

Integrating CSR



The Company's corporate mission is to refresh consumers, partner with customers and reward stakeholders while enriching the lives of local communities. Corporate Social Responsibility (CSR) is therefore a fundamental part of how Coca-Cola Hellenic does business and has been formally integrated into the Company's business strategy.

Since 2002, Coca-Cola Hellenic has worked to reduce its environmental impacts and invest in its communities. Even in the short term, the Company is experiencing significant benefits: reduced costs, greater innovation, as well as the more intangible benefits of reputation and leadership. Nevertheless, Coca-Cola Hellenic's main objectives are long-term. If the Company does not manage its social and environmental performance, future success will be impossible.

Integral to Business Strategy

Coca-Cola Hellenic's CSR priorities directly support the Company's business strategy. As the Company works to diversify its product portfolio, for example, a corresponding CSR focus on consumer health is helping meet changing consumer needs. Similarly, Coca-Cola Hellenic's drive for cost efficiency is supported by programmes to reduce the use of energy, water and packaging. These initiatives are lowering the Company's costs while delivering significant environmental benefits.

CSR Focus Areas

CSR is not just about supporting business needs; Coca-Cola Hellenic must also contribute to broader sustainable development. To focus its efforts and make the greatest contributions, the Company consults widely. As a result, seven areas representing the greatest risk and opportunity have been identified (see box).

Embedding CSR into Business

Coca-Cola Hellenic continues to integrate CSR into its business, making sure the right governance structures, standards and processes are in place. In 2008, CSR was embedded further into the annual business planning process, and new policies, metrics and data management processes were implemented.

Governance

CSR is managed and measured as rigorously as other parts of the Coca-Cola Hellenic business.

At the Group level, Function Heads from across the business sit on the Group CSR Council. The Council identifies priority areas across the business, sets standards and targets, and reviews performance and compliance. Typically, Coca-Cola Hellenic sets pragmatic year-on-year goals, not longer-term targets that may not be reachable due to external factors.

In each country, a CSR team reports performance to the General Manager, who is accountable for progress. Legal compliance is also reported to the Group General Counsel.

CSR Focus Areas

1. Water Stewardship
2. Energy & Climate Protection
3. Packaging & Recycling
4. Consumer Health
5. Employee Development
6. Supplier Engagement
7. Community Involvement

The Social Responsibility Committee of the Board of Directors reviews progress on a quarterly basis. One of three committees of the Board, this body is chaired by Sir Michael Llewellyn Smith.

Managing Risk

An Incident Management and Crisis Response (IMCR) process ensures that all Company operations conduct regular as-

sessments of risks – social, environmental, ethical, as well as traditional business risks. Social, environmental and ethical risks are reported to the Social Responsibility Committee and the Audit Committee. Material risks are reported in the Company's Annual Report on Form 20-F. The IMCR process also makes sure the Company can respond rapidly to incidents.

Broader Collaboration

Coca-Cola Hellenic works closely with The Coca-Cola Company on sustainability programmes. In 2008 a European Corporate Responsibility and Sustainability Board was established, comprising senior managers of Coca-Cola Hellenic, The Coca-Cola Company Europe Group and other European bottlers. The Company also participates in the global Coca-Cola Environmental Council.

International Standards

Coca-Cola Hellenic has committed to implementing and promoting the ten principles of the UN Global Compact. These support human rights, labour rights, environmental protection and anti-corruption, and are the cornerstone of the Company's CSR programme (see **UN Global Compact**).

The Company also adopts internationally recognised standards and management systems on specific topics (see p.5). For example, the Company is working to certify all bottling plants against internationally recognised management system standards with regard to quality, food safety, environment, and health and safety.

The Company helps develop standards and frameworks, such as the UN Global Compact's leadership platforms Caring for Climate and CEO Water Mandate. In addition, Coca-Cola Hellenic is trialling the methodology of the Water Footprint Network to measure indirect water impacts. The



Company also helps develop voluntary industry codes, such as the Commitments to the EU Platform for Action on Diet, Health and Physical Activity by the European beverage industry association, UNESDA, and an industry methodology to assess the environmental impact of products over their life cycle, known as the eco-footprint.

Internal policies underpin Coca-Cola Hellenic's commitment to these standards. In 2008, new or enhanced policies were adopted on climate change, health and nutrition, packaging and packaging waste management and fleet safety.

Measuring Our Performance

To measure progress in a way that is consistent and comparable, Coca-Cola Hellenic updated its set of performance indicators in 2008. The Company has implemented Entropy, an integrated management system software licensed from the British Standards Institute. The Company also embedded CSR performance in its business 'dashboards', allowing management to track performance and risks in real time.

Verification

Independent third-party audits are conducted each year on Company management systems and data. Quality, environmental, health and safety performance is indepen-

Internal Standards

- Environment: Environment Policy; Climate Change Policy; Packaging & Packaging Waste Management Policy
- Consumer Health: Health & Wellness Policy; GMO statement; Quality Policy
- Employees: Human Rights Policy; Equality Policy; Health & Safety Policy; Fleet Safety Policy; Code of Business Conduct
- Suppliers: Supplier Guiding Principles

dently audited, as is compliance with the Company's Supplier Guiding Principles.

A Culture of Sustainability

For Coca-Cola Hellenic to be successful over the long-term requires more than standards and systems; the Company must build a culture of sustainability. Employees must understand the issues, be involved in implementing the Company's commitments, and held accountable for progress.

Building Accountability

CSR is now identified as one of the core competences required of Coca-Cola Hellenic's leaders. Senior managers are trained in sustainability issues, and social

and environmental criteria are included in their performance objectives and appraisals. Performance in these areas influences variable compensation.

Informing, Involving, Inspiring

Employees are being trained in the Company's Sustainability strategy and shown what is expected of them. The Company's salesforce learns about responsible sales and marketing, while drivers are taught safe and eco-driving techniques. All employees receive instruction in the Code of Business Conduct.

Employees are also actively involved in CSR programmes. From cutting down on flights to switching off lights and computers; from joining active lifestyle projects to supporting volunteer programmes, employees are helping to bring our commitments to life, making sustainability integral to the way the Company does business.



- [Sustainability Policies](#)
- [GRI Reporting & Index](#)
- [Supporting the UNGC](#)
- [Independent verification](#)

Reporting Our Progress

Coca-Cola Hellenic has reported its CSR progress since 2003 and follows the G3 Guidelines of the Global Reporting Initiative (GRI). The Company has been recognised as a Notable Reporter by the UN Global Compact for every CSR report the Company has published since 2005.

The Company seeks feedback to ensure that its reporting addresses material issues, doing so in a complete and responsive way (see **Engaging Stakeholders**). Based on feedback to the 2007 Report, for example, Coca-Cola Hellenic continues to focus on the same key issues but with greater focus on water stewardship, energy and

climate protection. In addition, drafts of this report were reviewed by a panel of external experts, with commentaries included in individual chapters.

This print report is aimed at external audiences, principally NGOs, investors and government agencies. Throughout the report, online sources for further information are indicated. In addition, a growing number of Coca-Cola Hellenic operations now publish country-specific reports. In the last five years, 11 country operations have issued reports.