

The Coca-Cola System's 2024 Impact in Ukraine

Final Report



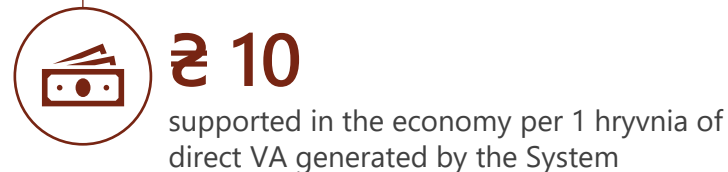
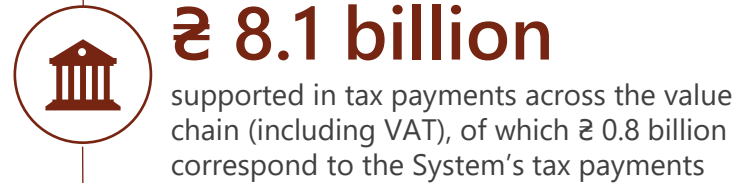
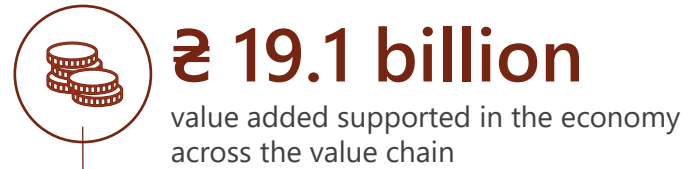


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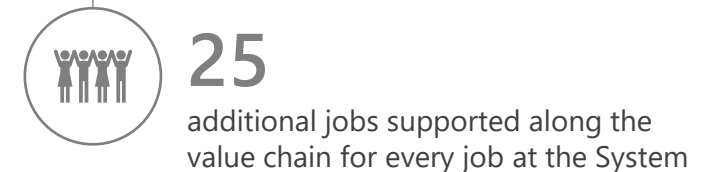
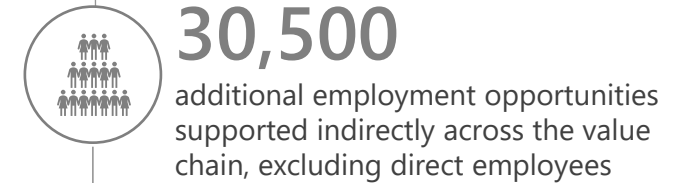
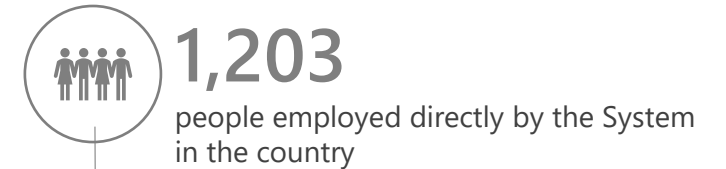
Operations



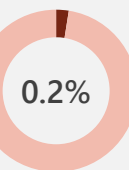
Value added



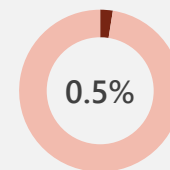
Employment



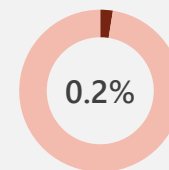
Macro-economic contribution



of GDP



of tax revenues



of employment



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The Coca-Cola System in Ukraine

The Coca-Cola System has been part of Ukraine's story since 1992, when it started investing in the country shortly after its independence. The first plant opened in Lviv in 1994, and by 1998 the Brovary plant (Kyiv region) was fully operational. Over the decades, it has grown into one of the most recognized and deeply embedded consumer brands in the country.

In Ukraine, the Coca-Cola System operates through a partnership between The Coca-Cola Company (TCCC) and Coca-Cola Hellenic Bottling Company (CCHBC). TCCC oversees brand strategy, product innovation, and concentrate production, while CCHBC handles manufacturing, packaging, sales, and distribution across the Ukrainian market.

The Brovary plant currently has 11 production lines producing beverages in cans, PET, and glass bottles. Its portfolio includes sparkling soft drinks, juices, water, energy drinks, and ready-to-drink tea. For the production of these beverages, Coca-Cola sources raw materials locally, supporting regional suppliers and contributing to the local economy.

The System's operations are deeply embedded in

Ukraine's economy. In 2024, the Coca-Cola System supported a total of 31,700 jobs in Ukraine and € 19.1 billion in value added across its whole value chain, equal to 0.2% of the country's GDP.

Beyond economic impacts, the System actively supports communities and resilience efforts. In partnership with several humanitarian organisations, it has provided over USD 40 million in humanitarian aid since 2022, delivered millions of litres of water and beverages, and invested in rebuilding social infrastructure, among other initiatives.

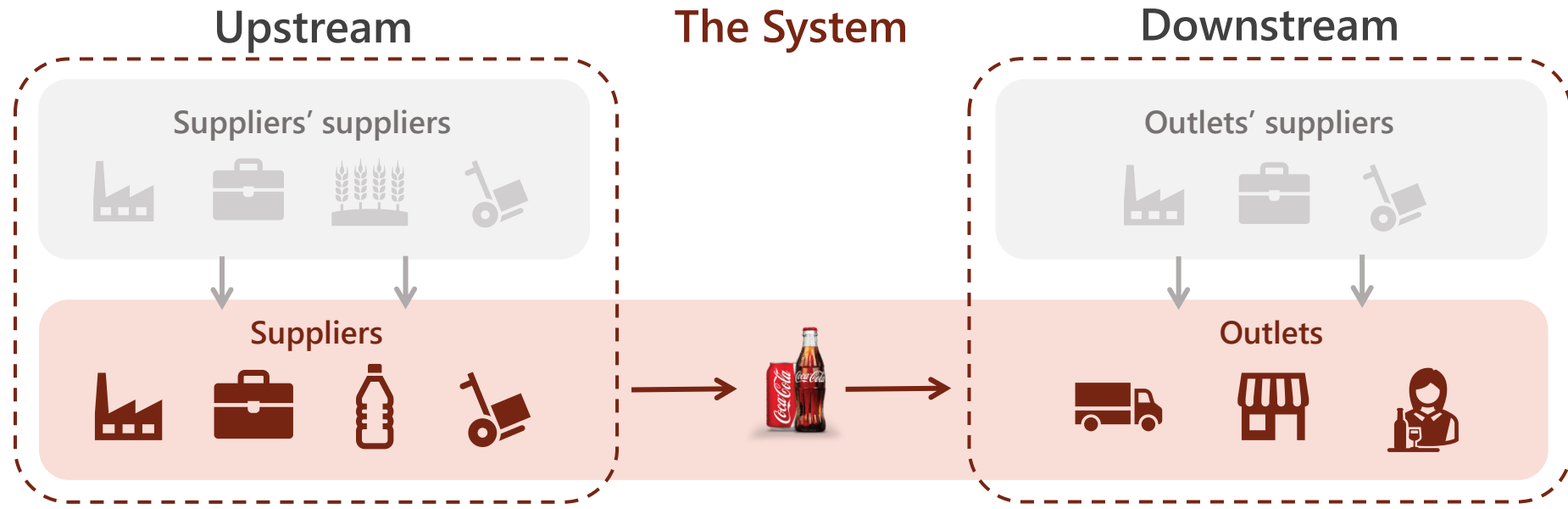
Additionally, the company runs a number of social projects focusing on the local community, including the distribution of food and sleeping kits, the provision of millions of liters of beverages to bomb shelters, hospitals, and refugee centers, and the deployment of industrial generators and mobile boilers to heat schools, hospitals, and homes during winter. The System has helped rebuild a destroyed kindergarten in the Kyiv region, supported livelihood programs for war-affected households, and restored access to safe water in southern and eastern Ukraine





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The Coca-Cola System supports impacts in Ukraine across its entire value chain



Impacts



Value-added, comparable to GDP
Taxes, profits, salaries



Employment
Jobs supported

Consumers' spending on the System's beverages is the starting point of our analysis

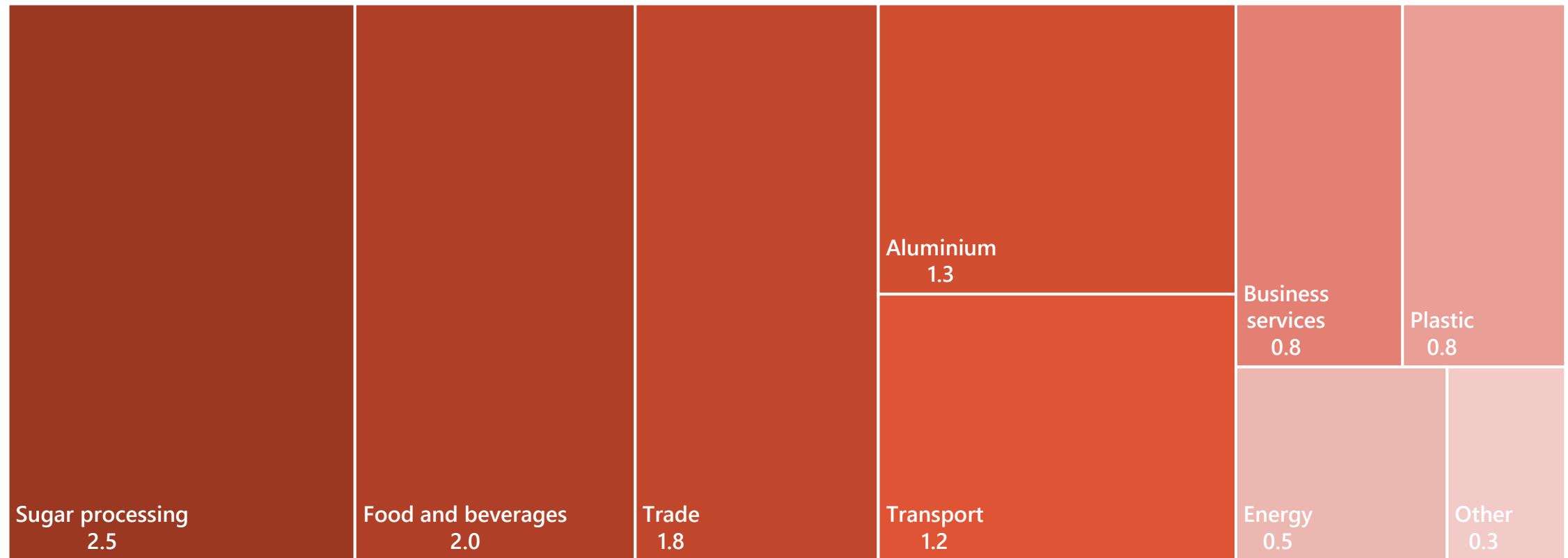
This is the conceptual idea behind our model...



The System spent ₹ 11.2 billion on suppliers in Ukraine, representing 72% of total procurement

Most of the System's domestic spending is directed toward the sugar processing and food and beverages sectors

Breakdown of procurement spent on suppliers in Ukraine*
₹ billion



*Refer to the Appendix 2 for description of the sectors used. "Other" includes chemicals, other manufacturing, paper, fuel, real estate activities, finance and insurance services, machinery and public services

The System sells its beverages across different outlets, supporting a total of € 6.2 billion in net margins for selling partners

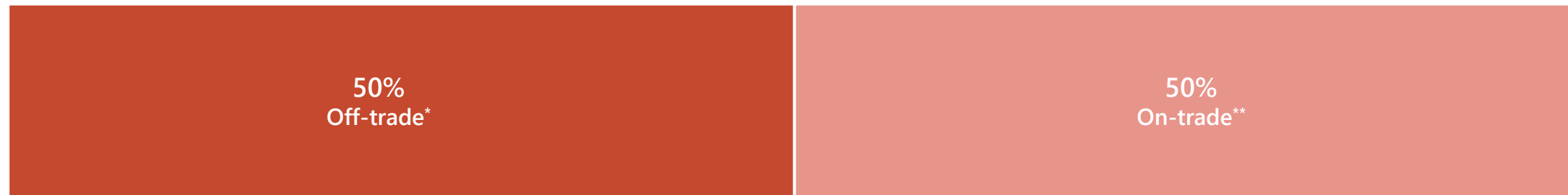
75% of UCs are sold through the off-trade channel ...

Breakdown of sales volume by sales channel
% of total volume sold locally by sales channel



... however, sales through the immediate consumption channel yield slightly higher margins

Breakdown of margins for selling partners by sales channel
% of total margins earned locally by sales channel



*Off-trade refers to supermarkets, mom-and-pop shops, and similar establishments where goods are purchased for future consumption

**On-trade refers to hotels, restaurants, cafés, gas stations, catering services, and similar venues where goods are consumed on-site



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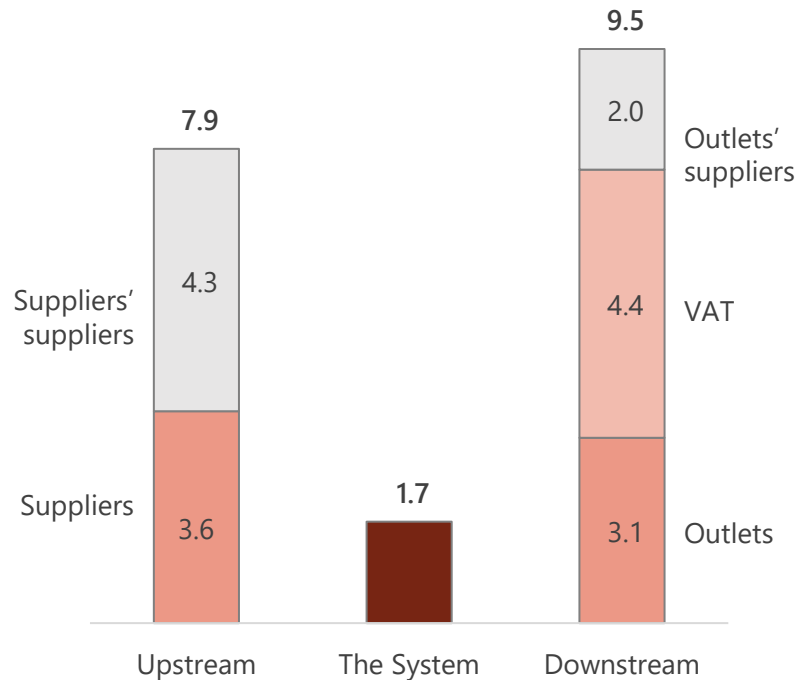
The System supports ₹ 19.1 billion in value added across its value chain

Key takeaways

- The System supports ₹ 19.1 billion in value added across its value chain, equal to 0.2% of the country's GDP in 2024*
- The System directly generates ₹ 1.7 billion in value added, while it supports an additional ₹ 17.4 billion through its value chain partners
- Every hryvnia of added value by the Coca-Cola System supports 10 hryvnias in the economy

Value added by value chain link

₹ billion



Explanation

The System directly generated ₹ 1.7 billion in incomes. These include the salaries and the taxes paid by the System to its employees and the Ukraine government. Profits are not considered due to the foreign shareholding of the System's entities.

Indirectly, the System supported additional ₹ 17.4 billion across the value chain.

The impact upstream is ₹ 7.9 billion. Of the ₹ 7.9 billion upstream impact, ₹ 3.6 billion is value added supported at the level of the System's own suppliers – the companies producing ingredients, packaging materials, machinery and parts, and offering a wide range of services – from transport, to marketing and catering. The rest of the value added, ₹ 4.3 billion, occurs at the suppliers of these suppliers. One example

would be the aluminium production companies that provide the System's suppliers with the materials for can manufacturing.

The downstream value added supported by the System's distribution and sales activities is ₹ 9.5 billion. Of this amount, ₹ 4.4 billion is VAT from the sales of beverages. ₹ 3.1 billion is supported at the level of outlets that sell beverages across the country, while their suppliers benefited ₹ 2 billion.

These figures only capture the incomes attributable to the Coca-Cola System (and not all the incomes at the System's suppliers and partnering outlets).

Note: Differences between the total and the sum of components are due to rounding

*In 2024 Ukraine's GDP amounted to ₹ 8,006 billion (Source: IMF) with an exchange rate of 42.04 UAH/\$ (Source: National Bank of Ukraine)

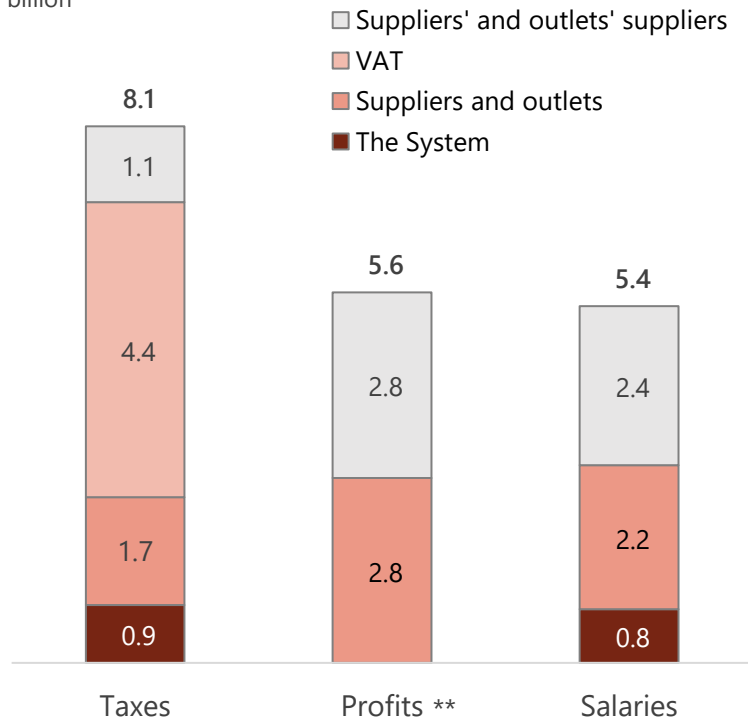
The government is the biggest beneficiary of the System

Key takeaways

- The government is the primary beneficiary of the System, receiving ₴ 8.1 billion in tax payments, accounting for 0.5% of total national tax revenues*
- Of the ₴ 8.1 billion total tax contributions, ₴ 0.9 billion is directly paid by the System, while an additional ₴ 4.4 billion comes from VAT
- Companies across the System's value chain are the second-largest beneficiaries, collectively earning ₴ 5.6 billion in profits

Value added by beneficiary

₴ billion



Explanation

The total value added of ₴ 19.1 billion can also be broken down by beneficiary.

Tax payments supported by the Coca-Cola System throughout the value chain equal ₴ 8.1 billion. ₴ 0.9 billion are directly paid by the System. The major categories making up this amount include corporate income tax and personal income tax.***

₴ 4.4 billion is VAT related to the sales of the System's beverages. The System further enables ₴ 1.7 billion in tax payments from its suppliers and outlets selling its beverages. The remaining ₴ 1.1 billion in taxes are paid by suppliers' and outlets' suppliers.

The estimated tax impacts of the System represented 0.5% of the total tax revenues

collected by the Ukraine government.

Companies across the value chain made an estimated ₴ 5.6 billion in profits from their cooperation with the System.

Households across the value chain benefited ₴ 5.4 billion, of which ₴ 0.8 billion was earned by the System's own employees. Salaries include wages, bonuses and other allowances paid directly to employees, as well as social contributions paid by the System. They are net of payroll taxes.

* The tax revenues for 2024 in the Ukrainian economy amounted to ₴ 1,724 billion (Source: Kyiv School of Economics) with an exchange rate of 42.04 UAH/\$ (Source: National Bank of Ukraine)

** The System's entities are 100% foreign-owned. Therefore, direct profits are not included in the direct impacts, as they do not accrue to local shareholders

*** VAT collected by the System (₴ 0.8 billion) is not reported under the direct effects. We only report on the total VAT enabled in the value chain at the point of sale, to avoid double-counting

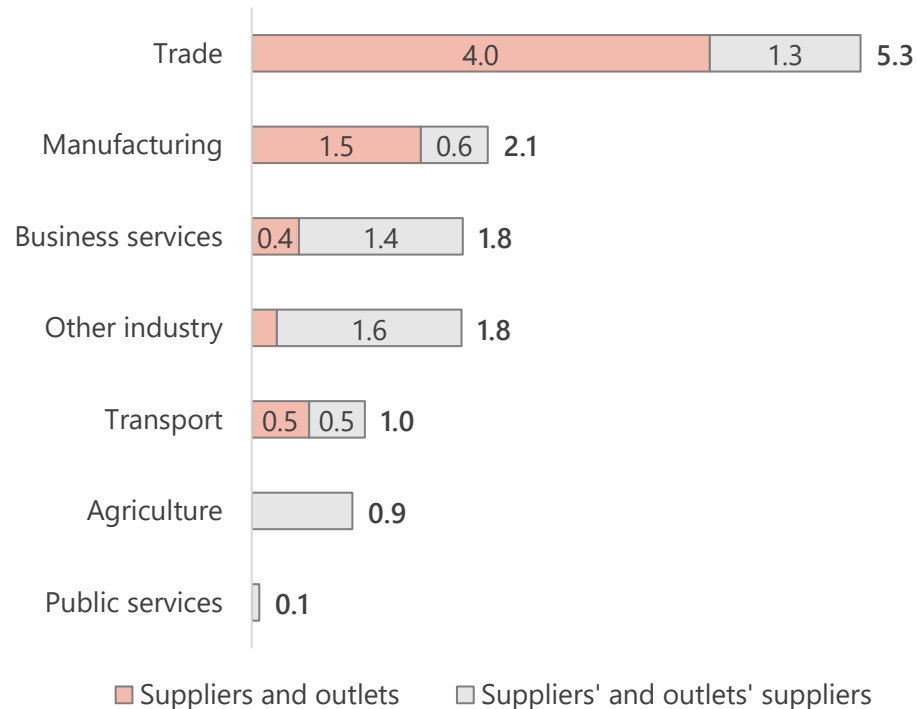
Most value added is supported in the trade sector

Key takeaways

- The System supports most value added, ₹ 5.3 billion, in the trade sector
- The manufacturing sector is the second-largest sector in terms of value added, where the System supports ₹ 2.1 billion
- The System indirectly supports ₹ 0.9 billion in the agriculture sector, through its suppliers' and selling partners' procurement of agri-products

Indirect value added by sector*

₹ billion



Explanation

The trade sector was the primary beneficiary with ₹ 5.3 billion in value added. Of the ₹ 4 billion value added across its direct suppliers and outlets, ₹ 0.9 billion were supported at the level of suppliers and ₹ 3.1 billion at the level of outlets. From the value added supported at the outlets, ₹ 1.4 billion is in on-trade (hotels, restaurants, gas stations) and ₹ 1.7 billion in off-trade establishments (traditional and modern stores).

The System supports an additional ₹ 1.3 billion in the trade sector, at the level of suppliers' and selling partners' suppliers. These are supported, for example, when the System's suppliers procure supplies from local retailers.

The System supports ₹ 2.1 billion in the manufacturing sector, mainly through the procurement of sugar, finished beverages and packaging materials.

In the business services sector, the System supports ₹ 1.8 billion value added, of which ₹ 0.4 billion at the level of the System's direct suppliers – providing marketing, consulting and similar services – and ₹ 1.4 billion at the level of suppliers' and selling partners' suppliers, such as the marketing agencies that support supermarkets selling Coca-Cola beverages with advertisement services.

The System supports ₹ 1 billion in the transport sector, mainly through the procurement of trucking or logistics services.

The System also supports ₹ 0.9 billion value added in the agriculture sector. This is supported indirectly as the System's suppliers and selling partners source agriculture products. These are, for example, driven by the System's supplier of paper packaging that purchases forestry inputs.

Note: Differences between the total and the sum of components are due to rounding

*Considers only value added supported indirectly throughout the value chain across economic sectors, therefore excludes direct value added ₹ 1.4 billion and VAT ₹ 4.4 billion. For sector classification refer to Appendix 2

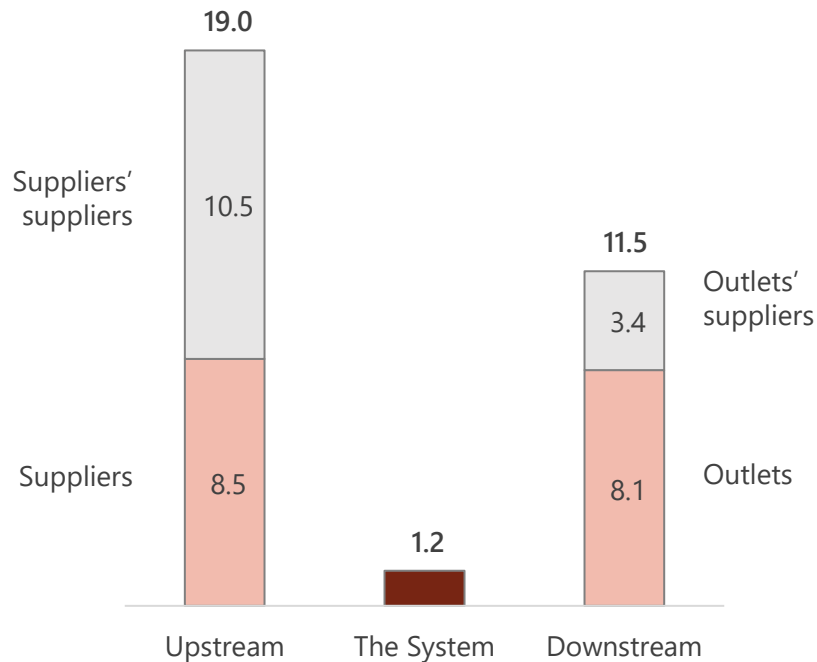
The System supported 31,700 employment opportunities

Key takeaways

- The System supports a total of 31,700 jobs across its value chain, representing 0.2%* of total employment in Ukraine
- The System directly hires 1,203 of these employees, while it supports an additional 30,500 jobs through its value chain partners
- For each direct job at the Coca-Cola System, there were 25 jobs supported elsewhere along the value chain

Employment by value chain link

Thousand jobs



Explanation

The System supports 31,700 employees across its value chain, representing 0.2% of total employment in Ukraine.

Of these jobs, 1,203 are directly generated by the System, while around 30,500 are supported indirectly through its upstream and downstream value chain partners.

19,000 jobs are supported upstream in its value chain. Of these 19,000 jobs, 8,500 are supported at the level of the System's direct suppliers, while the remaining 10,500 are supported at the level of suppliers' suppliers.

11,500 jobs are supported downstream in the value chain. These refer to the jobs required to sell the Coca-Cola beverages throughout the country.

Of these 11,500 jobs, 8,100 are supported at the level of the System's selling outlets, such as supermarkets and restaurants. The remaining 3,400 jobs are supported at the level of selling outlets' suppliers.

Of each direct job at the System, an additional 25 jobs were supported elsewhere along the value chain. Of these, 16 are supported upstream in the value chain through the procurement of goods and services from suppliers, and 9 are supported downstream in the value chain through the sale of beverages.

These figures only capture the jobs attributable to the Coca-Cola System (and not all the jobs at the System's suppliers and partnering outlets).

Note: Differences between the total and the sum of components are due to rounding
*In 2023 Ukraine's national employment is estimated to be around 13 million (Source: ILO)

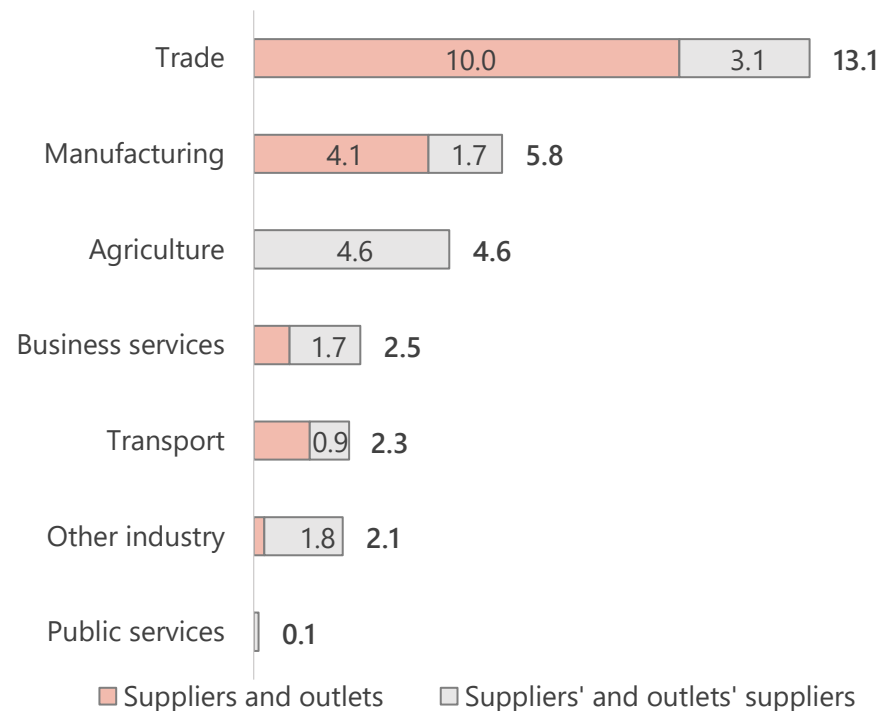
Most jobs are supported in the trade sector

Key takeaways

- The System supports most jobs in the trade sector, approximately 13,100 jobs
- The manufacturing sector is the second-largest in terms of jobs supported, where the System supports 5,800 jobs
- The System indirectly supports 4,600 jobs in the agriculture sector, through its suppliers' and selling partners' procurement of agri-products

Indirect employment by sector*

Thousand jobs



Explanation

The System supports most jobs in the trade sector. Of the 13,100 jobs supported, 10,000 jobs are mostly supported at the level of direct selling partners, with 7,700 jobs supported across wholesalers and retailers, and 2,300 jobs supported in the Horeca sector – such as restaurants, cafes and hotels.

The System supports an additional 3,100 jobs in the trade sector, at the level of suppliers' and selling partners' suppliers. These are, for example, the jobs required at retail outlets that sell to the System suppliers office supplies.

The System supports 5,800 jobs in the manufacturing sector, of which 4,100 jobs are supported through the System's direct procurement of manufactured goods.

The System also supports 4,600 jobs in the agriculture sector. These are supported

indirectly as the System's suppliers and selling partners source agriculture products. These are, for example, driven by the System's supplier of paper packaging that purchases forestry inputs.

In the business services sector, the System supports 2,500 jobs, of which 800 jobs at the level of the System's direct suppliers – providing marketing and similar services – and 1,700 at the level of suppliers' and selling partners' suppliers, such as the marketing agencies that support supermarkets selling Coca-Cola beverages with advertisement services.

In addition, 2,300 jobs are supported in the transport sector, of which 1,400 jobs are supported through the System's direct procurement of transportation and logistics services.

Note: Differences between the total and the sum of components are due to rounding

*Considers only employment supported indirectly throughout the value chain across economic sectors, therefore excludes the 1,203 people employed directly by the System. For sector classification refer to Appendix 2



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The Coca-Cola System remains committed to long-term recovery and resilience in Ukraine

Beyond economic impact: supporting Ukraine's recovery

As illustrated in the previous section, the System in Ukraine has continued to support value added and employment through its ongoing operations despite the ongoing war in the country

In addition to these efforts, it has deepened its commitment to the country, by supporting people across Ukraine facing severe disruptions to essential services and livelihoods

Since 2022, TCCS and The Coca-Cola Foundation have mobilised resources to restore safe water, rebuild infrastructure, sustain agricultural livelihoods, and provide direct assistance to families in need

Since 2022, the Coca-Cola System together with the Coca-Cola Foundation has committed \$40 million in humanitarian support to Ukrainians



Agriculture

Agricultural support program

The Coca-Cola Foundation launched a targeted support program in Kharkiv and Kherson regions, in partnership with the Ukrainian Red Cross, to help restore agricultural livelihoods in war-affected regions.

With a budget of **\$0.3 million**, the initiative provides both in-kind resources and direct financial assistance to families whose primary income depends on farming.



Water

Access to safe drinking water

The Coca-Cola Foundation partnered with the Ukrainian Red Cross to improve access to clean drinking water in southern Ukraine, following the destruction of the Kakhovskaya dam.

With a budget of **\$0.3 million**, the project includes drilling new artesian wells and restoring damaged water infrastructure in severely impacted areas.



Essential services restoration

Heating support

The Coca-Cola System partnered with the Ukrainian Red Cross to deliver 105 mobile boilers to communities across Ukraine, helping keep homes, schools, and hospitals warm. The total budget invested amounted to over **\$8.5 million**.

Emergency relief

With support from the Coca-Cola Foundation, \$0.5 million was provided to supply **54 power generators** and **5,000 sleeping kits** to hospitals, schools, and refugee centres in partnership with the Ukrainian Red Cross.

Rebuilding education facilities

The Coca-Cola System partnered with the Ukrainian Red Cross to rebuild a kindergarten destroyed due to hostilities in Bohdanivka, Kyiv region. The project is funded with a total investment of **\$3 million**.



Food and beverage

Food relief

The Coca-Cola System collaborated with the Ukrainian-Italian Red Cross to deliver **70,000 food kits** to communities facing immediate needs due to the war. This initiative was made possible through **€4.7 million** in funding and the support of **CCHBC volunteers**.

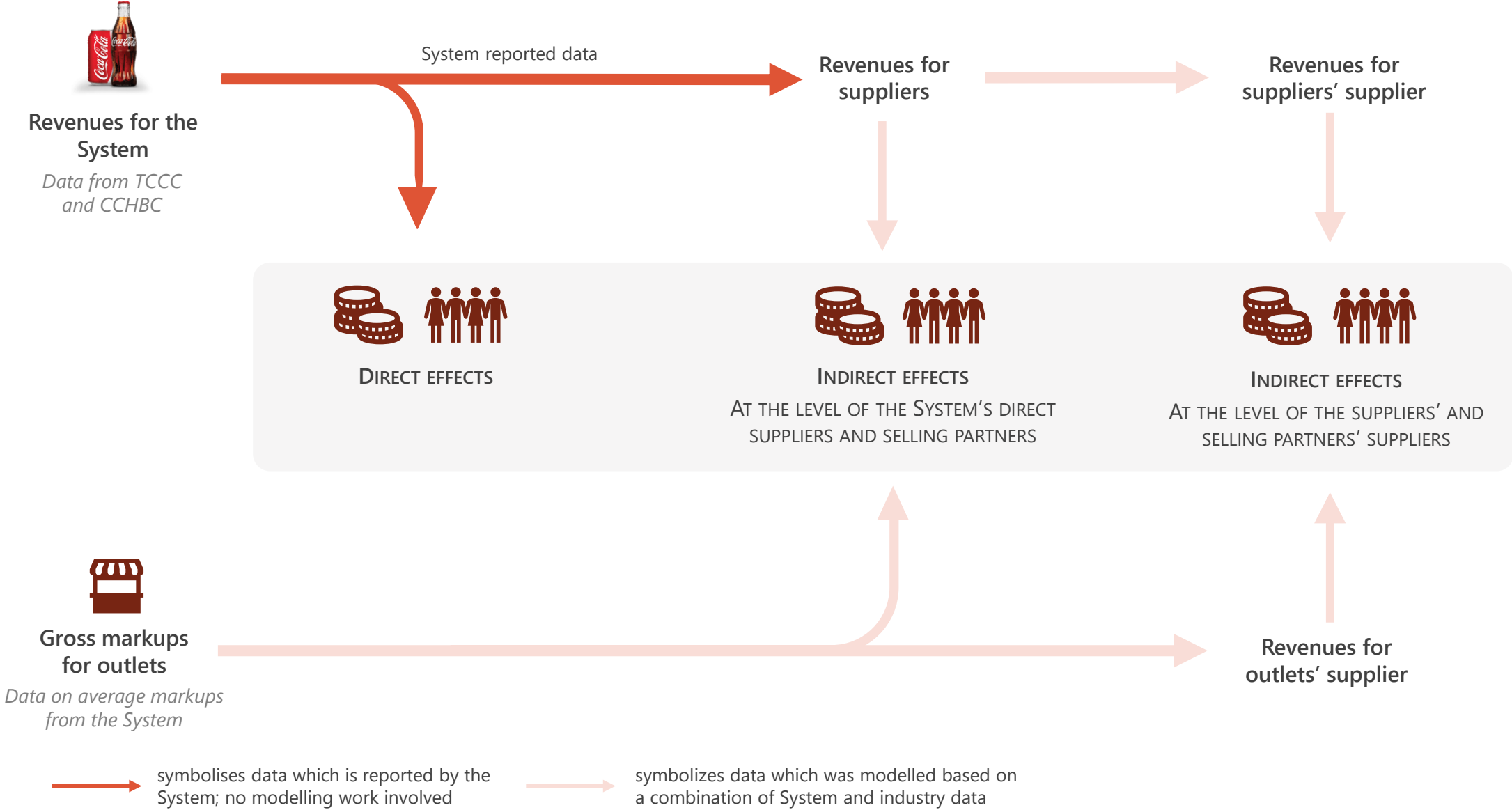
Beverage support

Coca-Cola HBC partnered with the Ukrainian Red Cross, Caritas Ukraine, and the D.R.E.A.M. Charitable Foundation to donate 2.5 million specially produced bottles of Coca-Cola to vulnerable families across Ukraine as part of the winter charity project. This project was made possible with the help of CCHBC volunteers and a funding of **\$1 million**.

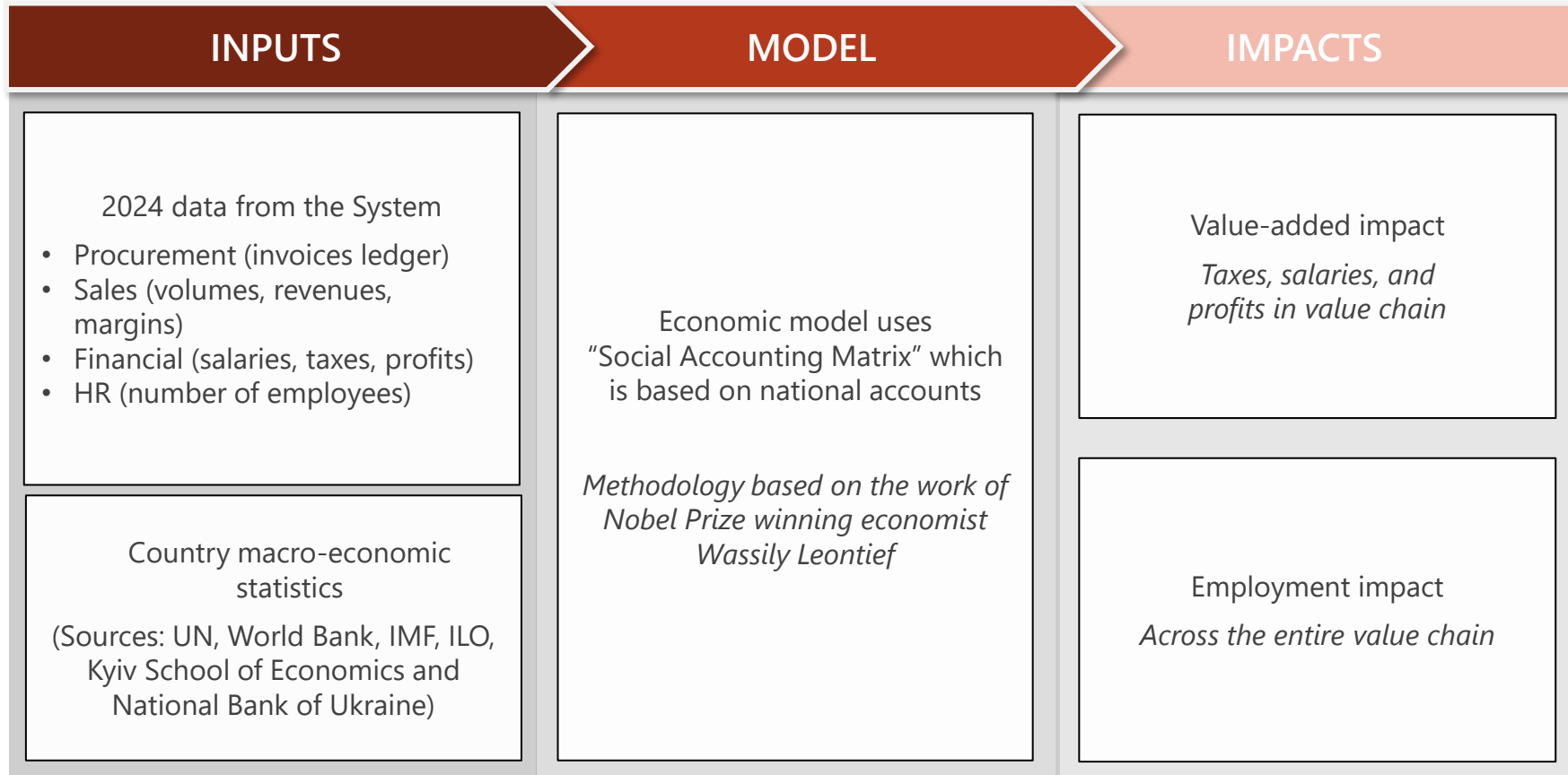


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The methodology follows the revenues stream of the System in the economy to trace direct and indirect effects



The model combines the System's financials and official statistical data to quantify impacts





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1.1 Sector classification of procurement expenses

Sugar processing

Manufacturers of raw sugar

Food and beverage processing

Manufacturers of food products, such as fruit and vegetables, and beverage products

Trade

Retail and wholesale partners and accommodation and food service providers

Metal

Production and casting of aluminum

Transport

Land, air and water transport companies, and any other provider of logistics services

Business services

Providers of services, such as consultancy and marketing firms, and companies offering recreational, cultural and sporting activities

Plastic

Manufacturers of plastic and rubber products, including packaging

Energy

Providers of electricity and gas manufacturers and distributors

Machinery and equipment

Manufacturers of machinery and equipment used in production

1.2 Sector classification of procurement expenses

Trade

Retail, wholesale, accommodation and food service companies, including hotels, restaurants and cafes

Transport

Land, water and sea transportation companies, as well as any other company providing logistics services

Manufacturing

Companies involved in the manufacturing of goods, such as machinery and equipment, packaging, chemical products, vehicles, furniture, etc.

Agriculture

Companies involved in activities related to agriculture, forestry and fishing industries

Business services

Companies providing services to companies, including marketing and advertisement, consultancy, legal, finance, insurance services

Public services

Public sector entities, involved in public administration

Other industry

Companies involved in energy industry – providing electricity and gas – in water supply, and in the mining industry

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