

# Refresh the World. Make a Difference.





## COCA-COLA (JAPAN) COMPANY ESG Report

### INDEX

01	Index / About This Report
02	Message from the President
03	Purpose and Vision
04	Profile of Coca-Cola System in Japan
05	At a Glance: Coca-Cola System in Japan
06	Product Portfolio Meeting the Diverse Needs of Consumers in Japan
07	Sustainability Framework of Coca-Cola System in Japan
08	<b>Resources</b>
09-13	Packaging / PET
14	New Global Target for Reusable Packaging
15-17	Water
18-21	Greenhouse Gas Emissions
22	<b>Inclusion</b>
23	Gender
24	Age/Generation and Disabilities
25	LGBTQ
26	<b>Communities</b>
27	Initiatives Through Business
28	Bottling Partner Initiatives
29	Initiatives with Partners
30	Support for Communities—The Coca-Cola Foundation
31	Support for Communities—The Coca-Cola Educational & Environmental Foundation
32	Sustainability Initiatives at Tokyo 2020
33	Coca-Cola System Business Platform   KORE Management System
34-36	Coca-Cola System Business Platform   Supply Chain
37	Coca-Cola System Business Platform   Corporate Governance
38	Coca-Cola System Business Platform   Compliance
39-41	Coca-Cola System Business Platform   Risk Management
42	Third-Party Opinion of the ESG Report
43-46	Data

### 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, 2021 (The period differs from the above for some data)
- Publication: June 21, 2022

**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., 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.

COCA-COLA, GEORGIA, CRAFTSMAN, SOKENBICHA, AYATAKA, KARADA SUKOYAKA-CHA, KARADA ODAYAKA-CHA, KARADA MEGURI-CHA, HAJIME, KOCHAKADEN, CRAFTEA, AQUARIUS, FANTA, SPRITE, REAL GOLD, QOO, MINUTE MAID, I LOHAS, BONAQUA, CHURARU, YOGUR STAND, LEMONDOU and 1,2,CUBE are registered trademarks of The Coca-Cola Company.  
CANADA DRY is a registered trademark of Atlantic Industries.  
COSTA COFFEE is a registered trademark of COSTA Limited.  
©The Coca-Cola Company

For inquiries concerning this report:

**Coca-Cola (Japan) Company, Limited**

Consumer Service Center: 0120-308509 (Toll free)

<https://cocacola.co.jp> (Japanese website)



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

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

## Message from the President

### ■ To Create a More Sustainable and Better Shared Future

The Coca-Cola system in Japan made great progress in 2021 managing environmental, social and governance aspects of our business. Though the difficulties presented by COVID-19 have not fully abated, many signs point to our operations being much stronger and more sustainable than they were before the pandemic.

Today, sustainability is incorporated into all areas of our business, a vital enabler for future growth, and I am convinced that these activities are precisely what will put us on a path to fulfilling the Coca-Cola business purpose, “Refresh the World. Make a Difference.” Here is an update on some of the progress we made last year.

● In the area of **Resources**, we added even more momentum to our sustainable packaging initiatives. In 2021, we started using 100% recycled PET (rPET) bottles for flagship brands, including Coca-Cola, and managed to lift the sustainable material<sup>1</sup> utilization of our soft drink business in Japan to 40%. At present<sup>2</sup>, we use 100% rPET bottles for 38 products of five brands available in Japan and our label-less range now encompasses 18 products of eight brands. Among them is a new Coca-Cola label-less bottle (350 mL). We also continued efforts to reduce the amount of plastic we use in packaging, for example with the introduction of a Coca-Cola 700 mL PET bottle that weighs 27 g, down from 42 g. As a result of these activities, we expect greenhouse gas (GHG) emissions to fall by around 26,000 tons annually across the entire Coca-Cola system, and the use of petroleum-based virgin plastic will drop by around 29,000 tons<sup>3</sup>.

In October 2021, we set a target to reduce Scope 1 and Scope 2 GHG emissions by 50% along the entire value chain in Japan by 2030 (relative to 2015). Scope 3 emissions would be reduced by 30%. These are independent targets of the Coca-Cola system in Japan over and above levels The Coca-Cola Company seeks to achieve worldwide. From the standpoint of reducing GHG emissions, the aforementioned use of 100% rPET bottles and other forms of packaging innovation are extremely significant. We also plan to expand use of renewable energy sources throughout the Coca-Cola system with Coca-Cola Japan already using electricity from renewable sources at its Shibuya head office and Moriyama Plant.

● Major advances were made in the area of **Inclusion**, too. Initiatives undertaken over the past year include our internal AccelerateHER program focusing on identifying and developing women leaders. By the end of 2021, the percentage of leadership positions filled by women had climbed to about 40%<sup>4</sup>. Our aim is to have women fill 50% of leadership positions by 2025, a target I believe is very do-able. In May, we finished amending company rules for the entire Coca-Cola system in Japan to accommodate same-sex partnerships. These initiatives were acknowledged in our receiving a Gold award, the highest, in the PRIDE Index 2021, an indicator used to evaluate support for LGBTQ people in the workplace. The importance we place on diversity is a reflection of the immense diversity within our market and among consumers. Diversity and inclusion are a source of innovation for both organizations and society.

● In regard to **Communities**, it was a year of strengthening relationships, building mutual understanding with local governments, NPOs and NGOs nationwide. Through the Olympic and Paralympic Games Tokyo 2020, we contributed 160,252,939 yen in donations via 3,722 support vending machines installed nationwide. Between October and November 2021, 1,100 Coca-Cola system employees and others at 36 locations nationwide participated in the International Coastal Cleanup, retrieving some 491 bags of litter. Opportunities to collaborate with consumers and partners on packaging collection and recycling are increasing all the time. Our wish is to create a more sustainable and better shared future.

At the Coca-Cola system, we look to make a difference to people’s lives, communities and our planet by doing business the right way.



**Jorge Garduño**

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

1 Sustainable materials: All recycled PET materials from bottle-to-bottle recycling and plant-based PET materials

2 April 2022

3 The total for all corresponding products—2022 sales volume forecasts estimated based on 2021 actual shipments

4 As of December 2021

## 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 Coca-Cola System in Japan

## Overview of Coca-Cola (Japan) Co., Ltd.

<b>Name</b>	Coca-Cola (Japan) Co., Ltd.
<b>Established</b>	June 25, 1957, as Nihon Inryo Kogyo K.K. Changed name to Coca-Cola (Japan) Co., Ltd. on March 15, 1958
<b>Head office</b>	4-6-3 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan Tel: +81-3-5466-8000 URL: <a href="https://www.cocacola.co.jp">https://www.cocacola.co.jp</a>
<b>Representative</b>	Jorge Garduño (Representative Director and President)
<b>Capital</b>	3.6 billion yen
<b>Shareholder</b>	The Coca-Cola Export Corporation (100%; a subsidiary of The Coca-Cola Company)
<b>Employees</b>	525 (as of December 31, 2021)
<b>Plant</b>	Moriyama Plant (49 Amura-cho, Moriyama, Shiga Prefecture)
<b>Business</b>	Manufacture and sales of soft drinks (concentrate)
<b>History</b>	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

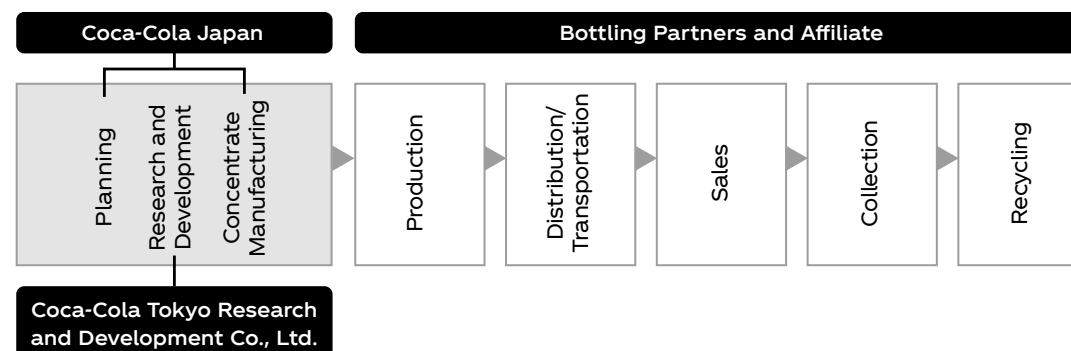


Moriyama Plant



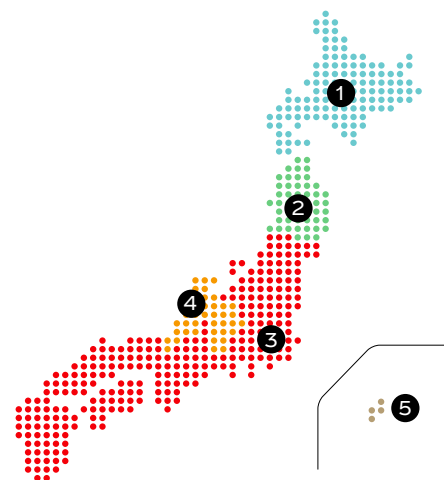
Coca-Cola Tokyo Research and Development

## 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: Coca-Cola System in Japan

## Overview of Coca-Cola System in Japan



### Inclusion

- Approx. **40%** Percentage of leadership positions filled by women  
As of December 31, 2021  
Coca-Cola Japan only
- Approx. **40%** Percentage of employees who are women  
As of December 31, 2021  
Coca-Cola Japan only

### Communities

- 1,512** Disaster relief agreements  
As of December 31, 2021
- Approx. **6,800** Community-assisting vending machines deployed  
As of December 31, 2021

### Resources

- 40%** PET bottle sustainable material\* utilization  
\*Sustainable materials: All recycled PET materials from bottle-to-bottle recycling and plant-based PET materials
- 355%** Water replenishment rate<sup>1</sup>  
2021 Results  
<sup>1</sup> Water replenishment entails returning to nature the same amount of water used in products.

# Product Portfolio Meeting the Diverse Needs of Consumers 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, 136 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, water, and coffee.



Product portfolio of the Coca-Cola system in Japan. Percentages based on December 2021 volumes according to Coca-Cola Japan research.

## Focus on Health with FOSHU and Food with Function Claims

As a reflection of the heightened health awareness and needs of Japanese consumers, the Coca-Cola system is bolstering its lineup of Food for Specified Health Uses (FOSHU) and Food with Function Claims. In 2017, we launched Coca-Cola Plus, a FOSHU product that helps suppress fat absorption and moderate blood triglyceride levels after meals. And in 2021, we launched Karada Odayaka-cha W, a Food with Function Claims containing gamma-aminobutyric acid (GABA), with benefits for memory and blood pressure, as the functional ingredient.

The Coca-Cola system in Japan currently supplies three FOSHU and three Food with Function Claims products.



## Initiatives in Support of Responsible Drinking

Coca-Cola Japan markets alcohol brands of the Coca-Cola system responsibly to raise awareness about drinking in moderation. We strive to provide consumers relevant information to help reduce or prevent harmful alcohol consumption. This includes communicating information about responsible drinking and the effects of alcohol on health via our corporate website <https://www.cocacola.co.jp/sustainability/proper-drinking> (Japanese website).

### Specific Policy on Alcohol Responsibility

- Responsible Alcohol Marketing Policy
- Local partnerships and communications programs
- Information and transparency
- Responsible employee conduct

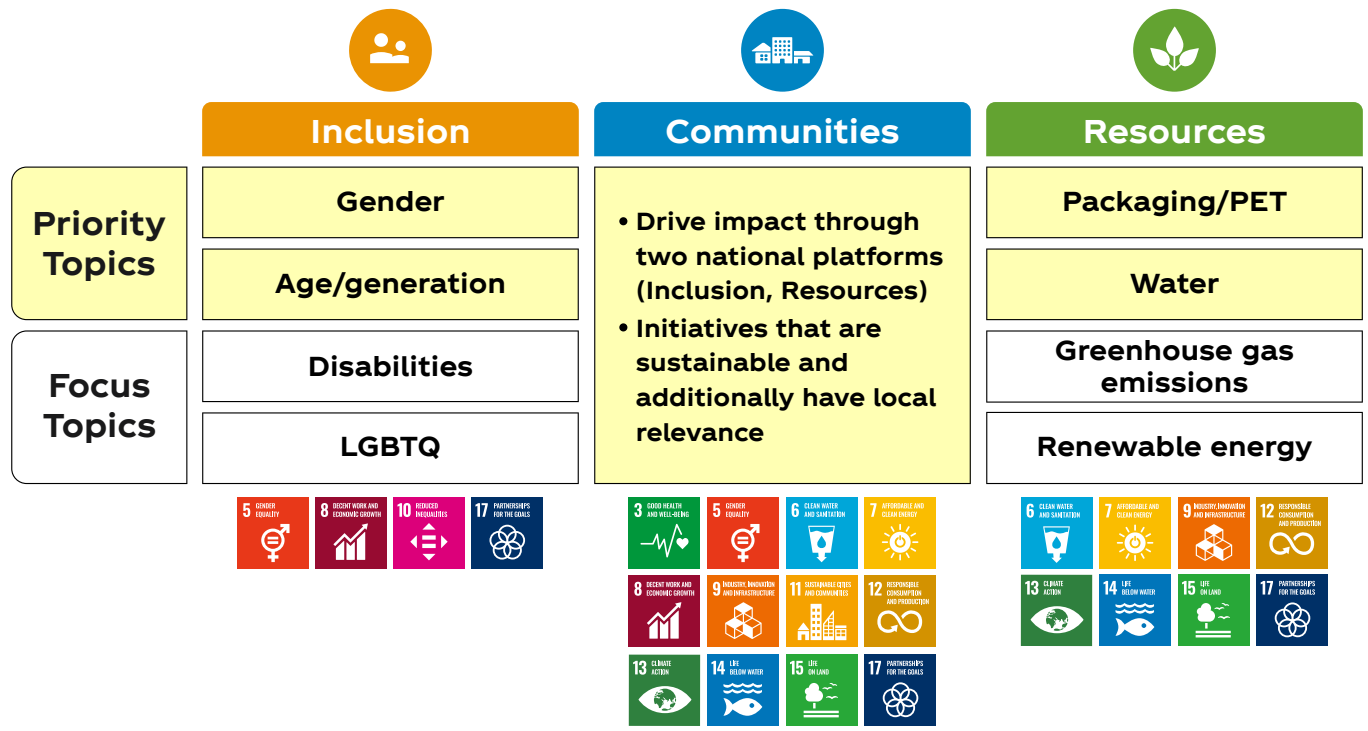
# Sustainability Framework of Coca-Cola System in Japan

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.

<b>Purpose</b>	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.
----------------	---

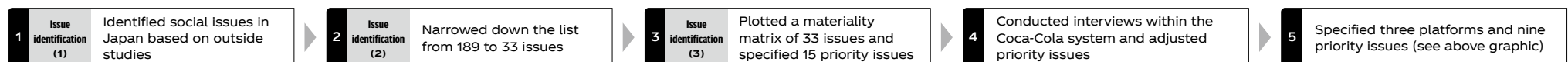
## Sustainability Framework of Coca-Cola System in Japan (Three Platforms and Nine Priority Issues)



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 nonprofits, outside specialist organizations, experts and other third parties.

### Process for Specifying the Nine Priority Issues (Materiality)





## 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 endeavors to use resources sustainably, identifying 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 the 2030 Packaging Vision we established in 2018 guides us as we lead the way in the industry with introduction of 100% rPET bottles, a growing label-less product lineup and packaging weight reductions, while actively engaging in initiatives such as introduction of paper packaging, trial deployment of a “fill your own bottle” water dispensing service and collaboration with outside partners on post-consumer packaging collection and recycling.



### ● 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"> <li>• Use sustainable materials in PET bottles of all products by 2025</li> <li>• Switch to 100% sustainable materials in PET bottles of all products by 2030</li> <li>• Achieve 100% collection and recycling by 2030<sup>1</sup></li> </ul>
	Water	<ul style="list-style-type: none"> <li>• Achieve 100% water replenishment at all plants</li> <li>• Improve water resource efficiency</li> </ul>
Focus Topics	Greenhouse gas emissions	Reduce Scope 1 and 2 GHG emissions by 50% and Scope 3 GHG emissions by 30% by 2030 (relative to 2015).
	Renewable energy	Promote introduction of hydroelectric, solar and other renewable energy and implementation of energy conservation measures at plants and office buildings

<sup>1</sup> Collection of one PET bottle for every Coca-Cola product sold in Japan



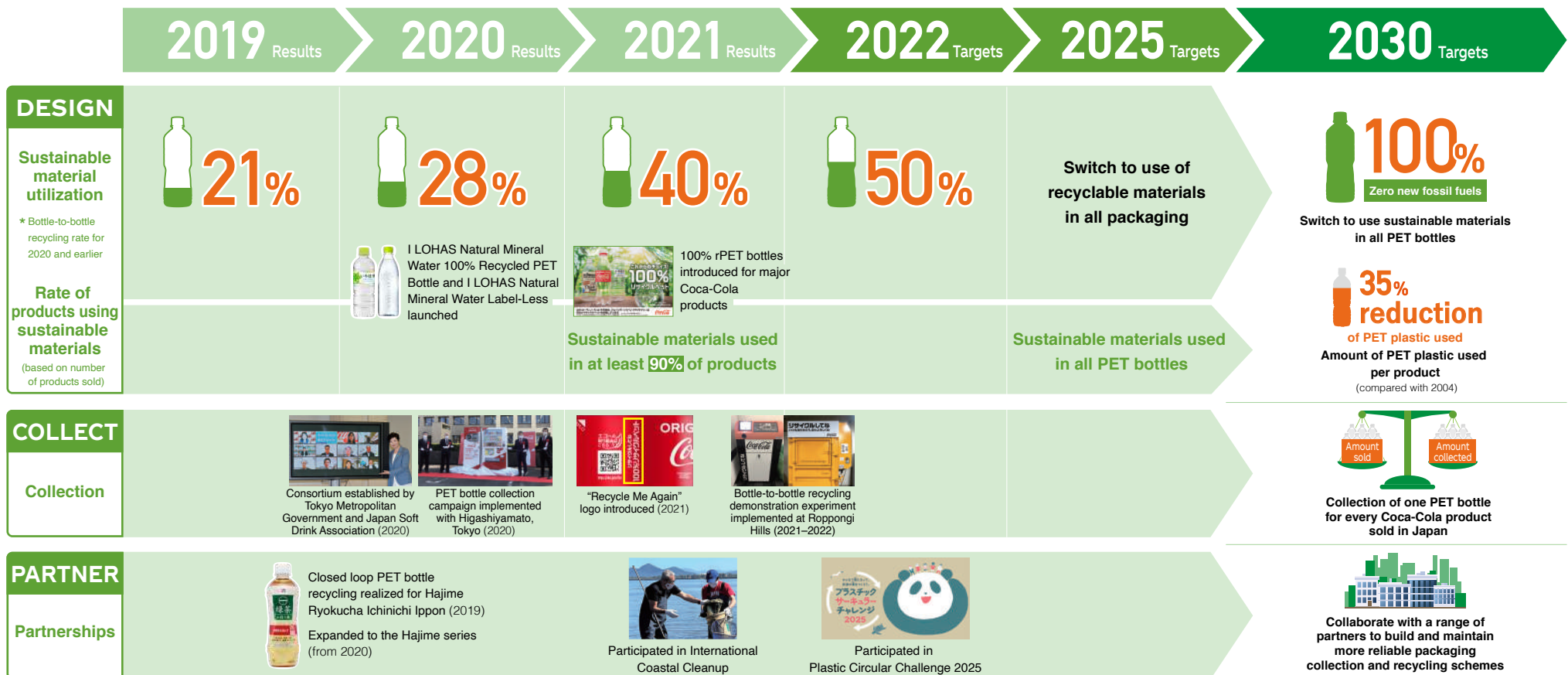


# 2030 Packaging Vision

The Coca-Cola system in Japan undertakes activities under the three pillars of Design, Collect and Partner in line with the global vision of a World Without Waste. We reduce waste from packaging and contribute toward encouraging cyclical reuse of plastic resources in Japan. Our targets include using sustainable materials\* in PET bottles of all products by 2025 and switching to 100% sustainable materials for all PET bottles by 2030, which we will achieve by promoting bottle-to-bottle recycling (horizontal recycling), label-less and package-less products and lighter packaging.

\* Sustainable materials: Total of recycled PET (rPET) materials from bottle-to-bottle recycling and plant-based PET materials

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



\* Sustainable materials: Total of recycled PET (rPET) materials from bottle-to-bottle recycling and plant-based PET materials \* For more on "Collect" initiatives, see page 12. \* For more on "Partner" initiatives, see page 13.

## 2030 Packaging Vision

### ① Design

#### Expansion of 100% rPET bottle adoption through promotion of bottle-to-bottle (horizontal) recycling

Targets of the Coca-Cola system in Japan, based on the 2030 Packaging Vision announced in January 2018, include use of sustainable materials in PET bottles of all products by 2025 and switching to 100% sustainable materials for all PET bottles by 2030. In May 2021, we started using 100% rPET bottles for flagship brands, including Coca-Cola. Since then, the sustainable material utilization for PET bottles deployed in the domestic soft drink business by the entire Coca-Cola system has reached 40%. At present<sup>1</sup>, we use 100% rPET bottles for 37 products of five brands available in Japan—Coca-Cola, Georgia, I LOHAS, Hajime and Bonaqua. In addition, sustainable materials are used partially or fully in at least 90% of products sold in PET bottles in Japan<sup>2</sup>. The Coca-Cola system in Japan will continue to expand its lineup of products sold in 100% rPET bottles through initiatives such as promotion of bottle-to-bottle (horizontal) recycling and will contribute to the realization of cyclical reuse of plastics through the reduction of packaging-derived waste.

<sup>1</sup> As of February 2022    <sup>2</sup> Based on number of products sold



#### “Recycle Me Again” Logo on Half of All Products

The Coca-Cola system has been rolling out a common “Recycle Me Again” logo for display on all recyclable product packaging since 2021 as part of efforts to raise awareness to help realize cyclical reuse of plastics. As of February 2022, the logo had been rolled out to around 50% of products available in Japan and the number is gradually increasing. Besides product packaging, the “Recycle Me Again” logo also appears on advertisements, POP displays, recycling bins and elsewhere, strengthening communication with consumers.



リサイクルしてね  
100%リサイクルペット



## 2030 Packaging Vision

### ① Design

#### Strengthening of label-less efforts and reduction of packaging weight

##### Label-Less Products

Label-less products<sup>1</sup> not only use less plastic, but they make packaging easier to sort and recycle because the hassle of removing labels has been eliminated. The Coca-Cola system's first label-less product was I LOHAS Natural Mineral Water Label-Less, launched in April 2020. The lineup has since been expanded. In April 2022, a new label-less 100% rPET bottle was introduced for Coca-Cola and Coca-Cola Zero Sugar 350 mL products, available only online.

At present<sup>2</sup>, the label-less range encompasses 18 products across eight brands.

<sup>1</sup> In April 2020, Japan's Ministry of Economy, Trade and Industry made changes to systems relating to the display of identifying marks provided for in the Act on the Promotion of Effective Utilization of Resources. The changes allowed for the omission of labels for displaying identifying marks in all stages of distribution as long as the products were to be sold to end consumers in a quantity that comes with external packaging. Online sales by the case were envisaged.

<sup>2</sup> As of February 2022

Japan is the first market where Coca-Cola and Coca-Cola Zero Sugar are available in newly designed bottles made from 100% rPET materials.

##### 新ラベルレスボトル登場!



100%リサイクルPETボトル

##### Lighter Packaging

The Coca-Cola system in Japan has been striving to save resources by reducing the weight of cans, PET bottles and other packaging since the 1980s<sup>3</sup>. A coffee can (185 g size) that weighed 41 grams in 1983 now weighs 9.7 grams, while the weight of a PET bottle (555 mL size) for mineral water launched in 1996 was reduced to 12 grams in 2009, the lightest in Japan at the time. In 2021, the weight of 700 mL PET bottles used for Coca-Cola was reduced to 27 grams from 42 grams. As a result of these efforts, we managed to reduce PET plastic use per bottle by around 30% (compared to 2004) as of 2021. We will keep working to reduce the volume of resources we use while maintaining the required performance attributes of packaging, namely protection of contents and ease of handling by consumers.

<sup>3</sup> For more on the transition of packaging weight reductions over time, see page 43.

42g → 27g

2020 → 2021



Trademark Coca-Cola  
700 mL PET



Cubes are not individually wrapped, helping to reduce household waste.

##### 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. Available only online, they were launched in May 2021. Sold in pouches made from paper materials, the products employ sustainable packaging that would reduce plastic resin use by around 13% and CO<sub>2</sub> emissions by around 18%<sup>4</sup>.

The products also help to reduce household waste since cubes do not need to be individually wrapped.

<sup>4</sup> Compared to plastic pouches with the same shape and capacity

## 2030 Packaging Vision

### ② Collect

The Coca-Cola system engages with local government, groups and suppliers across the country to raise awareness about post-consumer PET bottle collection and recycling and promote bottle-to-bottle (horizontal) recycling.

Japan's post-consumer PET bottle collection rate is 96.7%. The recycling rate is 88.5%<sup>1</sup>. Both rates are known to be much higher than levels observed in other countries. Post-consumer PET bottles, when properly collected, can be recycled back into PET bottles. By promoting broad practice of horizontal recycling, the Coca-Cola system is contributing to efficient use of plastic resources and reduction of ocean plastic litter. <sup>1</sup> Both rates are sourced from The Council for PET Bottle Recycling data for 2020. (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.

##### Roppongi Hills Bottle-to-Bottle Recycling Experiment

Coca-Cola Japan and Coca-Cola Bottlers Japan took part in a demonstration experiment project at Roppongi Hills, the precinct (Minato-ku, Tokyo) administered by Mori Building Co., Ltd., aimed at establishing a new resource recycling model for PET bottles generated by businesses. The project was implemented as an advanced model project for plastic resource circulation as part of a Ministry of the Environment FY2021 outsourced study for encouraging the use of bioplastics and recycled materials.



<https://www.cocacola.co.jp/press-center/news-20220124-11> (Japanese website)

##### Launch of Post-Consumer Packaging Voluntary Collection Trial

Hokkaido Coca-Cola Bottling is trialing specially created channels for voluntary collection of post-consumer packaging, enlisting the help of vending machine location owners. Collected items are sorted into different materials by professional contractors and turned back into resources for PET bottles.



##### Project with Welcia Holdings

In September 2020, Welcia Holdings Co., Ltd. and Coca-Cola Bottlers Japan installed recycling bins for PET bottle collection at some Welcia stores in Tochigi Prefecture and carried out a demonstration experiment with plans to establish a model for bottle-to-bottle (horizontal) recycling. From 2021, the project was expanded to cover Tochigi and Ibaraki prefectures.



##### PET Bottle Collection Project with Higashiyamato, Tokyo

The city of Higashiyamato and Coca-Cola Bottlers Japan concluded a comprehensive collaboration 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.



##### Promotion of Ocean Litter Action Awareness and the 3Rs

In December 2021, Michinoku Coca-Cola Bottling teamed up with The Nippon Foundation's Umi-to-Nippon Project (The Ocean and Japan Project; Iwate area organizers: Iwate Broadcasting Co., Ltd.) to install recycling bins decorated with a molded figurine of Iwate Prefecture's 3Rs (reduce, reuse and recycle) promotional character, Ecolor. With the prefecture's help, the initiative aims to address the problem of ocean litter by raising awareness about proper recycling. It is one element of efforts promoting proper sorting and recycling of beverage PET bottles and cans instead of discarding them as litter.



##### Group Company Implementation of PET Bottle Collection to Flaking

GRN Ecocycle, a group company of Hokuriku Coca-Cola Bottling, sorts, compresses and recycles collected post-consumer packaging through a packaging recycling business established in 2002. As one of just a few intermediate processors of PET bottles in the Hokuriku area, the company is permitted by the Japan Containers and Packaging Recycling Association to carry out recycling processes through to crushing (flaking) as a licensed PET bottle recycler. The company is working alongside the city governments of Hakusan, Nonouchi and Kaga in Ishikawa Prefecture to promote PET bottle collection and recycling.



## 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 Hojicha (Seven & i Holdings)



The Hajime series of products jointly developed by Seven & i Holdings Co., Ltd. and Coca-Cola Japan make use of closed loop PET bottles<sup>1</sup> made entirely from post-consumer PET bottles collected at Seven & i Group retail stores. The same PET bottles are used by a third range of products launched under the series in November 2021—Hajime Hojicha Shizuoka Bohojicha-iri, Hajime Hojicha Kyobancha-iri and Hajime Hojicha Yame Hojicha-iri.

<sup>1</sup> Closed loop PET bottles used for these products are made entirely from PET plastic recycled from post-consumer PET bottles collected at Seven & i Group retail stores.

#### Participation in the Plastic Circular Challenge 2025 (WWF Japan)



Coca-Cola Japan agrees with the circular economy principles advocated by the World Wide Fund for Nature Japan (WWF Japan) and has signed up for the Plastic Circular Challenge 2025. The Coca-Cola system in Japan intends to switch to use of recyclable materials for packaging of all products sold in Japan by 2025, thereby adopting sustainable materials for all PET bottle products, and we will promote bottle-to-bottle (horizontal) recycling and use recycled materials as much as possible. We will also continue research and development of alternative materials for packaging made from materials that are currently hard to recycle.

<https://www.wwf.or.jp/campaign/pcc2025/> (Japanese website)

#### RETTET PET Bottle Cap Collection and Upcycling (green bird)



Nonprofit organization green bird is using grants from The Coca-Cola Foundation to collect PET bottle caps from across Japan and develop products made from those materials.

RETTET was launched by green bird in 2021 to find solutions to the plastic litter problem. The project involves washing, processing and upcycling (transformation into new items with value) plastic litter collected through initiatives such as green bird cleanup campaigns around Japan. Now green bird plans to collect PET bottle caps via special recycling bins to be installed nationwide, town, river and ocean cleanups, and other channels. The caps will be upcycled into new items, like coasters, and sold, with proceeds used to fund additional cleanup campaigns around the country.

## New Global Target to Use Reusable Packaging for 25% of Beverages Sold by 2030



In February 2022, The Coca-Cola Company announced an industry-leading goal to significantly boost its use of reusable packaging. By 2030, the company aims to have at least 25% of all beverages across its global portfolio of brands sold in returnable glass or refillable PET bottles, or in refillable containers through traditional fountain or Coca-Cola Freestyle dispensers.

“We continue to put consumers at the center of all we do,” said Elaine Bowers Coventry, Chief Customer & Commercial Officer, The Coca-Cola Company.

“One way to do that is by offering sustainable packaging types. Accelerating use of reusable packages provides added value for consumers and customers while supporting our World Without Waste goal to collect a bottle or can for every one we sell by 2030.”

For details, go to:  
<https://www.coca-colacompany.com/news/coca-cola-announces-industry-leading-target-for-reusable-packaging>

### Reusable Packaging Initiatives Underway in Japan

#### A Variety of Commercial Dispensers

The Coca-Cola system deploys a range of different commercial dispensers to match the needs of consumers, occasions for drinking and the space available inside the establishment. They are employed in diverse settings, including restaurants, fast food outlets, movie theaters and amusement facilities.

In 2021, we installed our first Costa coffee machines that serve up to 15 flavors.



#### Supporting New Consumer Drinking Habits with bonaqua Water Bar

Coca-Cola Japan has developed bonaqua Water Bar, a water dispenser matching consumers' most recent needs and drinking habits. Price-based operational trials are in progress at corporate cafeterias and other spaces at Universal Studios Japan and Tiger Corporation. Users can bring along a refillable bottle, paper cup or other container and fill it up with chilled, room-temperature or hot water, or one of two carbonated water options of different strengths. They can even wash their bottles.

\* Commercial operation of this equipment is permitted in a manned environment where there is a food hygiene manager present.



#### Returnable Glass Bottles (for Restaurants and Bars)

The Coca-Cola contour bottle has been a much-loved item even since the beverage went on sale in Japan in 1957. Returnable glass bottles can be used repeatedly and continue to be used primarily in places like hotels and restaurants, where the return of glass bottles is assured.



# Water | Water Resource Conservation and Management

Water is the first ingredient in most of our beverages. It is also central to the sustainability of our business and the health of our communities. In March 2021, the Coca-Cola system announced a global framework for its new water security strategy looking ahead to 2030. The new strategy focuses on conserving sustainable water resources through water replenishment in communities, advocacy for more stringent policy and responsible water use in our operations and the community.

The Coca-Cola system has long engaged in water stewardship with a goal to replenish 100% of the water we use in our production activities. We achieved this goal at the global level in 2015 and, as of 2019, we have improved water efficiency by 18% since 2010. “These are strong results, but we must do more,” said James Quincey, chairman and CEO of The Coca-Cola Company. “With eyes on the entire value chain, we aim for 100% replenishment at each of our production facilities and look to support communities around watersheds where floods and droughts are starting to occur due to global warming. We are shifting our focus toward making a greater impact on people and ecosystems.”

## Our Global Vision

Increase water security for our business, people and nature where we operate, source ingredients and touch people’s lives

Availability

Quality

Ecosystems

Access

Governance



### Regenerative Operation

Reduced local shared water challenges



### Healthy Watersheds

Improved watersheds and sustainable supply chains



### Resilient Communities

Enhanced water resilience with focus on communities

### Global Goals

- 100% regenerative water use in leadership locations
- Drive advanced water efficiency improvement in water-stressed contexts
- 100% compliance with Coca-Cola global water stewardship requirements
- Implementation of watershed stewardship plans in priority operating watersheds
- 100% water-sustainable ingredients sourcing in priority sourcing watersheds
- Provide access to water and sanitation in workplace, supply chain and communities where we operate, sell and source
- Support communities to adapt to the impacts of climate change
- Help communities recover faster from crisis situations through water access

Replenish 100% of our water use where it matters most  
(local regeneration, watershed replenishment and community resilience)

### Priority Levers for Change

- Advocate for good water governance
- Scale collective action and science
- Report and disclose meaningfully

### Coca-Cola System in Japan has long taken three approaches to water stewardship

#### Reduce | Reduce Water Usage at Plants

The Coca-Cola system plants comply with quality standards set out in original management system KORE<sup>1</sup> and optimize water use in 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.



<sup>1</sup> For more on KORE, see page 33.

#### 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 water quality standards defined by the Water Pollution Prevention Act and other Japanese laws against KORE standards and make sure that our water management conforms to the stricter of the standards.



#### Replenish | Survey and Protect Local Water Sources

The Coca-Cola system works with specialized organizations to identify plant water sources through scientific surveys and assess their vulnerabilities before formulating source protection plans. We accordingly take steps to ensure disaster readiness and replenish plant water sources.





# Water | Water Stewardship and Replenishment in Japan

In 2010, the Coca-Cola system in Japan commenced efforts to return to nature—water sources of plants and their watersheds—at least the same amount of water as used in our products. We attained at least 100% replenishment in 2016. In 2021, water replenishment by the entire Coca-Cola system in Japan reached 355%. For 18 of the 19 watersheds serving 21 plants nationwide (not including Coca-Cola Japan’s Moriyama Plant), we achieved a replenishment rate of at least 100%, and replenishment activities were underway in all watershed areas. We will enhance replenishment activities using diverse methods to match the conditions of each area as we keep targeting at least 100% replenishment of water sources and watersheds for all plants.

Water replenishment rate<sup>1</sup> **355%**

<sup>1</sup> Calculated based on production volume at each plant in Japan

**Forest preservation**

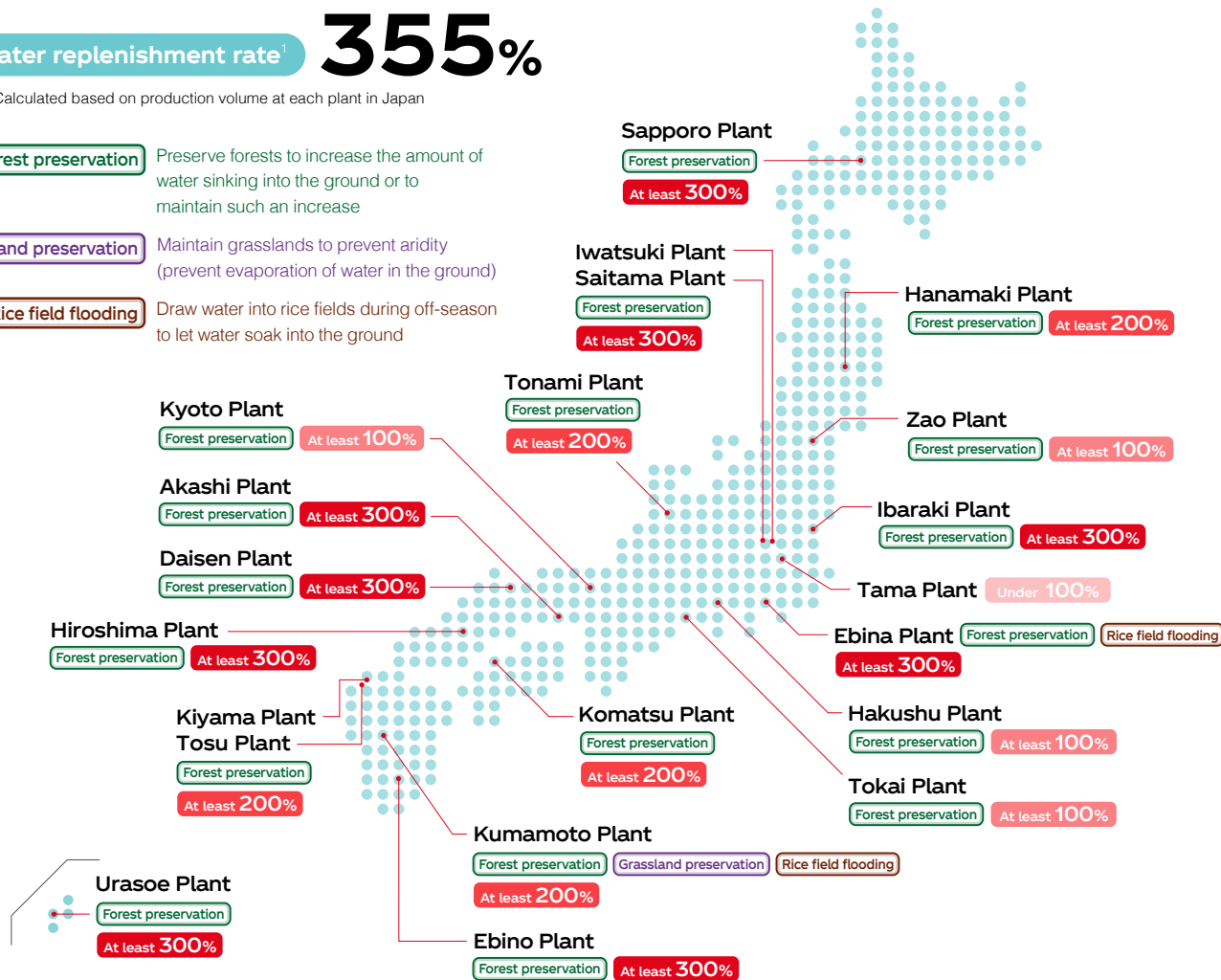
Preserve forests to increase the amount of water sinking into the ground or to maintain such an increase

**Grassland preservation**

Maintain grasslands to prevent aridity (prevent evaporation of water in the ground)

**Rice field flooding**

Draw water into rice fields during off-season to let water soak into the ground



\* Replenishment rates for each plant watershed are calculated based on the plant’s production volume.

Water Stewardship and Replenishment Activities Across Japan



**I LOHAS Forest Conservation Project**

The I LOHAS Forest Conservation project promotes water stewardship in Japan by donating a portion of proceeds from sales of natural mineral water brand I LOHAS, via The Coca-Cola Educational & Environmental Foundation, to local governments, forestry cooperatives, nonprofits and others engaged in forest conservation activities. In fiscal 2021, 2,651 outlets of 51 customers took part. Donations were made to 22 groups nationwide, supporting the planting of around 5,060.58 hectares of forest, or roughly 18,000 trees (as of September 30, 2021). <https://www.i-lohas.jp/project/> (Japanese website)



**“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 to replenish water sourced for plants.



**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.



**Campaign to Protect Water Sources in the Ou Mountains**

Michinoku Coca-Cola Bottling teamed up with K.K. Universe to carry out a campaign helping to protect water sources in the Ou Mountains. A portion of sales were donated to water stewardship activities of the city of Hanamaki, Iwaki Prefecture.



**Support for Forests and Water**

Together with local agencies, government and community volunteers, Okinawa Coca-Cola Bottling carries out ongoing tree planting and growing activities in the vicinity of dams providing water for Yanbaru, in the northern part of Okinawa Island, which was registered as a UNESCO Natural World Heritage site in July 2021. The company also supports an inumaki tree-growing festival run by the association Shurijo Castle Park Tomo-no Kai.

## Water | Internal Initiatives and Initiatives with Partners

### Collaboration with Nippon Paper on Building a Sustainable Society



Coca-Cola Japan and Nippon Paper Industries Co., Ltd. have been collaborating since 2013 to conserve the multifaceted value of forests and promote sustainable development of communities. Besides tree planting activities in Nippon Paper-owned forest in Katashina-mura, Gunma Prefecture, Coca-Cola Bottlers Japan continues its hands-on environmental education programs and activities for maintaining and enhancing water replenishment capabilities. To further strengthen their established ties, Coca-Cola Japan and Nippon Paper signed a memorandum of understanding on collaboration for building a sustainable society in August 2021. The memorandum expands on existing efforts to conserve forest and water resources. Over the roughly 10-year period to 2030, the two companies will draw on expertise acquired through their respective businesses in three areas—resource recycling and conservation, community development and respect for diversity—to advance concrete activities contributing to the realization of a sustainable society.

### Support for Green Infrastructure Projects



Green infrastructure enabling utilization of the diverse functions of the natural environment to resolve a wide range of social issues has gained traction in the United States and Europe in recent years. Since January 2022, The Coca-Cola Foundation has been supporting green infrastructure projects of three groups in Japan, providing them with grants totaling \$460,000 (approximately ¥53 million). The groups are respectively engaged in projects to create water environments using abandoned agricultural land in Tokushima Prefecture; to develop “rain gardens” on the Musashino Plateau; and to turn residential properties of row house scale into locations for rainwater, greenery and disaster prevention functions by incorporating features such as rainwater storage and greening of rooftops and walls.

### Wastewater Management Based on KORE Standards



The Coca-Cola system plants manage wastewater in line with KORE<sup>1</sup>, an original management system setting standards that meet and even exceed requirements of ISO and applicable laws and regulations. To protect the beautiful natural environment of Lake Biwa, Coca-Cola Japan's Moriyama Plant carries out comprehensive wastewater management, complying with both water quality standards prescribed by local government ordinance and KORE standards while continuously monitoring the operational status of facilities and measurements taken with water quality analysis equipment. In 2019, we achieved consistent wastewater treatment performance by introducing treatment facilities that take advantage of the purifying effects of microorganisms. To overcome issues with the time taken to analyze biochemical oxygen demand (BOD), an indicator of water quality, equipment for automatic analysis of total organic carbon (TOC) levels, which have a strong correlation to BOD, was installed. In this way, we put in place systems to prevent the discharge of any wastewater that exceeds the standards.

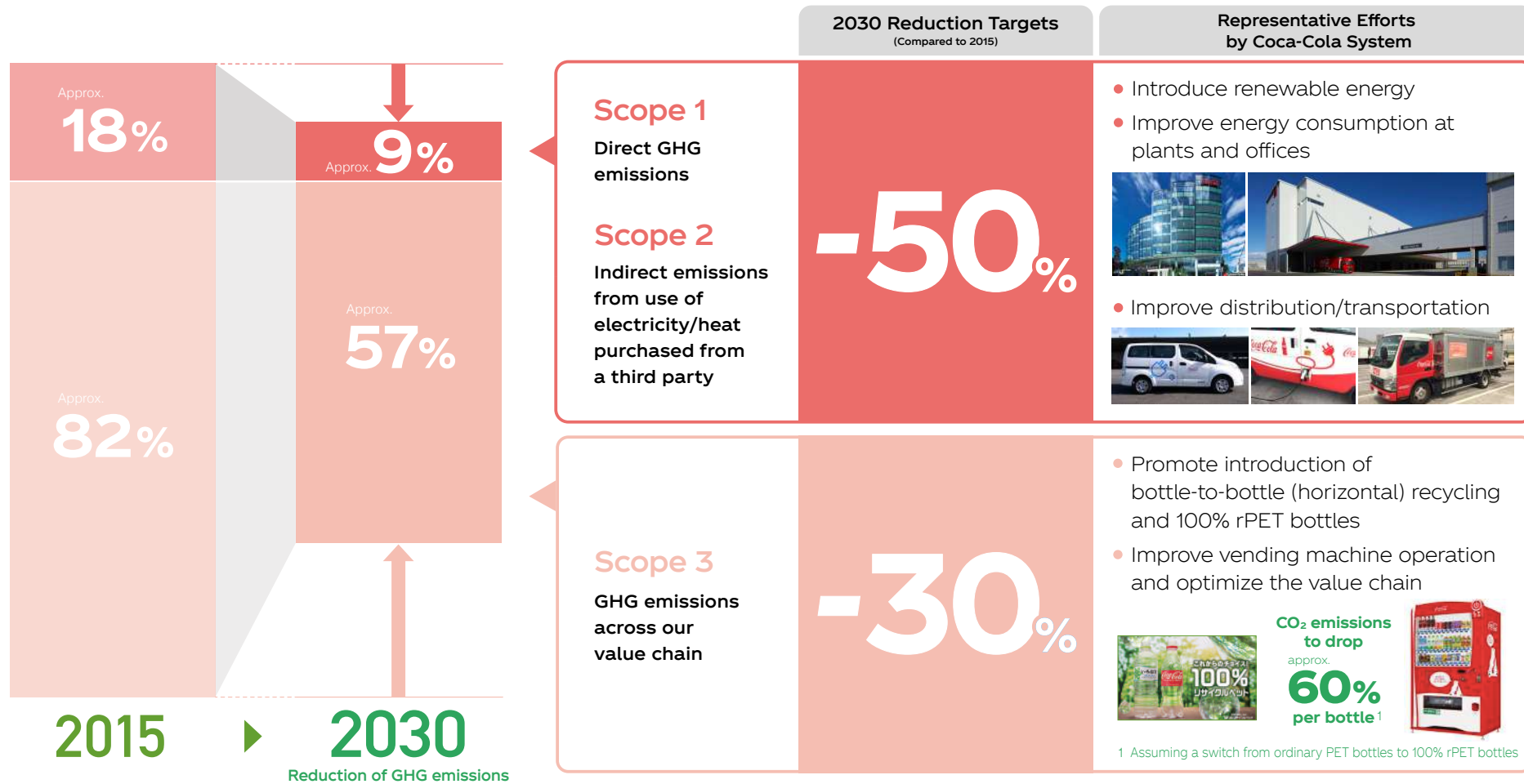
<sup>1</sup> For more on KORE, see page 33.

## Greenhouse Gas Emissions Reduction Targets for 2030

In October 2021, the Coca-Cola system in Japan established new targets for reducing greenhouse gas (GHG) emissions. Efforts to attain those targets are already underway. We aim to reduce Scope 1 and Scope 2 GHG emissions by 50% compared to 2015 levels by 2030 through adoption of renewable energy, improvements to plant facilities and greater distribution and transportation efficiency.

We are also aiming to reduce Scope 3 GHG emissions by 30% compared to 2015 levels by 2030 through initiatives including the introduction of 100% rPET bottles that emit around 60% less CO<sub>2</sub> than conventional petroleum-based PET bottles, switching to vending machines with high energy efficiency and various optimization activities within the value chain.

### GHG Emissions Reduction Targets at Coca-Cola System in Japan (Announced in October 2021)



<sup>1</sup> Assuming a switch from ordinary PET bottles to 100% rPET bottles

## Scope 1

## Reducing Direct GHG Emissions

Scope 1 covers GHG emissions generated by combusting fossil fuels at plants and offices of the companies of the Coca-Cola system in Japan, as well as by consuming fuel through vehicles owned by the companies. To reduce environmental impact, we are working to reduce direct GHG emissions from transportation between plants, warehouses and other sites through restructuring of facilities, switching to fuel-efficient vehicles and thorough implementation of eco-driving.

### Optimizing Supply Chains to Reduce Environmental Impact

In February 2021, Coca-Cola Bottlers Japan started operating the Saitama Mega DC, an automated distribution center with the largest warehousing and shipping capabilities across the Coca-Cola system in Japan. The company is reducing environmental impact by optimizing supply chains through the integration of distribution operations and inventory spaces and the development of a network for timely end-to-end product delivery.



### Conserving Energy by Converting to Inverter Air Conditioners and Air Intake Units

Hokuriku Coca-Cola Bottling's Tonami Plant converted to an inverter-controlled motor for its air intake/exhaust unit to regulate pressures in the filling and packaging chambers. Harnessing the differential pressure between the chambers for motor RPM control, the plant is saving energy and reducing GHG emissions.



### Transitioning from Fossil Fuels to Natural Gas, a Cleaner Resource

In 2015, Michinoku Coca-Cola Bottling's Hanamaki Plant switched its boiler equipment fuel to liquified natural gas (LNG), moving away from heavy oil. The plant is reducing GHG emissions by turning to natural gas, a very clean and safe resource with excellent stable supply rates.



### Switching to Fuel-Efficient Vehicles and Enforcing Eco-Driving Strategies

Michinoku Coca-Cola Bottling is switching to hybrid and other fuel-efficient vehicles. In addition to regularly adjusting vehicle sizes and visit routes to streamline business activities, the company enforces eco-driving strategies such as car telematics to reduce environmental impact of vehicles.



### Introducing an Industrial Cogeneration System

Energy reduction was a challenge for Okinawa Coca-Cola Bottling's Urasoe Plant, as it had been using a hot-fill line for production. The plant, however, transitioned to city gas from a heavy oil-based boiler system and in 2017 introduced the first industrial cogeneration system in Okinawa Prefecture, in turn curbing CO<sub>2</sub> emissions by 11.1% from 2012 levels.



## Scope 2

## Reducing Indirect Emissions from Electricity/Heat

Scope 2 covers GHG emissions from the generation of electricity, heat and steam purchased by the companies of the Coca-Cola system in Japan. Besides introducing hydroelectric, solar and other renewable energy at plants and office buildings, we are promoting various energy conservation measures.

### Switching to Renewable Energy at Coca-Cola Japan's Shibuya Head Office and Moriyama Plant

By January 2021, the Shibuya head office and Moriyama Plant of Coca-Cola Japan had switched to renewable energy sources for all electric power, essentially realizing zero CO<sub>2</sub> emissions. The expected reduction in CO<sub>2</sub> emissions for the two facilities combined is around 1,800 tons per year.



### Installing Solar Panels as a Stand-Alone Power System

Coca-Cola Bottlers Japan has installed solar panels in visitor centers at Tokai Plant, Hiroshima Plant and Ebino Plant, and is using the panels as a self-contained power system. The Hiroshima Plant visitor center—completed in October 2020—features transparent solar panels on the exterior of its connecting hallway and draws on solar-generated power for lighting purposes.



### Receiving ZEB Ready Certification

Hokkaido Coca-Cola Bottling is scheduled to be Net Zero Energy Building (ZEB) Ready-certified for the reconstruction project of its group company KOURAKU's head office, once the building is completed in March 2022. ZEB Ready refers to structures capable of reducing annual primary energy consumption by 50% or more compared with typical buildings. The new head office can save energy with better insulation and highly efficient air conditioners.



### Reducing GHG Emissions for Energy Conservation and Creation

Since the establishment in 2017, Hokkaido Coca-Cola Bottling's Sapporo-Higashi Office has been working to reduce environmental impact. For instance, the office has reduced its power usage for lighting by installing LED lights and maximizing natural light, while also supplying solar- and wind-based electricity to power the office. These initiatives show that the office is reducing GHG emissions both from energy conservation and creation aspects.



### Generating Solar Power at Tonami Plant

To collaborate with the solar power generation business run by ORIX Corporation, Hokuriku Coca-Cola Bottling's Tonami Plant rented out its 20,327.27 m<sup>2</sup> rooftop area, onto which 15,810 solar panels with a maximum 1,502 kW output were installed. By using the rooftop area for clean energy generation purposes, the plant is rendered environmentally friendly and is contributing to reducing GHG emissions.



### Using the Furusato Hydropower Plan (Hydroelectric Power)

Coca-Cola Bottlers Japan's Hakushu Plant started using hydroelectric power in 2019, after joining the Furusato Hydropower Plan offered by Yamanashi Power Plus—a power supply brand jointly run by Yamanashi Prefecture and TEPCO Energy Partner, Inc. This move has eliminated electricity-based CO<sub>2</sub> emissions, thereby lowering the plant's environmental impact.



## Scope 3

## Reducing Indirect Emissions from Electricity/Heat Generated Along the Value Chain

Scope 3 covers all other GHG emissions from electricity/heat use, upstream and downstream along the value chain.

Included here are emissions arising from cultivating and processing raw materials of products, manufacturing and disposing of packaging materials as well as using vending machines and coolers installed at locations such as stores. Through initiatives such as use of 100% rPET plastic and packaging recycling, we aim to reduce Scope 3 GHG emissions by 30% by 2030.

### Accelerating the 100% rPET Bottle Rollout for Flagship Products with Sights on 100% Sustainable Materials for PET Bottles in Japan by 2030

The Coca-Cola system in Japan is accelerating its rollout of 100% rPET bottles, which can reduce CO<sub>2</sub> emissions by around 60% compared to conventional PET bottles made from petroleum-based virgin plastic. Since the launch of I LOHAS Natural Mineral Water in March 2020, 100% rPET bottles have been introduced for 37 products sold in Japan across five brands. In 2021, the sustainable material utilization reached 40% (see page 10). In April 2022, special label-less 100% rPET bottles that are 2 grams lighter than earlier designs were introduced for Coca-Cola and Coca-Cola Zero Sugar 350 mL products. Through these sustainable packaging initiatives, the entire Coca-Cola system in Japan is expected to reduce GHG emissions by around 26,000 tons annually and reduce use of petroleum-based virgin plastic by around 29,000 tons<sup>1</sup>.

<sup>1</sup> Total for all applicable products as estimated by Coca-Cola Japan from sales forecasts for 2022 based on shipments in 2021



New label-less bottles for Coca-Cola and Coca-Cola Zero Sugar

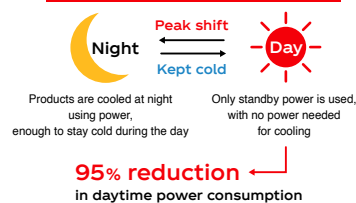
### Halving GHG Emissions by Promoting a Switch to Energy-Efficient Vending Machines

Currently around 880,000 Coca-Cola system vending machines are deployed across Japan. Not only do they offer convenience by providing access to great-tasting beverages to all people, anywhere, anytime, they also contribute to communities in times of crisis, for example, through assistance features that vending machines are ideally placed to provide, such as electronic message boards that convey disaster information and remote operation for enabling access to beverages free of charge.

The Coca-Cola system has worked continuously to develop and deploy equipment such as vending machines, coolers and dispensers that help to reduce power consumption. Currently around 85% of Coca-Cola system vending machines in Japan are energy-efficient models (vending machines with heat pumps or peak shift vending machines). These efforts have reduced vending machine-related GHG emissions for the entire Coca-Cola system in Japan by around 50% compared to 2015 levels.



#### Saving power but still cold!



#### Peak Shift Vending Machines Reduce Daytime Power Use by Up to 95%

The Coca-Cola system's original peak shift vending machines deployed in Japan from 2013 only use power for cooling at night, enabling a reduction in power consumption of up to 95% 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.

# 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.

In the area of gender, specifically, we are working to expand leadership training and raise awareness both internally and externally having set targets such as increasing the percentage of leadership positions at Coca-Cola Japan filled by women to 50% by 2025.



### ● 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"> <li>● Women fill 50% of leadership positions<sup>1</sup></li> <li>● Men utilize 100% of parental leave<sup>1</sup></li> </ul>
	Age/generation	<ul style="list-style-type: none"> <li>● Thirty-somethings fill 15% of leadership positions<sup>1</sup></li> <li>● 80% of annual paid leave is utilized<sup>1</sup></li> </ul>
Focus Topics	Disabilities	Strengthen support for people with disabilities
	LGBTQ	<ul style="list-style-type: none"> <li>● Promote LGBTQ awareness</li> <li>● Create working environments that support marriage equality</li> </ul>

<sup>1</sup> Coca-Cola Japan only



## Gender

The Coca-Cola Company was the first large U.S. corporation to appoint a woman to its board of directors, in 1934.

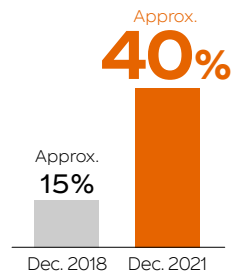
In Japan, too, we aim to increase the percentage of leadership positions filled by women to 50% by 2025, thereby realizing an environment where women's perspectives are reflected in decisions on all aspects of business operations. If achieved, attainment of the target will come earlier than the global target set by The Coca-Cola Company (50% led by women by 2030).

### Employment of Women and Women in Leadership at Coca-Cola Japan

Employees who are women



Leadership positions filled by women



### Women's Empowerment Initiatives Within Coca-Cola System

#### AccelerateHER Leadership Program for Women

Coca-Cola Japan and Coca-Cola Bottlers Japan jointly run AccelerateHER, a training program for women leaders supporting their career development. Over two days of training, participants acquire the mindset and skills required of a leader as well as links to a network of women colleagues who they can turn to for advice even after the training has finished. Under this program, training is additionally provided to supervisors of women who participated. Supervisors learn about the support women need to be able to confidently perform key roles within the organization and useful techniques for providing that support.

#### Inclusion Month

Designating October 2021 as Inclusion Month, Coca-Cola Japan held sessions for employees within the Coca-Cola system, inviting prominent women leaders, young entrepreneurs and Japanese and foreign experts on matters relating to gender and diversity as special guests. Besides listening to what the guest speakers had to say, employees got to share their own thoughts on inclusion and discuss types of change they themselves might be able to instigate.

### Activities and Awareness-Raising Outside the Coca-Cola System

#### International Women's Day

The United Nations designates March 8 as International Women's Day. The day was adopted in 1975 as a way to rally support for women's rights and encourage their participation in political and economic spheres. Coca-Cola Japan holds in-house International Women's Day events each year to promote women's rights and a mindset for supporting the empowerment of women. In 2022, communication outside the company was strengthened with a promotional message featuring the color purple—associated with International Women's Day—displayed on digital signage in front of the Coca-Cola Japan head office building in Shibuya and the holding of a dialogue between director of the UN Women Japan Liaison Office, Kae Ishikawa, and Coca-Cola Japan Representative Director and President Jorge Garduño.

#### Participation in UN Women's Unstereotype Alliance



Coca-Cola Japan has been a member of the Japan National Chapter of the Unstereotype Alliance, an international initiative led by UN Women, since 2020. The Unstereotype Alliance is an international alliance promoting ideas and action to bring about an end to harmful stereotypes in all kinds of media and advertising.

#### Support for #Here We Go 203030 Challenge

In pursuing diversity and inclusion, Coca-Cola Japan supports the #Here We Go 203030 challenge<sup>1</sup> promoted by KEIDANREN (Japan Business Federation).



<sup>1</sup> 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



## 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. Coca-Cola Japan co-sponsored Tokyo Rainbow Pride 2022, one of Asia's largest LGBTQ-related events, organized by nonprofit Tokyo Rainbow Pride, celebrating "diversity of sexuality and life." The company also set up a booth at the Pride Festival in April 2022. Here we gave away special rainbow design Coca-Cola labels and Coke ON coupons and introduced the Coca-Cola system's LGBTQ-related initiatives on an information board. All profits earned from product sales were donated to Pride House Tokyo.



### Support for Careers in Career Month

To create a work environment where employees of any generation can play an active role, Coca-Cola Japan arranges opportunities for employees to take stock of their own careers and reaffirm targets on a regular basis. Designating November 2021 as Career Month, Coca-Cola Japan ran a one-month training program involving lectures and workshops by the Coca-Cola's lecturers and outside guests from Japan or overseas. The program was a chance for employees to consider how to build their careers from multiple angles and covered a diverse range of topics, including the future shape of careers at the Coca-Cola system; self-branding; career development; and utilization of networks.



## Disabilities

### Sponsorship of the Special Olympics

The Special Olympics is an international sports organization providing routine sports training for people with intellectual disabilities and opportunities to demonstrate the results of that training. The Coca-Cola Company is a founding partner and global sponsor of Special Olympics International and Chairman and CEO James Quincey is on the organization's Board of Directors. The Coca-Cola system has also been supporting Special Olympics Nippon since 1998 and currently as a Premier Sponsor.



### #WeThe15 Campaign

Coca-Cola Japan supports the concepts and activities of #WeThe15, a human rights movement advanced by the International Paralympic Committee that aims to transform environments for people with disabilities. We ran a campaign in support of #WeThe15 from August 19, 2021. Throughout the period of the Tokyo 2020 Paralympic Games, we broadcasted a statement, concept movies and other information via channels including our corporate website, social media, YouTube and outdoor advertising.



### 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 initiative aims to unlock the business, social and economic value of people with disabilities by engaging business leaders to bring about necessary change. The Valuable 500 membership comprises 500 corporations from 42 countries.



## LGBTQ

### Support Within Coca-Cola System

#### All Coca-Cola System Companies in Japan Provide for Same-Sex Partners in Company Rules and Welfare Programs

By May 2021, all six companies of the Coca-Cola system in Japan had finished adapting welfare programs and company rules to accommodate same-sex partnerships. The companies have introduced systems treating employees and their same-sex partners as if they are in a legal marriage and providing access to special leave for celebrations or bereavement. Coca-Cola Japan also carries out ongoing awareness-raising events with aims to promote understanding of, and declare support for, LGBTQ people. In November 2021, the company hosted an online dialogue between Masakazu Yanagisawa from the Tokyo office of international NGO Human Rights Watch and Patrick Jordan, Vice President Human Resources, as part of Inclusion Month. On Pink Friday (November 20), a day for LGBTQ awareness, employees were gifted a pink mask and a cupcake.



Online dialogue between Masakazu Yanagisawa and Patrick Jordan



Masks and cupcakes were distributed on Pink Friday.

### Activities Outside Coca-Cola System

#### Support for Same-Sex Marriage and LGBT Equality Law

The Coca-Cola system in Japan has declared its support for Business for Marriage Equality<sup>1</sup>, a campaign launched in November 2020 to visualize which companies are in favor of legislating to recognize same-sex marriage. Coca-Cola Japan has also declared its support for the #EqualityActJapan campaign advocating for enactment of equality legislation for LGBT people in Japan.

<sup>1</sup> Business for Marriage Equality is a campaign to visualize corporate supporters of legislation to recognize same-sex marriage (marriage equality) in Japan. The campaign is run by three nonprofit organizations in Japan—Marriage for All Japan, Lawyers for LGBT & Allies Network and Nijjiro Diversity.



#### Sponsorship of Pride House Tokyo

Coca-Cola Japan has been a Pride House Tokyo<sup>2</sup> partner since November 2020. Pride House Tokyo worked to ensure that LGBTQ athletes, their friends and families, spectators and local participants were free to be themselves as they enjoyed 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.

<sup>2</sup> Pride House Tokyo, a project that transcends sector boundaries to link various groups, individuals and corporations in solidarity, took 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. The facility will continue to operate even though the Tokyo 2020 Games are over.



#### PRIDE Index

Coca-Cola Japan received a “Gold” rating, the highest, in PRIDE Index 2021<sup>3</sup>, which evaluates LGBTQ-related initiatives in the workplace.

<sup>3</sup> The PRIDE Index is an indicator established in 2016 by voluntary organization work with Pride with aims to promote the creation of LGBTQ-friendly workplaces. Reaching across corporate and other organizational boundaries, the index is divided into five categories matching the letters of “PRIDE”: Policy, Representation, Inspiration, Development and Engagement/Empowerment. Companies and organizations are rated according to their score in each of the categories.



# 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><b>Priority Topics</b></p> <ul style="list-style-type: none"> <li>• Contribution through two national platforms (Inclusion and Resources)</li> <li>• Initiatives that are sustainable and additionally have local relevance</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen collection efforts with nonprofit green bird</li> <li>• Collaborate with Nippon Paper on sustainable activities</li> <li>• Enhance sustainability education within the Coca-Cola system</li> <li>• Develop International Coastal Cleanup activities</li> </ul>

## 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, 2021, we had installed around 6,800 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. Bottling partners also collaborate with vending machine location owners to donate a portion of proceeds from vending machine sales to groups engaging in social contribution or environmental conservation activities. These vending machines have gained the favor of many as a familiar social contribution tool allowing them to make donations by buying beverages.

### Comprehensive Pacts with Local Government



The Coca-Cola system in Japan has entered into comprehensive collaboration agreements to strengthen cooperation with communities and local government. As of December 31, 2021, we had concluded 1,512 pacts across Japan. Through these agreements, we seek to coordinate closely with local government through dialogue 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 as well as health promotion. Comprehensive collaboration agreements also play a role in activities responding to the constantly changing social landscape.

### Example of Community Assistance Through Vending Machines: Initiatives with Moriyama City



Coca-Cola Japan's Moriyama Plant, producer of concentrate for the Coca-Cola system products, is located in Moriyama, Shiga Prefecture. Coca-Cola Bottlers Japan signed a comprehensive collaboration agreement with the city in April 2021. Through cooperation across a broad range of areas, including the SDGs, legacies of the Olympic and Paralympic Games, and crime and disaster prevention, initiatives are being implemented to assist community development and improve services to residents.

Since April 2022, Coca-Cola Bottlers Japan has been working to improve the service to users of the Biwako World Citizens' Forest, a prefectural park located in Moriyama, through installation of vending machines and the company is engaging in discussions about cooperation on environmental conservation in the community.

# Bottling Partner Initiatives

## Hokkaido Coca-Cola Bottling

### Comprehensive Collaboration Agreement Signed with Rakuno Gakuen University to Promote Progress on SDGs

In July 2021, Hokkaido Coca-Cola Bottling signed a comprehensive collaboration agreement with Rakuno Gakuen University. One aim is to recycle resources through bottle-to-bottle (horizontal) recycling of PET bottles collected on campus. The agreement also covers storage of water in readiness for disaster, emergency provision of drinking water for livestock and joint research into effective utilization of used tea leaves as livestock feed. These efforts will help realize a sustainable society by addressing community needs and challenges.



### Donation of Products to Food Banks

COVID-19 has forced us to change the way we do things in order to prevent transmission. To give people reassurance and help them get by, Hokkaido Coca-Cola Bottling has been donating products to local "children's cafeteria" food kitchens and organizations supporting those in need via Hokkaido's food banks since 2020. In 2021, the equivalent of 7,320 bottles of Coca-Cola system products were donated to 10 food banks across Hokkaido.



## Michinoku Coca-Cola Bottling

### Reduction of Product Disposal

Joining forces with local government and nonprofits, Michinoku Coca-Cola Bottling is advancing efforts to reduce product disposal. Initiatives include selling products that are likely to be thrown out—perhaps because they are approaching their best-before date—in food loss prevention vending machines, and donation to food banks.



### HERALBONY Art-Wrapped Vending Machine

In November 2021, Michinoku Coca-Cola Bottling teamed up with HERALBONY Co., Ltd. to install the first HERALBONY "art-wrapped" vending machine in a commercial facility in Morioka, Iwate Prefecture. The vending machine is "wrapped" in an artwork by an artist in a licensing arrangement with HERALBONY and a portion of proceeds from the machine are returned to the artist as a fee for use of the artwork. As well as providing a form of revenue for the artist, the companies are trying to alter perceptions about disabilities by brightening up the community with art.



## Hokuriku Coca-Cola Bottling

### SDGs Comprehensive Collaboration Agreements

In April 2021, Hokuriku Coca-Cola Bottling signed comprehensive collaboration agreements relating to the SDGs with the cities of Tonami and Nanto. The Hokuriku Coca-Cola Bottling Group and the two cities will endeavor to use their respective resources effectively to realize a sustainable society and open up new business opportunities.



### Toyama Prefecture SDGs Declaration and Nanto SDGs Partner Certification

In August 2021, Hokuriku Coca-Cola Bottling issued a Toyama Prefecture SDGs Declaration and was recognized as a company promoting SDGs-related activities inside the prefecture.

In October, the company expressed its approval of SDGs efforts by the city of Nanto and became a certified Nanto SDGs Partner after its own activities were deemed to contribute to goal attainment. Through these developments, the company is working to enhance employee awareness and motivation, ensure diversity of the workforce and generate new business opportunities.



## Coca-Cola Bottlers Japan

### 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 nationwide. In 2021, the company donated 11,063 cases (262,382 bottles) of the Coca-Cola system products to groups in 20 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 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.



## 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. Data gathered through ICC campaigns around the world is compiled and utilized in the development of solutions to the global litter problem.

In Japan, our involvement in ICC activities began in 2007. Employees throughout the country have ventured out during work hours on behalf of the Coca-Cola system to join cleanup 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.

In October 2021, cleanup campaigns conducted in at least 17 locations across Japan enlisted the help of Pirika, an anti-litter social media platform used in at least 111 countries.

### Support for Green Bird

Since 2008, Coca-Cola Japan has engaged in ongoing cleanup campaigns in locations throughout Japan in partnership with green bird, a nonprofit involved in cleanup activities and town development. An annual cleanup event hosted by green bird, "gomizero week," involves around 30 teams undertaking cleanup activities nationwide.



Coca-Cola Japan President Jorge Garduño (left) clearing litter from Lake Biwa with Moriyama Mayor Kazuhiro Miyamoto



Pirika anti-litter social media activity feed



Cleanup activity during gomizero week 2019

## Support for Communities—The Coca-Cola Foundation



The Coca-Cola Foundation is the independent philanthropic arm of the Coca-Cola system. Since its inception in 1984, the foundation has embraced a charitable giving strategy that makes a difference in communities around the world, so far awarding more than \$1 billion in grants. In 2021, The Coca-Cola Foundation contributed \$106.2 million to around 350 organizations worldwide. The foundation will continue to stay abreast of community issues and needs while providing directed assistance for certain themes, particularly solutions to the problem of ocean plastic litter, promotion of recycling in communities and sustainable management of water resources.

For details, go to:  
<https://www.coca-colacompany.com/shared-future/coca-cola-foundation>

### Fiscal 2021 Contributions in Japan



Around \$150,000 (approx. ¥16 million) to nonprofit Good Neighbors Japan for providing food assistance to single-parent households

For providing food to single-parent households, around half of which are said to be in relative poverty, with the impact of COVID-19 on incomes and employment adding to the hardship.



Around \$1.3 million (approx. ¥140 million) to nonprofit Japan Heart to support COVID-19 efforts

For efforts to stop the spread of COVID-19, including supply of masks, gowns and other protective equipment to healthcare personnel.



Around \$350,000 (approx. ¥40 million) to nonprofit Japan Lullaby Association to support efforts addressing the financial and mental concerns of single mothers

For the Negi-bozu project to set up a community for women in Shimonita, Gunma Prefecture promoting the self-sufficiency of single mothers.



Around \$130,000 (approx. ¥15 million) to nonprofit Kidsdoor to help fund stationery for children in impoverished households

For providing stationery to children from households under financial distress due to COVID-19.



A total \$460,000 (approx. ¥53 million) to Tokushima Stork Fund, Rainwater Town Development Support and People for Rainwater to support green infrastructure activities

For the three organizations to undertake and evaluate green infrastructure activities in their respective communities using their own methods and broadcast success stories nationwide.

## Support for Communities—The Coca-Cola Educational & Environmental Foundation



<https://www.cocacola-zaidan.jp/> (Japanese website)

The Coca-Cola Educational & Environmental Foundation was established in June 2007 under the basic philosophy of “Healthy Active Life.” Integrating activities of the Japan Coca-Cola Bottlers Scholarship Foundation and the Coca-Cola Environment Education Foundation, operating for 37 years and 14 years respectively, the foundation is a base for centrally organizing and implementing activities. 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. Scholarship support began in 1966. Over 56 years to March 31, 2022, we have provided support to 2,479 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. The Coca-Cola Japan Reconstruction Fund, established within the foundation on March 24, 2011, has provided assistance to communities affected by the 2011 Great East Japan Earthquake, the 2016 Kumamoto earthquakes and the 2018 Hokkaido Eastern Iburi Earthquake. The fund was renamed the Coca-Cola Disaster Recovery and Reconstruction Assistance Project in November 2021 and continues to provide assistance today with coverage extended to all of Japan and the content also expanded.

### Environmental Education



The foundation supports efforts to develop the next generation of human resources who will lead in the community and international society.

#### Coca-Cola Environment Education Awards

Applications from 2,359 organizations over 27 years from 1994

#### Uenbetsu Shogakko Coca-Cola Environment House

More than 75,000 users over 11 years from 2010

### Scholarship Support



Scholarships support high school and university students as they advance to university or graduate school.

#### 56 Years of Graduates Since 1966

A total of 2,479 graduates over 56 years from 1966

### Reconstruction Support



The coverage and content of assistance by the Coca-Cola Disaster Recovery and Reconstruction Assistance Project (renamed from Coca-Cola Japan Reconstruction Fund) have been expanded.

#### Grants for Solar Power/Energy Storage Facilities

Facilities installed at a total of 55 schools

#### Sponsorship of Young Americans Tohoku Tour

More than 3,100 participants overall

#### School Bus Donations

5 buses donated



# Sustainability Initiatives at Tokyo 2020

The Tokyo 2020 Games were held in 2021 under the sustainability concept, “Be better, together.”

The Coca-Cola system in Japan agreed with the spirit of this concept. Working alongside the Tokyo 2020 Organising Committee and other organizations, we implemented a variety of initiatives to put forward model solutions for realizing a sustainable society upon the three focal platforms of the Coca-Cola system’s sustainability strategy—Resources, Inclusion and Communities (see page 7).

## Resources



### Beverages in 100% rPET Bottles and Recycling of Bottles into Coca-Cola System Products

Given Japan’s outstanding PET bottle collection and recycling rates, it was befitting that beverages were supplied and sold in 100% rPET bottles for the first time in Olympic history at the Tokyo 2020 Games.

Post-consumer PET bottles recovered from competition venues and other locations were collected, recycled and used as packaging material for the Coca-Cola system products.

In addition, recycled fiber made from PET bottles collected in-house by the Coca-Cola system were used in some of the material for uniforms of torchbearers for the Olympic Torch Relay.

## Inclusion



### Promotion of Diversity Awareness Through Tokyo 2020 Opening Ceremonies Placard Bearer Program

As placard bearers, the Coca-Cola system recruited people who would impart a message of diversity as they guided teams into the venue holding up the name of the country or region. The Opening Ceremonies are an occasion for athletes from around the world to gather in one place and showcase their individuality and this initiative sought to highlight the wonders of diversity that permeated the venue.

The Coca-Cola system implemented a special hospitality program for the 81 placard bearers chosen from all around Japan. Through advance workshops and participation in the Opening Ceremonies, participants were able to expand their understanding of diversity and inclusion from a global viewpoint.

## Communities



### JOC Olympic Support Vending Machines JPC Paralympic Support Vending Machines

The Japanese Olympic Committee (JOC) and Coca-Cola Japan deployed JOC Olympic Support Vending Machines. The Coca-Cola system donates a portion of sales from the vending machines to the JOC.

Likewise, the Japanese Paralympic Committee (JPC) and Coca-Cola Japan deployed JPC Paralympic Support Vending Machines<sup>1</sup> and a portion of sales from these vending machines were donated to the JPC.

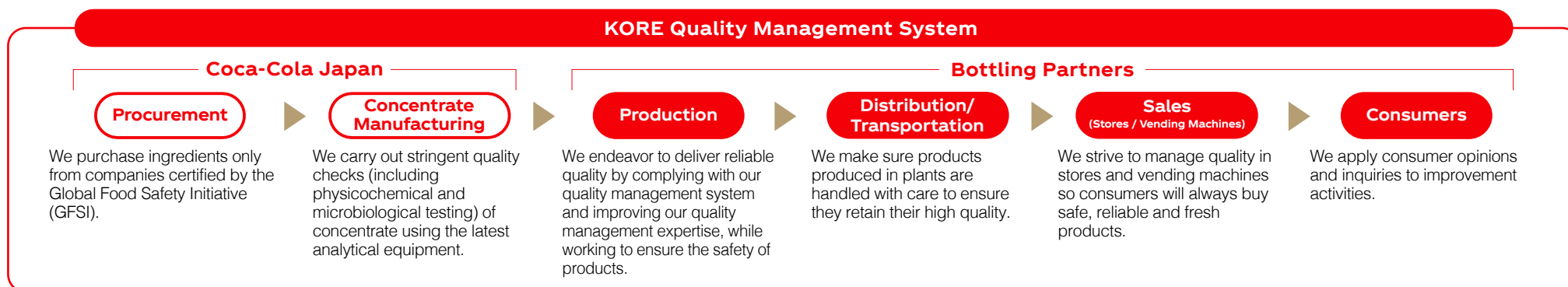
As of December 2021, 3,669 JOC Olympic Support Vending Machines and 53 JPC Paralympic Support Vending Machines had been installed. Donations had reached ¥160,252,939.

<sup>1</sup> This program has since finished.

# Coca-Cola System Business Platform | KORE Management System

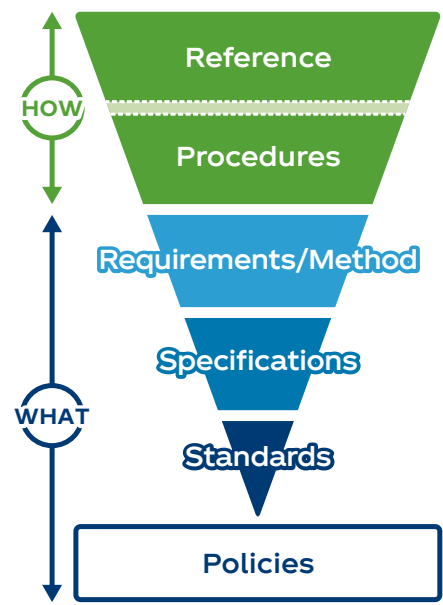
The Coca-Cola system has always endeavored to supply safe, great-tasting soft drinks and we consider it our fundamental stance to contribute to the healthy lifestyles of all consumers who take up our products. The Coca-Cola system in Japan complies with the Coca-Cola Operating Requirements (KORE)—the global quality and operations management system established by The Coca-Cola Company to ensure product safety and reliability.

"Even stricter 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 requirements of ISO 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

## 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. Once supply begins, third-party audits are regularly performed to check compliance.

For details, go to:  
<https://www.coca-colacompany.com/policies-and-practices/supplier-guiding-principles>



<https://www.coca-colacompany.com/content/dam/journey/us/en/policies/pdf/human-workplace-rights/supplier-guiding-principles/supplier-guiding-principles-brochure-japanese.pdf>

## Principles for Sustainable Agriculture (PSA) Sourcing Agricultural Products Responsibly

Looking to engage in more ethical and sustainable procurement activities, the Coca-Cola system has adopted a new set of original procurement standards, the Principles for Sustainable Agriculture (PSA), applying them from 2021. The PSA are the next iteration from the Sustainable Agriculture Guiding Principles (SAGP) and describe The Coca-Cola Company's first principles for sustainable agriculture based on environmental, social and economic criteria. The principles cover aspects such as food safety and hygiene, compliance with laws and regulations, efforts to keep impacts on the environment and ecosystems to a minimum, waste management, record keeping, and respect for the rights of workers in line with the Supplier Guiding Principles.

The PSA are aimed at the primary production level (e.g. farms) and form the basis for achieving compliance, transparency and continuous improvement of production processes for agricultural products. They will also guide our collaboration with industry organizations and other groups to drive the implementation of sustainable agriculture practices. Suppliers of the Coca-Cola system are expected to adhere to and demonstrate compliance with the PSA and the Supplier Guiding Principles.

For details, go to:  
<https://www.coca-colacompany.com/policies-and-practices/principles-for-sustainable-agriculture>



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



A plantation conforming to PSA 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)<sup>1</sup>. 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.

<sup>1</sup> 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 the 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.

## Global Responsible Marketing Policy and Global School Beverage Policy

The Coca-Cola Company has long led from the front with responsible marketing initiatives. We currently maintain a policy, first introduced in 1956, of not marketing products directly to children under 13 (under 12 until 2021), respecting the role of parents and caregivers as the primary decision-makers for what their children drink.

The Global Responsible Marketing Policy also incorporates a set of guidelines covering our activities in schools, the Global School Beverage Policy. The entire Coca-Cola system shares an obligation to comply with these important policies and compliance is monitored through an audit process.

For details, go to:

<https://www.coca-colacompany.com/policies-and-practices/responsible-marketing-policy>  
<https://www.coca-colacompany.com/policies-and-practices/global-school-beverage-policy>



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 dialogue 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 compliance with ISO 10002 (JISQ 10002)<sup>1</sup> 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.

<sup>1</sup> 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 compliance 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 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 compliance with laws and regulations 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 | Managing and Responding to Risk and Opportunity

## Enterprise Risk Management (ERM)

## Incident Management and Crisis Resolution (IMCR)

- The Coca-Cola Company has a robust process for the identification of opportunities and risks to the business. The Enterprise Risk Management (ERM) program enables us to proactively look for business opportunities and encourages the taking of smart risks to leverage them. At the same time, the ERM program allows us to identify risks that could be disruptive to the business together with analyzing and implementing ways to reduce their likelihood, and if they occur, their consequence. This is undertaken through the activation of robust controls and risk mitigation strategies.
- We understand that some risks will eventuate and have potential adverse impacts on the business. As a system we know that well planned and practiced response arrangements minimize disruption while protecting our people. Our response arrangements include sound emergency planning, a robust and well tested crisis response and business continuity program that enables the Coca-Cola system in Japan to ensure operational continuity.
- Our crisis management program, known as Incident Management and Crisis Resolution, is a global program, adapted locally that ensures a standardized and professional response to situations requiring a crisis response.





## Coca-Cola System Business Platform | Risk Treatments in Action

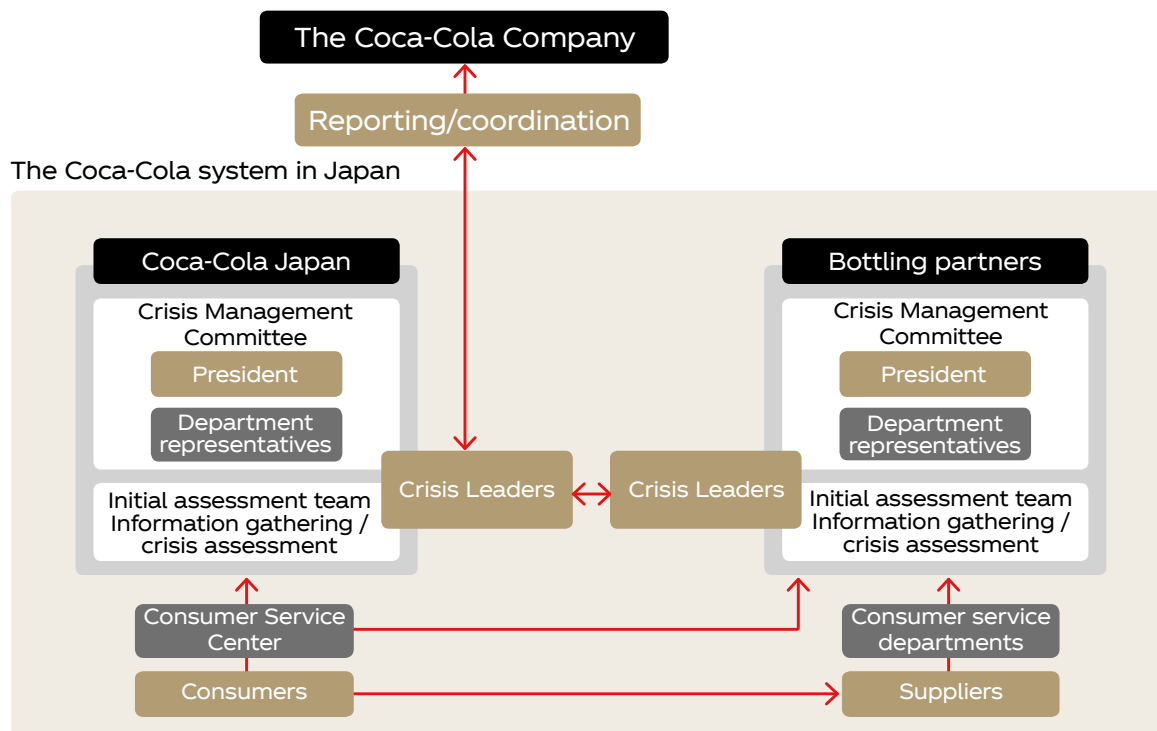


Each of our response activities are intrinsically linked and the Coca-Cola system in Japan ensures that we are prepared in particular to apply these for a natural disaster. We have established employee safety confirmation systems; stored food, drink and other supplies; and established reliable communication systems with our bottling partners in times of disaster. Plans are also drawn up to ensure that we can ensure continuity of product supply for our communities and customers.

# Coca-Cola System Business Platform | Crisis Management Structure and Training

## Crisis Management Structure

When an incident arises our Crisis Leaders immediately convene an initial assessment team comprising representatives from relevant departments to collect information, carry out initial responses and assess both risk levels and scope. Where required a crisis management committee is convened to discuss response strategies, and considers how and what to communicate to consumers, suppliers, the media and other stakeholders. The model is adopted by our bottling partners ensuring 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. The training encompasses all facets of crisis response including basic training, crisis risk assessment training and advanced simulation training. Coca-Cola Japan and its nationwide bottling partners annually hold joint workshops to share case studies and the lessons learned in Japan and globally of crisis responses.

## Information Security Management

The Coca-Cola Company utilizes the Cybersecurity Framework of the National Institute of Standards and Technology (NIST) from the USA 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 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

Specially appointed professor at Eikei University of Hiroshima and professor emeritus of Kobe University Masanobu Ishikawa is an expert on topics such as the 3Rs, waste policy and life cycle assessments (LCAs). Here he offers his views on the three platforms of the sustainability framework established by the Coca-Cola system in 2020—Inclusion, Communities and Resources.

The soft drink industry as a whole continues to take a proactive approach to the Sustainable Development Goals (SDGs) and bottle-to-bottle or other resource recycling, and it is my impression that Coca-Cola system initiatives are top level and truly stand out.

On the other hand, I sense that setting targets for bottles and other packaging can be fraught with challenges and that greater deployment of new initiatives like package-less 1,2,CUBE freeze-dried beverages and bonaqua Water Bar “fill your own bottle” vending machines will be essential for attaining those targets. However, these will not take hold without transformation of perceptions and culture among consumers.

I hope to see you incorporate such perspectives into your ongoing efforts and pull the rest of the industry along with you.

In regard to diversity and inclusion and gender equality, I think the global nature of your company shows through in your initiatives. Women filling about 40% of all leadership positions is a phenomenal achievement, making you one of the top performers in Japan. Given your size, too, you have enormous influence and I would like to see you carry on in the role of leader.

In regard to water, your activities for forest management and water replenishment are in themselves superb and your contribution deserves recognition. You could substantiate that contribution further by providing more detail about what the activities actually entail rather than let numbers and commitments do all the talking.

Bottling partners have set down roots in the community and have advanced some wonderful initiatives, including a wide range of activities under comprehensive collaboration agreements entered with local governments and waste reduction efforts involving food banks. Please keep these going.

As for the activities of The Coca-Cola Foundation, support for deserved organizations undertaking meaningful activities not only lifts the motivation of those groups, but also creates ripple effects and synergies that end up enhancing the quality of those very activities. Now I would like to see you broaden that support, extending it to new areas.

To state what I would like to see from the Coca-Cola system by way of sustainability initiatives up ahead, I imagine eyes will be on what further progress you can make on outstanding packaging issues, namely labels and caps, to go alongside the praiseworthy recycling rates you are already achieving with PET bottles and PET plastic. In regard to caps, I would like to see you tackle issues such as sorting of caps used on packaging other than designated PET bottles. As for labels, I believe there is room for further debate about materials and necessity. From the standpoint of having to remove labels for recycling, for example, using PET for labels might even be an option, or there may be various other possibilities.

I also hope for rapid progress in realizing label-less products, for example by incorporating the latest technologies into stores and vending machines. It is important that the whole industry heads in a unified direction on this and I hope the Coca-Cola system will play a leading role.



**Masanobu Ishikawa**

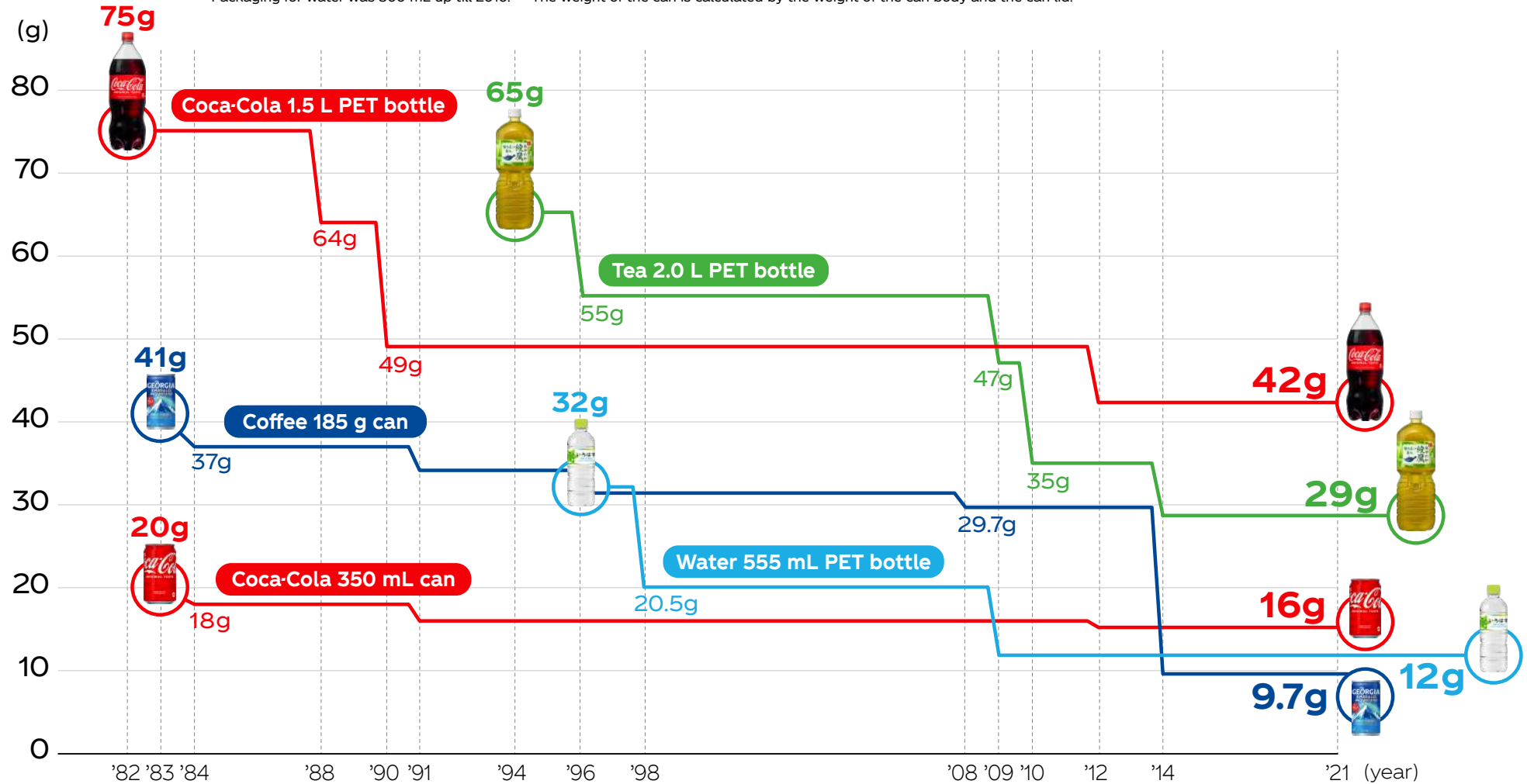
Specially appointed professor, Eikei University of Hiroshima, and professor emeritus, Kobe University. Specializing in environmental economics and environmental systems analysis, he has participated in local and central government committees as an expert in areas including the 3Rs, waste policy and LCAs.

Representative of nonprofit Gomi-jp, set up in 2006 to help reduce waste generation. Gomi-jp's Herasou Shopping (shopping with less packaging) project is now permanently deployed at 70 Daiei stores in Kinki and Chubu regions. The group's activities have won a 2007 Good Design Award (New Frontier Design), a FY2012 3Rs (Reduce, Reuse, and Recycle) Promotion Merit Awards Prime Minister's Prize, a 2012 Kobe Youth Award, a Low Carbon Cup 2015 Environment Minister's Award—Gold (Community Activities) and an 18th Green Purchasing Award Grand Prize in 2017.

# Data

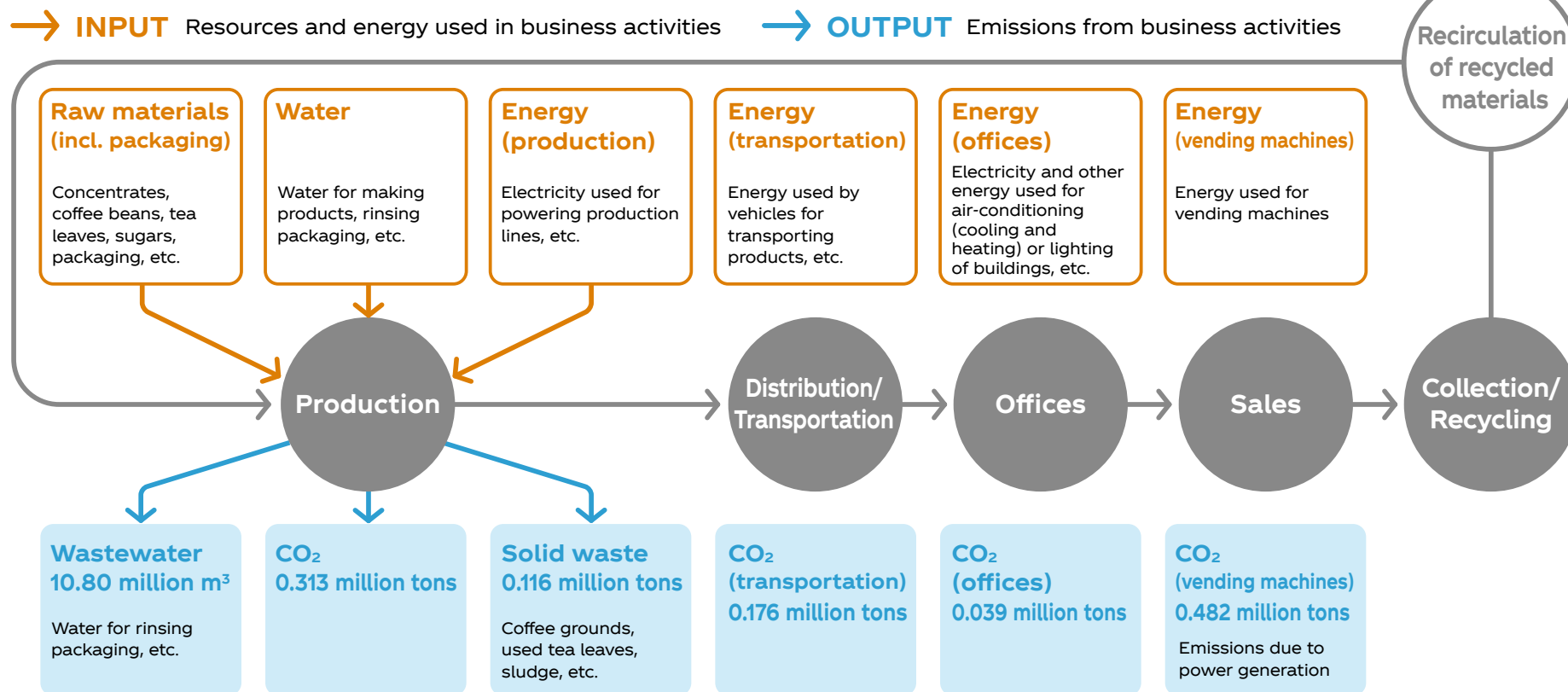
## Transition of Packaging Weight Reductions for Coca-Cola System Products in Japan

\* 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 2021



### Regarding Disclosed Data

- The scope of environmental impact data disclosure covers production, distribution and sales activities.
- Environmental impact during sales is based on CO<sub>2</sub> 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.
- CO<sub>2</sub>: 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, 2021

# Data

## CO<sub>2</sub> Emissions at Coca-Cola System in Japan

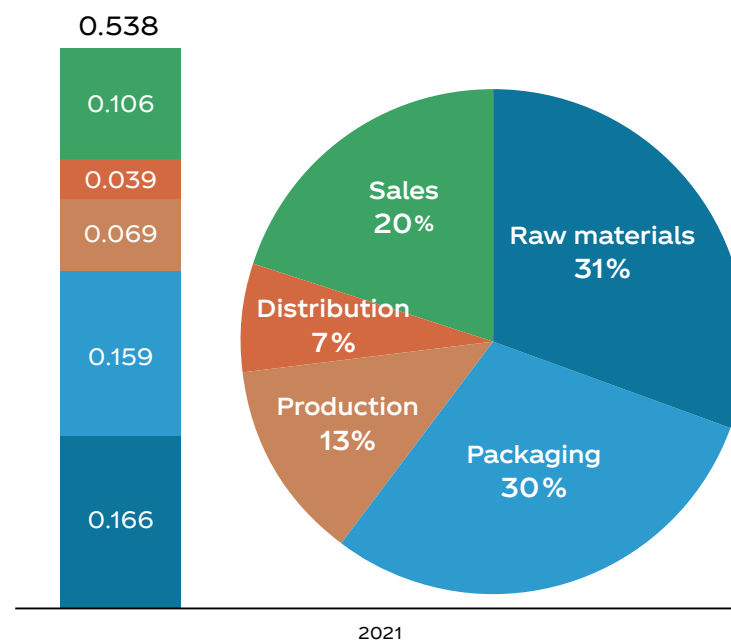
Period: January 1–December 31, 2021

	2021
<b>Greenhouse gas emissions (total) ('000 t-CO<sub>2</sub>)</b>	<b>2,451</b>
<b>Raw materials ('000 t-CO<sub>2</sub>)</b>	<b>755</b>
<b>Packaging ('000 t-CO<sub>2</sub>)</b>	<b>725</b>
<b>Production ('000 t-CO<sub>2</sub>)</b>	<b>313</b>
<b>Distribution ('000 t-CO<sub>2</sub>)</b>	<b>176</b>
<b>Sales ('000 t-CO<sub>2</sub>)</b>	<b>482</b>

\* Only CO<sub>2</sub> emissions for 2021 are shown due to changes to some coefficients.  
A comprehensive review of data disclosure is planned for 2022.

## Carbon Footprint of Products (Amount of CO<sub>2</sub> Emitted During Product Life Cycle)

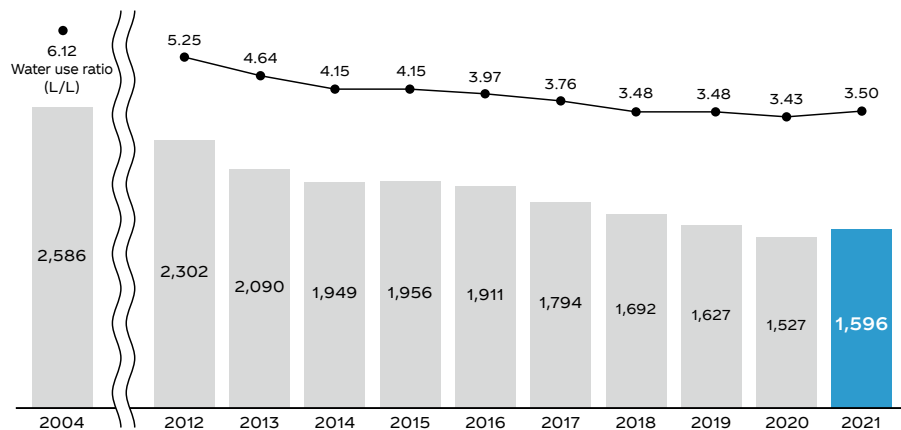
Changes in emission ratio (kg-CO<sub>2</sub>/L) Period: January 1–December 31, 2021



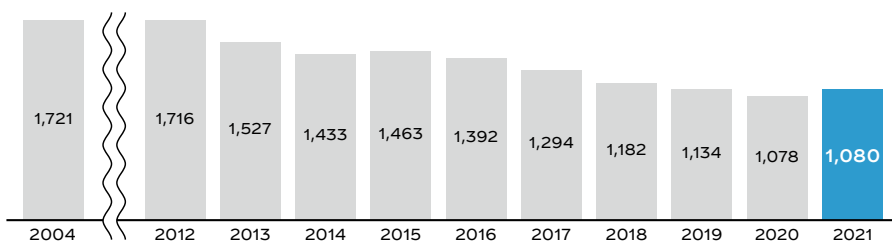
# Data

## Efficient Use of Water and Wastewater Management

Amount of water usage (10k m<sup>3</sup>)      Period: January 1–December 31, 2021

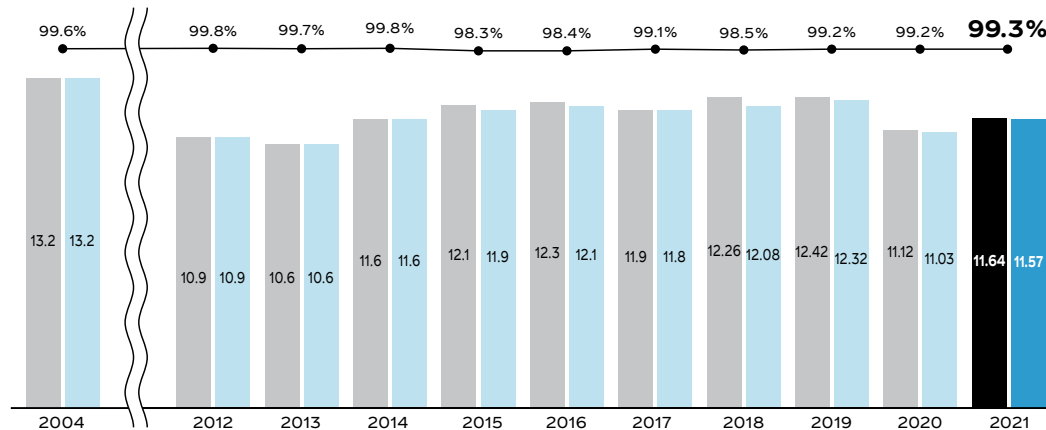


Amount of wastewater (10k m<sup>3</sup>)      Period: January 1–December 31, 2021



## Amount of Solid Waste Emission and State of Recycling

Period: January 1–December 31, 2021



■ Amount of solid waste emission (10k tons)    ■ Amount recycled (10k tons)

● Recycling rate (%)    \* Recycling rate is calculated using actual figures.

*Coca-Cola*

COPYRIGHT© COCA-COLA (JAPAN) COMPANY, LIMITED