

1 Coca-Cola Bottlers Japan Inc.

	Company's approach
□ Background and purpose of accounting	<ul style="list-style-type: none"> For Coca-Cola products in the Japanese market, Coca-Cola (Japan) Co. Ltd. plans and develops products, carries out marketing and manufactures beverage base and 5 bottling companies and affiliated companies take charge of transportation, sale, collection and recycling of the products which is called "Coca-Cola System" as a whole. Our Group represents as the largest bottling company in Japan covering Tokyo metropolitan and 37 prefectures and intends to drive emission reduction by developing efficient strategies under a close cooperation structure with Coca-Cola (Japan) Co. Ltd. not only in the fields we are in charge but also in the entire supply chain of the Coca-Cola system by looking at overall emission from a broader vantage point.
□ Utilization of accounting results	<ul style="list-style-type: none"> We make the accounting result publicly available through means such as CDP, various surveys, our website and publications of reports. We leverage them to consider specific measures for emission reduction.
□ Benefits of accounting	<ul style="list-style-type: none"> As it allowed us to identify emission per process in a product lifecycle, areas Our Group to handle and areas the entire Coca-Cola System should engage were visualized.
□ Internal system for accounting	<ul style="list-style-type: none"> CSV Promotion Department of Coca-Cola Bottlers Japan Inc., being a core company of soft drink business, acts as the lead office for accounting, working with the relevant departments and divisions in Group Companies to collect data, and so on. We are working to address differences and to refine data in data collection methodologies carried out by former operating companies prior to the integration in Jan 2018 by gaining advices from an external consulting firm to ensure accuracy and transparency.

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	Company's approach
□ Efforts to reduce supply chain Emissions	<ul style="list-style-type: none"> ● Our Group places the initiatives on Creating Shared Value (CSV) with the society as one of the most important managerial issues based on the seven core themes of ISO26000, which is an international standard on social responsibilities. We will realize CSV by driving global environment stewardship through innovations that enable both mitigation of environmental load and business growth. Additionally, we have been working to reduce environmental load in the entire value chain by visualizing supply chain emissions, as a part of our group, former Coca-Cola West Co., Ltd. integrated to the group in 2018 has responded to CDP each year since 2012. ● We have set an uniform standard on carbon footprint for Coca-Cola worldwide as "DIYH: Drink In Your Hand" which stands for the amount of CO2 emitted to create 1L of our product, and have measured and reported the amount of emissions in five processes of "Raw material", "Container/Package", "Manufacturing", "Logistics" and "Sales" to our US headquarters. We are driving the activities by raising the target to reduce the "DIYH" carbon footprint by 25% vs 2010 by 2020 in Coca-Cola globally.
□ Issues in supply chain emissions Accounting	<ul style="list-style-type: none"> ● One of our challenges is to unify the initiatives and approaches for target achievement speedily as a group of enterprises having different corporate status would be in charge of each process. ● In particular, we consider formulation of a long-term goal for 2030 and beyond, sharing in the entire domestic Coca-Cola System and starting the initiatives as urgent tasks.
□ Other remarks	

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※CO2 Emission Data: Jan. - Dec. 2016

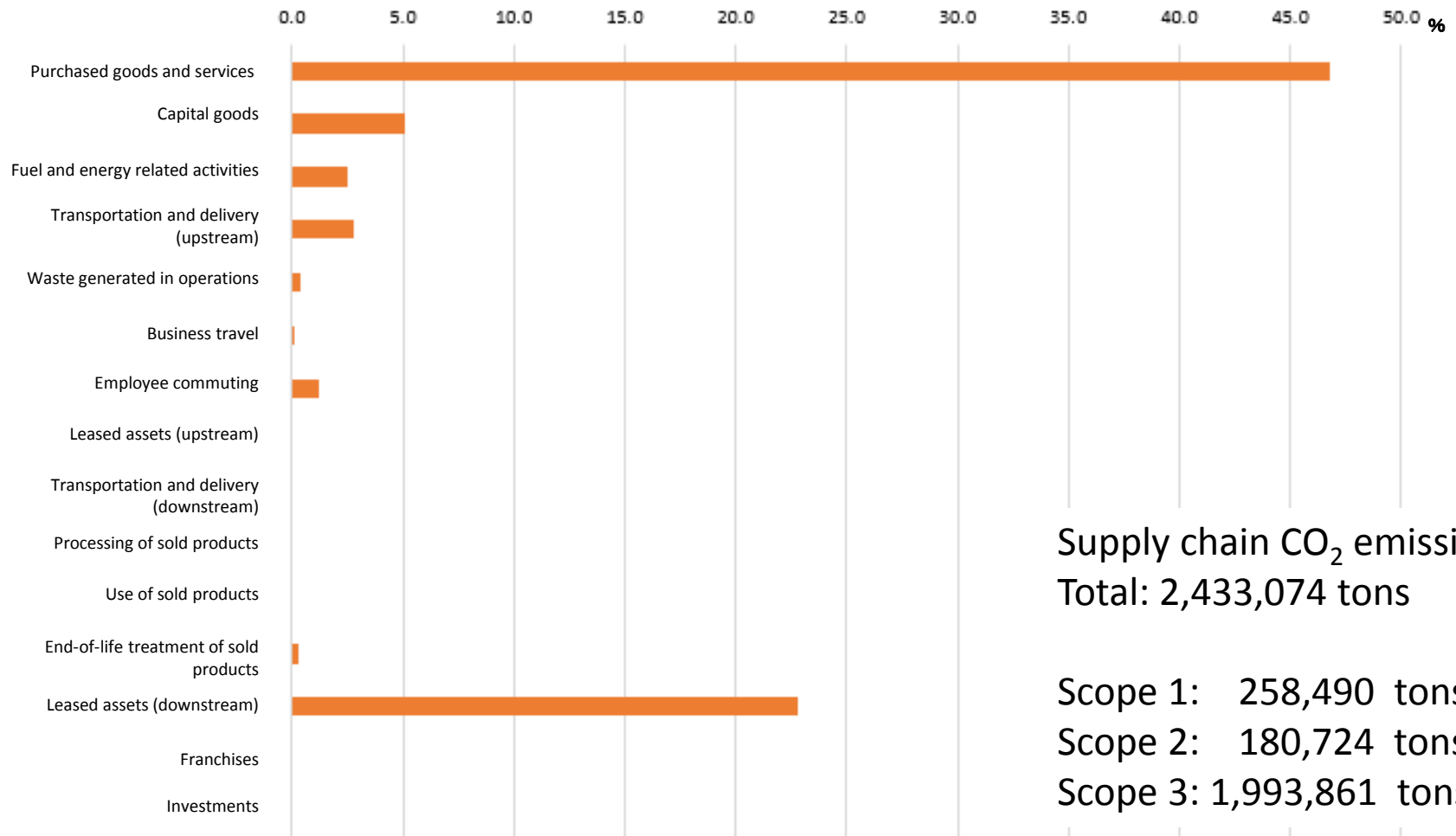
Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Volume of raw materials and materials procured	● Based on the Emissions Factors for 2010 Carbon Baseline Assessment
Category 2: Capital goods	● Value of investment in capital goods, land, etc.	● Emissions per unit price of capital goods (Ministry of the Environment database)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Amount of electricity, steam, and fuel consumed	● “Accounting Methods and Emissions Coefficients of the GHG Emissions Accounting, Reporting, and Disclosure System” based on the Act on Promotion of Global Warming Countermeasures
Category 4: Transportation and delivery (upstream)	● Amount of fuel consumed for outsourced transportation services	● “Accounting Methods and Emissions Coefficients of the GHG Emissions Accounting, Reporting, and Disclosure System” based on the Act on Promotion of Global Warming Countermeasures
Category 5: Waste generated in operations	● Weight and costs of waste	● Emissions unit values from the correspondence table by industry (Ministry of the Environment database)
Category 6: Business travel	● Expenses paid in association with employees’ business travel	● Emissions per unit of transportation expenses paid <Secretariat> (Ministry of the Environment database)
Category 7: Employee commuting	● Expenses paid in association with employees’ commuting	● Emissions per unit of transportation expenses paid <Secretariat> (Ministry of the Environment database)
Category 8: Leased assets (upstream)	● N/A	● N/A
Category 9: Transportation and delivery (downstream)	● N/A	● N/A
Category 10: Processing of sold products	● N/A	● N/A
Category 11: Use of sold products	● N/A	● N/A
Category 12: End-of-life treatment of sold products	● Disposal amount of products sold	● Emissions unit values by type and disposal method of waste <Secretariat> (Ministry of the Environment database)
Category 13: Leased assets (downstream)	● Electricity consumption of the company’s sales equipment (vending machines, etc.)	● Electricity consumption of the company’s sales equipment × Values provided in “Accounting Methods and Emissions Coefficients of the GHG Emissions Accounting, Reporting, and Disclosure System” based on the Act on Promotion of Global Warming Countermeasures
Category 14: Franchises	● N/A	● N/A
Category 15: Investments	● N/A	● N/A
Other	● N/A	● N/A

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Accounting results

The Percentage of Each Category in Scope 3 in The Supply Chain CO2 Emission



Supply chain CO₂ emissions
Total: 2,433,074 tons

Scope 1: 258,490 tons

Scope 2: 180,724 tons

Scope 3: 1,993,861 tons

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Reference

The global standard items subject to DIYH calculation in the areas of raw materials, container and packaging, manufacturing, logistics, and sales are as shown below. In the case of Japan, however, an extra item is added to raw materials subject to calculation as it is considered as having some non-negligible impact on the environment, and the CO₂ emissions unit value is defined for the item accordingly.

- Global standard items subject to DIYH calculation

- Raw materials: Sweeteners (sugarcane, corn, sugar beet), orange, lemon, apple, mango, coffee, tea, CO₂ (raw material)
- Container and packaging: PET bottle, glass bottle, aluminum can, steel can, paper pack, tab, cap, crown cap, label, cardboard
- Manufacturing: Electricity purchased, A-type heavy oil, city gas, natural gas, LNG, LPG, kerosene, light oil
- Logistics: Motor transport (gasoline, diesel, LPG, CNG), rail transport, sea transport, air transport
- Sales: Electricity purchased (cooler, vending machine)

- Items subject to DIYH calculation in Japan

- Raw materials: Sweeteners (sugarcane, corn, sugar beet), orange, lemon, apple, mango, coffee, tea, CO₂ (raw material), milk
- Container and packaging: PET bottle, glass bottle, aluminum can, steel can, paper pack, tab, cap, crown cap, label, cardboard
- Manufacturing: Electricity purchased, A-type heavy oil, city gas, natural gas, LNG, LPG
- Logistics: Motor transport (gasoline, diesel, LPG, CNG), rail transport, sea transport
- Sales: Electricity purchased (cooler, vending machine, dispenser)