

The economic impact of the Coca-Cola System's European operations in Greece

Final report

Key findings on the System's impact in 2022

TCCS' operations within Europe add value to the economy of Greece, and support quality employment opportunities



12 sites*

enable the production and sale of Coca-Cola beverages in Greece



619 million litres

produced in the country, equal to 109 m UCs



€ 511 million

worth of goods and services purchased from Greek suppliers



€ 1,021 million

Value-added supported in the economy across the value chain



0.5%

contribution to Greek gross domestic product



€ 497 million

supported in tax payments across the value chain



1,978

people employed directly by the System in Greece



20,500

employment opportunities supported in the value chain



1:10

For each direct job at the System, there are 10 others supported elsewhere along the value chain

*Includes both bottler's and TCCC's sites



1. Introduction

2. Economic impact

3. Annex



1. Introduction

2. Economic impact

3. Annex



This study reports on the 2022 impact supported in Greece by the Coca-Cola System's European operations

Introduction

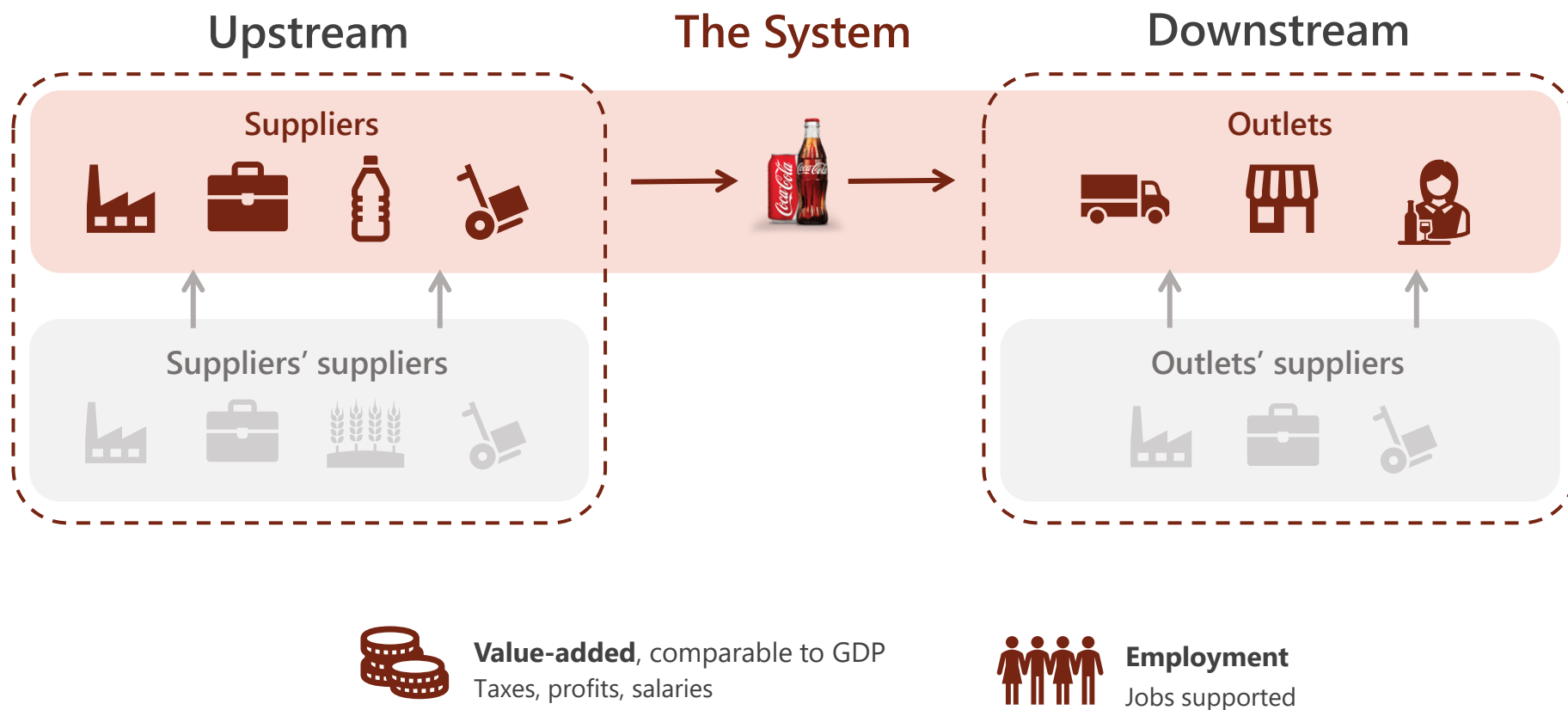
The Coca-Cola System (TCCS) commissioned this assessment to gain insights into the magnitude of its direct and indirect impact on incomes and employment in Greece

This report captures the 2022 impacts supported in Greece by the System's European operations

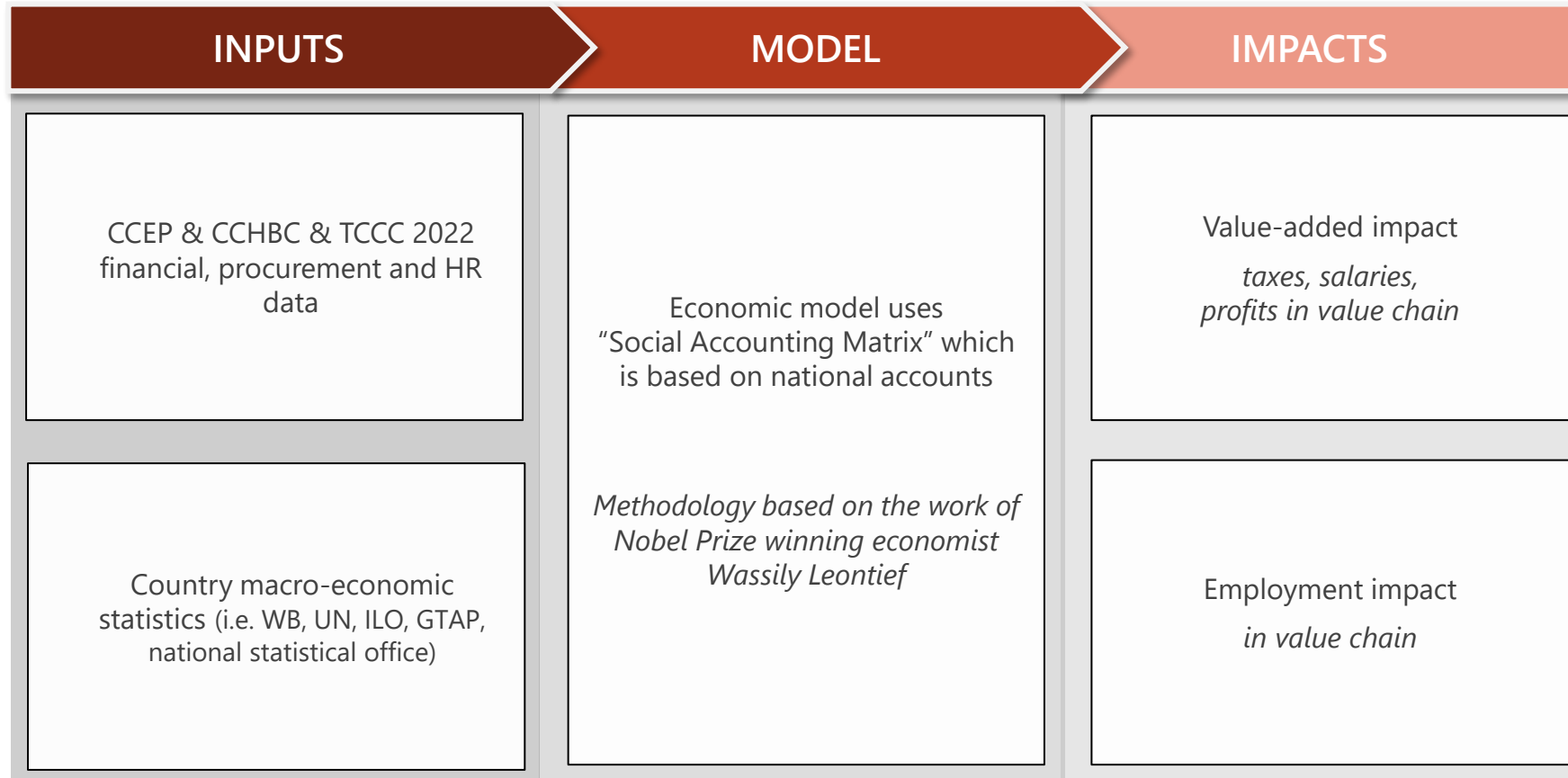
- The impact results presented in this study are part of a broader study on the impacts of the System in Europe
- This is the first study for TCCS in Greece
- Results are driven by economic activity of Coca-Cola Europacific Partners (CCEP), Coca-Cola Hellenic Bottling Company (CCHBC), and The Coca-Cola Company (TCCC) throughout Europe
- The study's scope is not exhaustive; we do not quantify areas of the Systems indirect environmental and social impacts

The assessment is based on a multi-regional input-output (MRIO) methodology which was developed by the Nobel Prize winning economist Wassily Leontief and is commonly used by economists for this type of analysis

The study quantifies the Coca-Cola System's impact along its value chain

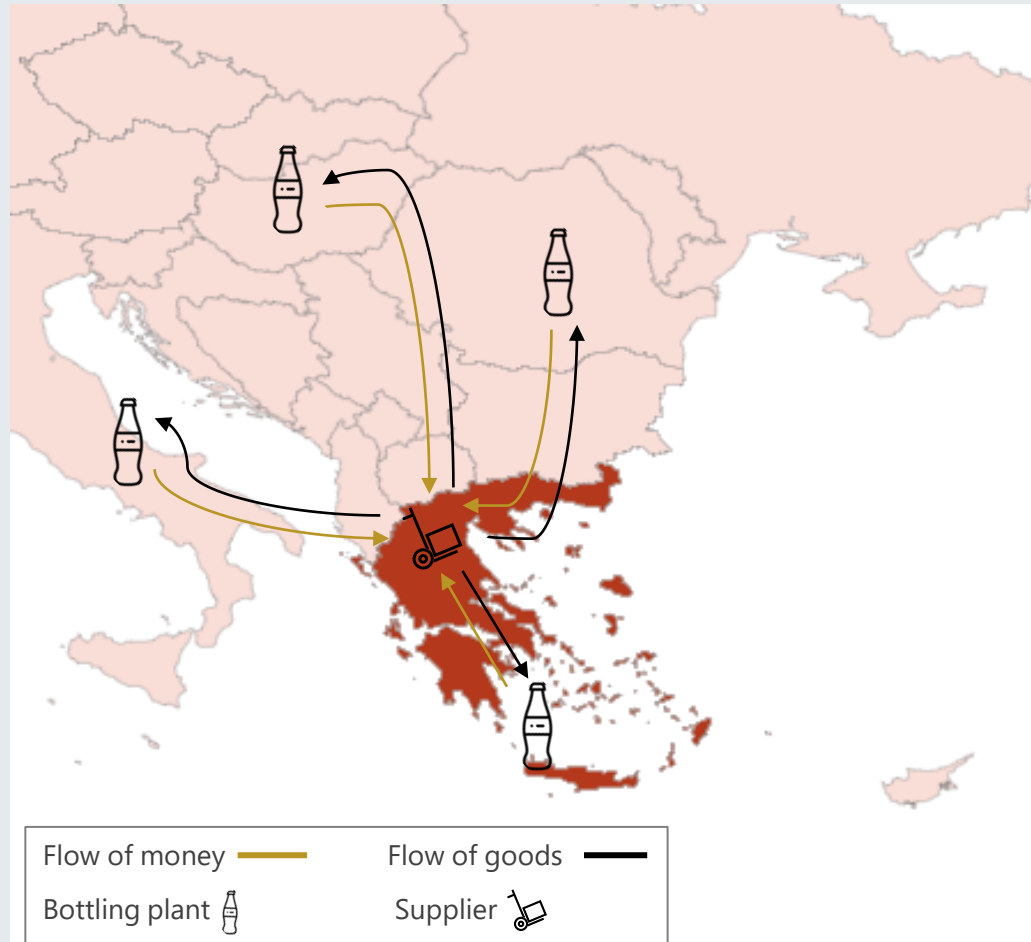


The model combines Coca-Cola System financials and official statistical data to quantify impacts



The new methodology recognizes the interconnected nature of economies, resulting in more comprehensive and robust impact estimations

Example of flows captured by the MRIO*



Methodology

The multi-regional input-output (MRIO) methodology expands upon a traditional input-output model:

- A traditional model captures the impact of the System in one country without considering interlinkages and effects in another country
- A MRIO incorporates economic inter-linkages between markets, capturing effects of cross-country purchasing not only by the System, but by its suppliers as well

The methodology considers the System's operations across Europe and examines how these contribute to impact domestically and in other European countries

The impacts captured by the MRIO in Greece and outlined in this report are driven by

- The System's domestic economic activity in Greece, as captured by other studies
- The System's activity in other European countries which supports economic activity in Greece (ie. sourcing of goods and services produced in Greece by bottlers operating in other countries)

**This visualization is an exemplification of the methodology and does not capture all intra-country linkages included in the model*

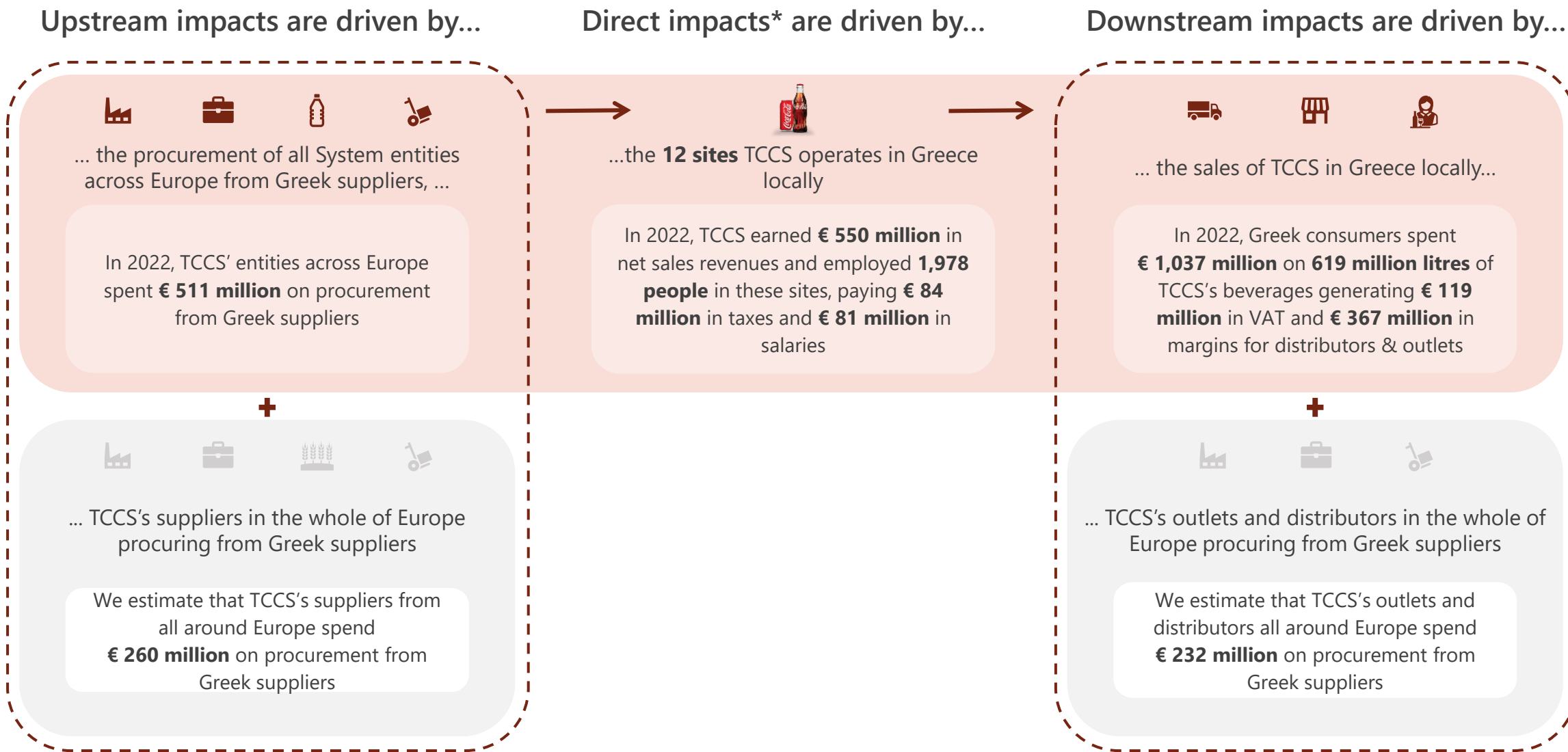


1. Introduction

2. Economic impact

3. Annex

Upstream impacts are driven by local and European entities, while direct and downstream impacts are driven by local entities

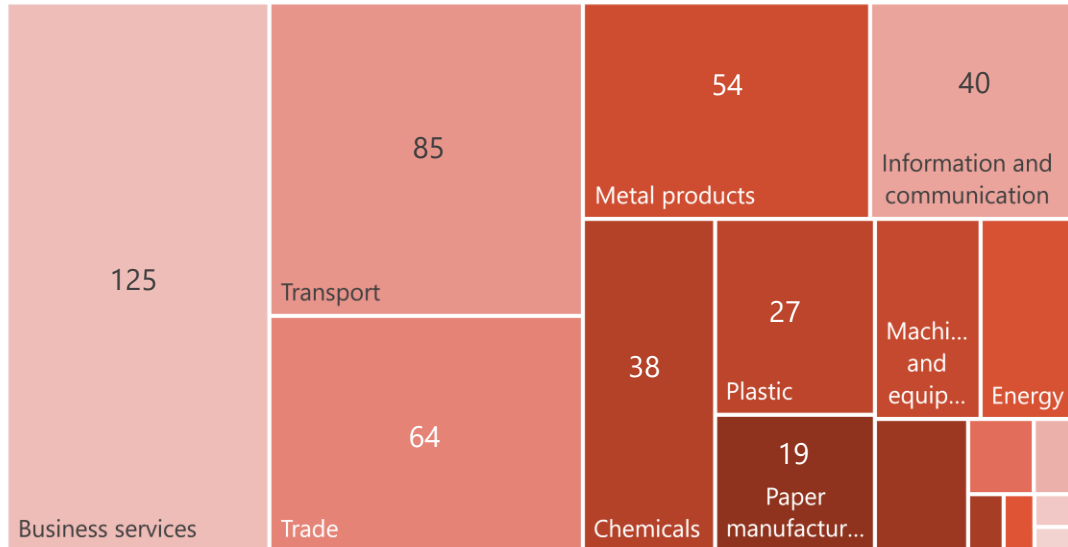


*Direct impacts only include salaries and taxes, excluding direct profits.

Procurement and sales activities of the System reach various sectors of the economy

Breakdown of procurement in Greece

EUR million



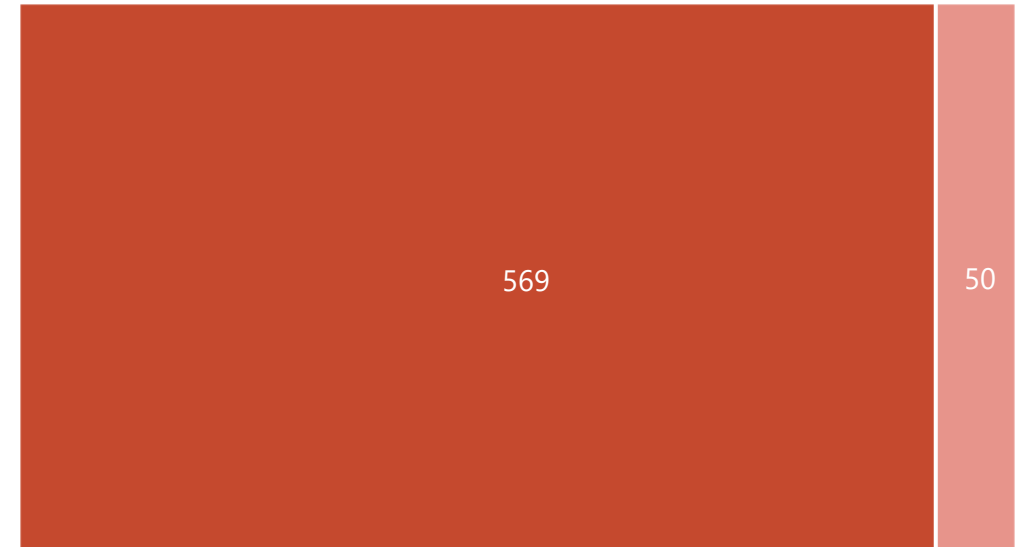
By sourcing goods and services from Greek suppliers, TCCS supports impact upstream in its value chain

In 2022, TCCS' entities throughout Europe spent € 511 million to purchase goods and services from Greek suppliers

This is equal to 4% of total procurement expenses carried out by the System in Europe

Breakdown of volume

Million litres



Future Consumption
(Supermarkets, Mom-and-pop shops)

Immediate Consumption
(On premise, petroleum)

Sales of beverages support impacts downstream in the value chain

In 2022, TCCS sold 619 million litres of beverages in Greece, of which 92% via FC channels and 8% via the IC channels

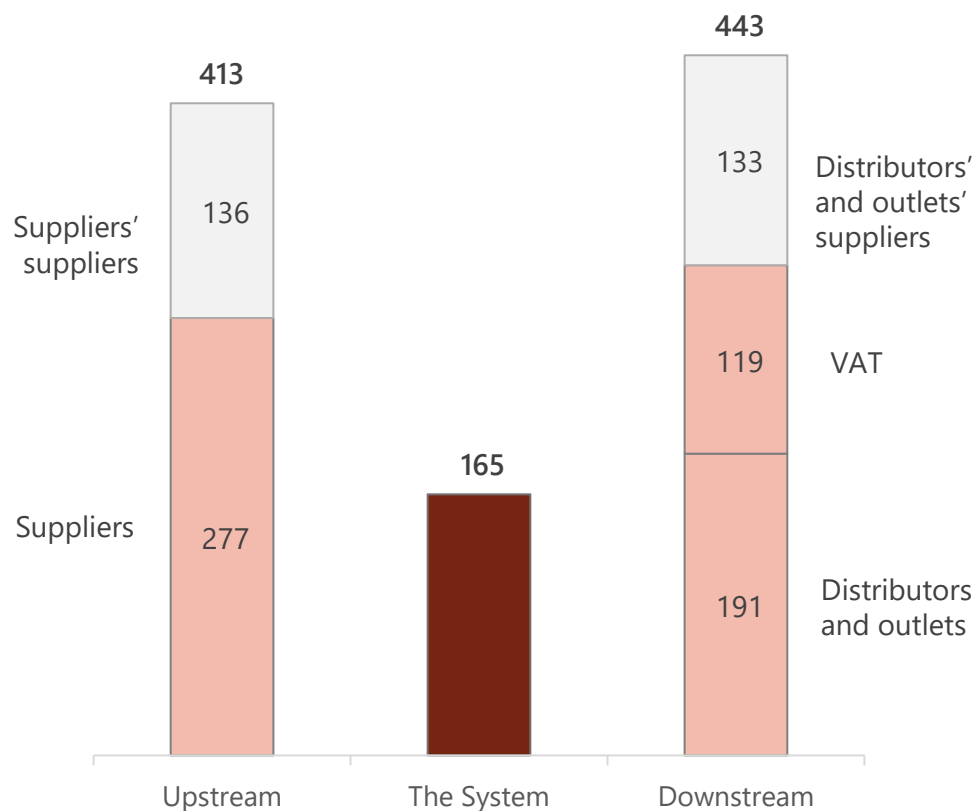
This is equal to 3% of total litres of beverages sold by the System throughout Europe



TCCS supports € 1,021 million in value-added across its value chain

Value-added by value chain link

EUR million



Highlights

TCCS directly generated € 165 million in incomes

- These include the salaries paid and the taxes born by TCCS
- This equals 3 % of the food, beverage and tobacco manufacturing industry value-added in Greece*

Indirectly, TCCS supported € 856 million in incomes

- The impact upstream is € 413 million; € 277 million can be attributed to suppliers & € 136 million to suppliers of suppliers
- The downstream value-added supported is € 443 million, of which € 119 million is VAT attributable to the System's sales; outlets and distributors benefited € 191 million and outlets' and distributors' suppliers € 133 million
- These figures only capture the incomes attributable to the Coca-Cola System's economic activity (and not all incomes generated at the System's suppliers and partnering outlets)

The total value-added is equivalent to 0.5% of the country's GDP in 2022**

*The manufacture of food, beverages and tobacco products sector in 2022 consisted of € 6.2 billion value-added in Greece (Eurostat)

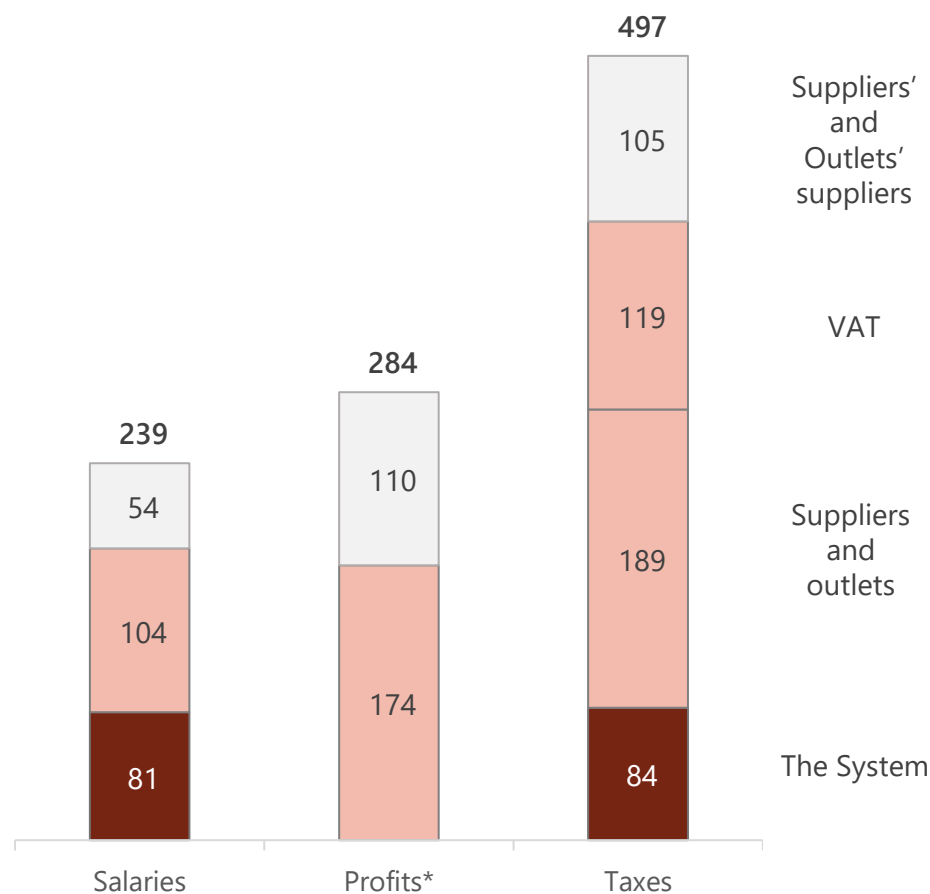
**The total GDP for 2022 is € 207 billion (Eurostat)



The value-added results can be broken down in different ways

Value-added by beneficiary

EUR million



Highlights

The total value-added of € 1,021 million can also be broken down by beneficiary

Households across the value chain benefited € 239 million, of which € 81 million was earned by the System's own employees

Greek companies across TCCS' value chain made an estimated € 284 million in profits from their cooperation with the System

Tax payments supported by the Coca-Cola System throughout the value chain equal to € 497 million; € 84 million paid by the System. This makes the government the biggest beneficiary from TCCS' activities in the country

- Taxes paid by the System include direct and indirect taxes
- From the € 308 million first round taxes, € 119 million is VAT related to the sales of TCCS' beverages; the other € 189 million is taxes paid by TCCS' suppliers, outlets and distributors
- This estimated tax is 0.6% of Greece's tax revenue in 2022**

*Results disregard direct profits of the System

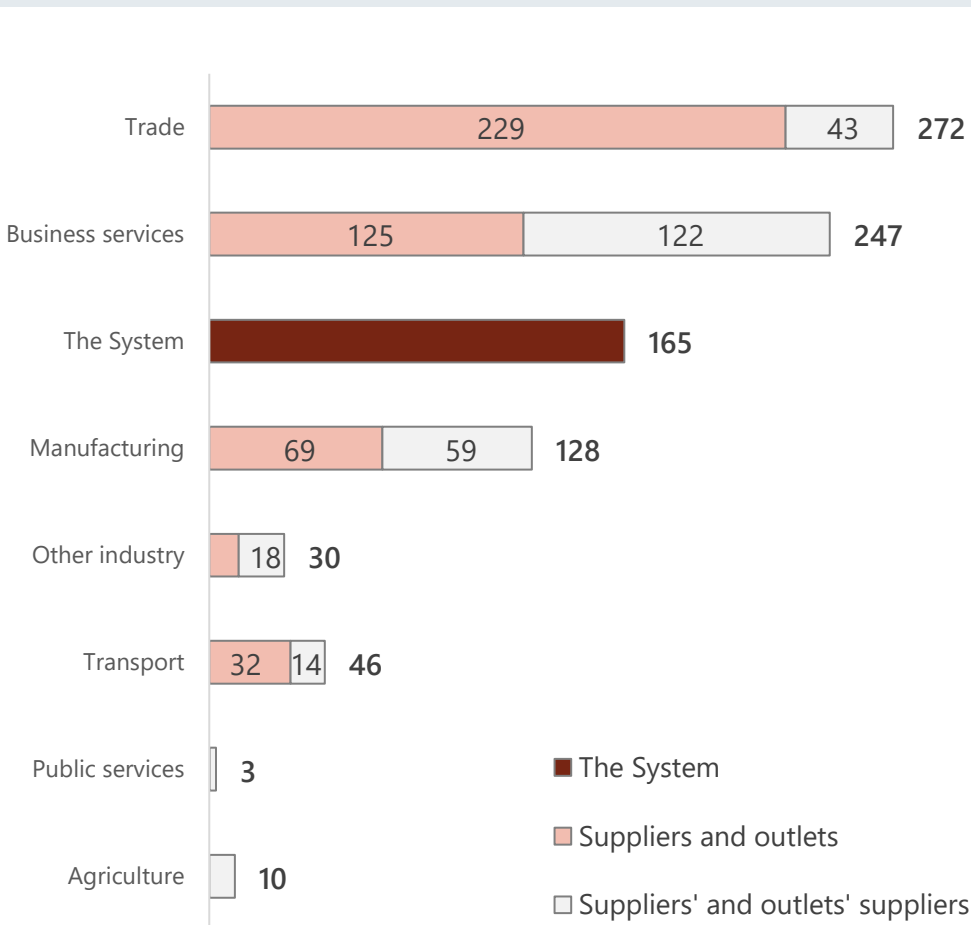
**Tax revenue in Greece for 2022 was € 505 billion (Eurostat)



The System supports value-added throughout many sectors of the economy

Value-added by sector*

EUR million



Highlights

The trade sector was the primary beneficiary with € 272 million in value-added.

- Of the € 229 million at the level of direct suppliers and outlets, € 55 million were estimated for off-trade channels (e.g. mom & pop stores, supermarkets), and € 136 million for on-trade channels (e.g. bars, hotels)

The business services sector benefited € 247 million; with € 125 million of that resulting from the System's own procurement.

The manufacturing sector benefited € 128 million, with € 69 million for suppliers of goods like sugar or packaging material.

The transport sector benefited € 46 million; this consists of € 32 million value-added through the System's suppliers like logistic companies.

The agriculture sector benefited € 10 million indirectly, due to the sourcing of agriculture products from the Coca-Cola System's supply chain partners**; these are, for example, farmers supported by the procurement of agri-goods by outlets or other value chain partners

* Value-added by sector excluding VAT

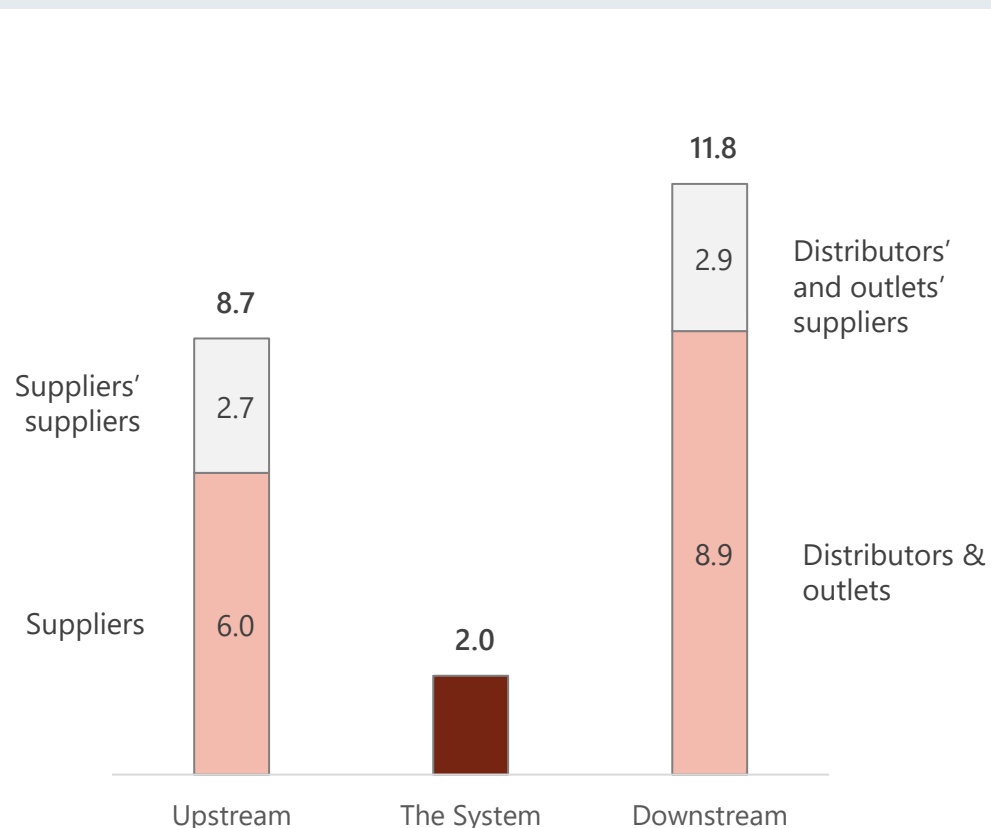
**The Coca-Cola System itself does not procure agriculture products directly, therefore the results are in the 2nd level indirect effects, related to the procurement of the System's suppliers, distributors and outlets



TCCS supported 22,500 employment opportunities throughout its value chain

Employment

Thousands of people



Highlights

The value chain employment of TCCS is estimated at 22,500, representing 0.5%* of total employment in Greece

The Coca-Cola System generated 1,978 direct jobs. Indirectly, it supported additional estimated 20,500 employment opportunities, of which

- 8,700 upstream (6,000 across its own Greek suppliers, and 2,700 at the level of the suppliers of its suppliers)
- 11,800 downstream (8,900 across the distributors and outlets selling its beverages, and 2,900 across their respective suppliers)
- These figures only capture the value chain jobs attributable to the Coca-Cola System (and not all jobs generated at the Coca-Cola System's suppliers and partnering outlets)

For each direct job at the Coca-Cola System, there were 10 jobs supported elsewhere along the value chain, of which 4 upstream via local procurement, and 6 downstream via sales

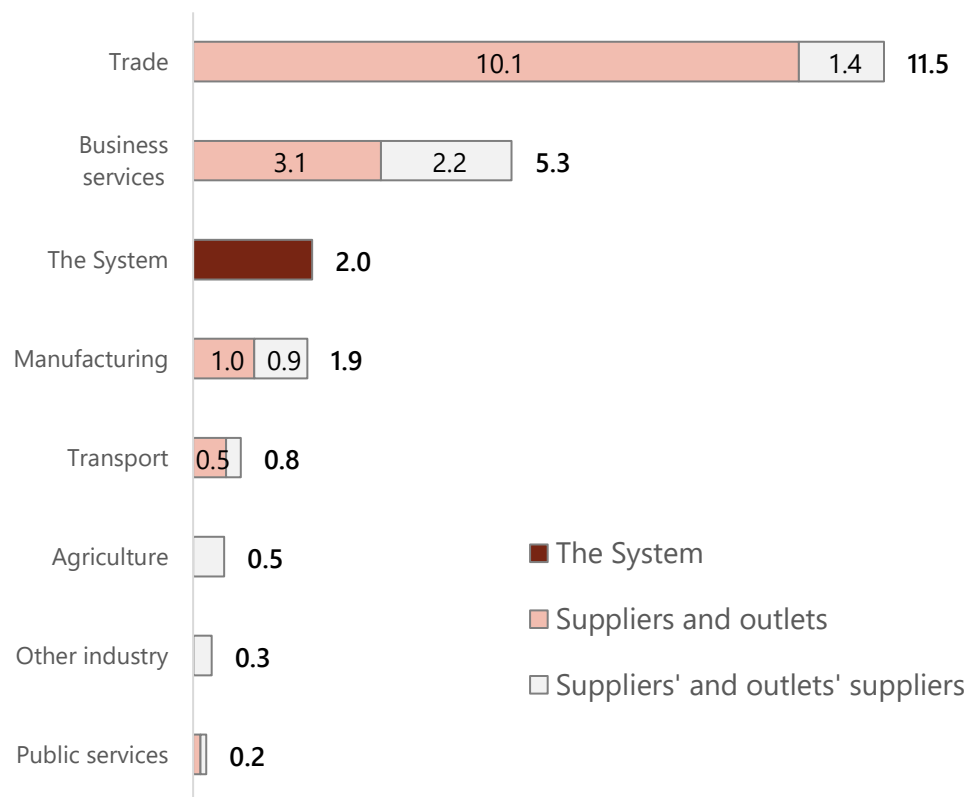
*Total employment was estimated at 4.8 million people in 2022 (ILO)



Most supported jobs are in the trade sector

Employment

Thousands of people



Highlights

The Systems contribution to direct jobs is 1,978 but due to their procurement and sales activities it's contribution to employment supported in the trade and business services sectors exceeds the number of direct jobs

The largest impact in terms of employees is in the trade sector

- In total, some 11,500 jobs were supported in the sector, or 1.4% of the total people employed in the trade sector in the country*
- 10,100 jobs were spread mostly across distributors, and employees of outlets selling Coca-Cola beverages; 1,700 of these were estimated at FC outlets (e.g. mom & pop stores, supermarkets), and 7,100 at IC outlets (e.g. on premise, such as bars, hotels, restaurants)

At the business services and manufacturing sectors some 5,300 and 1,900 employment opportunities respectively were related to TCCS. 800 jobs were supported in the transport sector

The Coca-Cola System supported 500 jobs in the agriculture sector. As for the value-added results, these are all at the level of the suppliers of the Coca-Cola System's direct suppliers, distributors and outlets

* With 845,220 being the total number of people employed in Wholesale and retail trade sector in 2022 according to Eurostat (2022)

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1. Introduction
2. Economic impact
- 3. Annex**

Annex A: notes on the scope of the study

List of countries where production and/or sales activities of the System were taken into account

- Austria
- Belgium
- Bosnia and Herzegovina
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Estonia
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Kosovo
- Latvia
- Lithuania
- Luxembourg
- Moldova
- Montenegro
- Netherlands
- North Macedonia
- Italy
- Norway
- Poland
- Portugal
- Romania
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Ukraine
- United Kingdom

Annex B: The Social Accounting Matrix is the heart of the methodology

