# Customer Satisfaction







#### For our customers

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

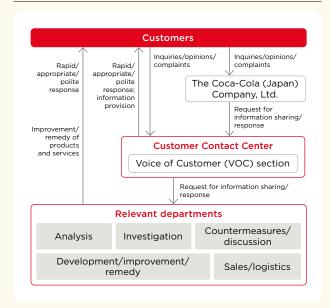
#### **Ensuring customer satisfaction**

The Customer Contact Center is the point of contact for all customers of the CCBJH Group. The center's VOC section shares opinions, requests, complaints, and other feedback received from customers within the Group to inform initiatives aimed at improving products and services.

We comply with ISO 10002 (JIS Q 10002)\*, which covers the handling of customer complaints, throughout our customer response processes and management system.

\*A standard issued by the International Organization for Standardization (ISO) that provides guidance on the process of handling complaints related to product and service quality. ISO 10002 does not involve third party certification. While any organization can self-evaluate its compliance, Coca-Cola system members in Japan only declare their compliance after receiving an independent compliance audit.

#### Process for ensuring customer satisfaction



#### Initiatives for ensuring customer satisfaction

# Employee newsletter highlighting customer views

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



#### Customer response training videos

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

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



#### **Customer feedback**

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



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



Customer Contact Center, VOC section

## Quality Assurance







#### **Quality assurance policy**

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

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

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

\*Concerning quality, we comply with ISO 9001; concerning food safety, we comply with FSSC 22000; concerning the environment, we comply with ISO 14001; and concerning industrial safety and health, we comply with OHSAS 18001 (though some locations are currently transitioning to ISO 45001). We have acquired these certifications at all our plants. We have also acquired ISO 14001 certification at all our sales centers and offices.



#### Fostering greater awareness of quality

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

#### CCBJI Quality Assurance Monthly Report

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

#### Sixty-second quality assurance lessons

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



#### Quality surveys and inspections

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

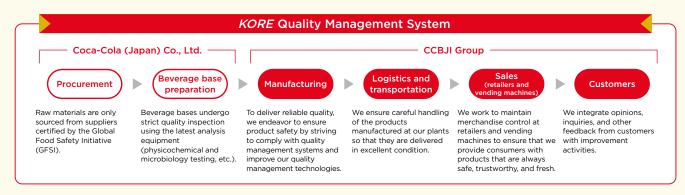
#### Helpful videos for customers

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



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





# Ethics and Compliance







#### Ethics and compliance policies

In order to be a sustainable business, the CCBJH Group must fulfill its social responsibilities and every individual employee should always act appropriately. As part of this, we have enacted the Code of Business Conduct and Ethics, and we promote a corporate culture that emphasizes ethics and compliance. In line with our Mission, Vision, and Values, we value acting with integrity and trust.

The Code of Business Conduct and Ethics covers four areas: right conduct, respect of human rights, dealing with stakeholders, and conflicts of interest. All employees are expected to observe all laws and regulations as well as the Code, internal rules, and workplace principles. They are also expected to act with integrity and honesty, to think before acting, and to seek guidance when in doubt.

#### Compliance education

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

#### Ethics and compliance reporting systems

We have set up the Ethics & Compliance Reporting Hotline (a dedicated email address and telephone number) so employees can directly consult about matters that conflict with, or may conflict with, the code of Business Conduct and Ethics. Anonymous consultation is available, and we are striving to raise awareness of the hotline and create an environment that facilitates consultation by a variety of means, such as issuing ethics and compliance bulletins, posting the hotline contact details on the Group intranet and displaying posters in each workplace. When a report is received, it is investigated and if a violation is deemed to have occurred, it is dealt with appropriately and corrective measures are taken. We also strive to protect employees in the process of a consultation, and prohibit the disadvantageous treatment of any employee who initiates a report.



Ethics and compliance poster



Coca-Cola Bottlers Japan Holdings
Group Code of Business Conduct and
Ethics
https://en.ccbji.co.jp/vision/pdf/en/
CCBJIgroup\_Ethics\_en.pdf

WEB

Basic Policy for Suppliers https://en.ccbj-holdings.com/corporate/ governance/pdf/supplier\_en.pdf

### Risk Management







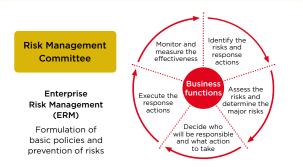
#### Risk management systems

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

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

- 1) The standing Risk Management Committee, which formulates basic policies, deliberates and decides on risk prevention activities for strategic risks;
- 2) The Crisis Management Committee, which leads the response when a major problem or accident occurs;
- 3) The Disaster Countermeasures Task Force, which deliberates and initiates the business continuity plan (BCP) when a wide-area disaster occurs that significantly impacts business activities.

#### Role of the Risk Management Committee



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

#### Risk management accountabilities



Formulate and execute countermeasures to assigned organization's risks

Responsible for the integrated

#### Initiatives in 2020

#### **Executive participation in ERM activities**

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



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

## Human Rights and Employee Job Satisfaction







#### **HR** system

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

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

#### Examples of systems and policies -

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

#### Work-style reform

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

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

#### Specific initiatives

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



Company meetings







Digitalization of memos and forms



Online interview

#### Health management

Maintaining and enhancing the health of CCBJH Group employees is important to us, and we will nurture a corporate climate that prioritizes employees' health with the aim of remaining healthy even at the age of 100 ("Road to 100"). For employees who actively seek to improve their health by changing their lifestyles, we have set up an internal health office to analyze the results of employees' physicals and stress checks together with our health insurance association to develop individual health management plans. We are supporting the health of each employee through various internal business initiatives.

Coca-Cola Bottlers Japan Health Declaration "Sawayaka Style"

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

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



#### Specific initiatives

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

# Occupational safety and vehicle safety initiatives

Based on the philosophy that "health and safety come first," protecting the safety and health of all CCBJH Group employees, creating vibrant workplaces, enhancing productivity, and fulfilling corporate social responsibility form the Group's foundation for business continuity. The Group works to create and nurture a culture of safety based upon mutual trust and by putting principles into practice.

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

#### Specific initiatives

 Drive recorder with personal authentication



 Safe driving training for new graduate employees



 Implementation of hazard prediction training



 Accident recurrence prevention training





# **Corporate Governance**





#### Corporate governance

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



#### Corporate Governance Report (in Japanese only)

https://www.ccbj-holdings.com/corporate/governance/pdf/report\_jp.pdf



#### Basic policy on corporate governance

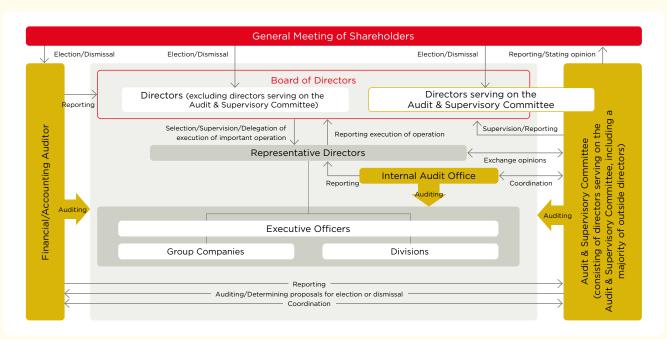
The basic policy of Coca-Cola Bottlers Japan Holdings Inc. (the Company) is to increase management quality, transparency, and efficiency, and strive to enhance midand long-term corporate value.

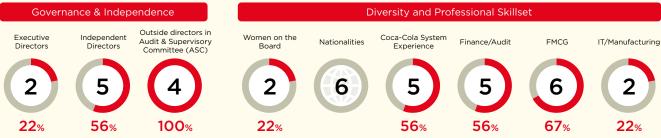
To further strengthen the governance structure, the Company has put in place an audit and supervisory committee structure. The Audit & Supervisory Committee, which is responsible for the Company's auditing, consists solely of outside directors (Audit & Supervisory Committee members), including multiple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

directors serving as Audit & Supervisory Committee members voting rights at meetings of the Board of Directors and the right to state opinions at the General Meeting of Shareholders on matters such as the nomination and remuneration of directors.

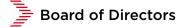
In addition, the Company has adopted the executive officer system for the purpose of separating decision-making and management oversight from business execution. By delegating some important decisions on business execution to executive officers, the Company endeavors to enrich discussion of particularly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

#### Corporate governance system (as of March 25, 2021)





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







Calin Dragan

Representative Director and President

Calin Dragan possesses a wealth of management experience and knowledge pertaining to the global Coca-Cola business gained as representative director and president of a Coca-Cola bottler in Japan and in positions at overseas Coca-Cola bottlers in several countries.



**Bjorn Ivar Ulgenes** 

Representative Director, Vice President, Chief Financial Officer

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



Hiroshi Yoshioka

Outside Director, Independent Director

Hiroshi Yoshioka possesses a wealth of management experience and global business knowledge gained as an outside director of a Coca-Cola bottler in Japan and at Sony Corporation.



Hiroko Wada

Outside Director, Independent Director

Hiroko Wada possesses a wealth of management experience and global business knowledge gained as a corporate officer at The Procter & Gamble Company (U.S.) and as representative director and president of Dyson Ltd. and Toys "R" Us-Japan, Ltd.



Hirokazu Yamura

Outside Director, Independent Director

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



Irial Finan

Outside Director (serving on the Audit & Supervisory Committee)

Irial Finan possesses a wealth of management experience and global business knowledge gained as a corporate executive involved in the Coca-Cola business over many years as an outside director of a Coca-Cola bottler in Japan, management of The Coca-Cola Company and global bottlers and as president of the Bottling Investments Group, which manages The Coca-Cola Company's company-owned bottling operations worldwide.



Celso Guiotoko

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

Celso Guiotoko possesses a wealth of management experience and global business knowledge gained at Nishimoto Co., Ltd. and auditing experience gained as a statutory auditor of Nissan Motor Co., Ltd.



Nami Hamada

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

Nami Hamada has extensive experience in finance and accounting, including management of her own financial consulting company, and possesses a wealth of experience and global business knowledge gained as a corporate executive at Lehman Brothers Japan Inc.



Vamsi Mohan Thati

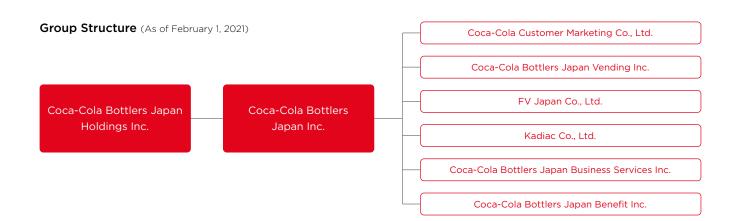
Outside Director (serving on the Audit & Supervisory Committee)

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



#### Corporate Profile (As of February 1, 2021)

Company name	Coca-Cola Bottlers Japan Holdings Inc.
Founded	December 20, 1960 (Trade name changed to Coca-Cola Bottlers Japan Holdings Inc. on January 1, 2018)
Fiscal year end	December 31
Capital	¥15,232 million
Representative	Calin Dragan, Representative Director and President
Stock market listings	Tokyo Stock Exchange (First Section)





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





SECTION 1 Value Creation Story SECTION 2
Value Creation
Initiatives



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



Financial & non-financial data

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



#### Financial information

#### Annual Review



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

#### Non-financial information

#### CSV Report



- Corporate Governance Report (in Japanese only)
- ESG data
- CO<sub>2</sub> emission results based on GHG protocols

#### Investor relations





Investor relations

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



#### Creating shared value (CSV)





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





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

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

Plant tour guides will introduce the origin and history of Coca-Cola, as well as the plant's quality control and environmental efforts. You will also be able to see the plant's impressive production lines.

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



Note: Due to start from June 2021









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



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













## 



#### Masao Aoki Professor, Mie University, Faculty of Humanities, Law and Economics

As a specialist in business administration, business history, and R&D management, I address what defines good management and explore the independent identities of corporations, including the roles that they fill in society, while I research how society can become better through its companies. PhD graduate (2002) of the Ritsumeikan University Graduate School of Business Administration.

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

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

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

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

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



# 🝃 CSV Report 2021 survey

This survey is to aid in the development of

our future CSV initiatives and our next CSV Report.

Please let us know your thoughts and opinions.



Please access the survey via the URL below or the QR code. https://form.ccbji.co.jp/form/csv2021\_en





### Coca-Cola Bottlers Japan Holdings Inc.

Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6211

#### For inquiries:

Please use the "Inquiries" form on the Coca-Cola Bottlers Japan Holdings Inc. website.

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

