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COCA-COLA (JAPAN) COMPANY ESG Report

Environmental, Social and
Governance Report

日本コカ・コーラ ESGレポート

English Version





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About This Report

Editorial Policy The Coca-Cola (Japan) Company ESG Report conveys the approaches, activities and achievements of the Coca-Cola system in Japan (Coca-Cola (Japan) Co., Ltd. and five bottling partners) looking toward attainment of the global sustainability goals of the Coca-Cola system and targets specific to Japan.

Scope Coca-Cola (Japan) Co., Ltd., five bottling partners and one affiliate

- Period: January 1–December 31, 2020 (The period differs from the above for some data)
- Publication: July 1, 2021

Terminology

- “The Coca-Cola Company” refers to the U.S. headquarters.
- “Coca-Cola (Japan) Co., Ltd.” and “Coca-Cola Japan” refer to Coca-Cola (Japan) Company, Limited.
- “Bottling partners” refers to the five bottling companies across Japan. (Hokkaido Coca-Cola Bottling Co., Ltd., Michinoku Coca-Cola Bottling Co., Ltd., Coca-Cola Bottlers Japan Inc., Hokuriku Coca-Cola Bottling Co., Ltd., Okinawa Coca-Cola Bottling Co., Ltd.)
- “The Coca-Cola system” refers to The Coca-Cola Company and business entities involved in its global operations.
- “The Coca-Cola system in Japan” refers to Coca-Cola (Japan) Co., Ltd., the five bottling partners across Japan and one affiliate.
- “Consumers” refers not only to those who purchase Coca-Cola system products but also to the general public.

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This report is also available on the Coca-Cola Japan corporate website.

<https://www.cocacola.co.jp/sustainability>

Message from the President

■ Continuing Our Transformation to Emerge Stronger

More than a year has passed since COVID-19 brought about major changes in our daily lives.

It was a tough year like no other for everyone and during that time we decided one thing: to further accelerate our strategic transformation. While the pandemic has certainly served as a catalyst for change, the seeds of transformation were planted well before it arrived. For example, in 2019, the Coca-Cola system in Japan established a set of environmental targets under our 2030 Packaging Vision that were far higher than worldwide targets. We have been constantly challenging existing ways of doing business and changes in society and the market over the past year have shown we were right to pursue that path. Over its 135-year history—65 years in Japan—the Coca-Cola system has faced many difficulties and each time we have emerged even stronger by listening to our stakeholders and proactively transforming our business.

Here is a progress report on sustainability measures we advanced over the past year.

Inclusion, it is safe to say, is embedded in Coca-Cola's DNA. The Coca-Cola Company is acknowledged as the first major U.S. corporation to appoint a woman to its board of directors, in 1934. The reason we value diversity is entirely because it pervades the markets and consumers we serve. Over the past year, we have stepped up moves to enhance the diversity of our organization. In most recent figures, women fill 32.7% of management positions at Coca-Cola Japan¹. Worldwide, the Coca-Cola system has committed to being 50% led by women by 2030 and I am convinced we can achieve that goal in Japan by 2025. The Coca-Cola system in Japan also declared its support for the legalization of same-sex marriage in May 2021 and amended company rules accordingly.

In strengthening ties with **Communities**, 2020 was a significant year. Activities and events run throughout Japan in normal times inevitably had to be canceled. As part of our Refresh Japan program, we donated around 1.3 million products to medical and other facilities to show our support for healthcare workers assigned to the COVID-19 response. At one point, we took the unusual step of manufacturing ethanol preparations at Coca-Cola Japan's Moriyama Plant to help alleviate a shortage of alcohol for use in hand sanitizers. They were distributed free of charge to the relevant facilities. I am proud of the additional trust we established through these efforts, building on our existing relationships with people in the community.

In the area of **Resources**, our sustainable packaging initiatives have picked up pace. As an industry leader in this sphere, we started using 100% recycled PET bottles for I LOHAS Natural Mineral Water from March 2020 and introduced I LOHAS Natural Mineral Water Label-Less the following month. In May 2021, we switched to 100% recycled PET bottles for flagship brands Coca-Cola and Georgia and we have realized weight reductions for some packaging sizes². By expanding the lineup of label-less packaging, too, we anticipate progress on reducing the amount of plastic we use. At the same time, we will include the "Recycle Me Again" logo on all recyclable packaging to enhance awareness about cyclical reuse of resources. These steps are part of plans to increase recycled plastic use to 50% in 2022 and reduce use of petroleum-based virgin plastic in packaging to zero by 2030.

"Refresh the World. Make a Difference." That is the Coca-Cola business purpose. We will strengthen our efforts to ensure that we can provide moments of refreshment to everyone in Japan.

¹ Coca-Cola (Japan) Co., Ltd. (parent only) as of December 2020

² See page 43 for details.



Jorge Garduño
Representative Director and President
Coca-Cola (Japan) Co., Ltd.

PURPOSE AND VISION

OUR PURPOSE

Refresh the World. Make a Difference.

OUR VISION

Our vision is to craft the brands and choice of drinks that people love, to refresh them in body and spirit.

And done in ways that create a more sustainable business and better shared future that makes a difference in people's lives, communities and our planet.



Profile of the Coca-Cola System in Japan

Overview of Coca-Cola Japan

Name	Coca-Cola (Japan) Company, Limited
Established	June 25, 1957, as Nihon Inryo Kogyo K.K. Changed name to Coca-Cola (Japan) Co., Ltd. on March 15, 1958
Head office	4-6-3 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan Tel: +81-3-5466-8000 URL: https://www.cocacola.co.jp
Representative	Jorge Garduño (Representative Director and President)
Capital	3.6 billion yen
Shareholder	The Coca-Cola Export Corporation (100%; a subsidiary of The Coca-Cola Company)
Employees	538 (as of December 31, 2020)
Plant	Moriyama Plant (49 Amura-cho, Moriyama, Shiga Prefecture)
Business	Manufacture and sales of soft drinks (concentrate)
History	1957 Nihon Inryo Kogyo K.K. established 1958 Changed name to Coca-Cola (Japan) Co., Ltd. Concentrate plant completed in Yukigaya, Ota-ku, Tokyo—company relocates from Yokohama 1970 Head office (Shibuya-ku, Tokyo) completed 1974 Moriyama Plant completed 1986 Coca-Cola centennial celebrated 1993 Beverage Development Co., Ltd. (now Coca-Cola Tokyo Research and Development Co., Ltd.) established



Head office

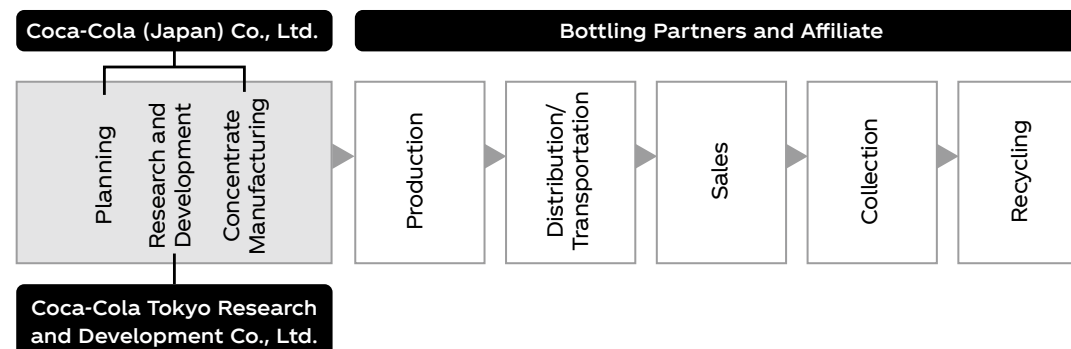


Moriyama Plant



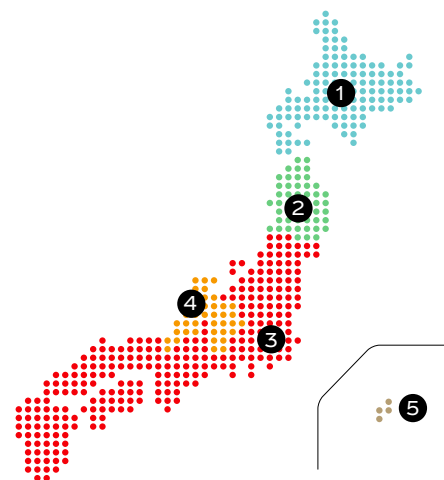
Coca-Cola Tokyo Research and Development

The Coca-Cola System in Japan



The Coca-Cola system in Japan comprises Coca-Cola (Japan) Co., Ltd., which supplies concentrate and undertakes product planning, development and marketing, and five bottling partners and one affiliate that engage in such activities as product manufacturing and sales.

Bottling Partners in Japan



- 1 Hokkaido Coca-Cola Bottling Co., Ltd.
- 2 Michinoku Coca-Cola Bottling Co., Ltd.
- 3 Coca-Cola Bottlers Japan Inc.
- 4 Hokuriku Coca-Cola Bottling Co., Ltd.
- 5 Okinawa Coca-Cola Bottling Co., Ltd.

At a Glance: The Coca-Cola System in Japan

Overview of the Coca-Cola System in Japan



Inclusion

7,645 Participants in the 5by20 project, which supports the empowerment of women
Cumulative total as of December 31, 2020

32.7% Percentage of management positions filled by women
As of March 2021
Coca-Cola Japan only

Communities

1,409 Disaster relief agreements
As of December 31, 2020

Approx. **6,500** "Community-Assisting Vending Machines" deployed
As of December 31, 2019

Resources

Approx. **28%** Bottle-to-bottle rate
2020 results

80.59% Percentage of packaging that is recyclable material
As of December 31, 2019

317% Water replenishment rate¹
2020 results
¹ Water replenishment entails returning to nature the same amount of water used in products.

Products in Japan

Today, the Coca-Cola system operates all over the world with the same desire to deliver great tasting beverages to all people, anywhere, anytime—a desire that persists even now, 135 years on from the birth of Coca-Cola.

In Japan, we deploy products reflecting the diverse lifestyles and preferences of consumers from a portfolio spanning a wide range of categories, including sparkling soft drinks, tea, sports drinks and water.



Product portfolio of the Coca-Cola system in Japan. Percentages based on November 2020 volumes according to Coca-Cola Japan research.

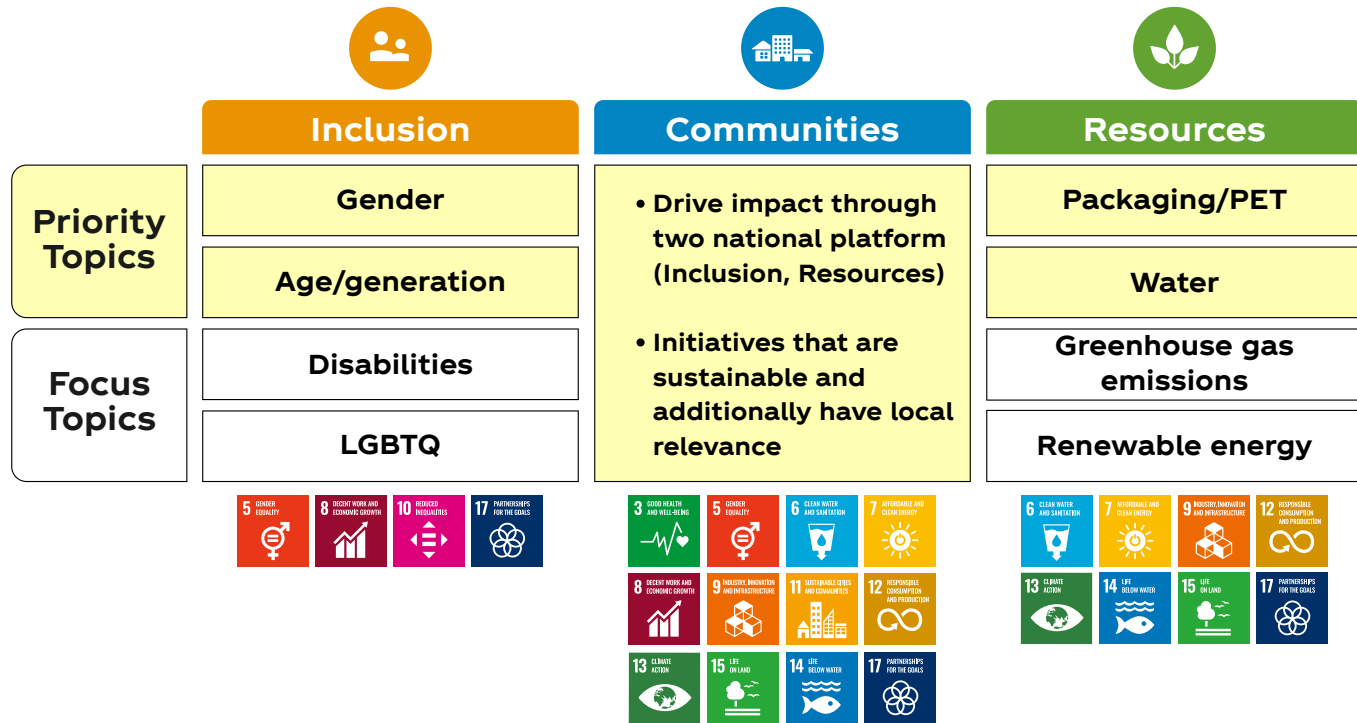
Sustainability Framework of the Coca-Cola System in Japan

In 2019, Coca-Cola Japan and Coca-Cola Bottlers Japan jointly conducted a large-scale study to identify sustainability issues and specify an order of priorities. This was to enable the formulation of a strategy reflecting the unique issues of Japan in addition to global sustainability targets. The strategy would be incorporated into a common action plan for implementation by the Coca-Cola system.

The companies agreed to focus on three platforms—Inclusion, Communities and Resources—and nine priority issues to be addressed right away.

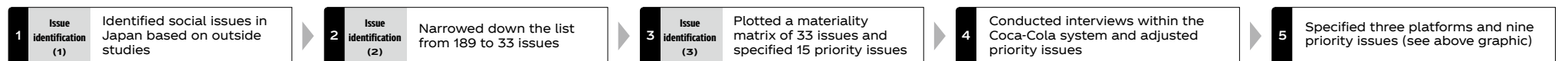
Purpose	We are committed to creating a sustainable business and shared future that makes a difference surrounding important challenges facing Japan, including the environment, people’s lives and our communities.
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Sustainability Framework of the Coca-Cola System in Japan (Three Platforms and Nine Priority Issues)



The nine priority issues are further subdivided into five priority topics specified as urgent and four focus topics that are considered important but relatively less “top-of-mind” at this time. For each of the three platforms, we will examine the relevance of our activities to the Sustainable Development Goals (SDGs) and work toward the achievement of those goals. The Coca-Cola system in Japan has reconfigured a concrete action plan based on the priority issues. We will continue to report regularly on the progress and results of activities by the Coca-Cola system in Japan via our website and other methods and seek to engage in activities aligned with the times, referring to the opinions of NPOs, outside specialist organizations, experts and other third parties.

Process for Specifying the Nine Priority Issues (Materiality)



Inclusion

Diversity and Inclusion

Achieving diversity and inclusion is a strategic business priority for the Coca-Cola system and we will make further advances in this area toward the creation of workplaces where each individual of a diverse workforce can fully demonstrate their potential.

The Coca-Cola system in Japan addresses gender and age/generation as priority topics, and disabilities and LGBTQ as focus topics.

Regarding gender, in particular, Coca-Cola Japan is working to achieve the global goal to be 50% led by women five years early, by 2025. Women currently make up 42.2% of the workforce (December 2020) and fill 32.7% of management positions (March 2021).



● Issues (Priority/Focus Topics) and Medium- to Long-Term Targets and Direction

Issues		Medium- to Long-Term Targets and Direction
Priority Topics	Gender	<ul style="list-style-type: none"> ● Women fill 50% of leadership positions¹ ● Men utilize 100% of parental leave¹
	Age/Generation	<ul style="list-style-type: none"> ● Thirty-somethings fill 15% of management positions¹ ● 80% of annual paid leave is utilized¹
Focus Topics	Disabilities	Strengthen support for people with disabilities
	LGBTQ	<ul style="list-style-type: none"> ● Promote LGBTQ awareness ● Create working environments that support marriage equality

¹ Coca-Cola Japan only

Gender

Support for Women's Empowerment Within the Coca-Cola System

Leadership Program for Women

Coca-Cola Japan and Coca-Cola Bottlers Japan run a joint training program for women in management positions to support their career development. Participants undergo two days of leadership training to acquire the mindset and skills required of a leader before embarking on action to develop their careers based on individual strengths and shortcomings. One day of training is also provided to supervisors to help foster an inclusive culture encouraging the advancement of women. Additionally, we have in place a platform allowing women who have completed their training to discuss the challenges of leadership.

Coke in Circle

Coca-Cola Japan and Coca-Cola Bottlers Japan have set up Coke in Circle, a community for women across the Coca-Cola system. The purpose is to support an environment where women can build a career and aim to become a leader. It also aims to improve engagement and motivation among women in the workforce, for example by encouraging them to share their concerns and experiences.



Unconscious Bias Training

Coca-Cola Japan conducts unconscious bias training with a view to cultivating an inclusive organizational culture. Unconscious bias stems in part from lack of insight into diversity, such as differences in culture, ways of thinking and family backgrounds. We look to remove all such bias, improve the transparency of assessments and decision-making, and further promote globalization and the participation and advancement of women. By promoting self-awareness of unconscious bias among all employees and creating a work environment where everyone has mutual respect and feels free to speak their mind, we will work to create an inclusive organization that makes the most of its diversity.

Support for #Here We Go 203030 Challenge

In pursuing diversity and inclusion, Coca-Cola Japan supports the #Here We Go 203030 challenge¹ promoted by KEIDANREN (Japan Business Federation).

¹ A challenge with specific initiatives aimed at accomplishing a target of 30% of executives being women by 2030, driven by policies of diversity and inclusion—identified as the keys to the realization of sustainable capitalism following recovery from the COVID-19 pandemic within "The NEW Growth Strategy" announced by KEIDANREN in November 2020.



#HereWeGo203030

Support for Women's Empowerment Outside the Coca-Cola System

5by20

Coca-Cola Japan ran the local project to empower women under The Coca-Cola Company's 5by20 initiative, which set out to support 5 million women worldwide by 2020 by enabling their economic empowerment throughout the Coca-Cola value chain and addressing local and community needs.

In Japan, we enabled the empowerment of 7,645 women through the promotion of occupations in dairy farming for 1,491 women and tea cultivation for 959 women, as well as support for 5,195 women entrepreneurs.

Donation to Grameen Nippon to Support Single Mothers

The Coca-Cola Foundation has donated approximately \$150,000 (¥15.4 million) to Grameen Nippon² in support of single mothers. The donation will help finance a new project aiming to promote the financial independence of single mothers by broadening employment opportunities, for example through digital skills development that began in February 2021. The funds will be used over a period of 18 months (to the end of July 2022).

² Grameen Nippon is Japan's first microfinance institution, providing small loans at low interest without collateral to support the financial independence and employment or entrepreneurial aspirations of people in poverty or economic hardship. It is the Japanese version of the Grameen Bank, which has been fighting poverty worldwide and won the 2006 Nobel Peace Prize.

Age/Generation

Millennial Voices Japan

Millennial Voices Japan is Coca-Cola Japan's project to have its millennial generation gather on a voluntary basis to propose initiatives for improving the company to senior management. In 2020, Coca-Cola Japan teamed up with The Pokémon Company and IBM Japan, Ltd. to tackle the problem of plastic waste, together developing an AI-equipped recycling bin for post-consumer bottles and cans known as the "Greedy Grimer." The bins featured at an event to promote recycling at Sunshine City in Ikebukuro, Tokyo, in November.

**Millennial
Voices
Japan**



©2020 Pokémon. ©1995-2020 Nintendo/Creatures Inc. /GAME FREAK inc.

Coca-Cola University Japan Next-Generation Leader Training Program

The Coca-Cola University Japan next-generation leader training program was set up in July 2020 with aims to nurture a new generation of leaders who will drive transformation of the Coca-Cola system while guiding it into the future and to generate new value for the beverage market. The online launch was attended by 80 representatives of Coca-Cola Japan and Coca-Cola Bottlers Japan.

The initial focus will be to train up young leaders. This will be followed by a human resources development program for managers. Making use of global leadership and overseas training programs in coordination with The Coca-Cola Company, we will nurture human resources whose knowledge and expertise can be applied both at home and abroad.



Calin Dragan, Coca-Cola Bottlers Japan Representative Director and President, kicks off the launch with words of encouragement

Disabilities

Sponsorship of the Paralympic Movement

Coca-Cola Japan is collaborating with the Japanese Paralympic Committee (JPC) of the Japanese Para-Sports Association on a training support program for Paralympic athletes. Launched in January 2021, the program aims to support top athletes as they vie to compete in the Paralympic Games and to propel the Paralympic Movement.

In conjunction with these activities, the Coca-Cola system decided to deploy special vending machines supporting JPC and Paralympic Games. Coca-Cola Bottlers Japan installed the first ones at Makuhari Messe, Chiba Prefecture, venue of four events for the Tokyo 2020 Paralympic Games. The Coca-Cola system will donate a portion of sales to the JPC to be used to support the training of Japan's Paralympic athletes for Tokyo 2020 and to promote the Paralympic Movement.



Sponsorship of ZENSHIREN

The Coca-Cola system has been supporting the National Federation of the Physically Disabled and their Parents Associations (ZENSHIREN) for over four decades since 1980. Some 1,147 vending machines with ZENSHIREN stickers have been installed in schools and community halls across the country. Each year, a portion of proceeds from the vending machines, which are administered by ZENSHIREN, is put toward funding for activities of ZENSHIREN and prefectural federations. Companies within the Coca-Cola system also provide ongoing support for stimulation of prefectural parents' association activities, recruitment of new members and recreational programs for enhancing ties with communities.



Sponsorship of the Special Olympics

The Coca-Cola Company is a founding partner and global sponsor of the Special Olympics, the world's largest health and sports organization dedicated to people with intellectual disabilities. Coca-Cola Japan has been an active supporter of Special Olympics Nippon since 1998.



Employees make friendship bracelets and attach messages of support for presentation as key holders

Membership of The Valuable 500

The Coca-Cola Company supports the activities and approach of The Valuable 500, a global initiative committed to promoting disability inclusion, and became a member in February 2021. Launched at the World Economic Forum Annual Meeting in Davos in January 2019, The Valuable 500 initiative aims to unlock the business, social and economic value of people with disabilities by engaging business leaders to bring about necessary change. So far, 425 companies from 35 countries have joined (as of February 2021).



LGBTQ

Support for Marriage Equality and Same-Sex Partnerships

All companies of the Coca-Cola system in Japan have declared their support for Business for Marriage Equality¹, a campaign launched in November 2020 to visualize which companies are in favor of legislating to recognize same-sex marriage.

Coca-Cola Japan already embraces diversity and equality in the workplace with employment regulations treating same-sex partners of employees as if they are legally recognized spouses, meaning those employees can access relevant systems, such as special leave for celebrations or bereavement. Similar provisions were introduced across the Coca-Cola system in Japan in May 2021 as all six companies made progress in this area.

¹ Business for Marriage Equality is a campaign to visualize corporate supporters of legislation to recognize same-sex marriage in Japan. It is run by three nonprofit organizations—Marriage for All Japan, Lawyers for LGBT & Allies Network, and Nijiirō Diversity.



Sponsorship of Pride House Tokyo

As part of its support for LGBTQ people, Coca-Cola Japan has been a Pride House Tokyo² partner since November 2020. Pride House Tokyo is working to ensure that LGBTQ athletes, their friends and families, spectators and local participants are free to be themselves as they enjoy diversity-themed Olympic and Paralympic Games. It also aims to create a permanent safe space for the next generation of LGBTQ youth as an enduring legacy of Tokyo 2020.

² Pride House Tokyo, a project that transcends sector boundaries to link various groups, individuals and corporations in solidarity, is taking the opportunity of the Olympic and Paralympic Games Tokyo 2020 to establish a pop-up information center and spread information related to LGBTQ people and other sexual minorities, as well as provide various events and programs related to diversity.





Communities

Helping to Build Sustainable Communities

Ever since we started doing business in Japan, the Coca-Cola system has been growing alongside the community. In each locality, we will continue to value ties we maintain with the community through nonprofits, companies and organizations outside the Coca-Cola system, and bottling partners, while actively pursuing initiatives nationwide relating to Inclusion and Resources platforms.



● Issues (Priority/Focus Topics) and Medium- to Long-Term Targets and Direction

Issues	Medium- to Long-Term Targets and Direction
<p data-bbox="1238 1299 1261 1414">Priority Topics</p> <ul data-bbox="1283 1315 1592 1406" style="list-style-type: none"> • Contribution through two nationwide platforms (Inclusion and Resources) • Initiatives that are sustainable and additionally have local relevance 	<ul data-bbox="1682 1278 2063 1437" style="list-style-type: none"> • Strengthen collection efforts with nonprofit green bird • Collaborate with the Nippon Paper Group on sustainable activities • Enhance sustainability education within the Coca-Cola system • Develop International Coastal Cleanup activities

Initiatives Through Business

Community-Assisting Vending Machines



As a way of contributing to society through its business, the Coca-Cola system actively installs community-assisting vending machines based on agreements with local governments relating, for example, to the provision of disaster relief in the form of access to beverages. By December 31, 2019, we had installed around 6,500 such vending machines nationwide, primarily in school gymnasiums, public facilities, hospitals and other designated evacuation centers.

In the event of an earthquake or other disaster, relevant information can be remotely relayed to a display fitted into each machine using communication network technology, and remaining beverages can be accessed free of charge. Vending machines are ideal for this kind of support. Meanwhile, individual bottling partners support environmental protection and local development activities of nonprofits and communities through fundraising vending machines.

Comprehensive Pacts with Local Government

The Coca-Cola system in Japan has entered into comprehensive partnership agreements to strengthen cooperation with communities and local government. As of December 31, 2020, we had concluded 1,409 pacts across Japan. Through these agreements, we seek to coordinate closely with local government through dialog as a partner in the community and we aim to stimulate regions through initiatives that improve the lives of citizens in diverse areas, including education and human resources development, disaster and crime prevention, and health promotion. Comprehensive partnership agreements also play a role in activities responding to the constantly changing social landscape.

Localized Products

Some products supplied by the Coca-Cola system in Japan are available only in a limited area and have been adapted to match regional characteristics and needs. Products representative of a region contribute in a number of ways, for example by stimulating the economy through local production for local consumption, upholding local food culture and nature's plentiful gifts, and supporting sporting pursuits strongly associated with that community.

I LOHAS Natural Mineral Water (Hokkaido Natural Mineral Water)



For the people of Hokkaido, we supply fine-tasting locally sourced water that is obtained and manufactured at our plant in Kiyota-ku, Sapporo. We donate a portion of proceeds to the Hokkaido e-Mizu Project. The funds go to groups working to protect waterside environments across Hokkaido.

Georgia Milk Coffee



This product available only in Hokkaido supports local production for local consumption by using 100% Hokkaido-sourced milk. The taste evokes nostalgic memories for many Hokkaido residents.

Aquarius Sparkling Northern Tohoku B.League Support Bottle Can



This product's package features the logos of the professional basketball teams based in the three prefectures in northern Tohoku—Aomori Wat's, Iwate Big Bulls, and Akita Northern Happinets. A 1% portion of the sales of products sold in each prefecture is donated to the teams to fund activities.

Coca-Cola Slim Bottle Kyoto Design (In Gift Box)



Inheriting the profile of the contour bottle, the packaging evolves further by using aluminum material. The product is supplied under a partnership agreement reached with Kyoto Prefecture. To help promote tourism in the city of Kyoto, a portion of sales earned during 2017 (¥1,779,800) was donated to the city in March 2018.

I LOHAS Natural Mineral Water (Tonami Natural Mineral Water)



Water obtained and manufactured in Tonami, Toyama Prefecture is available in Toyama, Ishikawa, Fukui and Nagano prefectures as I LOHAS Tonami Natural Mineral Water. Sourced from Mt. Eboshi in the Hida Highlands, the water filters down through the hills to help sustain Toyama's grain belt and people's lives.

Kochakaden Garden Lemon Tea Kochakaden Garden Shikuwasa Tea



Kochakaden Garden Lemon Tea has enjoyed much popularity over the years in Okinawa, where there is a distinct food and, more specifically, tea culture. Then in 2020, we launched Kochakaden Garden Shikuwasa Tea, a product supporting local production for local consumption by using the juice of Okinawa-grown shikuwasa (*Citrus depressa*).

Bottling Partner Initiatives

Michinoku Coca-Cola Bottling

Teaming Up with Local University Students to Develop Original Mocktails¹ Using Sanriku Regional Specialties

In February 2021, Michinoku Coca-Cola started developing a selection of original mocktails using specialty ingredients of the Sanriku region alongside Iwate Prefectural University student group Fukko girls & boys*. The aims are to keep memories of the 2011 Great East Japan Earthquake alive and to raise the profile and increase consumption of Sanriku specialties. The company and the students will develop an original lineup for release to the market around summer 2021.

1 Mocktails (i.e. cocktail imitations) are non-alcoholic cocktails.



Mutsu Bay Cleanup Project

In November 2020, Michinoku Coca-Cola co-hosted the Mutsu Bay Cleanup Project in the city of Aomori, Aomori Prefecture, with local nonprofit and volunteer groups. Around 30 local residents participated in the coastal cleanup as well as a lecture on plastic waste, raising awareness of the problem of marine litter. Through such activities, the company's aim is to team up with the community to address social issues.



Family Summer Holiday Environmental Learning Workshop

In July 2020, an environmental learning workshop took place at the Iwate Prefectural Information Exchange Center. As instructors, employees of Michinoku Coca-Cola Bottling set about explaining to the 15 participants (children and parents) about the importance of the circulation of the planet's resources, touching on the topics of water and PET bottles. The event coincided with a month-long exhibition at the center from June outlining the company's sustainability initiatives.



Sponsorship of Autumn UMIGOMI² Zero WEEK

In September 2020, Michinoku Coca-Cola sponsored the launch of Autumn UMIGOMI Zero WEEK 2020 in Iwate at Jodogahama beach in Miyako, Iwate Prefecture. Employees took part in the cleanup and provided drinks at each of the venues. Held in Iwate for the first time, the event was part of a nationwide cleanup campaign to help combat marine litter run by the Ministry of the Environment and The Nippon Foundation.

2 Umigomi = marine litter



Employee Takes the Stage at Marine Litter Forum

In October 2020, an employee took the stage as a panelist at a forum hosted by Iwate Prefecture to discuss the challenge of protecting our oceans. He explained that PET bottles are not disposable items, but a recyclable resource. The purpose of the forum is to help pave the way into the future by protecting the sea off the Sanriku coast from marine litter.



Hokkaido Coca-Cola Bottling

Community-Oriented Cleanup Activities

Hokkaido Coca-Cola Bottling undertakes cleanup activities right across Hokkaido, including through participation in beachcombing events hosted by a Hokkaido-based coastal beautification nonprofit. Employees and their families took part in events in Shakotan in August and Hamamasu in October 2020. It is an opportunity to broaden employees' knowledge and build greater awareness of problems associated with marine and coastal litter.



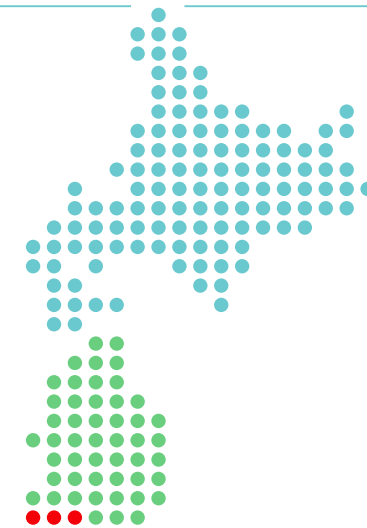
Donation of Products to Food Banks

The COVID-19 pandemic has affected people's lives in many ways. In October 2020, Hokkaido Coca-Cola Bottling donated products to the community via eight food banks in Hokkaido. Those organizations coordinated the distribution of around 300 cases (equivalent to 7,200 bottles) of Coca-Cola system products to local groups such as "children's cafeteria" food kitchens and organizations providing support to people in need.



Deployment of Child-Rearing Support Vending Machines

Hokkaido Coca-Cola Bottling has been installing child-rearing support vending machines since May 2019 in partnership with the Hokkaido Regional Development Bureau. The vending machines support young families through the sale of items such as disposable diapers, liquid baby formula and baby wipes.



Hokuriku Coca-Cola Bottling

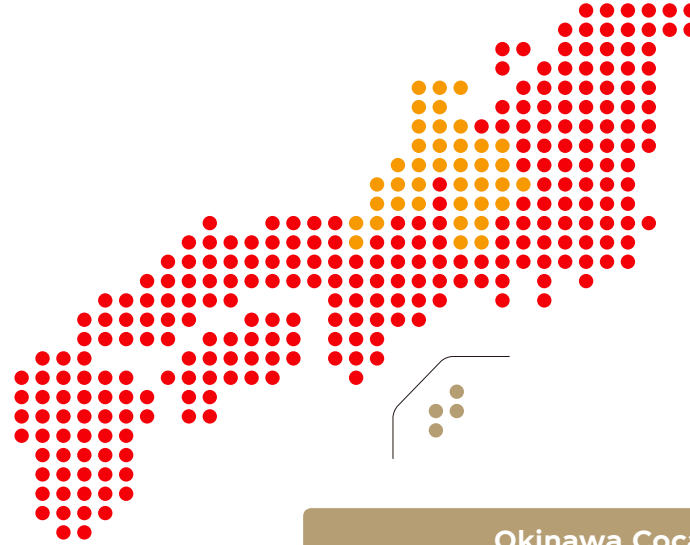
Deployment of SDGs Vending Machine

In February 2021, Hokuriku Coca-Cola Bottling installed an “SDGs vending machine” at a civic hall together with the city of Toyama. The purpose of the vending machine—a Japan first—is to reduce food waste. Products sold from the vending machine include surplus items resulting from overstocking. In addition, a portion of proceeds are donated to the city for allocation to initiatives relating to the SDGs.



Education on Product Development and Manufacturing for Toyama Junior High School Students

This project giving junior high school students in Toyama Prefecture the opportunity to experience the joys of learning and challenge themselves to learn aims to nurture human resources who will one day engage in product development and manufacturing in the prefecture. Against the backdrop of a nation grappling with a low birthrate and dwindling interest in the sciences, Hokuriku Coca-Cola Bottling also took part, thereby contributing to SDGs efforts. As instructors, they referenced their own experiences to communicate the joys of making things and what it means to do work to children who are just starting to consider their career paths.



Coca-Cola Bottlers Japan

Deployment of Shimanami Kaido Cycling Road Support Vending Machine

In November 2020, Coca-Cola Bottlers Japan installed a Shimanami Kaido cycling road support vending machine inside the precinct of Japan’s only shrine to bicycles—Oyama Shrine on the island of Innoshima (Onomichi, Hiroshima Prefecture). A portion of sales will be donated to the Hiroshima headquarters of the Shimanami Kaido cycling road promotion council to help keep the route open to cyclists free of charge.



Donation of Products via Food Banks

Since 2016, Coca-Cola Bottlers Japan has been collaborating with Second Harvest Japan, a nationwide food bank promotion council, and others to donate products to entities including “children’s cafeteria” food kitchens and welfare facilities. In 2020, the company expanded the program, donating 20,477 cases (425,616 bottles) of Coca-Cola system products to groups in 14 of the 38 prefectures making up the sales area.



Okinawa Coca-Cola Bottling

Deployment of Vending Machines Supporting Children and Child-Rearing Fund

In January 2020, Okinawa Coca-Cola Bottling commenced deployment in Motobu, Okinawa Prefecture, of four vending machines supporting a fund for children and child-rearing. An unveiling ceremony was held at the town office in July. These are the first assistance-providing vending machines to be deployed that tie in with a local government child-rearing support fund ordinance. Three yen is donated to the fund for every beverage sold. The money goes toward support for children and child-rearing, such as for purchasing picture books for kindergarten children.



Coastal Cleanup by New Employees

In April 2020, seven new employees of Okinawa Coca-Cola Bottling carried out a cleanup of Nerome Beach in Ogimi. PET bottles, detergent containers, polystyrene foam, fishing equipment, fluorescent lights and oversized waste were among the items collected. The litter filled 22 bags and weighed 70 kilograms. Okinawa is surrounded by sea, making this a great opportunity to experience first-hand the problem of marine litter.



Initiatives with Partners

International Coastal Cleanup

Employees of Coca-Cola Japan and companies affiliated with the Coca-Cola system take part in cleanup campaigns across Japan in conjunction with the International Coastal Cleanup (ICC). Hosted by Ocean Conservancy, the United States' leading marine nature conservation group founded as a center for environmental education relating to marine life, the ICC is the world's biggest coastal cleanup campaign.

The Coca-Cola Company has undertaken activities across the globe as a sponsor of the ICC since 1995. ICC campaigns first came to Japan in 2007. Coca-Cola system employees throughout Japan have so far volunteered for campaigns in places like Lake Biwa; Yakushima island; Miyagi Prefecture's Shichigahama coast; the area around Tone River in Joso, Ibaraki Prefecture; Okinawa Prefecture; and the Tsurigasaki coast of Chiba Prefecture. We plan to come together as a united Coca-Cola system and strengthen activities.



The coastal cleanup of the Tsurigasaki coast, Chiba Prefecture. Coca-Cola Japan President Jorge Garduño took part, as did Coca-Cola Bottlers Japan President Calin Dragan.

Support for green bird

Coca-Cola Japan has been building up a relationship with green bird, a nonprofit involved in cleaning campaigns and town development, since 2008 and continues to engage in cleanup activities across Japan. An annual cleanup event hosted by green bird, "gomizero week," involves around 30 teams undertaking cleanup activities nationwide. We are currently considering ways to strengthen collection efforts under the Resources platform.



Cleanup activity during gomizero week 2019

Using Resources Sustainably

Resources are limited and we must use them effectively if we are to realize sustainable growth.

The Coca-Cola system in Japan has identified four resource-related issues with particularly strong relevance to our business: packaging/PET, water, greenhouse gas emissions, and renewable energy.

Packaging/PET is a priority topic and we have set out to achieve cyclical reuse of plastic resources under our 2030 Packaging Vision.



● Issues (Priority/Focus Topics) and Medium- to Long-Term Targets and Direction

Issues	Medium- to Long-Term Targets and Direction	
Priority Topics	Packaging/PET	<ul style="list-style-type: none"> ● Use rPET or bio-based PET plastic in PET bottles of all products by 2025 ● Complete switch to use of rPET or bio-based PET plastic in all PET bottles by 2030 ● Achieve 100% collection and recycling by 2030¹
	Water	<ul style="list-style-type: none"> ● Improve the water replenishment rate ● Improve water resource efficiency
Focus Topics	Greenhouse gas emissions	Promote CO ₂ emissions reduction across the entire Coca-Cola system
	Renewable energy	Adopt and expand use of renewable energy

¹ Collect one PET bottle for every Coca-Cola product sold in Japan



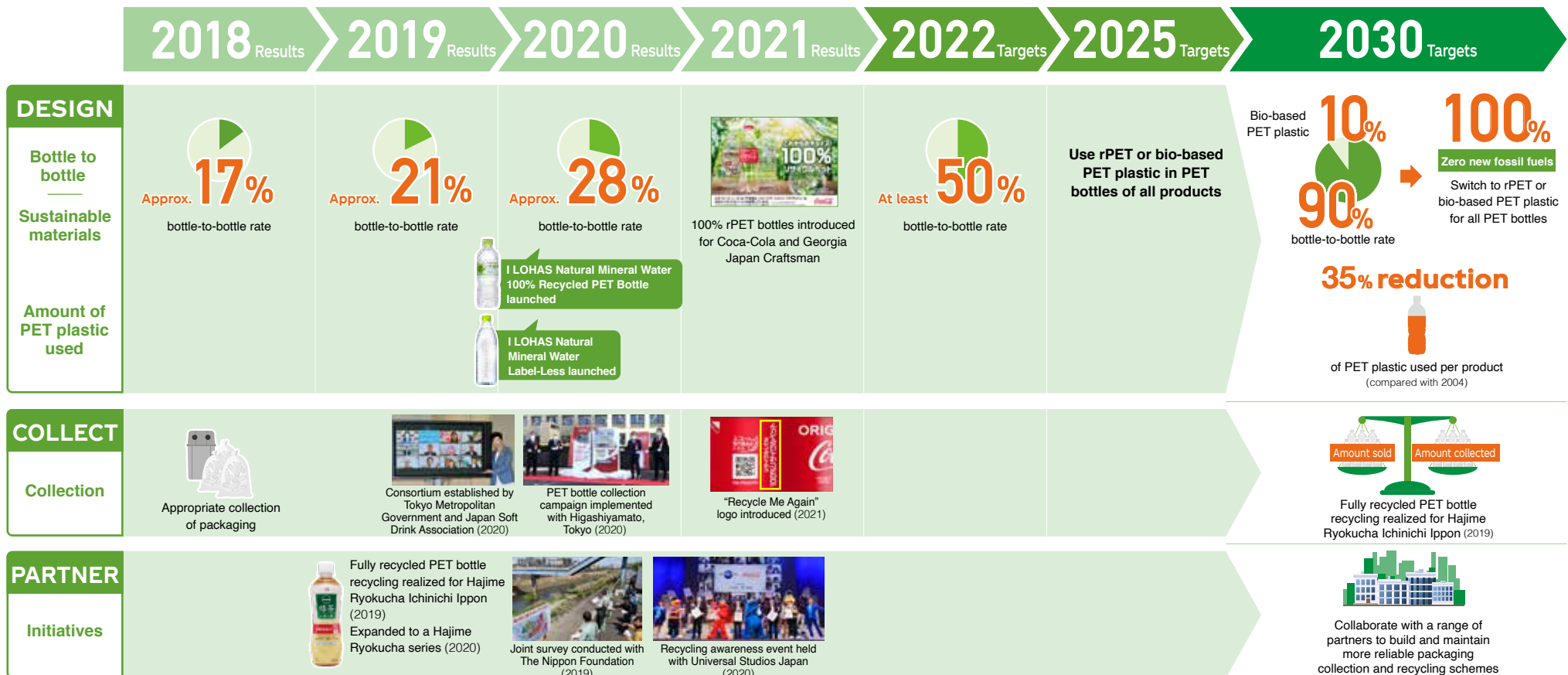
2030 Packaging Vision

In January 2018, the Coca-Cola system in Japan established its 2030 Packaging Vision in line with the global vision of a World Without Waste. We pursue three pillars of activity—Design, Collect and Partner. New environmental targets were revealed in July 2019 and also brought forward attainment of the initial goals. We added a set of numerical targets specific to the Coca-Cola system in Japan, and more ambitious than global targets, including a switch to 100% sustainable materials for all PET bottles by 2030. Targets will be achieved through activities such as bottle-to-bottle recycling¹.

¹ The process of collecting and recycling post-consumer PET bottles and turning them into new PET bottles for beverages

2030 Packaging Vision of the Coca-Cola System in Japan—Roadmap and Results

(Updated May 2021)



* For more on "Collect" initiatives, see page 23. For more on "Partner" initiatives, see page 24.

2030 Packaging Vision

① Design

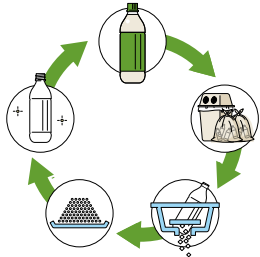
Full introduction of packaging that does not use any petroleum-based virgin plastic with a complete switch to 100% sustainable materials by 2030

Under its 2030 Packaging Vision, the Coca-Cola system in Japan aims to fully introduce packaging that does not use any petroleum-based virgin plastic by making use of recycled PET and bio-based PET plastic. We have also been innovating with packaging technology continually since the 1970s to achieve effective use of resources, reduce the environmental impact during production and transportation, and improve convenience for consumers.

2030 Packaging Vision Targets for Design

- ① Through promotion of bottle-to-bottle recycling, increase utilization of rPET plastic to at least 50% by 2022 and 90% by 2030. The aim is full introduction of packaging that does not use any petroleum-based virgin plastic.
- ② Switch to use of recyclable materials in packaging of all products sold in Japan by 2025. By the same year, PET bottles of all products will be made using sustainable materials (rPET or bio-based PET plastic).
- ③ Switch to 100% sustainable materials for all PET bottles by 2030, realizing zero use of petroleum-based virgin plastic.
- ④ Reduce PET plastic use per bottle by 35% by 2030 (compared to 2004).

① Promotion of Bottle-to-Bottle Recycling



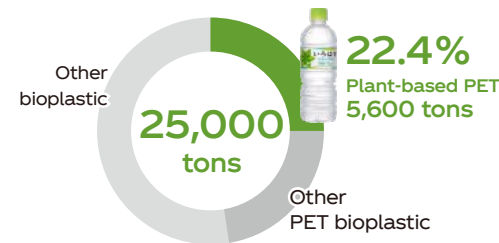
The Coca-Cola system in Japan is striving for cyclical reuse of plastic resources through bottle-to-bottle recycling, whereby post-consumer PET bottles are collected, recycled and turned back into PET bottles for use as beverage packaging.

② Greater Use of Recyclable Packaging



The Coca-Cola system in Japan continues research and development relating to pouches that are currently not recyclable, looking to clear technical hurdles in areas such as quality maintenance to enable a switch to recyclable materials for packaging of all products sold in Japan by 2025.

③ Use of Bio-Based PET Plastic



* 2020 figures according to Coca-Cola Japan research

In 2009, the Coca-Cola system in Japan led the industry with the introduction of the PlantBottle, partially made from bio-based PET plastic, for products including Sokenbicha and I LOHAS. Around 22% of bio-based PET plastic currently consumed in Japan is used in packaging for Coca-Cola system products.

④ Reduction of Plastic Use with Lighter Packaging



In 1996, a small PET bottle (500 mL) used for water products of the Coca-Cola system in Japan weighed 32 g. I LOHAS was launched in 2009 in a bottle 20 g (63%) lighter. At around 12 g, it was the lightest in Japan at the time¹. PET plastic use had been reduced while characteristics required of beverage packaging were retained.

¹ Among 500 mL PET bottles made in Japan as of March 2009, according to Coca-Cola Japan research

2030 Packaging Vision

① Design

Use of 100% recycled PET bottles extended to core Coca-Cola and Georgia products

Following on from I LOHAS Natural Mineral Water in March 2020, we introduced 100% recycled PET bottles for core products of flagship brands Coca-Cola and Georgia in May 2021. As a result, we expect CO₂ emissions to fall by around 60% per bottle, or roughly 35,000 tons annually across the entire Coca-Cola system. Use of petroleum-based virgin plastic will drop by around 30,000 tons¹. Not only that, we managed to reduce the weight of packaging for Coca-Cola 700 mL PET and Georgia Japan Craftsman 500 mL PET, also contributing to reduced plastic use and CO₂ emissions. Communication with consumers will be strengthened through the display of a “Recycle Me Again” logo on product packaging. The aim of these initiatives is to achieve a 50% bottle-to-bottle recycling rate for the Coca-Cola system in Japan by 2022.

¹ Assuming a switch from ordinary PET bottles to 100% recycled PET materials. Total for all affected products, estimated by Coca-Cola Japan based on the previous year's shipments.



これからのチョイス!
100%
リサイクルペット

リサイクルしてね
100%リサイクルペット

コカ・コーラ、いろは・す天然水、ジョージア、ジャパンクラフトマン[®]は100%リサイクルペットを使用しています。 ※メッセージボトルのみ対象となります
リサイクルペット素材を100%使用したペットボトルを使用しています（一部製品を除く） 詳しくはこちら: <https://www.cocacola.co.jp/sustainability>

Coca-Cola

Introduction of “Recycle Me Again” Logo

As part of efforts to raise awareness about realizing cyclic use of plastics, the Coca-Cola system started rolling out a common “Recycle Me Again” logo for display on all recyclable product packaging from late February 2021, strengthening communication with consumers. On labels for packaging made using only recycled PET plastic, we use the logo in combination with the Japanese for “100% Recycled PET,” making it easier for consumers to choose a product with a low environmental impact.

Besides product packaging, the “Recycle Me Again” logo is also due to appear on advertisements, POP displays, recycling bins and elsewhere.

リサイクルしてね
いつもありがとう、またよろしくね



リサイクルしてね
100%リサイクルペット



2030 Packaging Vision

① Design

Progress on plastic waste reduction with deployment of label-less products and 1,2,CUBE

In addition to bottle-to-bottle initiatives, the Coca-Cola system in Japan introduced label-less products in April 2020 and launched 1,2,CUBE in May 2021.



April 2020:
Introduction of I LOHAS Natural Mineral Water Label-Less with a stylish design featuring an embossed I LOHAS logo

Label-Less Packaging

Label-less products make packaging easier to sort and recycle because there is no more hassle of removing labels. In April 2020, partial revisions to ministerial ordinances concerning the Act on the Promotion of Effective Utilization of Resources¹ made it possible to realize completely label-less products with the omission of tack stickers or other identifiers. The Coca-Cola system in Japan responded with the introduction of I LOHAS Natural Mineral Water Label-Less.

A lot of positive feedback was received from consumers, especially with regard to hassle-free sorting and reduction of plastic waste.

The label-less range was extended to Ayataka, Sokenbicha and CANADA DRY THE TANSAN STRONG in August 2020, Aquarius in February 2021, and I LOHAS Natural Mineral Water 2 L PET in March 2021.

¹ The purpose of the ministerial ordinance revisions was to promote waste reduction and to eliminate the need for consumers to remove and sort tack stickers or other identifiers. This has made it simpler and easier to put post-consumer PET bottles out for collection in optimal condition for recycling.



Label-less lineup expansion
August 2020: Ayataka, Sokenbicha, CANADA DRY THE TANSAN STRONG
February 2021: Aquarius
March 2021: I LOHAS Natural Mineral Water Label-Less 2 L



Ingredients and other statutory information normally required on labels are instead shown on outer cartons (the product is sold only by the case).

1,2,CUBE

1,2,CUBE is a new genre of freeze-dried beverages—cubes of ingredients with their flavor condensed through freeze concentration, to be simply dissolved in hot or cold water for an authentic taste. Sold in pouches made from paper materials, the products employ sustainable packaging that would reduce plastic resin use by around 13% and CO₂ emissions by around 18%². The products also help to reduce household waste since cubes do not need to be individually wrapped.

² Compared to plastic pouches with the same shape and capacity



Launch of 1,2,CUBE freeze-dried beverages
May 2021: 1,2,CUBE Ryokucha, 1,2,CUBE Mugicha
June 2021: 1,2,CUBE Coffee

2030 Packaging Vision

② Collect

Japan's PET bottle collection rate is 93.0%. The recycling rate is 85.8%¹.

Thanks to the joint efforts of government, businesses and communities, some outstanding plastic recycling schemes are already well established. Post-consumer PET bottles, when recovered properly, are suitable as a reusable resource. The Coca-Cola system engages with local government, groups and suppliers across the country to raise awareness about PET bottle collection and recycling and promote bottle-to-bottle recycling.

¹ Both rates are sourced from The Council for PET Bottle Recycling data for 2019. (Bottles collected as combustible waste are not included.)

2030 Packaging Vision Targets for Collect

By 2030, we will be collecting one PET bottle for every Coca-Cola product sold in Japan.

Project with Welcia Holdings

As part of efforts to build a model for bottle-to-bottle recycling, Welcia Holdings Co., Ltd. and Coca-Cola Bottlers Japan installed recycling bins for PET bottle collection at Welcia stores in Tochigi Prefecture for the period from September to December 2020. The plan is to expand the project to other regions and stores after examining the factors, including volume, quality and cost.



Recycling and Resource Collection Activity Corner



In March 2020, Hokkaido Coca-Cola Bottling installed a 2030 Packaging Vision activity corner at its head office giving consumers an opportunity to see, touch and learn first-hand about the cyclical reuse of plastic resources. Visitors even get to try out a reverse vending machine used for collection of post-consumer PET bottles.

PET Bottle Recycling Project Launched with The Foundation for Ainu Culture



The Foundation for Ainu Culture and Hokkaido Coca-Cola Bottling launched a collaborative project for PET bottle recycling in September 2020. A reverse vending machine has been installed at the Upopoy National Ainu Museum and Park, which is managed and operated by the foundation. Collected post-consumer PET bottles undergo bottle-to-bottle recycling and ¥1 is donated to the foundation for every bottle.

Initiative with Shikoku Aquarium

After learning of Shikoku Aquarium's wish to reduce harm to marine life caused by plastic, Coca-Cola Bottlers Japan installed vending machines with an original design promoting PET bottle recycling in the aquarium's car park in June 2020.



PET Bottle Collection Project with Higashiyamato, Tokyo

The city of Higashiyamato and Coca-Cola Bottlers Japan concluded a comprehensive partnership agreement for community revitalization in October 2020. The two parties are collaborating on PET bottle collection activities, installing collection machines across the city to help raise awareness about recycling among city residents.



2030 Packaging Vision

③ Partner

The Coca-Cola system in Japan actively pursues activities together with partners who share the same sense of purpose in realizing a society where plastic resources are recycled.

2030 Packaging Vision Targets for Partner

Through collaboration with governments, the beverage industry and communities, we will make efforts to build and maintain more reliable packaging collection and recycling schemes.

Hajime Ryokucha (Seven & i Holdings)



Hajime Ryokucha Ichinichi Ippon, jointly developed by Seven & i Holdings Co., Ltd. and Coca-Cola Japan, was given a revamp in June 2019, making use of 100% recycled PET bottles. Use of recycled PET bottles was expanded to other products in the Hajime Ryokucha series in April 2020. These world-first¹ fully recycled PET bottles are made entirely from PET plastic recycled from post-consumer PET bottles collected at Seven & i Group retail stores.

¹ As of June 5, 2019, according to Coca-Cola Japan and Seven i Holdings research

Survey of Land-to-River Waste Flow Mechanisms (The Nippon Foundation)



The Nippon Foundation and Coca-Cola Japan have undertaken a joint survey of the mechanisms of waste flows from land into rivers. The purpose has been to shed light on the mechanisms leading to the generation of marine litter in a way that will help corporations and local governments devise effective strategies and promote cyclical reuse of PET bottles and other plastic resources. Based on the findings, Coca-Cola Japan and its bottling partners are working to identify recycling bins whose contents regularly spill out and to develop countermeasures, such as installation of more recycling bins and more frequent collection, with priority placed on locations close to rivers.

Recycling Awareness Event (Universal Studios Japan)



In September 2020, Universal Studios Japan, Coca-Cola Japan and Coca-Cola Bottlers Japan held a “Study Together” recycling awareness event dealing with the best ways to use PET bottles in this day and age. Original eco-bags, made from Coca-Cola system PET bottles actually collected inside the park, were used as a core prop for the event to demonstrate the potential for cyclical reuse of plastic resources and to get across the importance of proper sorting and collecting bottles in a clean state.

Recognition for Packaging/PET Initiatives

The Coca-Cola system in Japan wants to contribute to the realization of a recycling-oriented society through new packaging proposals, including bottle-to-bottle recycling and label-less products. Our initiatives have received a great deal of recognition from a wide range of organizations.



21st Green Purchasing Award for Plastic Resource Recycling

Two Coca-Cola system products—I LOHAS Natural Mineral Water 100% Recycled PET Bottle and I LOHAS Natural Mineral Water Label-Less—received a 21st Green Purchasing Award Grand Prize in the plastic resource recycling special category. Run by environmental nonprofit Green Purchasing Network, the awards program recognizes sustainable procurement activities that have contributed to green market expansion or are playing a role in attainment of SDGs.

The accolade recognizes the 100% recycled PET bottle—realized through bottle-to-bottle recycling—and the label-less packaging as industry-leading initiatives that entail proactive use of recycled materials and contribute to social implementation of horizontal recycling.

21st Green Purchasing Award Grand Prize



2020 Good Design Best 100



I LOHAS Natural Mineral Water Label-Less was selected for inclusion in the 2020 Good Design Best 100 for the Good Design Award, renowned as one of the world's leading award programs in terms of scale and performance, hosted by the Japan Institute of Design Promotion. As well as being symbolic of the I LOHAS series developed with rigorous attention to environmental friendliness, the product was recognized not merely for doing away with the label, but also for its development from scratch with a beautifully sculpted design corresponding to its function, possible precisely because it is label-less.

Japan Packaging Contest 2020

Japan Graphic Designers Association Award



Hosted by the Japan Packaging Institute, the Japan Packaging Contest commends packaging that has performed the best in design through to logistics stages during the year. In the 2020 contest (the 42nd), I LOHAS Natural Mineral Water Label-Less won the Japan Graphic Designers Association Award—one of the highest accolades, a Japan Star award. As a 100% recycled PET bottle notable for its design feature doing away with the hassle of label removal, it was recognized as both environmentally and user friendly.

Water

The Coca-Cola system takes three approaches to water stewardship—Reduce, Recycle and Replenish. Specifically, reduce water usage at plants, manage wastewater at plants, and survey and protect local water sources. In 2021, we additionally adopted a global 2030 water strategy.

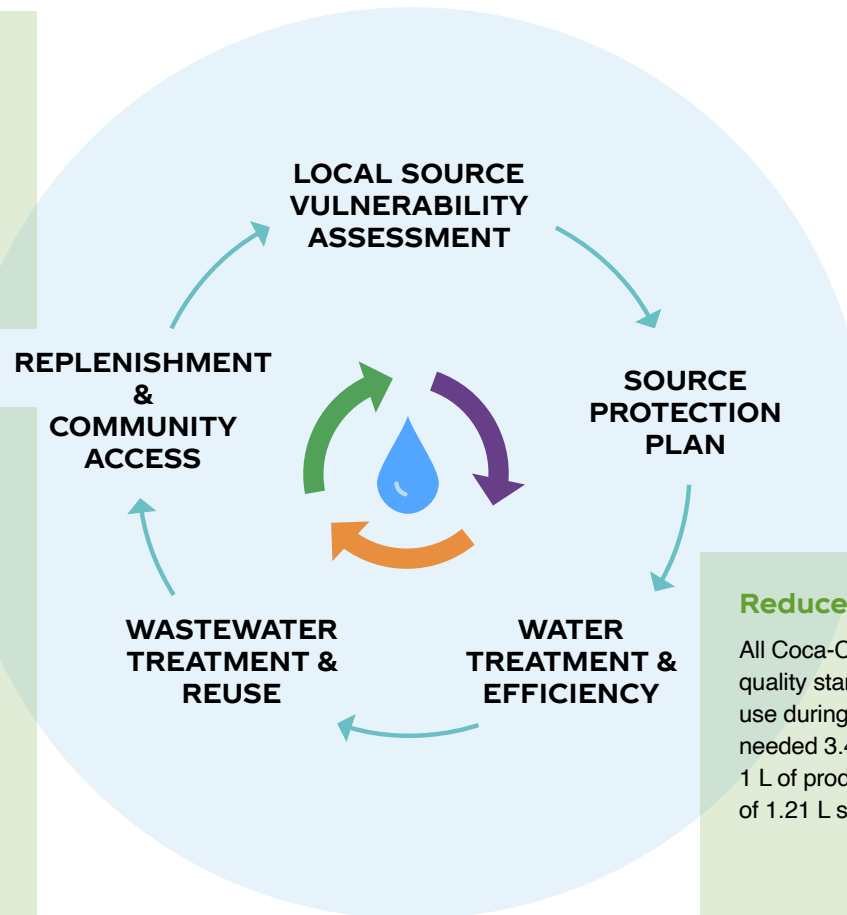
Through partnership with governments, NGOs, private enterprises and communities, we will pursue initiatives to enable sustainable water use in all value chains, including agricultural ingredient supply chains. The Coca-Cola system in Japan complies with the quality standards of KORE, the management system drawn up by The Coca-Cola Company and adopted worldwide (see page 33). It takes great care to ensure that its use of and disposal of water has a minimal impact on the natural environment, and returns to nature the same amount of water it uses for its products.

Replenish (Survey and Protect Local Water Sources)

The Coca-Cola system advances water stewardship initiatives across the world with the support of specialized organizations. In Japan, we formulate source protection plans after first identifying plant water sources through scientific surveys and assessing their vulnerabilities.

Recycle (Manage Wastewater at Plants)

The Coca-Cola system plants ensure that wastewater—such as water used for rinsing packaging and equipment, and water used for cooling—is properly processed before being released into sewers and rivers. We purify wastewater through the use of microorganisms in our activated sludge process. We also check the water quality standards defined by the Water Pollution Prevention Act and other Japanese laws against the standards outlined in the Coca-Cola system’s own KORE management system, and make sure that our water management conforms to the more rigorous of the standards.



Water replenishment rate¹

317%

¹ Water replenishment entails returning to nature the same amount of water used in products.

Water efficiency

26% improvement

* Since fiscal 2013

Reduce (Reduce Water Usage at Plants)

All Coca-Cola system plants in Japan comply with the quality standards set out in KORE, and optimize water use during their production processes. In fiscal 2020, we needed 3.43 L to produce 1 L of product, a reduction of 1.21 L since fiscal 2013.



Water

Identifying and Protecting Plant Water Sources

The Coca-Cola system in Japan concluded water source surveys and formulated source protection plans at all its plants before the end of 2012. Water stewardship involves formulating plans enabling natural environments around water source areas to keep nurturing and storing water in a sustainable manner. Plans employ methods determined by the specific characteristics of the land and natural environment and initiatives are advanced in coordination and collaboration with stakeholders in the vicinity of plants.

As a result of initiatives based on water stewardship plans, 20 of Japan's 21 Coca-Cola bottling plants are currently meeting their water replenishment rate targets.

Watershed Protection Activities



I LOHAS Forest Conservation Project

The I LOHAS Forest Conservation project is a campaign promoting the conservation of water resources in Japan. The Coca-Cola system in Japan runs the project, donating a portion of proceeds from the sale of I LOHAS products, via The Coca-Cola Educational & Environmental Foundation, to local governments and nonprofits working to conserve water resources across the country. In fiscal 2020, we continued our support for the activities of 22 groups.

Collaboration Agreement with Nippon Paper Group

In 2013, Coca-Cola Japan and the Nippon Paper Group agreed to collaborate on forest resource and water resource conservation activities in both the medium and the long term.

As part of this agreement, the two parties are carrying out tree-planting activities and hands-on environmental education programs that contribute to the conservation of water sources at the company forest of Nippon Paper Industries Co., Ltd. in Katashina-mura, Gunma Prefecture, which forms part of the water sources for Coca-Cola Bottlers Japan.

Bottling Partner Initiatives

“Learn from the Forest” Project

Employees of Coca-Cola Bottlers Japan team up with members of the community to carry out water stewardship activities in 12 locations from which plants source water. They try their hand at forest planting and thinning, rice field planting and harvesting, and woodwork while learning about the indispensable nature of water. Hokkaido Coca-Cola Bottling, Michinoku Coca-Cola Bottling and Okinawa Coca-Cola Bottling also work alongside people in the community to replenish water sourced for plants.



- ① Coca-Cola Bottlers Japan
- ② Hokkaido Coca-Cola Bottling
- ③ Michinoku Coca-Cola Bottling
- ④ Okinawa Coca-Cola Bottling

Hokkaido e-Mizu Project

Hokkaido Coca-Cola Bottling, the Hokkaido Government, and the Hokkaido Environment Foundation together carry out the Hokkaido e-Mizu Project supporting groups undertaking environmental conservation activities in riparian zones across Hokkaido.



Tree Planting in Watershed Forests

Hokuriku Coca-Cola Bottling carries out tree planting activities in Nanto, Toyama Prefecture, alongside employees and their families, former employees, local authorities, and community residents. The purpose is to conserve the environment within the Sho River system.



Reducing Greenhouse Gas Emissions / Renewable Energy

The Coca-Cola system in Japan believes reductions in environmental impact need to accompany business growth to make that growth sustainable. We pursue efforts to reduce the carbon footprint (CO₂ emissions during the lifecycle) of our products across our entire operations spanning procurement, production, distribution and transportation, through to sales.

Procurement

Coca-Cola Japan produces concentrates for products at its Moriyama Plant (Shiga Prefecture). As part of efforts to use plastic resources more effectively and reduce CO₂ emissions from production processes at the plant, we switched to 100% recycled PET bottles for transportation of concentrate in January 2021, reducing our environmental impact. The measure enabled an approximate 51-ton annual reduction in use of virgin plastic manufactured from petroleum compared to the previous concentrate bottles, as well as an approximate 27-ton (18.2%) reduction in CO₂ emissions. The Moriyama Plant initiative was the first of its kind within the Coca-Cola system worldwide.

* Results from this initiative are not included in calculations relating to numerical targets under the 2030 Packaging Vision.



Concentrate bottles made from 100% recycled PET

Distribution/Transportation

In the field of distribution and transportation, we are optimizing our delivery and sales logistics by centralizing distribution bases and overhauling distribution routes. We are also implementing modal shifts¹, using digital tachographs² and drive recorders, holding driving courses to promote eco-driving, reducing the size of our vehicles, and introducing hybrid and other low-energy vehicles to our fleets.

In February 2021, Coca-Cola Bottlers Japan started operation of the Saitama Mega DC, an automated distribution center with the largest warehousing and shipping capabilities across the Coca-Cola system in Japan. By optimizing supply chains through these initiatives, we are looking to reduce the environmental impact of those chains and resolve various issues arising within them.



Saitama Mega DC

- 1 Shifting from automobile-based modes of transportation to railroad and ship-based modes of transportation
- 2 Devices used to digitally record drive data, such as speed, driving time and distance, during use of a vehicle

Production

With a view to reducing greenhouse gas emissions from production processes and consumption of fossil fuels, we deploy various projects centered on raising productivity and yield at all plants to bring about energy efficiency improvements. We have also made progress on installation of cogeneration systems allowing simultaneous generation of both electricity and heat from a single energy source, switching the fuel we use for steam-generating boilers, and introduction of renewable energy. In 2019, Coca-Cola Bottling Japan commenced use of hydroelectric power at its Hakushu Plant, joining the Furusato Hydropower Plan offered by Yamanashi Power Plus—a power supply brand jointly operated by Yamanashi Prefecture and TEPCO Energy Partner, Inc. This has reduced CO₂ emissions from electricity use to zero, lowering the company's environmental impact.

Sales

The Coca-Cola system in Japan has already made considerable effort to reduce power consumption by vending machines. All new can and PET bottle vending machines introduced since 2011 have been HFC-free. Those since 2012 have been illuminated with LED lighting. Peak shift vending machines deployed from 2013 only use power for cooling at night, enabling a 95% reduction in power consumption during the day. Cold drinks are available 24 hours a day even though power for cooling can be completely shut off for up to 16 hours at a time.



Peak shift vending machine



Our Response to COVID-19

The Coca-Cola system in Japan is working hard to ensure a stable supply of safe and reliable products while establishing measures necessary for preventing the spread of COVID-19 and safeguarding the health of our consumers, employees and business partners. As we continue to fulfill these responsibilities, we will also keep exploring ways to help communities, providing the support they need in line with our business purpose: Refresh the World. Make a Difference.

Donation of Soft Drinks to Designated Medical Facilities via the Japan Medical Association



We launched a Refresh Japan program to donate around 1.3 million bottles of soft drinks to medical and other facilities nationwide. The products were provided on an ongoing basis via the Japan Medical Association to designated medical institutions for infectious diseases and other medical facilities or centers accepting patients or otherwise working to prevent the spread of COVID-19. (May 2020)

Donation of Simplified Face Shields Made from Recycled PET to Medical Facilities



The Coca-Cola system in Japan manufactured around 11,000 simplified face shields using recycled PET materials and donated them to medical and other facilities nationwide through public organizations. (August 2020)

Assistance for People in Need to Help Prevent the Spread of COVID-19

The Coca-Cola Foundation donated \$500,000 to The Big Issue Japan Foundation for the provision of assistance to people in Japan who have lost their jobs or homes due to the COVID-19 pandemic. The funds will be used to secure housing for people who are homeless or otherwise in need and to help rebuild their lives from that basis. (July 2020)

Provision of Ethanol Solutions Made by Coca-Cola Japan's Moriyama Plant to Medical Facilities



Moriyama Plant, which ordinarily manufactures and supplies soft drink concentrate, started producing ethanol solutions for use as an alcohol-based hand sanitizer to help alleviate a sanitizer shortage. They were provided free-of-charge via public organizations to medical facilities and other organizations in need of sanitizer. (April 2020)

Assistance for Healthcare Workers to Help Prevent the Spread of COVID-19

The Coca-Cola Foundation donated \$1 million to The Tokyo Metropolitan Community Foundation for the provision of assistance to individuals, groups, businesses, medical facilities and municipalities working to prevent the spread of COVID-19 in Japan. The funds are expected to be used to subsidize projects providing medical equipment to medical and other facilities. (July 2020)

Advertising to Visually Convey the Importance of Social Distancing



Advertising on digital signage outside Coca-Cola Japan's Shibuya head office and other sites across Japan sought to convey through wording and additional spacing between letters in the Coca-Cola logo that social distancing protects the people we care about and will therefore allow us to see them again. (May 2020)

Sustainability Measures for the Olympic and Paralympic Games Tokyo 2020



Partnership agreements with the International Olympic Committee (IOC), the International Paralympic Committee (IPC), the Japanese Olympic Committee (JOC) and the Japanese Paralympic Committee (JPC) of the Japanese Para-Sports Association are valid through to 2032.

The Coca-Cola system in Japan supports the sustainability concept of the Tokyo 2020 Games—“Be better, together.” Alongside the Tokyo 2020 Organising Committee and other organizations, we will present model solutions for the world’s sustainability challenges upon three platforms—Resources, Inclusion and Communities (see page 7).

Team Coca-Cola Tokyo 2020 official website <https://team.cocacola.jp/>

Resources

We will promote resource recycling at Tokyo 2020, for example through the use of 100% recycled PET bottles for products distributed, sold and collected at competition venues and other locations, and proactive use of recycled materials within various activities.

* Coca-Cola is a presenting partner of the Tokyo 2020 Olympic Torch Relay.

Contribution to Resource Recycling (Use of 100% Recycled PET Bottles and Packaging Collection)

At the Tokyo 2020 Olympic Torch Relay, we are distributing Coca-Cola system products packaged using 100% recycled PET bottles to further promote understanding of resource recycling. Comprehensive measures are also in place to prevent COVID-19 transmission. Used packaging recycling bins will be installed at competition venues, reducing packaging-based solid waste and promoting the effective use of resources.



Products available in 100% recycled PET bottles

Use of Recycled Materials

Recycled fiber made from PET bottles collected in-house by the Coca-Cola system has been used in some of the material for uniforms of torchbearers for the Tokyo 2020 Olympic Torch Relay. The same kind of fiber has also been used in prefecture-specific muffler towels that are distributed along the relay route, as well as in uniforms worn by Coca-Cola system employees.



Muffler towel made using PET material



LOHAS bottles for volunteers



Uniform for the Tokyo 2020 Olympic Torch Relay



Staff uniforms

Sustainability Measures for the Olympic and Paralympic Games Tokyo 2020

Inclusion

We are helping to convey the wonders of diversity, including through recruitment of placard bearers for the Opening Ceremonies of the Olympic and Paralympic Games Tokyo 2020.

Placard Bearer Program for Opening Ceremonies of the Olympic and Paralympic Games Tokyo 2020

The Opening Ceremonies of the Olympic and Paralympic Games Tokyo 2020 are where people of different individual traits gather from all over the world in one place to showcase the wonders of diversity. The Coca-Cola system is recruiting people who represent diversity as placard bearers who will guide teams into the venue holding up the name of the country or region.

It will be an amazing experience for the 80 chosen placard bearers, who in the lead-up to the Opening Ceremonies will partake in rehearsals and a program delving into the topic of diversity within society.



Sponsorship of Pride House Tokyo

Coca-Cola Japan is a partner of Pride House Tokyo, a project providing support to LGBTQ athletes and their families and friends (see page 12).

Communities

The Coca-Cola system is continuing to deploy Olympic and Paralympic Support Vending Machines to support training for world-class Olympic and Paralympic hopeful athletes and to promote support for the Olympic and Paralympic Movement.

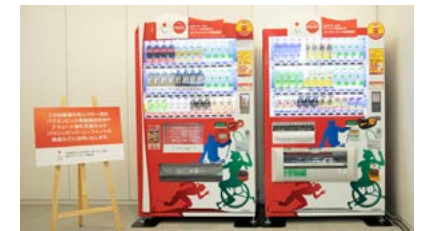
JOC Olympic Support Vending Machines

The Japanese Olympic Committee (JOC) and Coca-Cola Japan have deployed JOC Olympic Support Vending Machines. The Coca-Cola system donates a portion of sales from the vending machines to the JOC. As of December 2020, the number of JOC Olympic Support Vending Machines installed nationwide was 3,629 and donations had reached ¥122,172,426.



JPC Paralympic Support Vending Machines

The Japanese Paralympic Committee (JPC) and Coca-Cola Japan have also deployed JPC Paralympic Support Vending Machines. A portion of sales from the vending machines is donated to the JPC. Nationwide deployment began in February 2021 at Makuhari Messe, Chiba Prefecture, venue of four events for the Tokyo 2020 Paralympic Games.



JPC Paralympic Support Vending Machines installed at Makuhari Messe

Support for Sustainability Through Our Foundations

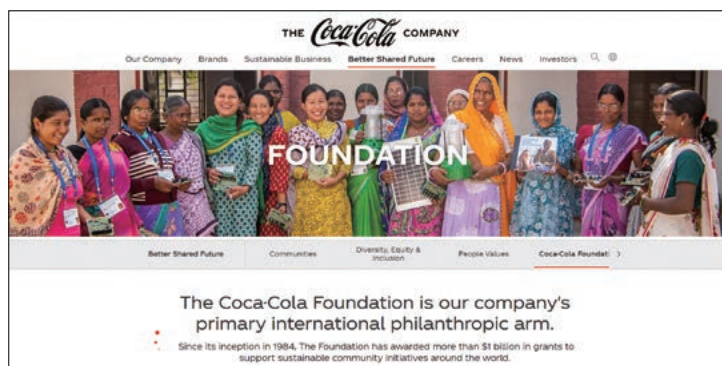
The Coca-Cola Foundation and The Coca-Cola Educational & Environmental Foundation support the activities of groups and individuals in the areas of Inclusion, Communities and Resources.

The Coca-Cola Foundation

Established in 1984 by Roberto Goizueta, then Chairman and CEO of The Coca-Cola Company, The Coca-Cola Foundation has since grown into a global philanthropic organization. Through it, The Coca-Cola Company gives back 1% of its previous year's operating income to communities. In 2007, the Foundation broadened its support to include global water stewardship programs, fitness and nutrition efforts and community recycling programs. Today, strategies are aligned with The Coca-Cola Company's sustainability platform and include women's empowerment and entrepreneurship.

In Japan, donations were presented in 2019 to the Hokkaido Bioeconomy Institute to support the use of plant-based agricultural materials; an SDGs education program at the Faculty of Environmental Earth Science, the Graduate School of Environmental Science, Hokkaido University; and an education program for teenagers and young adults run by Key Person 21. In January 2021, approximately \$150,000 (¥15.4 million) was donated to Grameen Nippon¹ in support of a new project to promote greater independence of single mothers through digital skills development and job matching.

¹ Grameen Nippon is a microfinance institution established in 2018 as the Japanese version of the Grameen Bank providing small loans without collateral to people in poverty.



<https://www.coca-colacompany.com/shared-future/coca-cola-foundation>

The Coca-Cola Educational & Environmental Foundation

The Coca-Cola Educational & Environmental Foundation was established in June 2007 under the basic philosophy of "Healthy Active Life." Since then, the Foundation has set out to foster both young leaders for the next generation and people who will serve their communities, with a focus on environmental education and scholarship support.

The Coca-Cola Environmental Education Awards honor achievements in environmental education and environmental conservation. The award scheme is highly recognized and many applications are received from across Japan each year. The Coca-Cola system's support for scholarships for students advancing to university began in 1966. Over 54 years, to the end of March 2020, we have provided support to 2,375 students.

In 2020, the Foundation aligned its activities with the newly adopted sustainability strategy of the Coca-Cola system. Seeking progress on the SDGs through implementation of the strategy, the Foundation's operating policy is to foster talent who can make a difference in the environmental field.

In addition, the Coca-Cola Japan Reconstruction Fund, established within the Foundation on March 24, 2011, provides assistance to communities and residents affected by the 2011 Great East Japan Earthquake, the 2016 Kumamoto earthquakes and the 2018 Hokkaido Eastern Iburu Earthquake.



<https://www.cocacola-zaidan.jp/>

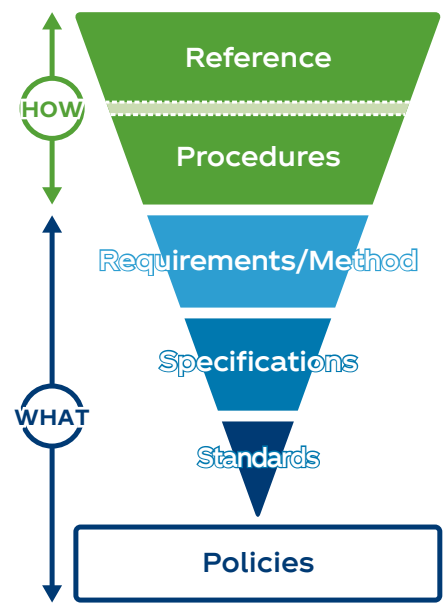
Coca-Cola System Business Platform | KORE Management System

The Coca-Cola system has always endeavored to supply safe, great-tasting soft drinks and we consider it our fundamental stance to contribute to the healthy lifestyles of all consumers who take up our products. The Coca-Cola system in Japan conforms to the Coca-Cola Operating Requirements, or KORE—the global quality and operations management system established by The Coca-Cola Company to ensure product safety and reliability. Even more stringent than domestic laws and regulations, KORE defines specifications, rules and procedures for all processes from procurement of ingredients and raw materials through production, distribution and transportation to sales. Plants implement KORE and audits are regularly carried out.



KORE Management System Framework

KORE is an original management system setting standards that meet and even exceed ISO requirements and applicable laws and regulations. The system consists of policies, standards, specifications, requirements and methods, procedures and references for each of four categories: quality, food safety, the environment and occupational health and safety.



Coca-Cola System Business Platform | Supply Chain—Procurement

Materials

The Supplier Guiding Principles are deployed throughout the Coca-Cola system worldwide as set of standards for ensuring that ingredients and raw materials procured are of a high quality and for assessing the integrity of suppliers. Once supply begins, third-party audits are regularly performed to check conformance.

Supplier Guiding Principles

The Supplier Guiding Principles apply to both our bottling partners and our suppliers and are aligned with the expectations and initiatives outlined in our Human Rights Policy.

The Supplier Guiding Principles are based on compliance with laws and regulations of various countries, and comprise 10 rules of conduct covering a range of topics, such as prohibition of child labor, prohibition of forced labor, freedom of association and collective bargaining, safe and healthy workplace and protection of the environment.

The Supplier Guiding Principles are global guidelines to ensure that suppliers both understand and uphold the values emphasized by The Coca-Cola Company—these include the highest standards of quality, integrity, excellence and compliance with laws and regulations.



All green tea products, including the Ayataka brand, are covered by SAGP standards

Sustainable Agriculture: Spreading and Promoting Original Standards for Agricultural Ingredient Procurement—SAGP

The Sustainable Agriculture Guiding Principles (SAGP) are an original set of standards for the sourcing of agricultural ingredients by the Coca-Cola system.

The SAGP establish guidelines for not only food safety, environmental protection and responsible agriculture practices, but also human rights and occupational safety in agricultural settings. They are even more stringent than the Japan Good Agricultural Practice (JGAP).

The Coca-Cola system in Japan has been advancing ongoing measures since 2012 toward the goal of 100% sustainable sourcing of key agricultural ingredients used in beverages.

In 2015, Coca-Cola Japan received a GAP Initiative Award from the Asia GAP Research Institute for its implementation of good agricultural practice to improve agricultural sustainability.



A plantation conforming to SAGP standards

Coca-Cola System Business Platform | Supply Chain—Production, Distribution, Sales

Production

All plants of the Coca-Cola system in Japan meet KORE requirements and have obtained certification under international standards such as ISO 9001, ISO 14001 and ISO 45001, as well as FSSC 22000, a standard conforming to the Global Food Safety Initiative (GFSI)¹. Risk assessments are also conducted regularly to ensure comprehensive management of the occupational health and safety of plant employees and to lower risk levels in production processes.

- ¹ ISO 9001: An international standard for quality management systems
- ISO 14001: An international standard for environmental management systems
- ISO 45001: An international standard for occupational health and safety management systems
- FSSC 22000: An international standard for food safety management systems



A production line

Distribution and Sales

Coca-Cola Japan regularly conducts surveys of products on sale, purchasing products on the market to check that they meet the quality standard expected of Coca-Cola system products. To ensure thorough product management to maintain quality across all sales channels, employees involved in distribution and sales receive written guidance on matters like the best time for stocking of shelves and verification of appropriate temperatures for heating and cooling beverages.



Product management guidance for employees

Coca-Cola System Business Platform | Supply Chain—Consumers

Voluntary Declaration of Consumer-Oriented Management

Coca-Cola Japan is a participant in “voluntary declaration of consumer-oriented management and follow-up activities” pursued by a consumer-oriented management promotion organization made up of business and consumer groups and government agencies.

Philosophy

Through the provision of refreshment and satisfaction and all aspects of our corporate activities, we want all people who come in contact with our brands to come to trust and choose us.

Policy

Commitment

- We will listen closely to feedback from consumers and respond quickly with integrity and in a fair, highly transparent and appropriate manner.
- We will value dialog with consumers, actively seeking to convey information and incorporate feedback into corporate activities.
- We will remain aware of our responsibility to society and comply with relevant legal and ethical requirements and our own voluntary standards.
- We will always perform to the best of our ability, acknowledging the essence of consumer satisfaction.

Incorporating Consumer Feedback into Business Management

The Coca-Cola system in Japan has self-declared conformance with ISO 10002 (JISQ 10002)¹ and has established a management system aligned with the standard. We realize ongoing improvements in stable provision of safe and reliable products and services to consumers by actively seeking to incorporate consumer feedback into business management.

¹ An international standard with the purpose of improving consumer satisfaction through ongoing improvements to product and service quality and to processes for dealing with complaints.

The Coca-Cola system in Japan renewed its ISO 10002 conformance self-declaration in February 2021 following a third-party assessment.

Channels for Communication with Consumers

We are putting in place structures for gathering diverse consumer feedback and providing the right information at the right time. We do this by actively seeking communication using up-to-date methods like our consumer service center on Twitter, CocaColaCare, in addition to telephone, inquiry forms and letters. And by expanding the frequently asked questions list on our website, for example, we are giving consumers anytime access to the information they want.

Analysis and Feedback

Feedback from consumers is amassed in a database. We also monitor social media and analyze website access and searches. All this information is shared inside the company and with executives and relevant personnel of bottling partners nationwide via analysis reports and the in-house portal to be reflected in marketing and quality management activities.

Coca-Cola System Business Platform | Corporate Governance

Coca-Cola Japan carries out its business activities according to the various codes, policies and principles established by The Coca-Cola Company. Chief among these are the Code of Business Conduct, the Human Rights Policy and the Supplier Guiding Principles (see page 34). These are disseminated among all company employees and, where necessary, employees can at any time discuss them with and ask for guidance from their direct superiors, local ethics officers, the legal department or the finance department.

Code of Business Conduct

The Code of Business Conduct is founded on compliance with laws and regulations, and sets out rules of conduct and policies related to avoiding conflicts of interest, information protection and dealing with customers and suppliers. In cases where actions are thought to require approval, the Code of Business Conduct stipulates that written approval must be acquired from the local ethics officer in the business department of the country concerned.

Human Rights Policy

Respect for human rights is the foundation on which our corporate activities are based. If we want to ensure that the communities in which we operate are sustainable, we must ensure we demonstrate respect for human rights. The Coca-Cola Company bases its Human Rights Policy on the Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the UN Global Compact and the UN Guiding Principles on Business and Human Rights—and this policy applies to the Coca-Cola system in Japan as well.

Items Defined by the Human Rights Policy

The Human Rights Policy defines the following items:

- Respect for Human Rights
- Forced Labor and Human Trafficking
- Land Rights and Water Resources
- Community and Stakeholder Engagement
- Safe and Healthy Workplace
- Work Hours, Wages and Benefits
- Diversity and Inclusion
- Workplace Security
- Child Labor
- Healthy Lifestyles

Corporate Governance at Coca-Cola Japan

Coca-Cola Japan regularly convenes meetings of a management committee made up of executives. The committee checks the progress of business plans and discusses and decides matters relating to management. Depending on the level of importance, the management committee delegates authority for some matters to the relevant company departments, enabling swift and flexible handling of various day-to-day business affairs.

Governance of the Coca-Cola System in Japan

The Coca-Cola system formulates and executes annual business plans in line with its global business goals in countries around the world. In Japan, our business is based both on these annual business plans and on the agreements reached by the presidents of Coca-Cola Japan and nationwide bottling partners. When necessary, and depending on the content and circumstances, president meetings, nationwide conferences and other meetings are held throughout the year to discuss the Coca-Cola system in Japan. Information critical to the business operation of the Coca-Cola system is shared and deliberated at these meetings, and suitable agreements are fashioned.

Coca-Cola System Business Platform | Compliance

At Coca-Cola Japan, we base our compliance on conforming both to The Coca-Cola Company's Code of Business Conduct and to applicable laws and regulations, and ensuring that our employees act in a proper manner.

In cases where our employees have ethical or legal concerns regarding their work, or where they are unsure of how certain issues should be evaluated, we have established structures through which they can at any time ask for guidance from their direct superiors, local ethics officers, the legal department or the finance department. The Coca-Cola Company has defined a set of concrete compliance principles and policies, and these guidelines apply to the business activities of Coca-Cola Japan as well.

Structures to Promote Compliance

At Coca-Cola Japan, our legal, human resources and finance departments engage in the promotion of legal compliance in coordination with The Coca-Cola Company and with the guidance of its Ethics & Compliance Office. Coca-Cola Japan bases its compliance on the Code of Business Conduct. If any of our business activities are thought to violate this code, the matter is discussed by the legal department and other relevant departments, and appropriate steps are taken.

Compliance Training

In order to increase our employees' understanding of compliance, Coca-Cola Japan conducts appropriate training programs such as new recruit training and e-learning. The Coca-Cola system has implemented a global process whereby, once a year, employees confirm that they understand the Code of Business Conduct and are complying with each of its stipulations, and all employees must demonstrate that they are in compliance.

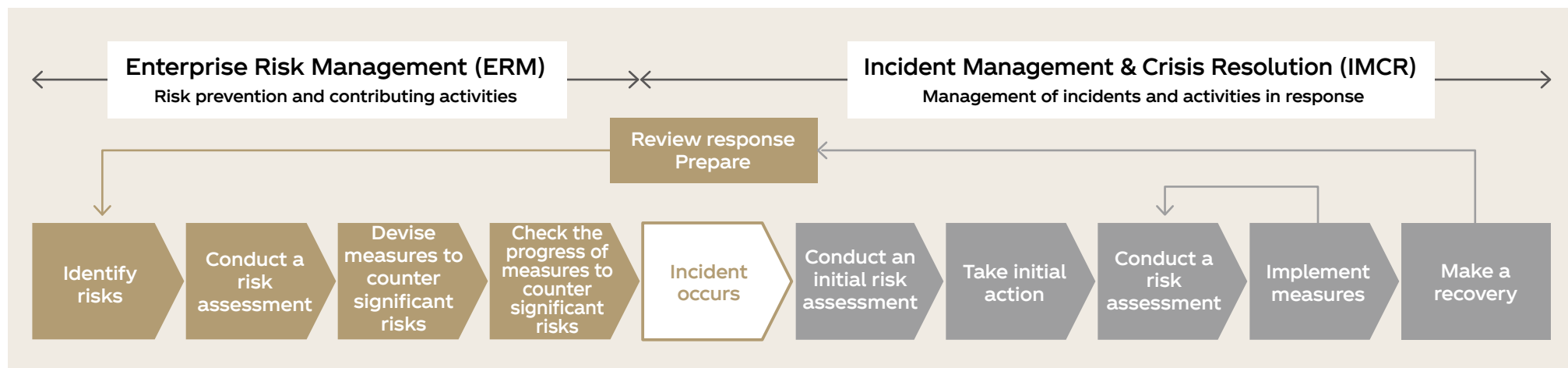
Internal Reporting System

Coca-Cola Japan operates the KO Ethics Line, a global system that enables employees to report violations of The Coca-Cola Company's Code of Business Conduct anonymously, by telephone or email. We take care to comply with workplace ethics as well as laws and regulations by creating an environment in which all employees can access the appropriate information or the KO Ethics Line at all times.

Coca-Cola System Business Platform | Risk Management

Enterprise Risk Management (ERM) and Incident Management & Crisis Resolution (IMCR)

The Coca-Cola Company continually seeks to reduce risks through readiness, engaging in Enterprise Risk Management (ERM) in normal times, Incident Management & Crisis Resolution (IMCR), Emergency Planning and Business Continuity Planning (BCP) to avoid business disruption.



Enterprise Risk Management (ERM)

The impact of an enterprise risk on business is determined by measuring two parameters—the possibility of the risk actually occurring and the impact on profit. This impact is used to set risk management priorities. Risks of high priority are routinely and proactively managed and monitored, and comprehensive reviews of all risks are undertaken twice yearly and reflected in business plans as required.

Results of these comprehensive reviews by senior management of Coca-Cola Japan are reported to The Coca-Cola Company.

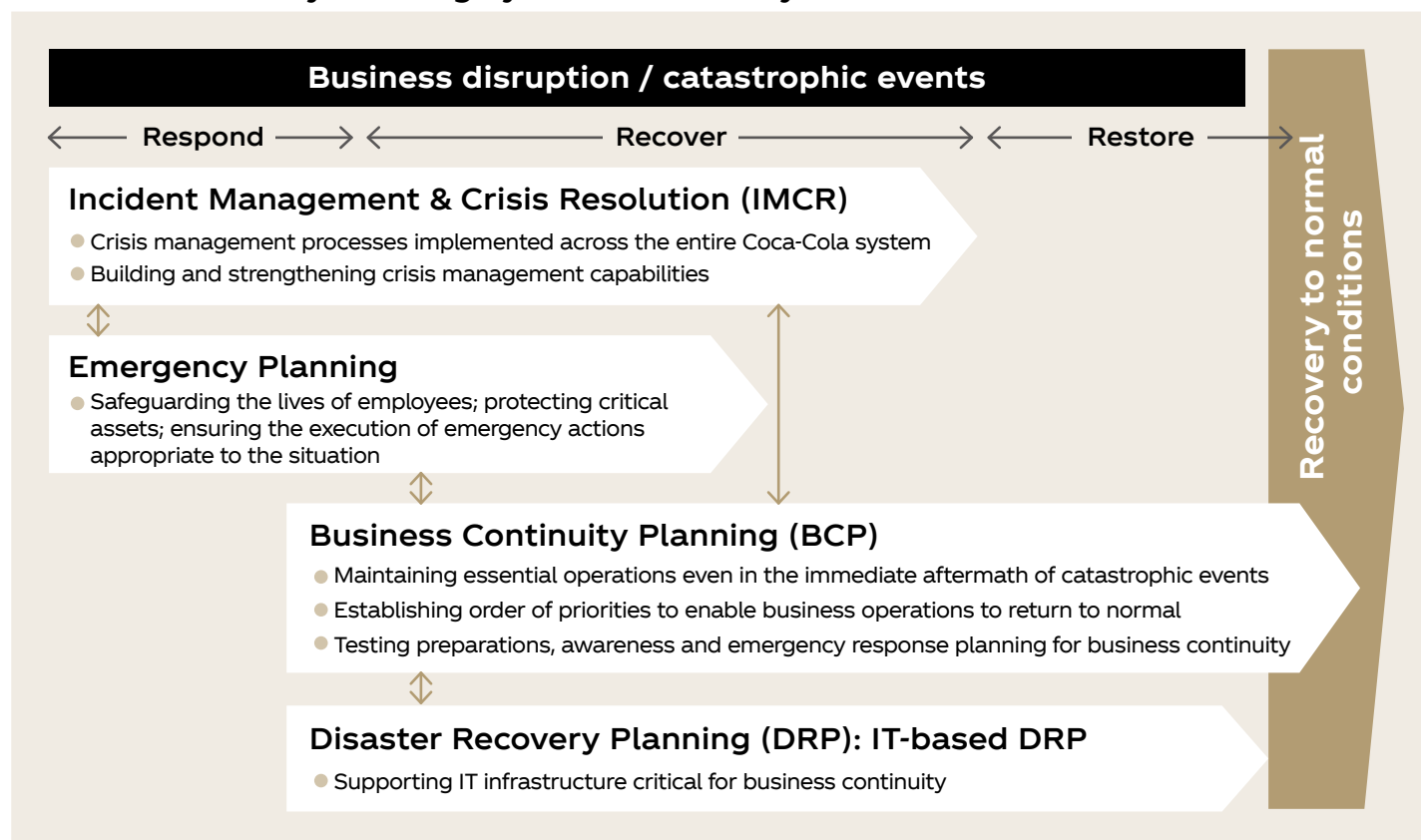
Incident Management & Crisis Resolution (IMCR)

The Coca-Cola Company has established a global Incident Management & Crisis Resolution (IMCR) program that also encompasses the Coca-Cola system in Japan. The objectives of the program are to regularly assess potential risks and ensure their discovery or prevention, and to minimize the impact in the event they are actualized.

Coca-Cola System Business Platform | Risk Management

Emergency Planning and Business Continuity Planning (BCP)

Business Continuity Planning by the Coca-Cola System



Emergency Planning and Business Continuity Planning (BCP)

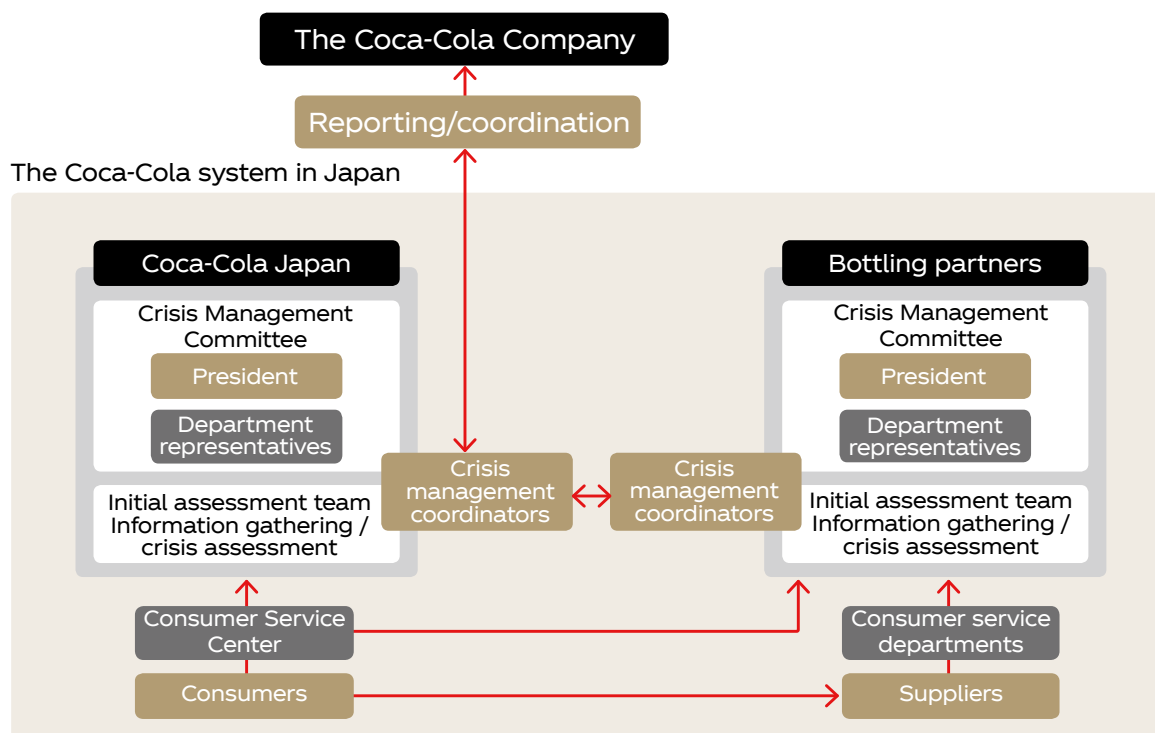
The Coca-Cola system in Japan prepares both emergency plans and business continuity plans. Preparations include putting in place employee safety confirmation systems; storing food, drink and other supplies in readiness for a disaster; and establishing reliable wireless or other means of communication with bottling partners in times of disaster. Plans are also drawn up to ensure continuity of product supply or backup arrangements.

Coca-Cola System Business Platform | Risk Management

Crisis Management Structure and Training

Crisis Management Structure

If risks are actualized through daily business activities, crisis management coordinators act in line with IMCR to immediately convene an initial assessment team comprising representatives from relevant departments, collect information, carry out initial responses and assess both risk levels and scope. If the issues appear likely to grow, a Crisis Management Committee is convened. The Committee discusses response strategies, and considers how and what to communicate to consumers, suppliers, the media and other stakeholders. Since bottling partners have adopted the same structure, the Coca-Cola system in Japan is able to respond to actualized risks in a uniform manner.



Crisis Management Training

The Coca-Cola system in Japan carries out ongoing crisis management training. Training is based on crisis management system manuals, and consists of training programs that are tiered according to incident levels—these include basic training, intermediate risk assessment training and advanced simulation training. Coca-Cola Japan and its nationwide bottling partners regularly hold joint workshops and share case studies.

Information Security Management

The Coca-Cola Company employs the Cybersecurity Framework of the National Institute of Standards and Technology (NIST) in the United States for its Information Protection Policy (IPP). At Coca-Cola Japan, we manage information security both in line with this policy and in accordance with applicable laws and regulations. The Information Security Committee, comprising legal, IT, human resources and crisis management personnel, oversees and regularly audits information security management. Internal training is also provided to ensure appropriate protection of privacy and handling of confidential company information by employees as part of their routine activities.

Third-Party Opinion of the ESG Report

Professor Shun Kawakubo of Hosei University's Department of Architecture within the Faculty of Engineering and Design is an expert on the Sustainable Development Goals (SDGs). Here, he touches on the SDGs perspective in his views on the sustainability framework established by the Coca-Cola system in 2020, as well as its components, the three platforms—Inclusion, Communities and Resources—and nine priority issues.

■ The Sustainability Framework and the Three Platforms

My first impression on reading the ESG Report was that it is easy to understand. It provides a structured overview of sustainability within the Coca-Cola system adhering to the three platforms and nine priority issues and content has been chosen with stakeholders in mind.

The report also forms correlations between each platform and the SDGs. As a manufacturer of beverages, efforts surrounding Resources and their circulation are surely key through their relation to Goal 12—responsible consumption and production—and Inclusion is directly linked to Goal 5—gender equality. The Communities platform, too, matches the direction set by Goal 17—partnerships for the goals. Overall, I found the sustainability framework well thought-out.

■ Resources

Your goal to switch to recycled PET or bio-based PET plastic for all PET bottles by 2030, reducing use of petroleum-based virgin plastic to zero, is wonderful and truly ambitious. Society, too, wants that kind of action.

You have also been working for some time now to reduce the amount of plastic you use through lighter packaging. Progress has also been made on reducing plastic waste with deployment of label-less products. I hope to see these initiatives continued.

Amid vociferous calls for the world to break its dependence on plastic, surely more could be done to call attention to the efforts of the Coca-Cola system as it promotes sustainable utilization of resources. Switching to 100% recyclable materials would be a powerful message to society.

■ Inclusion

Among the SDGs, Japan has been particularly slow off the mark in addressing Goal 5—gender equality—but you have taken some very progressive steps. Raising the percentage of women in management positions to 50% by 2025 will be a considerable task and will not be easy to achieve five years earlier than 2030, the year targeted by the Coca-Cola system worldwide.

There is much talk about the need for normalization, but everyone should be able to play an active role in society without even having to bring up such terms. I hope to see you guide a path toward the creation of a society where no one is left behind.

In regard to “Age/generation,” your engagement with the elderly appears not quite sufficient. You put due effort into nurturing and supporting younger generations and I hope for more from your engagement with other generations, too.

■ Communities

It is reassuring to see bottling partners engaged in activities rooted in the community right across Japan. Entering into comprehensive partnership agreements with local government and supplying free beverages in times of disaster are good examples of very important initiatives and are in step with the SDGs, which aim to build up resilience in society.

■ Hopes and Expectations

From this report, I sensed that your vision up to 2030 does well to pick up on current issues. Now it might be a good idea to start thinking about activities after 2030. Terms like “post SDGs” and “beyond 2030” are often thrown about and Japan, for example, has set its sights on achieving carbon neutrality by 2050. It would be great if you could accelerate your already ambitious measures. Despite being a global operation, the Coca-Cola system has influence in society as a company that maintains ties with local communities. As a consumer, I have big expectations.



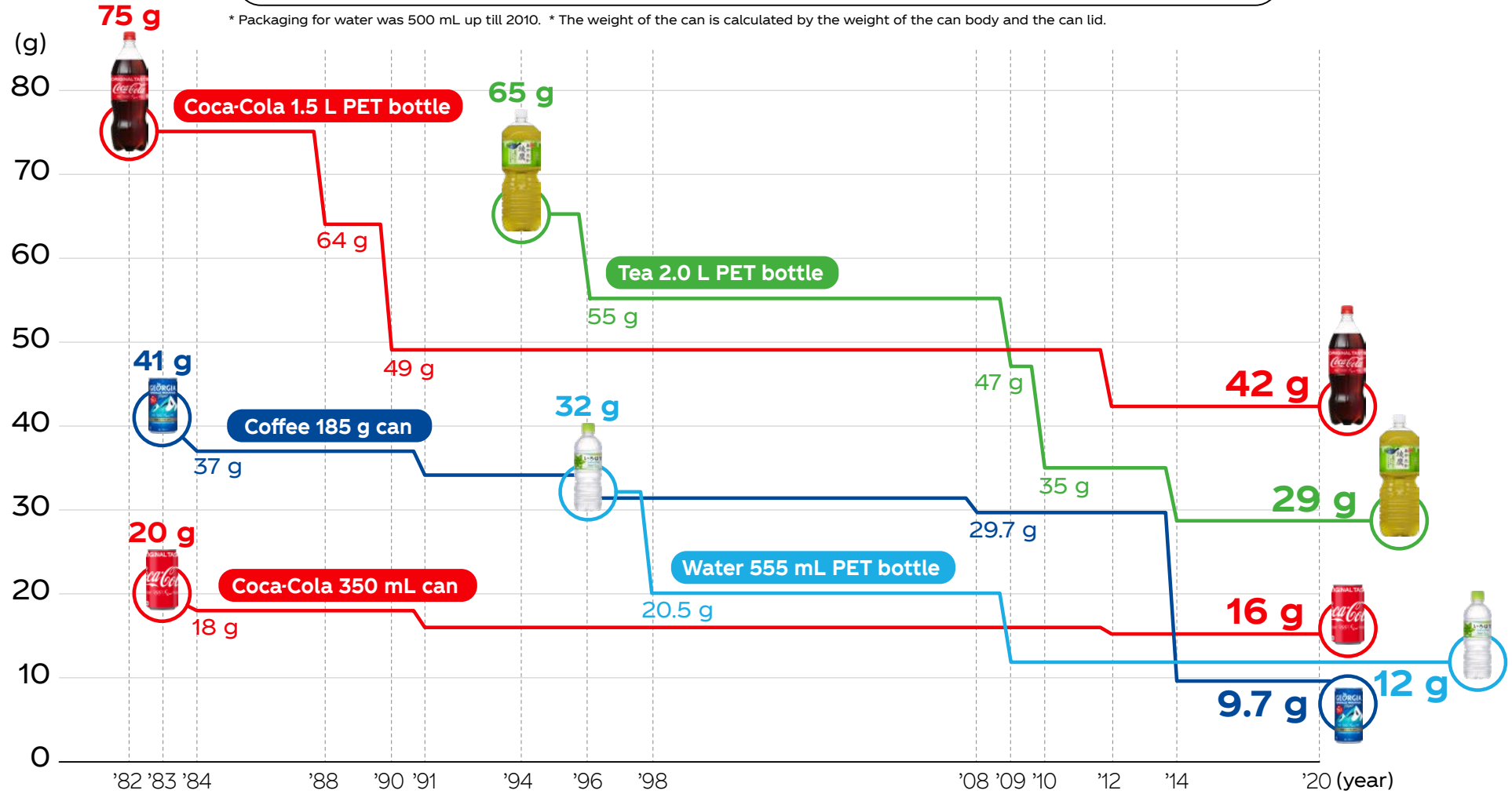
Shun Kawakubo

Professor, Faculty of Engineering and Design, Hosei University, specializing in architectural and urban environmental engineering. A proponent of Local SDGs, he supports nationwide promotion of SDGs at the local government level as a driver for community development. Accolades include an Encouragement Prize from the Architectural Institute of Japan, a research paper encouragement prize from The City Planning Institute of Japan, the Yamada Kazuie Award, and the Green Purchasing Award Minister of the Environment Prize. Among other activities, he serves on the Architectural Institute of Japan special research committee for SDGs promotion, an SDGs expert panel for the Osaka Prefectural Government, the Ibaraki Prefecture SDGs research expert panel for regional revitalization, an expert panel for Yokohama SDGs business support grants, and the Sagami-hara environment council.

Data

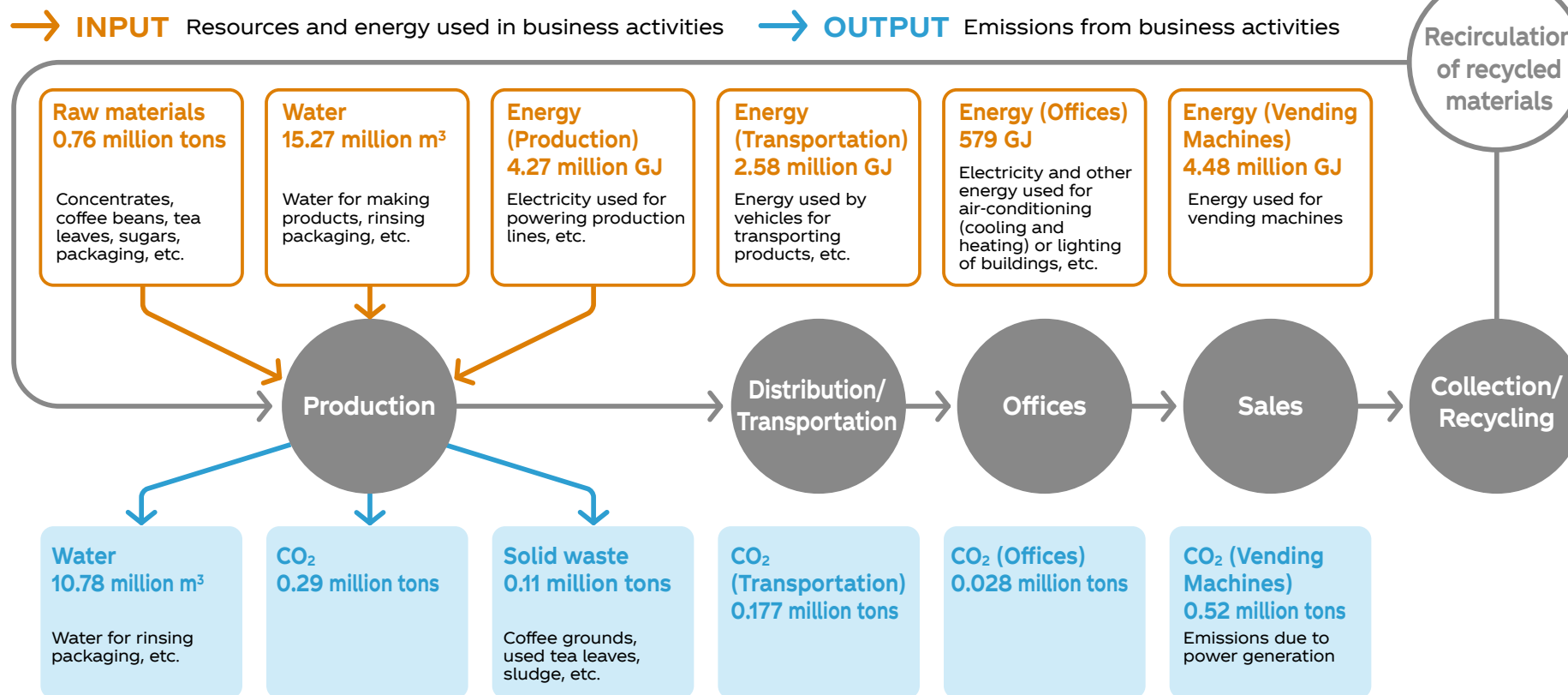
Changes in Packaging Weight Reduction of Coca-Cola Products in Japan

* Packaging for water was 500 mL up till 2010. * The weight of the can is calculated by the weight of the can body and the can lid.



Data

Environmental Impact of Fiscal 2020



Regarding Disclosed Data

- The scope of environmental impact data disclosure covers production, distribution and sales activities.
- Environmental impact during sales is based on CO₂ emissions arising from power generation for the amount of electricity consumed by vending machines.
- Energy used for distribution is based on energy used during the processes from concentrate manufacturing up till transportation to vending machines and retail outlets.
- Joule (J) is a unit used globally for representing the amount of heat. 1 J = approximately 0.24 calories; gigajoule (GJ) = J × 10⁹
- CO₂: Carbon dioxide
- The basis of calculation for certain data was changed due to improvement in data collection accuracy.
- The data collection scope for production plants was changed.

Period: January 1–December 31, 2020

Data

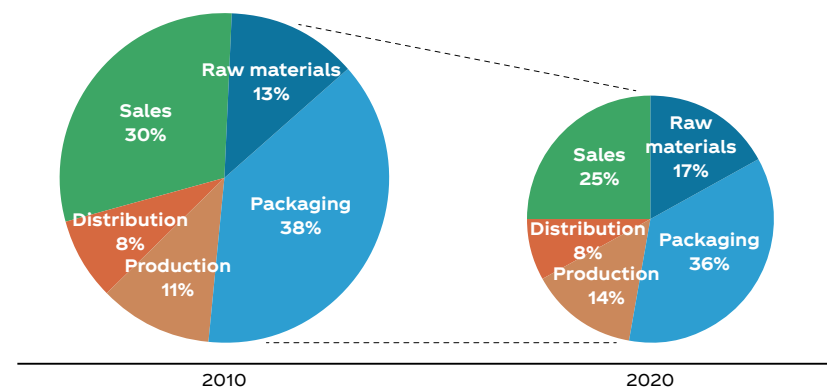
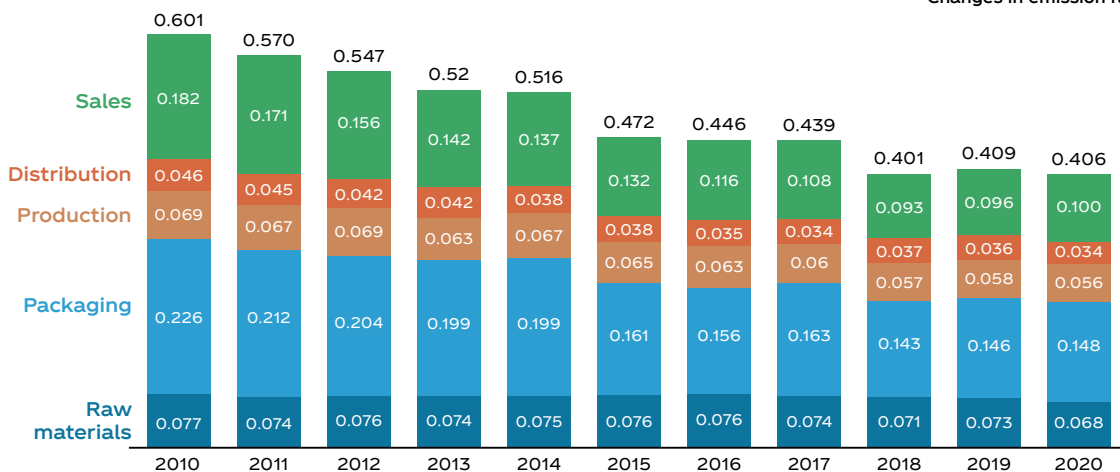
CO₂ Emissions at the Coca-Cola System in Japan

Period: January 1-December 31, 2020

	2017	2018	2019	2020
Greenhouse gas emissions (total) ('000 t-CO₂)	2,465	2,225	2,278	2,093
Raw materials ('000 t-CO₂)	414	398	405	351
Packaging ('000 t-CO₂)	915	776	811	759
Production ('000 t-CO₂)	339	319	323	291
Distribution ('000 t-CO₂)	192	208	206	177
Sales ('000 t-CO₂)	604	523	531	515

Carbon Footprint of Products (amount of CO₂ emitted during product life cycle)

Changes in emission ratio (kg-CO₂/L) Period: January 1-December 31, 2020

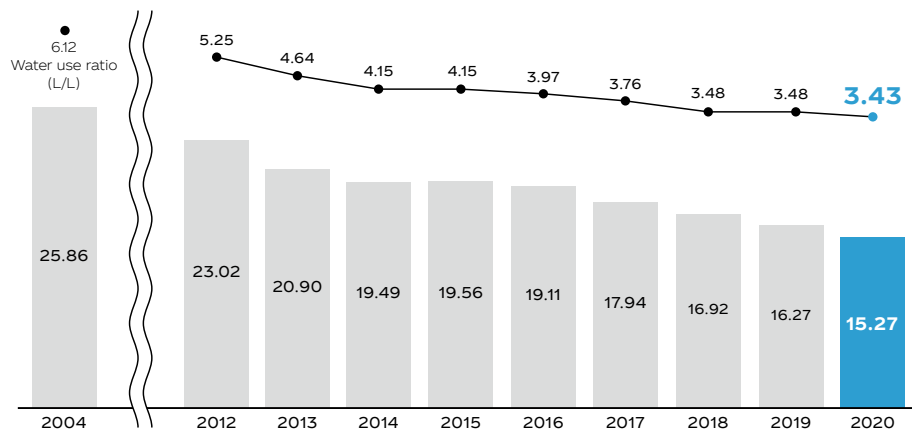


Data

Efficient Use of Water and Wastewater Management

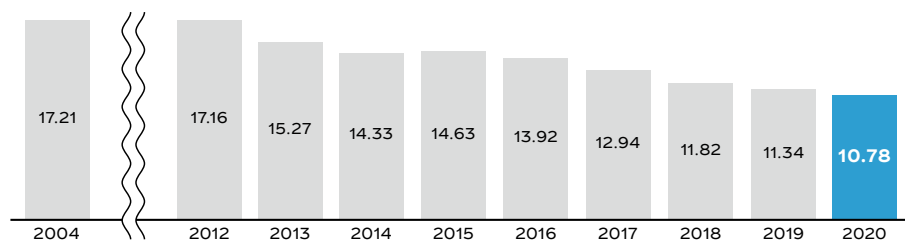
Amount of water usage (million m³)

Period: January 1-December 31, 2020



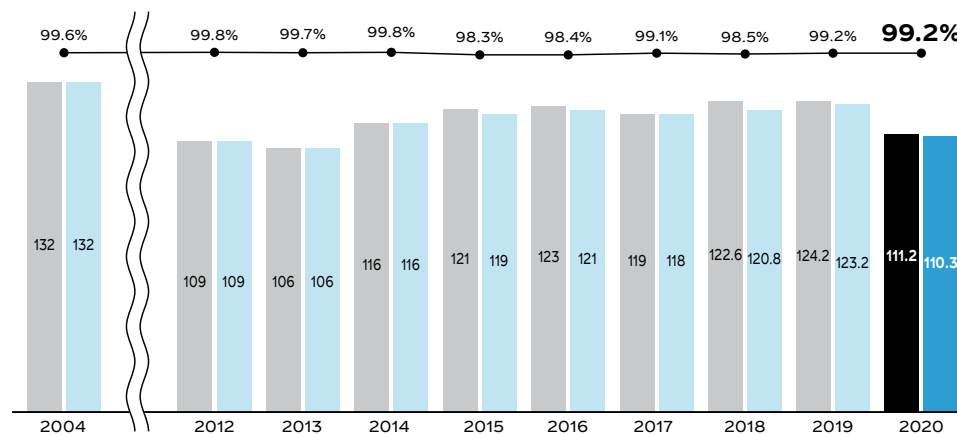
Amount of wastewater (million m³)

Period: January 1-December 31, 2020



Amount of Solid Waste Emission and State of Recycling

Period: January 1-December 31, 2020



▲ Amount of solid waste emission (thousand tons)

● Recycling rate (%)

■ Amount recycled (thousand tons)

* Recycling rate calculated using actual figures.

Coca-Cola

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