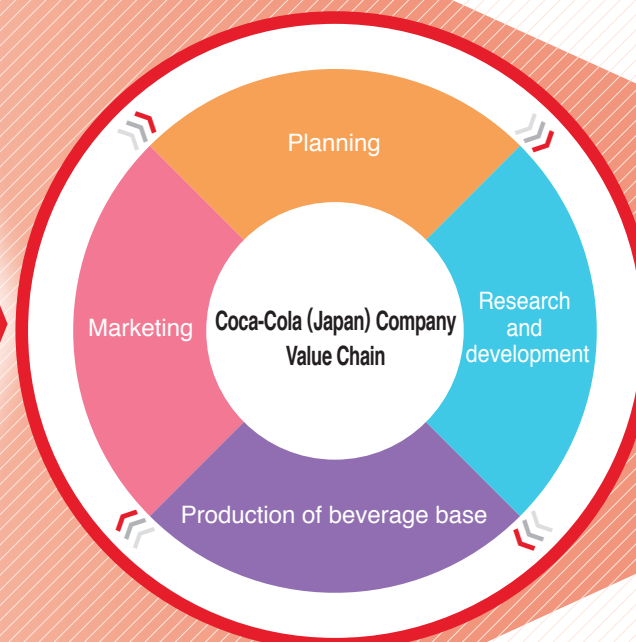
Competitive human resources

Creating shared value (CSV) with society

Robust financial foundation

### The Coca-Cola system in Japan

The system is composed of Coca-Cola (Japan) Co., Ltd., which supplies beverage base, plans and develops new products, and conducts marketing activities, and bottling companies and other affiliated companies that manufacture and sell products. Bottlers, including our Company, manufacture products under strict quality control at their respective plants, and deliver Coca-Cola products to consumers through vending machines and customers' stores.



Cooperation



### Foundation for creating value

Human resources, IT, CSV

Governance

Mission, Vision, and Values

### Consumers/ Customers

Pursuit of customer satisfaction through delivering high-quality products and services

### Suppliers

Building long-term relationships and expanding business opportunities through sustainable growth of the Company

### Employees

Pursuing employee satisfaction through the Company and employees learning, growing, and sharing profits together

### Communities

Realization of CSV (creating shared value) that contributes to business growth and community development

### Environment

Contributing to the promotion and development of a low-carbon society, a circular economy, and a society that coexists with nature through our business

### Shareholders

Improving shareholder value through profit growth and enhancement of shareholder returns

## Message from Head of Commercial

Executive Officer, Head of Commercial  
**Costin Mandrea**



I'm Costin, Head of Commercial. I am responsible for formulating the Company's growth strategy, customer and sales plans and executing sales activities in the market. Our Company works closely with The Coca-Cola Company across various processes, from strategy to execution to digitalization. While leveraging the assets of the Coca-Cola system, we are constantly competing in the market to be the preferred choice of our customers and consumers, and we are proud of our scale, professional sales force and Coca-Cola brand love in the Japanese market.

Since the establishment of Coca-Cola Bottlers Japan in 2017, the Commercial function has focused on creating a "CCBJI Commercial Way of Operating" and rethinking our organization. We have built a robust and integrated structure, including the merging of Coca-Cola Customer Marketing Company, the point of sales contact for nationwide chain customers and CCBJV, an integrated company to operate our vending machines. We have also worked to build a flat organizational structure, digitizing our salesforce, engaging and sharing success stories through new tools and focusing on building required capabilities. In addition, we have worked to eliminate redundant tasks and business processes, focusing on achieving simple and low-cost operations with a high level of customer service.

In 2020, due to the COVID-19 pandemic and the postponement of the Tokyo 2020 Olympic and Paralympic Games, we made the decision to focus on what is in our control amidst so much market uncertainty. First and foremost, we prioritized the safety of our consumers, customers and employees while continuing to ensure a safe and secure supply of products and superior customer service. We adjusted the number of new product launches and marketing promotions and made it our priority to focus on protecting the bottom line in the short term. Finally, we accelerated important transformational initiatives to ensure a solid foundation for the future. It is true that the results for the year were not ideal, but our focus on what was in our direct control paid back. In spite of a more limited marketing spend during the peak impact of the pandemic in 2020, new products made a strong contribution. We successfully launched "Fanta Premier" and "Georgia Latte Nista" which have established a good base for continued results in 2021. Moreover, growing demand for at-home consumption led to growth in bulk purchasing at retail stores, which we were able to tap into through agile actions that included the expansion of case sales and the introduction of labelless products. Our vending market share showed a positive trend, achieving 26 consecutive months of year-on-year increases in value share as of May 2021. We are also seeing positive results from steady actions such as the selective expansion of high-quality vending machine placements, optimized product selection based on location and leveraging the Coke ON app as a digital platform to engage with consumers and drive transaction growth. In addition, our "Lemon-dou"

alcohol brand performed well, with 2020 sales volume greatly exceeding our initial forecast to reach sales of approximately 8 million cases for the year.

We were able to accelerate the completion of our main Commercial transformation initiatives into the first half of the fiscal year, six months ahead of plan. We improved the work efficiency of vending operations staff through consolidation and division of labor of vending operations, ranging from dynamic visit plans for vending machine service routes, loading and unloading products at sales centers, machine refilling, travel, inventory checking and settlement work. Through such efforts, we reduced the number of vending routes by about 20%, and vending channel fixed costs declined by about 10% on an annualized basis. This creates a solid foundation to build upon once vending volumes and consumer traffic start to recover after the pandemic. In terms of sales execution, we redesigned the processes from end to end, with a focus on customer service and efficiency. Our salesforce now is digitally-enabled, agile and focused on winning at the point of sale.

While the uncertain environment is expected to continue in 2021, we have set a goal of achieving value share growth on a year-on-year basis, based on our "Winning in the Market" targets. Our growth strategy is centered on "strengthening our portfolio", "transforming the vending business", "perfect in-store execution", and "excellent customer management". We will continue to make progress by further optimizing pricing and transaction conditions, collaborating with The Coca-Cola Company, and of course supporting The Coca-Cola Company's sponsorship of the Tokyo 2020 Olympic and Paralympic Games as a solid foundation to achieve our targets. We are making significant efforts to strengthen our Commercial capabilities, with powerful training and development programs, run in an agile way.

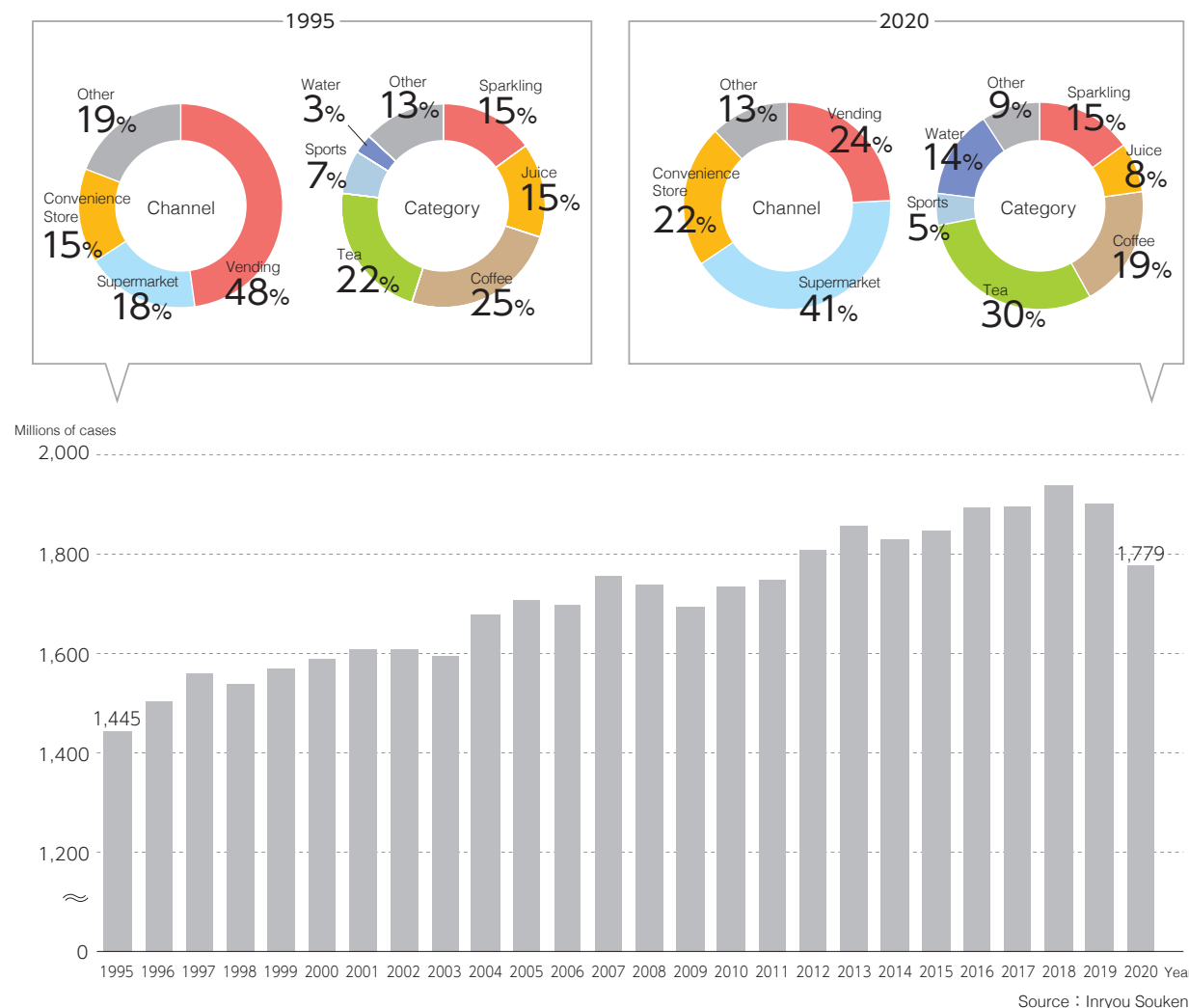
We have already launched multiple "Big Bet" products in 2021, including "Karada Odayakacha W," "Ayataka Café Matcha Latte," "Georgia Latte Nista," "Yakan no Mugicha" and "Icy Spark." In April we launched "COSTA COFFEE," Europe's largest\* café brand. In addition, we expanded sales of 350ml PET and 700ml PET bottles, which were sold on a test basis last year, for Coca-Cola and other sparkling brands nationwide. We will continue to capture at-home consumption demand through new packages, case sales and multi-pack sales. We also plan to roll out cross-channel promotions utilizing our Coke ON smartphone app, which has reached over 25 million downloads. In marketing activities, we intend to focus on simple, impactful and profitable activities that drive growth, while continuing to partner with Supply Chain, Finance and all support functions to drive value. In CCBJI we all work to "Sell or Help to Sell", and through this we can achieve our mission of delivering happy moments to everyone, while creating value.

\*Source: Based on 2019 Euromonitor survey, number of stores.

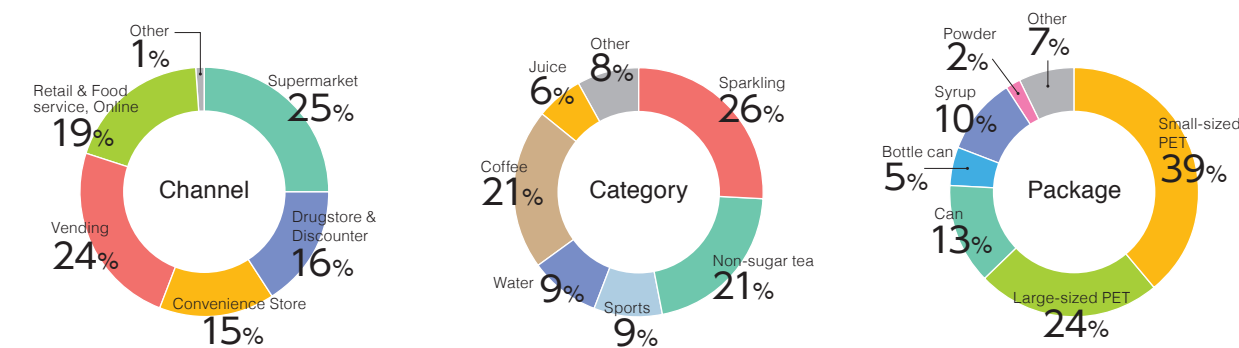
## The NARTD Market in Japan

The NARTD market in Japan has been growing steadily, with market scale expanding by 23% over the past 25 years.

[Trends in Market Size (Shipment volume - physical case)]



[CCBJI Sales Volume (2020 results)]



See earnings presentation materials for details  
<https://en.ccbj-holdings.com/ir/library/presentation.php>





## Product Overview

As a "Total Beverage Company", we offer products across a wide variety of categories such as Sparkling, Tea, Coffee, Water, Sports, and more.

### [Key brands by beverage category]



### Sparkling

#### Coca-Cola NiziU Limited-Edition Design Bottle



For our Coca-Cola, Coca-Cola Zero, and Coca-Cola Zero Caffeine products, we released a Coca-Cola NiziU Limited-Edition Design Bottle in collaboration with NiziU, the global girls group stealing the spotlight across Japan.

#### Full renewal of Coca-Cola Zero



We gave Coca-Cola Zero its first full renewal in five years in 2020, with a cleaner aftertaste that goes down easily. The renewal brings the great taste of Coca-Cola, with zero sugar and zero calories, to even more people as a refreshment on the go, on the job, or during study or housework amid the pandemic.

#### Fanta Premier Orange and Premier Grape

Fanta Premier Orange is a new product in our Fanta Premier Series. It expresses the taste of oranges through a special new manufacturing method that uses two types of orange pulp\*, large and small. Together with the release of Premier Orange in March 2021, we renewed the first Fanta Premier series product launched in March 2020, Premier Grape. The drink offers a more refreshing taste, with its fruitiness and premiere sense unchanged. We plan to further strengthen the Fanta Premier Series as a high value-added product lineup.

\*The thin skin that covers the flesh.



### Tea

#### Karada Odayakacha W

In February 2021, we launched Karada Odayakacha W, Japan's first Food with Function Claims\* formulated with the functional ingredient GABA, which has effects on both memory and blood pressure. GABA has found acceptance for its effects suited to persons with high blood pressure as well as its support in improving memory, a part of the cognitive functions that decline with age. As lifestyles change during the COVID-19 pandemic, an increasing number of people in their 40s and older are becoming particularly concerned about memory loss and blood pressure. With its moderate astringency and refreshing taste, this is a green tea that people can continue enjoying as a daily habit for health.

\*See <https://c.cocacola.co.jp/odayakacha/> for details of submitted claims of the product. (Japanese only)



#### Ayataka Café Matcha Latte

In 2021, we are developing Ayataka into the Ayataka Café Series. As the first product in the series, we released Ayataka Café Matcha Latte in March. Made with plenty of 100% matcha, or green tea powder, it offers a refined milk taste that enhances the flavor of matcha. Under the supervision of Kanbayashi Shunsho Honten in Uji, Kyoto, a venerable tea shop with a history of 450 years, and specialty coffee shop Sarutahiko Coffee, the product offers a new tea deliciousness and the peaceful relaxation sought from a cafe.



#### Yakan no Mugicha from Hajime

Our Yakan no Mugicha, released in April 2021, features 100% carefully selected barley. This all-new barley tea is made through a commitment to flavor created through care, using barley extract and Coca-Cola's original high-temperature boiling method. Barley tea brewed with care and effort quenches thirst while offering a human touch of warmth that provides a relaxing break.



### Coffee

#### Georgia Lattenista Creamy Latte

Georgia Lattenista is made using Georgia's unique "milk boost technology" to achieve the rich taste of freshly poured-in milk, for enjoyment of a smooth milk aftertaste. As part of a new lineup, in April 2021 we launched Creamy Latte, made with plentiful fresh cream from Hokkaido, and renewed the existing Café Latte product.



### COSTA COFFEE New to Japan!

From April 2021, COSTA COFFEE, Europe's largest\* café brand, has introduced PET coffee products "COSTA Black" and "COSTA Café Latte". These new premium coffees allow consumers to enjoy the taste of high-quality hand-brewed coffee, which COSTA COFFEE has been focusing on for 50 years in Europe, the home of coffee, in PET bottles. In addition, COSTA COFFEE, which aims to become a total coffee brand, is delivering the delicious taste of COSTA COFFEE across Japan through various platforms such as café style and self-service system in addition to PET bottle coffee.



\*Source: Based on 2019 Euromonitor survey, number of stores.



## Channel Overview

### Vending (Vending Machines)

The vending channel is a retail channel through which we sell products directly to consumers through our approximately 700,000 vending machines. Our efforts in this area include the placement of new vending machines, the implementation of an optimal product lineup that leverages our core products, new products, and vending machine exclusive products, and the roll-out of limited campaigns that use our Coke ON smartphone app.

In 2020, we offered a wide variety of limited-edition new products, and conducted campaigns through Coke ON, including a weekly lottery for drink ticket prizes and a quiz that lets participants win stamps. We also strengthened Coke ON Walk, which lets users earn drinks just by walking, and Coke ON Pay, which allows non-contact selection and cashless purchase of products. In 2021, we will work to offer new value matched to consumers' purchasing frequency and usage environment through the roll-out of the Coke ON Pass subscription system with fixed price purchases.



### Supermarkets, Drugstores & Discounters

Supermarkets, Drugstores & Discounters are a wholesale channel in which we deliver products to consumers by selling products to customers' stores and creating attractive and engaging sales displays. We are working to optimize our product lineup to create attractive sales displays and the development of campaigns tailored to seasons and events.

In addition to our regular activities, in 2020 we carried out activities to quickly adapt to the COVID-19 "New Normal" including a strengthening of case sales in response to rising at-home consumption demand. Moreover, to create new consumer demand and sell products of appropriate volume at appropriate price points (wholesale price), we began the roll-out of 350ml PET and 700ml PET products for Coca-Cola and other products, and expanded the roll-out to other areas and brands.



### Convenience Stores

Convenience stores are a wholesale channel in which we deliver products to consumers by selling products to customers' stores and creating selling spaces that support convenience. In addition to the introduction of new products, we are undertaking product planning for specific customer chains and limited campaigns, among other activities.

In 2020, along with new product introductions, we responded to changes in the needs of consumers working at home and refraining from going out, and introduced 950ml PET products for Sokenbicha, Ayataka and Aquarius aimed at-home consumption. We further secured selling spaces with multiple lineups for the alcoholic beverage Lemon-dou, available nationwide since the end of 2019, and will continue to enhance the product's presence.



### Online

Online is a wholesale channel in which we deliver products to consumers through product sales to customers engaged in online sales, marketing on customers' websites, and other sales support. We are working to strengthen activities, including planning of campaigns in collaboration with customers to meet the growing demand for beverages through online order.

In 2020, responding to growth of home consumption demand, we rolled out environmentally friendly labelless products that reduce the hassle of sorting waste, and a new carton configuration to sell multiple PET bottle products suited to demand for bulk purchasing. We further strengthened our loyalty programs through attractive subscription programs, seasonal promotions, a stamp rally campaign that awards points for purchases, and more.



### Retail & Food Service (Kiosks, Restaurants etc.)

Retail & Food Services is a wholesale channel in which we sell products to customers operating stores, restaurants, commercial liquor shops, and more, and offer consumers products and opportunities for enjoying drinks.

In 2020, we worked to improve our services to consumers and customers, centered on new products and core products. At restaurants, we proposed drink menus using "mocktail" non-alcoholic cocktails made with our products, and launched sales of channel-exclusive products (250ml cans) designed with glass shot in mind. We are adapting swiftly to the takeout and delivery markets that are growing rapidly as people work at home and avoid going out.



### Marketing Topics

#### Coca-Cola Tokyo 2020 Olympics Torch relay support program



Together with the Coca-Cola Company, the Presenting Partner for the Tokyo 2020 Olympic Torch Relay, we are rolling out marketing campaigns that leverage the assets of the Coca-Cola system as we work to energize the market. As a program to energize local regions through the Tokyo 2020 Olympic Torch Relay, we developed The Coca-Cola Torch Relay Memorial vending machine for limited placement in municipalities through which the relay will pass. The vending machines feature original wrapping labeled with the municipality name and the date on which the Olympic Torch Relay passes through, playing a role in notifying people of the relay. We worked to build momentum for the torch relay and to provide new value that will help leave a legacy of international exchange, opportunities to encounter sports, municipal symbols, and the passing through of the runners, even after the Olympic Games have ended.





## Message from Head of Supply Chain

Executive Officer, Head of Supply Chain Management

**Bruce Herbert**



I'm Bruce Herbert, Head of Supply Chain. I am responsible for the formulation and execution of supply chain strategies for our entire Group. We are responsible for manufacturing, distribution, and sales among the Coca-Cola System and other partner companies in Japan. For us, the supply chain is an important operating foundation. In our medium-term management plan, we have identified supply chain's cost reduction and improved competitiveness as key areas of focus.

The SCM Headquarters is working to build an efficient, lean supply chain system allowing us to produce and deliver safe, secure, and high-quality products to customers at low cost. To achieve this, we are moving ahead with productivity improvement initiatives, digitalization, and automation in areas of planning, manufacturing, distribution, and the systems that connect them. During 2020, forecasting demand proved to be more challenging due to the COVID-19 pandemic and related declines in consumer traffic and purchasing behavior. However, as a result of the ongoing improvements and investments we have been making across supply chain planning, we were able to flexibly adjust our product supply network to meet our consumers' needs and minimize inventory risk and extra cost burden.

We have also worked to address the supply chain challenges caused by the heavy rains and flooding in Western Japan in 2018. Amid rapid growth for aseptic products, as seen in the shift in consumer demand to PET bottle coffee products, our former Hongo Plant was damaged by the natural disaster and three production lines, including key aseptic production capacity, were lost. To overcome this issue, we quickly reworked our entire supply chain network, including increased production to cover for the lost capacity, and put together a product supply system from other areas to the Chugoku region. In addition, with quick decision making and agile execution, we were able to replace the damaged Hongo Plant with the new world-class Hiroshima Plant in 2020 with unprecedented speed. From 2019 to 2020, we were able to complete the introduction of a total of seven new aseptic lines, including the Hiroshima Plant, as scheduled. This greatly improved our manufacturing capacity for aseptic products and efficiency across our nationwide supply network.

All of the seven new aseptic production lines are capable of high-speed production of 600 to 900 bottles per minute (BPM) for small-sized PET bottles and 300 BPM for large-sized PET bottles. We are also introducing advanced IoT technology and promoting labor-saving automation. Our cutting-edge production lines enable automated transport of preforms (raw material of PET

bottles), caps, and case carton materials from automated warehouses, as well as better and faster changeover times to enable flexible production of multiple products and package sizes, and remote monitoring of the operational status of manufacturing lines and equipment. In addition to low-cost operations, we will continue the strengthening of promotional capabilities through innovations that meet customer needs, including new products and packaging, the enhancement of manufacturing equipment for the introduction of alcoholic products, and adoption of aseptic fruit pulp filling methods.

For distribution, as a component of the "Shinsei Project" which seeks to build a supply chain network that achieves high-quality, low cost, and stable supply, our new Saitama Mega Distribution Center (DC) began operations in February 2021. The Saitama Mega DC is a core distribution center for the Tokyo / Saitama area and will centralize and automate logistics operations such as storage, product sorting and picking, which was previously managed at multiple small regional sales centers. By utilizing this new mega distribution center, we will start to realize our end-to-end supply chain network from manufacturing to customers and vending machine operations. We are also pioneering equipment automation that includes automated storage racks and robot picking systems, and have achieved high-density, high efficiency warehouse operations.

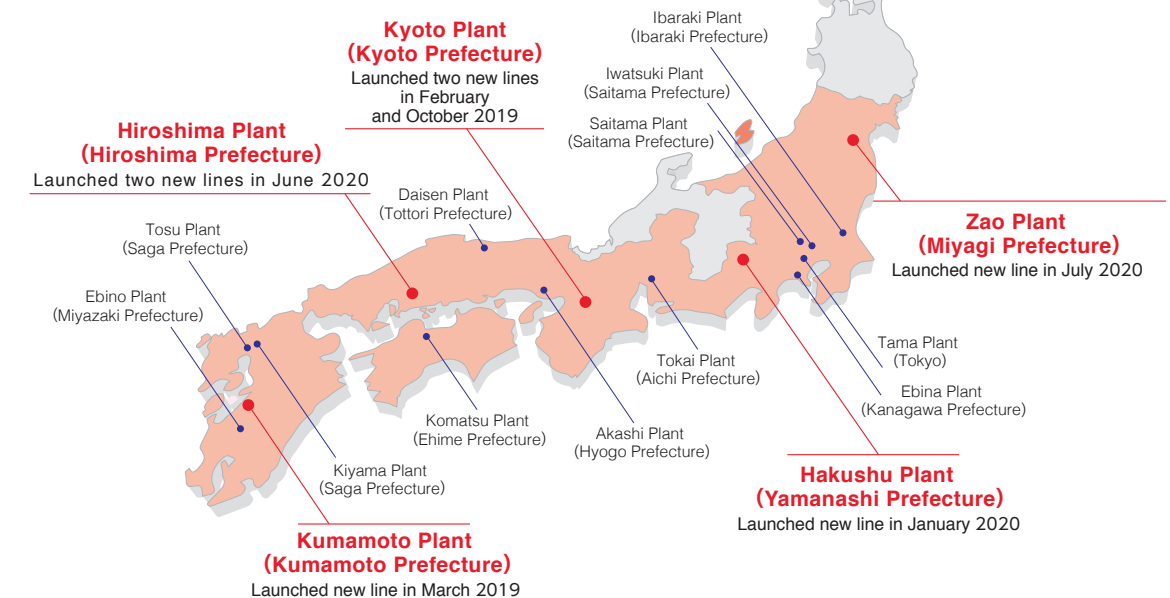
In 2020, the SCM Headquarters laid a foundation for our further growth. In 2021, the SCM Headquarters will advance further into an agile organization that is ready to meet the challenges of the day, building on the transformational work over the last years as well as our experience in responding to the unprecedented challenges of the COVID-19 pandemic. We will continue to execute on initiatives to strengthen our manufacturing system and optimize our distribution network, and provide high-quality products to consumers and customers in a timely manner. As this uncertain environment continues, we will only invest in necessary investments that drive medium- to long-term growth, with a focus on ROI. Looking ahead, we will continue to actively promote digitalization and automation in the supply chain, including procurement, manufacturing and distribution, and further make efforts toward cost reductions and efficiency improvements as we work to build an efficient and lean supply chain system for the delivery of safe, secure, and high-quality products to consumers.

## Procurement High quality procurement by leveraging scale

To deliver safe and secure products to consumers, we procure ingredients, materials, and indirect materials meeting strict quality standards from suppliers who comply with our Supplier Guiding Principles. The main items that we procure include the beverage base that are the basis for our products, sugar, PET bottles, aluminum cans, cardboard, and vending machines and other sales equipment. In addition to building relationships of trust with each supplier, we work to engage in environmentally considerate procurement and to reduce our procurement costs, through means including promoting joint procurement, reviewing contract structures, reducing the weight and volume of packaging and recycling. We also collaborate with the Cross Enterprise Procurement Group (CEPG), a global procurement organization of the Coca-Cola system, to share success stories and other information and to execute procurement strategies that leverage the scale and knowledge of the full Coca-Cola system.

## Manufacturing Toward the expansion of our production capacity

Our Company has 17 plants within our operating areas. At each of these, we engage in flexible manufacturing and work to build a supply network that optimizes the entire supply chain. In 2019 and 2020, we focused investment on new manufacturing lines aimed at meeting the rapid upswing in demand for aseptic products (particularly non-carbonated soft drinks) and to rebuild manufacturing capacity following disastrous heavy rains in Western Japan in 2018. We launched the operation of seven aseptic lines, including the new Hiroshima Plant (see "Start of operations at the Hiroshima Plant" on p.10).



## Distribution Toward the optimization of our distribution network

As a part of our initiatives aimed at constructing a supply chain network for high-quality, low-cost, stable supply, in 2020 we worked on the construction of the Saitama Mega DC, a cutting-edge automated distribution center on the grounds of the existing Saitama Plant. The Saitama Mega DC, which started operation in February 2021, is equipped with shipping capacity of about 85 million cases per year and a storage capacity of about 60,000 pallets. It has the largest capacity in the Coca-Cola system in Japan. As a second project, we began construction of the Akashi Mega DC on the grounds of the Akashi Plant in Hyogo prefecture. Scheduled for completion at the end of 2022, the Akashi Mega DC will serve as a core center for shipment of about 80 million cases of product per year, primarily in the Kansai area. Along with the restructuring of our distribution network, we are consolidating sales centers, particularly locations holding inventory. These initiatives, and others allow us to better optimize our asset base and improve efficiency. In 2020, we closed or consolidated 14 sales & distribution centers.

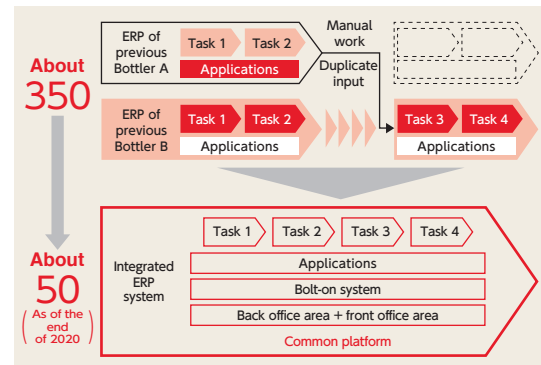


Saitama Mega DC automated picking system

## Initiatives to Leverage IT and Promote Digitalization

### Introduction of the integrated Cokeone+ ERP system

Our Company has introduced Cokeone+, an integrated enterprise resource planning (ERP) system that brings together back office support, inventory management, customer service, and more. We completed integration and consolidation of multiple ERP systems inherited from legacy bottler companies into Cokeone+, and achieved integration of front office and back office work areas along with integration of work processes spanning the two areas. Through centralized management and visualization of information and the reduction of manual work and duplicate input tasks, the system is contributing to the strengthening of management analysis capabilities, improvement of work quality and processes, and improvement of productivity and efficiency.



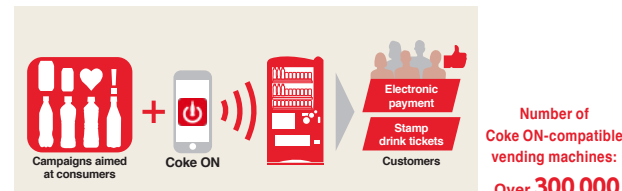
### Digitalization initiatives across business functions

#### Commercial

In the vending channel (vending machines), we are providing a digital platform to consumers through the Coke ON\* smartphone app. We are also constructing big data infrastructure and utilizing AI and machine learning in sales forecasting, route plan simulation, and optimization of product lineup. In over-the-counter channels, we are introducing tablets to our salesforce that enable "by-customer visualization" of product sales in real-time allowing for effective negotiations, and are working to strengthen our proposal capabilities for creating optimal selling spaces through the use of AR (Augmented Reality) technology and image recognition functions.

\*Developed by Coca-Cola (Japan) Co., Ltd.

#### <Initiatives in the vending channel>



#### Manufacturing

We are introducing manufacturing IoT systems for the visualization of equipment operating status, automated data collection through remote monitoring, real-time alerts, and other monitoring purposes. This model is being deployed at the Hiroshima Plant, which began operation in June 2020. We plan to eventually extend the know-how gained at the Hiroshima Plant to all of our plants.

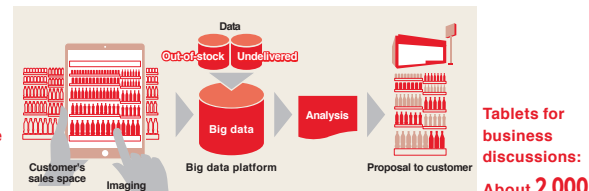
### Strengthening of security

As the areas and frequency of IT device usage expand under the advance of digitalization, we are implementing security measures to protect devices from potential risks. In addition to protection of networks through firewalls, we have added EDR\*1 that protects individual IT devices, and are using the access histories obtained from these to make logs visual through SIEM\*2.

\*1 Endpoint Detection and Response, a technology that continuously monitors and responds to threats at the endpoints of a computer system.

\*2 Security Information and Event Management, a mechanism that accumulates and manages records (logs) of the operating status of devices and software, quickly detects and analyzes events that pose security threats, automatically detects anomalies including information leaks, and quickly notifies administrators.

#### <Initiatives in the over-the-counter channel>



#### Operations

We are undertaking centralized management of in-house inquiry information, utilization of AI for response automation, and electronic contract management to achieve paperless work and visualization of information, leading to a reduction of work volume, labor savings, and improvements to the quality of work.

## Initiatives to Enhance Human Resource Capabilities and Organizational Strength

### Promotion of diversity & inclusion

Our Company regards the promotion of diversity and inclusion as a key management issue. By respecting the diversity of our workforce, we provide opportunities to enable all employees to leverage their full potential, regardless of gender, age, disability, nationality, sexual orientation, and other attributes, such as gender identity and expression, and unaffected by factors that could restrict their ability to work. Specifically, we are focusing on the promotion of active roles by women, and actively engage in career support training and other programs for women and the creation of workplace environments conducive to work. Our diversity management has received recognition, including inclusion in the New Diversity Management Selection 100, the MSCI Japan Empowering Women Index (WIN), and the Semi-Nadeshiko ranking in 2021. In February 2021, we were awarded the highest-level Grand Prize in the industrial category of the Tokyo Metropolitan Government Women's Participation Awards in recognition of our rapid, top management-led creation of friendly work environments for both men and women. In addition, against the backdrop of these strengthened initiatives, we achieved the target of "6% female managers by 2025" ahead of schedule in January 2021. With the aim of further progress, we have set new targets of 10% by 2025 and 20% by 2030, and we will continue to strengthen our efforts.

We also have revised internal rules (work regulations, persons eligible for childcare and nursing care regulations, etc.) to provide equal opportunities to diverse employees in the company. In addition to these internal processes, we are further enhancing our internal and external initiatives, such as announcing 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.



New Diversity Management Selection 100

2020 CONSTITUENT MSCI日本株  
女性活躍指数 (WIN)

MSCI Japan Empowering  
Women Index (WIN)



The Women's Participation  
Promotion Awards



Business for Marriage Equality

Endorsement of "Business for Marriage Equality (BME)", a campaign to make companies that support marriage equality visible.

### Toward the development of global human resources

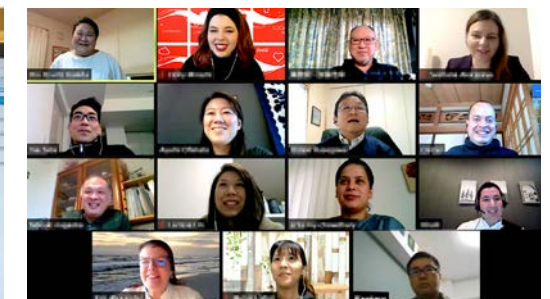
We are working to develop global human resources for value creation.

In 2020, we established Coca-Cola University Japan (CCUJ) to train next-generation leaders who can drive transformation and lead the Coca-Cola system in Japan into the future. Under the theme of leadership for transformation, CCUJ develops leadership programs in collaboration with The Coca-Cola Company, as well as position-specific programs. Each program employs an experiential learning cycle as a learning process to develop global human resources who can apply their experience and knowledge not only to their own company but also to global Coca-Cola bottlers.

We are also working to promote global human resources by leveraging access to the global Coca-Cola system network.



Online meeting with global bottlers



Recruitment of human resources from domestic and international (Photo of online training)



CSV Initiatives

Our CSV Policy

Placing Creating Shared Value (CSV) at the core of our management, and taking the respective importance of society and our business into account, our Group has identified three key themes that we will address over the coming 10 years: respect for diversity, local communities, and resources. Moreover, as a member of the Coca-Cola system, we take responsibility for acting to co-create the future while we deliver refreshment and effect change through our business, in order to address the important challenges facing Japan in every aspect including the environment, everyday life, and the communities that surround us.

As an important element of our medium-term management plan, we have formulated and are working to achieve our "CSV Goals" which indicates our Group's commitment in the area of ESG (Environment, Social, and Governance) with the aim of creating shared value.

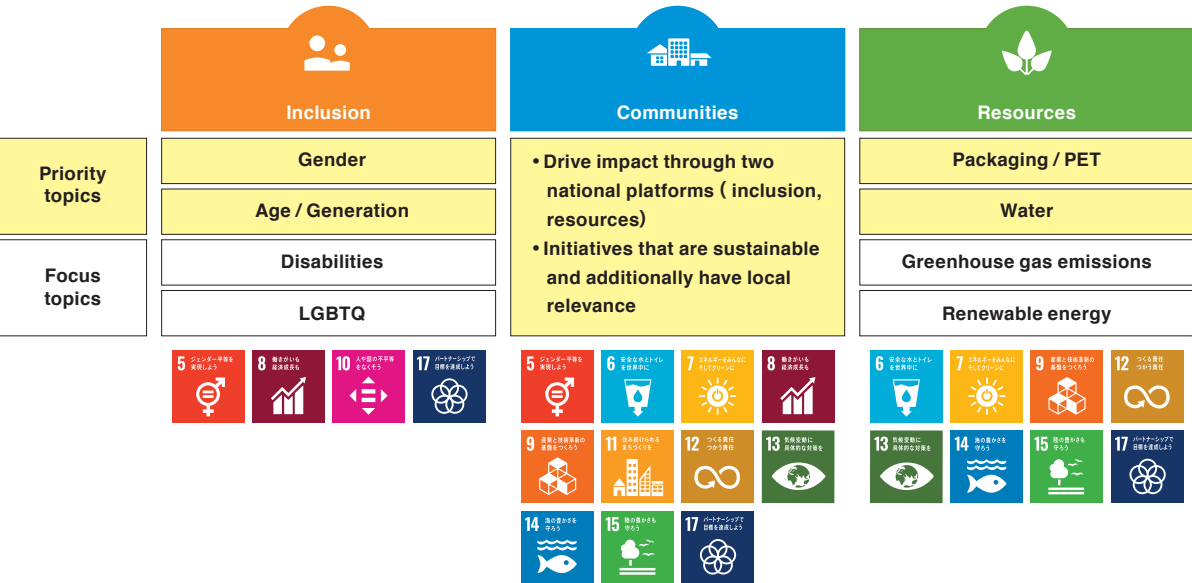
Coca-Cola System Sustainability Framework

Coca-Cola System Sustainability Activities—Purpose and Strategy

Purpose	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.
Strategy	Leverage Our Leadership Position to Drive Attention and Action <ul style="list-style-type: none"><li>● Lead with a powerful example of Inclusion in our own business</li><li>● Leverage the power and reach of our system to partner with our Communities</li><li>● Take a lead role—working with industry peers—on Resource usage</li></ul>

Three Platforms and Nine Priority Issues

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



Our initiative examples

- Promotion of diversity & inclusion
- Promotion of active participation by women
- Promotion of employment of persons with disabilities
- Promotion of work/life balance
- Fostering the Next Generations
- Providing equal opportunities for LGBTQ employees
- Community support vending machines (support during disasters, etc.)
- Seminars on hydration
- Industry-government-academia-private partnerships to address regional issues
- Virtual/online plant tours
- Water resource protection activities
- Reduction of greenhouse gas emissions
- Promotion of recycling
- Adoption of containers with low environmental impact, etc.
- Collaboration with business partners, customers and industry associations

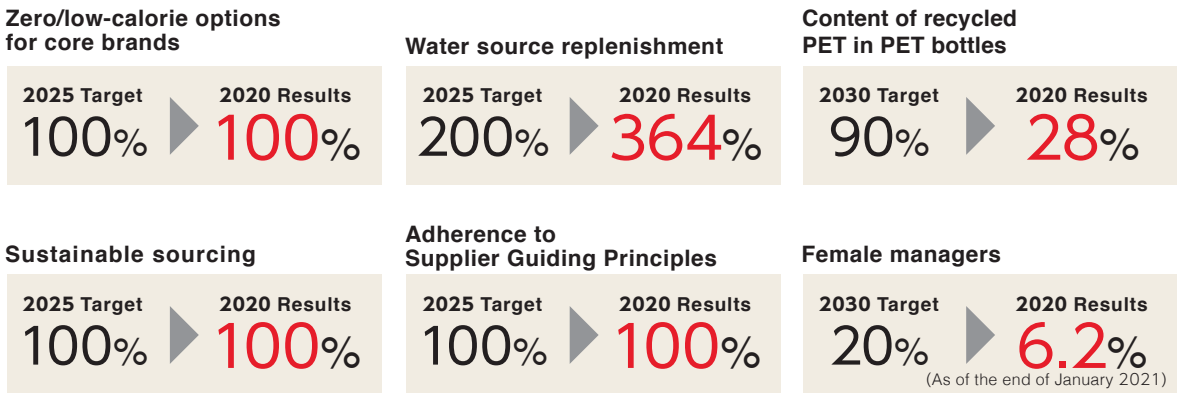
CSV Goals

"CSV Goals" is a statement of the CCBJH Group's commitment in the areas of the environment, society, and governance, grounded in our identification of the issues we must address to achieve a sustainable future through changes in society. We will engage in CSV activities under the PDCA cycle to achieve "CSV Goals".

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

(Base year of 2015 and target year of 2025 unless noted otherwise)

Main target progress



See the CSV Report for details  
<https://en.ccbji.co.jp/csv/doc.php>

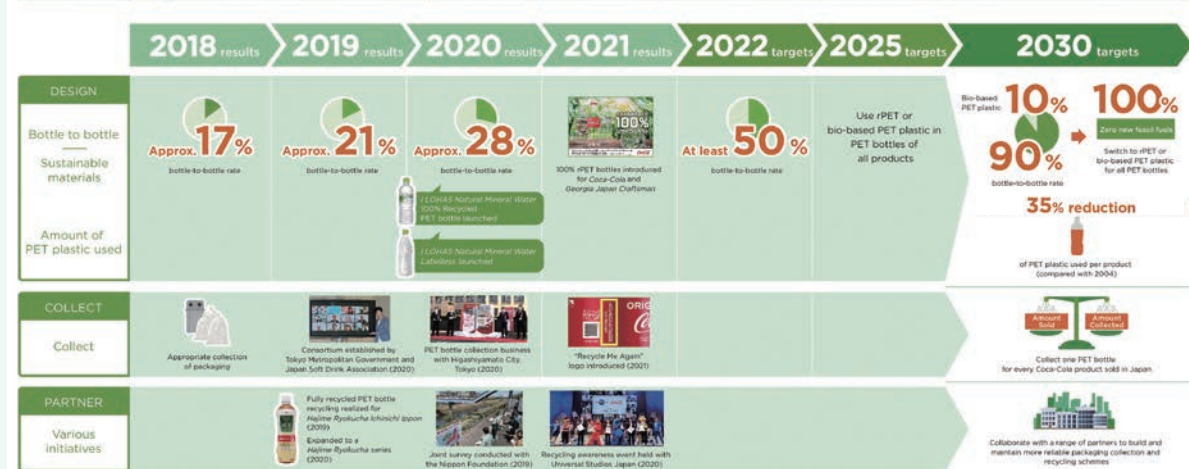


## Packaging initiatives

PET bottles are lightweight, easy to carry, and can be opened and closed any number of times, making them convenient to modern lifestyles. In addition, the recycling rate is high and the technology for recycling is improving, so we believe that if we can collect them in a clean form, they will surely be reborn in a useful form.

As a member of the Coca-Cola system, we are working to bring about our 2030 Packaging Vision. This outlines a concrete plan to switch all PET bottles to 100% sustainable materials by 2030, in support of the World Without Waste vision of the global Coca-Cola system.

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



### Promotion of "bottle-to-bottle" recycling

We promote the bottle-to-bottle initiative that turns used PET bottles into new ones. In March 2020, we adopted bottles made with 100% recycled PET resin for I LOHAS Natural Mineral Water. These reduce per-bottle CO<sub>2</sub> emissions by 49% compared with 100% petroleum-derived PET bottles, successfully reducing the impact on the environment. In May 2021, we announced expanded roll-out of our 100% recycled content for packaging to Coca-Cola and Georgia Japan Craftsman in small PET packaging. Going forward, we plan to further raise our bottle-to-bottle ratio to 90% in 2030 from 28% in 2020.

#### Joint project for the practical implementation of chemical recycling \*

In July 2020, we launched a joint project with Taiwan-based Far East New Century Corporation, one of the world's largest manufacturers of PET resin and polyester fibers, to commercialize bottles made from PET material obtained through chemical recycling. In November 2020, we launched products using these PET bottles, and we will continue to make further efforts in the future.

\*Collected used PET bottles are sorted, crushed, and washed to remove foreign materials and are broken down into a raw material or an intermediate raw material of PET resin by depolymerization, after which the raw material is refined and polymerized into new PET resin.

### Creating lighter bottles

#### ● Reducing PET resin usage

We continuously undertake technological innovations in bottles and packaging in order to make effective use of resources, reduce the environmental impacts of transportation, and improve convenience for consumers. Among our efforts to reduce the amount of PET resin necessary to manufacture products, in 2009 we introduced 12g PET bottles, the lightest in Japan at the time\*, for I LOHAS Natural Mineral Water.

\*As of March 2009. 500ml PET bottles for domestically manufactured products. Research by Coca-Cola (Japan) Company

#### ● Introduction of labelless products

We are working to cut environmental impacts by reducing the thickness of product labels on PET bottles. In 2020, we began rolling out a number of labelless products to further lessen environmental impacts and improve convenience for consumers.

## Vending machines rooted in local communities

For our Company, vending machines are an important asset and sales channel. They play important roles in local communities as well. We are increasing sales and reducing costs through means including increasing installations of vending machines, enhancing the machines' product lineups, carrying out varied promotions, and improving operations, while also working to improve convenience for consumers and solve the problems of customers (e.g., installation locations) and local communities. Going forward, we will continue to contribute to the development of local communities and the support of safe and secure lifestyles for local residents by leveraging our business scale and integrated business model.

### Enhancing the appeal of vending machines through innovation

We are working to grow sales and provide new value by strengthening ties with consumers through our Coke ON smartphone app. Since the launch of the Coke ON service, we have enhanced functions and services including the Coke ON Pay cashless payment system, the Coke ON Pass subscription service, and Coke ON Walk, which lets consumers earn drinks just by walking.

### Support during disasters

In the event of a disaster, we provide our products to people affected by disasters by partnering with local governments to offer "disaster support vending machines". Equipped with an electronic bulletin board function, these vending machines can transmit evacuation sites and related information in real time, and are playing an active role as an important information transmission tool.

### Conserving energy

We have adopted an ultra-energy-saving "peak shift vending machine" that shifts the amount of power used for cooling from daytime, when the power usage peaks, to night, when a relatively large amount of power is available. The machines feature improved heat insulating properties and airtightness compared to conventional vending machines, reducing power consumption throughout the year.

### Reduction of costs and environmental impacts through transformation of our business model

We are working to reduce our cost through a fundamental rethinking of our vending machine operations. We reduced the number of overall routes by 20% in 2020, by optimizing the work of operations staff and by increasing productivity per route. By operating delivery vehicles efficiently and by reducing their number, we were able to contribute to the reduction of CO<sub>2</sub> emissions.

### Contribution to local communities

Through our vending machines, we engage in activities that support local communities. A portion of the proceeds from the purchase of our products is used to fund community social contribution projects and sports organizations, through which we provide support for local communities together with our consumers and customers.

### Adapting to the COVID-19 pandemic

We are responding to the growing need for vending machines that can reduce human contact, and we are using anti-viral and anti-bacterial films to cover the product selection buttons and other contact areas of vending machines. We are also making efforts to enhance non-contact services through Coke ON and other means.



## Contribution to consumers' health: Foods for Specified Health Use (FOSHU) and Foods with Function Claims

As a company that is a close part of consumers' daily lives, we place the health of consumers first and strive to offer products and services with value that meet the needs and preferences of a wide range of generations. In particular, we are introducing high-value-added products to respond to the growing health consciousness among consumers and to create new markets. As a part of this, we are developing Foods for Specified Health Use (FOSHU) and Foods with Function Claims.

