

Inclusion

“
What we
are doing
”

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



Inclusion
Gender
Age/Generation
Disabilities
LGBTQ



▶ Progress against CSV Goals

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

Diversity and inclusion initiatives

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

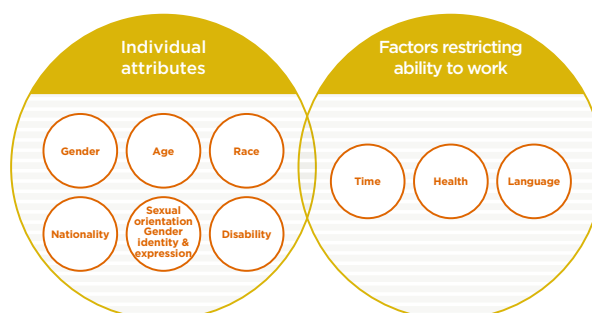
where each and every one of our employees, who come from a wide range of backgrounds, can demonstrate their abilities without losing their desire to improve.

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

Medium- to Long-term Vision for Diversity and Inclusion

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

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



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



Gender

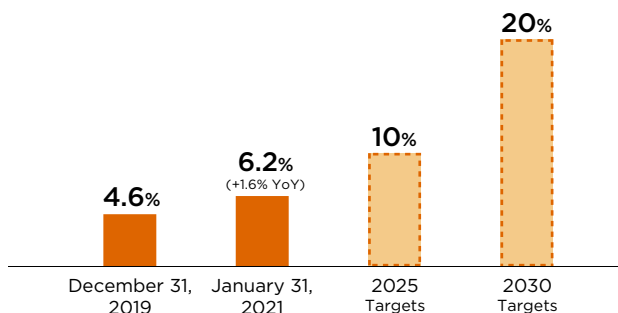
Initiatives to encourage women's success in the workplace

● Updated target ratio for female managers to 20%

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

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

Target ratios for female managers



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

● Realization of flexible work styles

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



We also share comments from our female employees on our website

WEB Roundtable discussion for female employees on work styles (Japanese only)
<https://www.ccbji.co.jp/recruit/newgraduates/special/crosstalk02.html>



Aiming to step up as a leader

Natsuko Wakabayashi

Capability Development Manager
Capability Development Division

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

Photography: The Dream Collective



Age/
Generation**Programs to nurture
next-generation leaders**

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

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



Disabilities

**Highlighting
para-athlete activities**

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

CCBJH Group
Employment of
people with disabilities:

2.45%

As of June 1, 2020:
-0.14% (YoY)

Notes:

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

**Success in the
workplace for people
with disabilities****Miki Nagashima**

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

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



LGBTQ

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

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

In December 2020, we announced our endorsement of Business for Marriage Equality (BME), a campaign calling for companies to support marriage equality. BME works to raise the visibility of companies that support the legalization of same-sex marriage (marriage equality) in Japan.

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



Business for Marriage Equality

LGBTQ

Conducting training sessions on unconscious bias for managers

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

● What is “work with Pride”?

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

● What is unconscious bias?

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

Creating comfortable workplaces with diverse values

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



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

Platform

Communities

What we are doing

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



Communities

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



Progress against CSV Goals

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

Company sports

Energizing communities through sports

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

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

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

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



Online exercise videos for people staying at home



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



For the first time, the women's field hockey team won three annual domestic titles



Main communities initiatives

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

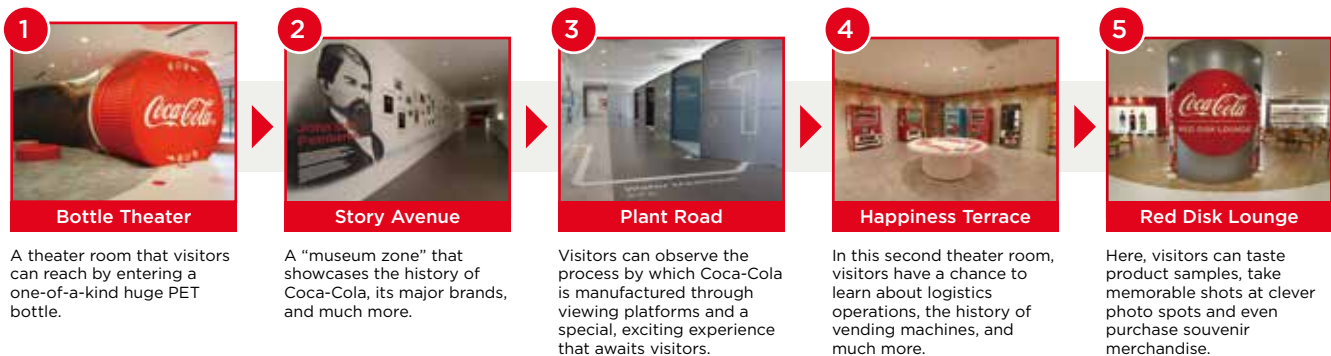


Support for
revitaliza-
tion**New Hiroshima Plant:
Center for communication with the
community is now complete**

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

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

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

» ELEMENTS OF THE HIROSHIMA PLANT TOUR**A city striving to
provide maximum support
for regional revitalization****Yoshihiro Okada**Mayor, Mihara City,
Hiroshima Prefecture

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

**Shinichi Masui**Plant Manager,
Hiroshima Plant

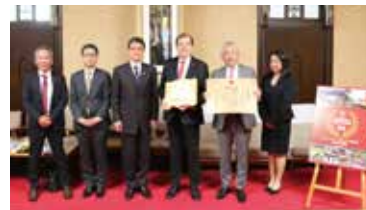
In 2018, the CCBJI Hongo Plant was damaged by the torrential rains in western Japan, and the new Hiroshima Plant commenced operations only one year and 11 months later. The team members of the former Hongo Plant and the management team were united in their commitment to staying in the local area, so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



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

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

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



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

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



Anticipating further advancements from Ebino's valued partner CCBJI

Takaaki Muraoka

Mayor, Ebino City
Miyazaki Prefecture

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

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



A collaborative program to address community challenges

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

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

Main activities

SDGs Workshop Mie Mirai (Mie Prefecture)



Sendai Youth Award ceremony (Miyagi Prefecture)



Challenge Internship (Fukushima Prefecture)



Scholarship aid

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

Compre-
hensive
support

Partnering with local governments to address regional issues

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

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

Emergency agreements

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

Disaster
agreements with
local governments
and organizations

1,059

Tourism promotion agreements

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



Community support vending machines

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



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

Vending machines to build momentum for the Olympics and support athletes

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



Coca-Cola Olympic
Torch Relay Memorial
Vending Machine

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

With the start of the Olympic and Paralympic Games Tokyo 2020, CCBJI will work closely with local governments as a partner in the region, as well as invigorate local communities, promote education, and support human resource development. We have concluded comprehensive agreements in many regions to promote efforts to improve civilians' lives in a wide variety of fields, including crime prevention, disaster prevention, health, and sports.

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



Platform Resources

“
What we
are doing
”

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



Resources
Packaging/PET
Water
Greenhouse gas emissions
Renewable energy



▶ Progress against CSV Goals

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

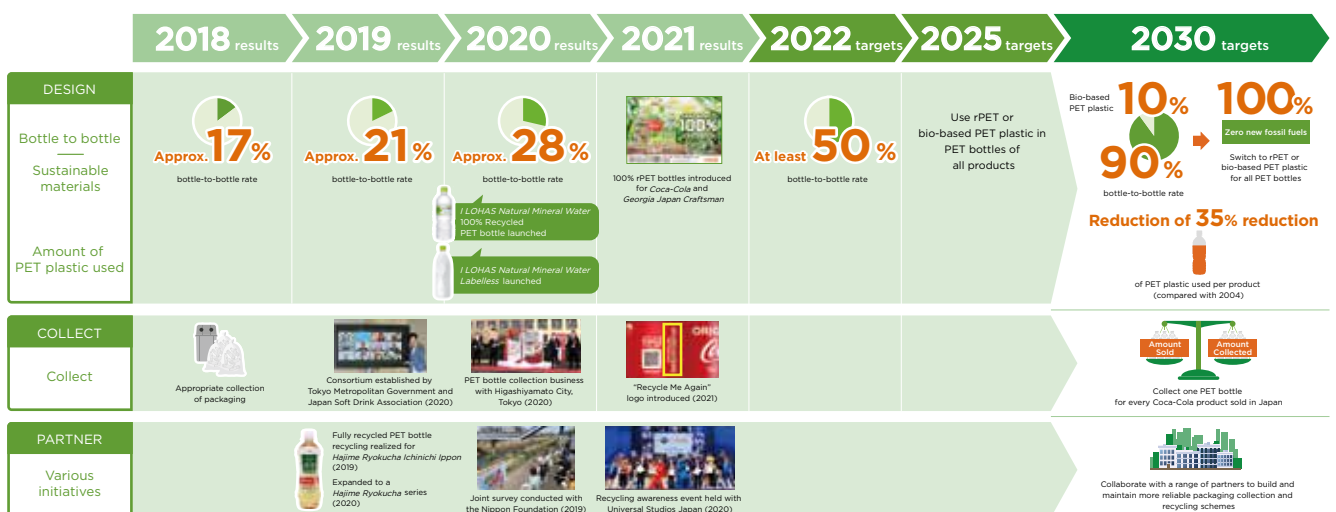
Resource
recycling

Initiatives for realizing a World Without Waste

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

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

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



Main resources initiatives

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



Design

Expansion of labelless products

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



Collect

PET bottle collection business with Higashiyamato City, Tokyo

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



Collect

Recycling pilot project with Welcia Holdings

In September 2020, CCBJI and Welcia Holdings Co., Ltd. embarked on a pilot project for the purpose of creating a bottle-to-bottle recycling model to turn PET bottles collected at Welcia drugstore locations into raw material for new PET bottles. For this project, collection boxes have been installed at 11 Welcia drugstores in Oyama City, Tochigi Prefecture. CCBJI is responsible for designing and monitoring the whole sequence of recycling processes, from picking up the sorted PET bottles to turning them into recycled raw material, and CCBJI plans to expand the project area and number of stores after a certain period of implementation.



Partner

Recycling awareness event with Universal Studios Japan™

In September 2020, Universal Studios Japan and its official corporate marketing partners, Coca-Cola (Japan) Co., Ltd. and CCBJI, held a recycling awareness event in the theme park with the cooperation of Osaka City to promote a circular economy for plastic. We created learning opportunities by featuring eco-bags made from PET bottles with original designs, and entertainers performed a show to present the recycling process.



TM & © 2021 Sesame Workshop.
TM & © Universal Studios.
All rights reserved.

Partner

Collaborative efforts in the beverage industry

We have endorsed the Japan Soft Drink Association's declaration on the recycling of plastic in the beverage industry—announced in 2018—with the goal of achieving the 100% effective utilization of PET bottles by fiscal 2030, and we are collaborating with our industry peers in initiatives. Part of the bottle-to-bottle Tokyo Project, which was established with the Tokyo Metropolitan Government in 2020, involves conducting trials to, for example, change consumer behavior with regard to sorting recyclables and to prevent anything other than empty bottles from being placed in recycling bins.



Newly designed recycling bin (hole is facing downward)

TOPICS

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

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



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

Climate change

Climate change initiatives

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

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

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



Renewable energy

Hakushu Plant's utilization of Furusato Hydropower Plan renewable energy

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

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

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

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



Recipient of the I-card Excellence Award in the Environment Category



Takatoshi Aonuma
(now at the Kiyama Plant)

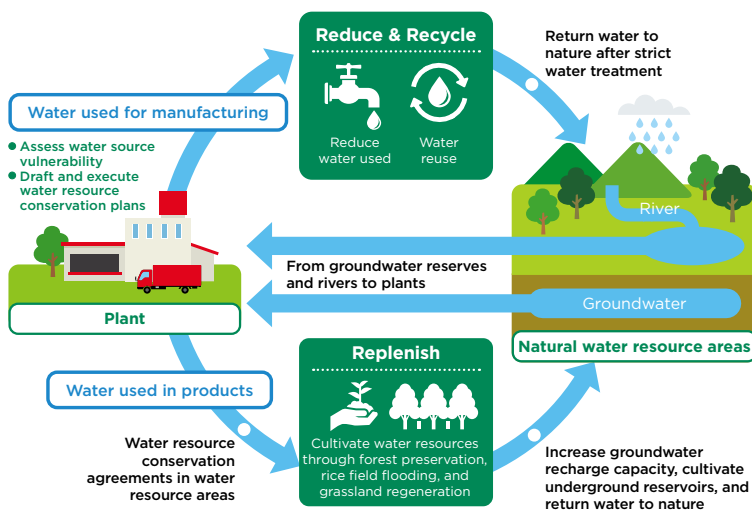
Water

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 CCBJI Group is promoting various initiatives with the aim of achieving its own non-financial CSV Goals, which include a 30% reduction in water usage by 2030 (compared to 2015) and maintaining a water source replenishment rate of 200% by 2025.

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

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



Water used for manufacturing 12,560,322 m³ (~5.7% year on year)	Replenishment area Approx. 7,963 ha (+350 ha year on year)
Water used in products 3,883,092 kl (~4.8% year on year)	Replenishment rate 364% (+13% year on year)
Water usage per liter of product (WUR: Water Use Ratio) 3.23 L/L (~0.03 liters per product liter year on year)	Water resource conservation agreements 16/17 plants (+1 year on year)

Water

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

● Hakushu Plant

Agreement with Yamanashi Prefecture

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



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

● Saitama and Iwatsuki plants

Renewal of agreement with Nippon Paper Industries

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



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



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



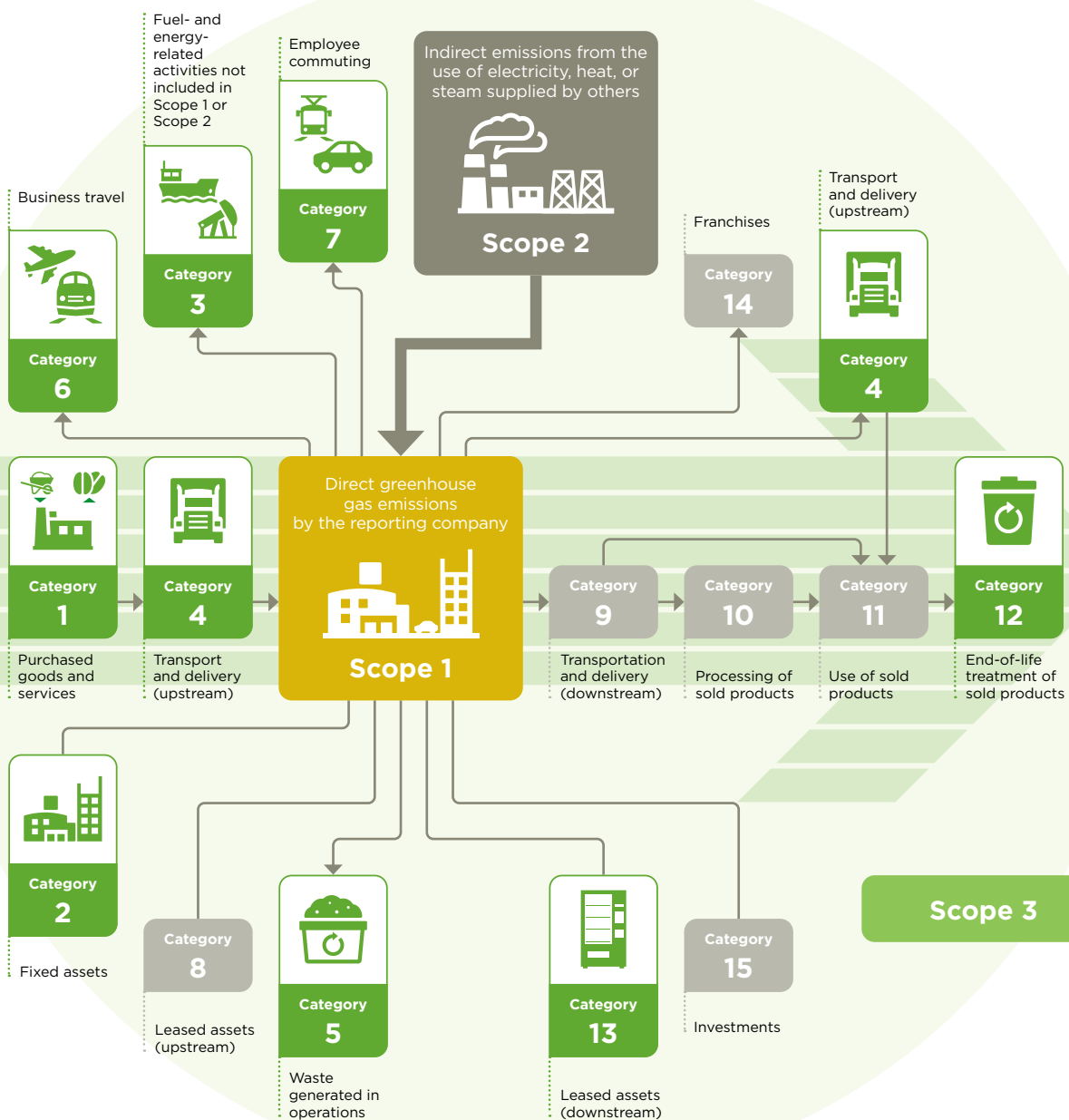
The Coca-Cola "Learn from the Forest" projects
<https://en.ccbji.co.jp/csv/community/>



CCBJH Group's CO₂ Emissions Results and Accounting Methods

We consider the mitigation of climate change a crucial issue to address throughout the course of our business activities. As such, we transparently disclose corporate greenhouse gas emissions, of which CO₂ is a primary example, and share information with our many stakeholders about the overall state of greenhouse gas emissions, potential countermeasures, and other topics in the hope that this will lead to further emissions reduction.

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



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

2020 CO₂ emissions and accounting methods

★ : Covered by third-party assurance

Scope			Emissions (t-CO ₂)			Accounting method	
			CCBJI Group	Q'SAI Group	CCBJH Group (total)	Activity data	Emissions factor
Scope 1	Direct greenhouse gas emissions by the reporting company		187,599	731	188,330 ★	Amount of fuel used in offices, sales centers, plants, distribution, etc.	Emissions factor from the Greenhouse Gas Emissions Accounting and Reporting Manual Version 4.7 (Ministry of Environment and Ministry of Economy, Trade and Industry; January 2021)
Scope 2	Indirect emissions from the use of electricity, heat, or steam supplied by others		175,289	2,181	177,470 ★	Amount of electricity used in offices, sales centers, plants, etc.	Adjusted emissions factor of 0.470 kg-CO ₂ /kWh from Emissions Factors by Electricity Provider (Greenhouse Gas Emissions Accounting for Specified Organizations) – Results for Fiscal 2019; (Jan. 7, 2021; Ministry of Environment and Ministry of Economy, Trade and Industry)
Scope			Emissions (t-CO ₂)			Accounting method	
			CCBJI Group	Q'SAI Group	CCBJH Group (total)	Activity data	Emissions factor
Scope 3	1	Purchased goods and services	965,724	7,460	973,184	Procured raw materials (based on weight)	The Coca-Cola Company's emissions factors
	2	Fixed assets	204,425	394	204,820	Fiscal year increase in amount of fixed assets (net price)	Emissions factor according to price of fixed assets from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	3	Fuel- and energy related activities not included in Scope 1 or Scope 2	65,271	431	65,702	Amount of fuel, electricity, heat used	Emissions factor for fuel procurement from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	4	Transport and delivery (upstream)	97,491	1,552	99,043 ★	Amount of fuel used for outsourced transportation	Emissions factor from the Greenhouse Gas Emissions Accounting and Reporting Manual Version 4.7 (Ministry of Environment and Ministry of Economy, Trade and Industry; January 2021)
	5	Waste generated in operations	10,325	134	10,459	Waste by weight or disposal fee	Emissions factors for industrial waste based on an industry input-output model from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	6	Business travel	2,166	154	2,321	Employee transportation expenses paid	Emissions factors for transportation expenses from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	7	Employee commuting	3,693	185	3,878	Employee commuter expenses paid	Emissions factors for transportation expenses from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	8	Leased assets (upstream)	N/A	N/A	N/A	N/A	N/A
	9	Transportation and delivery (downstream)	N/A	N/A	N/A	N/A	N/A
	10	Processing of sold products	N/A	N/A	N/A	N/A	N/A
	11	Use of sold products	N/A	N/A	N/A	N/A	N/A
	12	End-of-life treatment of sold products	11,473	222	11,695	Reported amount by weight of containers and packaging recycled, according to the Recycling of Containers and Packaging Act	Emissions factors for waste by type and treatment method from the Ministry of the Environment's emissions factor database (Ver. 3.1) for use with the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain
	13	Leased assets (downstream)	352,151	0	352,151 ★	Amount of electricity used by the company's sales equipment (vending machines)	Emissions from electricity use is calculated by multiplying the annual electricity use of one vending machine by the number of vending machines in operation in the applicable fiscal year. The emissions factor for electricity is 0.470 kg-CO ₂ /kWh.
	14	Franchises	N/A	N/A	N/A	N/A	N/A
	15	Investments	N/A	N/A	N/A	N/A	N/A
Scope 3 total amount			1,712,720	10,532	1,723,252		

Primary environmental data

★ : Covered by third-party assurance

Category		CCBJI Group	Q'SAI Group	CCBJH Group (total)	Unit	
Raw materials		Sweeteners, coffee beans, tea leaves, milk, etc.	359	3	362	thousand t
Packaging		PET bottles, cans, cardboard, etc.	294	1	295	thousand t
Water used for manufacturing			12,560	45	12,606	thousand m³
Water consumption ratio		Water used per 1L of product	3.23	—	3.23	L/L
Energy consumption ratio		Energy used per 1L of product*1	0.88	—	0.88	MJ/L
Energy use	Manufacturing	Electricity	308,052	3,305	311,358	thousand kWh
		City gas	44,672	0	44,672	thousand m³
		LNG	9,309	0	9,309	t
		Fuel oil	1,036	193	1,229	kL
		Kerosene	0	71	71	kL
	Logistics	Gasoline	6,044	517	6,561	kL
		Diesel	53,646	147	53,794	kL
		LPG	848	0	848	t
	Offices*2	Electricity	64,903	1,336	66,238	thousand kWh
		City gas	184	0	184	thousand m³
		LPG	93	1	94	t
		LNG	574	0	574	t
		Kerosene	15	0	15	kL
	Sales	Electricity (vending machines)	749,257	0	749,257	thousand kWh
Total energy use		Manufacturing*3	5,621,333	43,093	5,664,426 ★	GJ
		Logistics	2,278,737	23,444	2,302,181 ★	GJ
		Offices*2, 3	691,945	13,386	705,331 ★	GJ
		Sales	7,470,091	0	7,470,091 ★	GJ
Greenhouse gas (CO₂) emissions		Manufacturing*3	272	2	275 ★	thousand t-CO₂
		Logistics	155	2	157 ★	thousand t-CO₂
		Offices*2, 3	33	1	33 ★	thousand t-CO₂
		Sales	352	0	352 ★	thousand t-CO₂
Manufacturing waste		Total amount	105,508	59	105,567	t
		Recycled amount	105,364	2	105,365	t
		Recycle rate (recycled amount/total amount)	99.9	2.6	99.8	%
Amount of containers collected (by our company)		Steel cans	11,131	0.10	11,131	t
		Aluminum cans	10,919		10,919	t
		Glass bottles	5,238		5,238	t
		PET bottles	40,064		40,064	t
		Paper, cardboard, etc.		24,728	11	24,739
Vending machine recycling		Vending machines recycled	25,449	—	25,449	machines
		CFC-free vending machine ratio	79.6	—	79.6	%
		Energy-efficient heat-pump type vending machines	489,048	—	489,048	machines

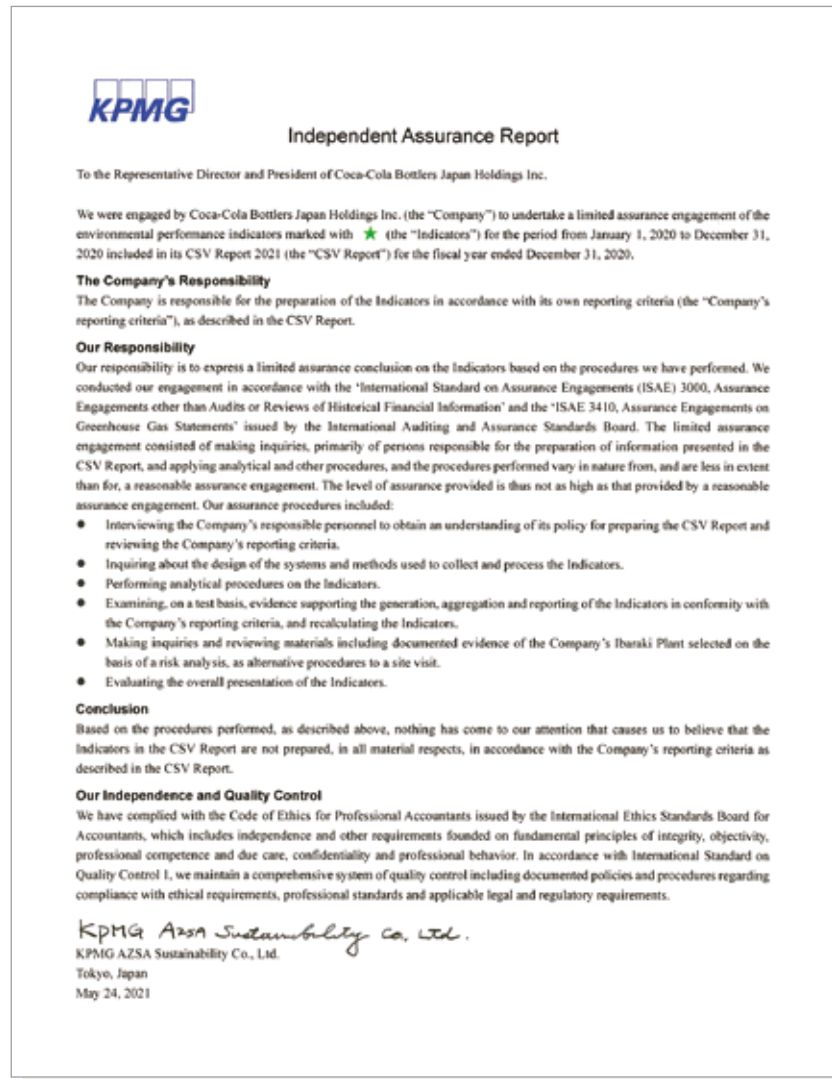
*1 The CCBJH Group uses the Coca-Cola system's global thermal conversion factors in accounting.

*2 In regard to calculating the electricity use and associated greenhouse gas emissions of office activity, 26 out of CCBJI's total 406 business locations were excluded from the scope of this year's calculations. This was due to reasons such as being unable to obtain an accurate measurement of electricity use at leased office locations.

*3 Energy use and greenhouse gas (CO₂) emissions for plant-associated facilities were accounted for in the manufacturing category in the previous year, but from this year they are accounted for in the offices category. Energy use for plant-associated facilities was 178,577 GJ, while greenhouse gas (CO₂) emissions amounted to 8.5 thousand t-CO₂.



Third-party assurance report and accounting process



Accounting process

	Calculation scope	Accounting method
Manufacturing	All bottling plants of the CCBJI Group (17 plants) and associated equipment within plant premises, as well as Q'SAI Group's Fukuoka Konominato Plant and Q'SAI Farm Shimane	<ul style="list-style-type: none"> • Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = total of (energy use for each energy type × CO₂ emissions factor*)
Logistics	The CCBJI Group's business logistics, including distribution from all CCBJI Group plants (17 plants) to the market (customer retail outlets, vending machines, etc.) and the Q'SAI Group's business logistics, including distribution from the abovementioned plant and farm to the market (customer retail outlets, vending machines, etc.). Also includes third-party (outsourced) transportation.	<ul style="list-style-type: none"> • Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = total of (energy use for each energy type × CO₂ emissions factor*)
Offices	Buildings operated by the CCBJI Group (head office, sales centers, distribution centers, and plant-associated facilities, etc.)	<ul style="list-style-type: none"> • Total energy use (GJ) = total of (energy use for each energy type × thermal conversion factor*) • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = total of (energy use for each energy type × CO₂ emissions factor*)
Sales	Vending machines in operation within CCBJI's sales area	<ul style="list-style-type: none"> • Total energy use (GJ) = annual vending machine electricity use × thermal conversion factor* • Greenhouse gas (CO₂) emissions (thousand t-CO₂) = annual vending machine electricity use × CO₂ emission factor*

*Sources for thermal conversion factors and CO₂ emissions factors

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

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

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