



CCHBC Sustainability Monitoring CCH Program Description

May 2024

Coca-Cola HBC World's second most sustainable beverage company in the 2023 S&P Dow Jones Sustainability Index

"Our goal is to deliver a more sustainable future while continuing to build value for our stakeholders. This endorsement from the DJSI demonstrates that we're on the right track and it is further recognition of the work and unrelenting effort by all at Coca-Cola HBC to put sustainability at the heart of our company. Last year, I made the ambitious announcement of our aim to reach Net Zero emissions by 2040 and I believe wholeheartedly that if we continue as we are, we'll make this aim a reality."

**Chief Executive Officer
Zoran Bogdanovic**

Assessment of Environmental and Social Performance and improving it over time is becoming of utmost importance for organisations and stakeholders and Sustainability Recognition Schemes



**Sustainability is fully integrated
into Procurement decisions**



The Procurement Sustainability Program Key Activities at a glance



SUPPLY CHAIN

LEVELS OF ACTIONS	TCCC System 3 rd -Party SGP Audits & SEDEX:	EcoVadis IQ (Risk Screening) & EcoVadis Assessments:	Supply Base Assessment (SBA) + Water Risk Filter	Environmental Social & Governance (ESG) Questionnaires	Sustainable agriculture Program (Ingredients)
SCOPE:	<ul style="list-style-type: none"> TCCC prerequisite supported by SPMs/ CEPG <ul style="list-style-type: none"> Raw Materials Sustainable Agriculture Primary Packaging 	<ul style="list-style-type: none"> Group Critical & Country Strategic As of 2020 TCCC implementation – CCH founding member 	<ul style="list-style-type: none"> Targeted to Critical Group Suppliers Delivered by independent 3rd party assessors or Tools Covers critical T2 Supply Base 	<ul style="list-style-type: none"> Supports all cases where tools such as EcoVadis are not available or smaller suppliers 	<ul style="list-style-type: none"> TCCC supported. CCHBC, we have committed to source by 2025 Sustainable crops only
AREAS CAPTURED	<ul style="list-style-type: none"> SGPs compliance Specialist certifications per commodity i.e. PSA Corrective Action Plans (CAP) 	<ul style="list-style-type: none"> Environment: i.e. Energy, CHG, Water, Waste Social: i.e. HSE, Human Rights, Working Conditions Ethics: i.e. Corruption, Bribery, Legal compliance Supply Chain: Environmental performance Corrective Action Plans 	<ul style="list-style-type: none"> Social Risks/ Human Rights Water Risk Climate Change Biodiversity Financial performance (Moody's data) 	<ul style="list-style-type: none"> Captures info on Environment, Human Rights & Labour. HSE, Society, Agriculture CCH Buyer manually collects & risks screened via automated scoring scale based on replies 	<ul style="list-style-type: none"> Captures info on Farm Practices, Biodiversity & Deforestation, Soil & Water management, Human Rights & Labour. HSE, Society etc.. Proven via Certifications
CONTRIBUTION TO CCH CORPORATE SUSTAINABILITY	<ul style="list-style-type: none"> Independent & Certifiable Supported by specialists 100% auditable trail Supplier supported for ESG improvements by specialists and targeted materials 	<ul style="list-style-type: none"> Dedicated Dashboard Automated CAP creation 100% Auditable trail Supplier supported for ESG improvements by specialists and targeted materials 	<ul style="list-style-type: none"> Contributes to ESG Screening of risk for Critical Supply Base Based on International Standards Guided by specialist consultants (denkstatt) 	<ul style="list-style-type: none"> Internal Assessment that covers risks evaluation for CCH ESG requirements 	<ul style="list-style-type: none"> Independent & Certifiable Supported by specialists 100% auditable trail
NOTES	High Volume Group Critical System suppliers in Primary Packaging & Raw Materials	Critical CCH Suppliers on Group and BU Level across Categories	Human Rights, Water, Financials, Biodiversity Screening	Used for lower value, Tactical buy and as initial screening during tenders	Used for Sugar, HFS, Juices, Paper Pulp

The Procurement Sustainability Program 2023 Highlights

Supplier Category Risk:

Screened	Assessed
✓ 14,594 Tier 1 (T1) Suppliers Screened (100% of T1 suppliers)	✓ 2,084 T1 Significant Suppliers Assessed
✓ 3,985 T1 Significant Suppliers Screened	✓ 98,005 T2* Significant Suppliers Assessed
Significant Suppliers cover 97.5% of Total Spend	✓ 100,089 T1& T2* significant sup. Assessed (97.7% of total Significant T1&T2* Suppliers)
✓ 98,483 T2* significant suppliers Screened	
	*Tier 2 (T2) means non-Tier 1 for Coca-Cola HBC


EcoVadis (T1):

- 250 Suppliers added in 2023 reaching total 1,667 Suppliers evaluated by end 2023.
 - In May 2024, we reached 1,741 (4% increase since Jan 2023)
- 100% EcoVadis Corrective Action Plans in place with Active T1 Suppliers**

SGP TCCC Audits (SEDEX):

- 128 Audits - 2023
- 100% CAPs in place as needed after audit**

Sustainable Agriculture PSA coverage:



79% for 2023 (+1% vs PY) as weighted average of the following scores:

- 73% Sugar
- 100% HFCS (78% HFCS & Sugar together) and
- 96% Juice fruit crops

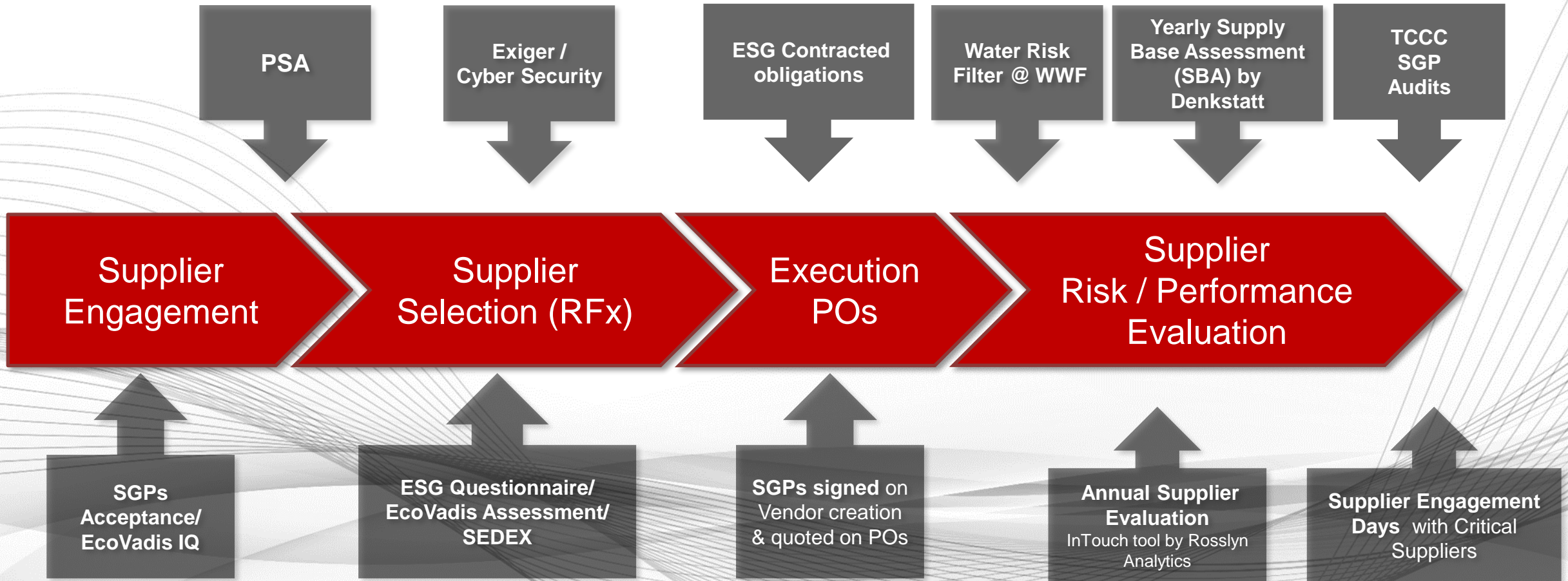
TCCC Sourced Ingredients :

- 99% Coffee
- 100% Soy
- 99% Tea

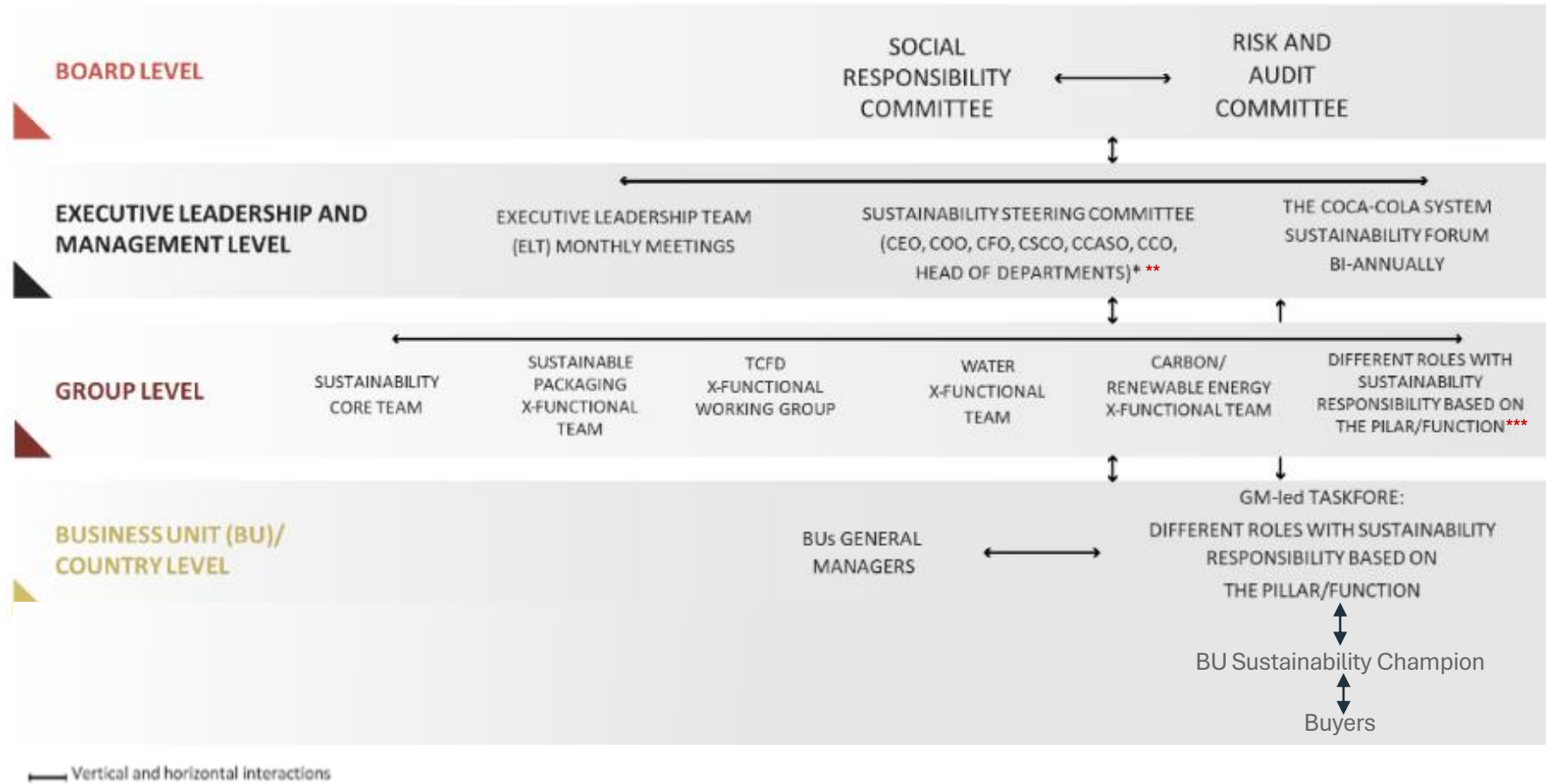
Human Rights

- 100%** of CCHBC suppliers were mapped according to the Category Risk Mapping Tool developed by EcoVadis to review Social & Ethical Risk
- We then deep dived into Significant suppliers with repetitive purchases where a more detailed assessment performed utilizing tools such as SGP physical audits, SEDEX, EcoVadis Assessments, ESG Forms EcoVadis IQ Plus etc., and (where needed) develop action plan.

Sustainability Monitoring E2E Procurement Process



Sustainability Governance



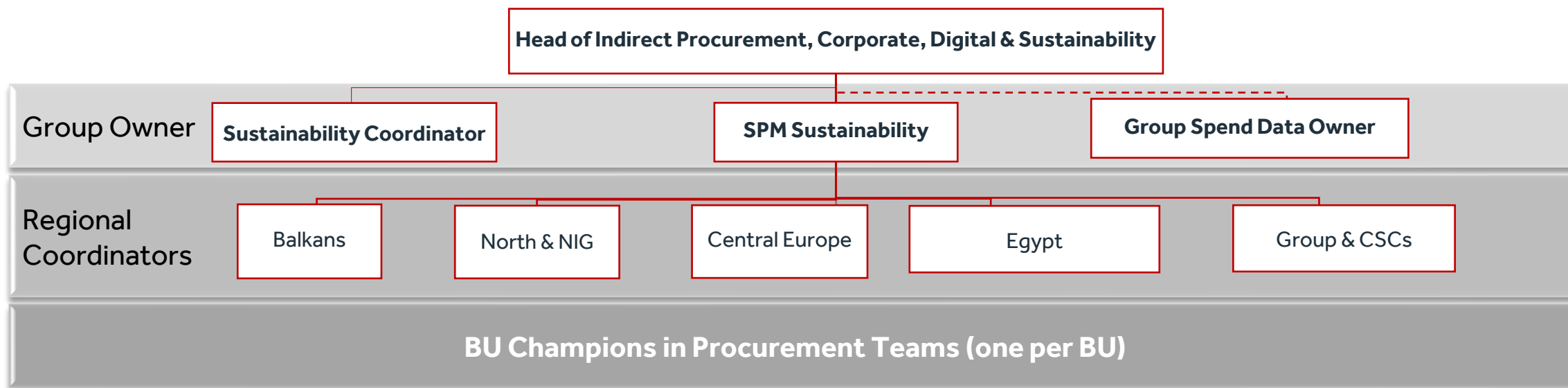
* COO (Chief Operation Officer), CSCO (Chief Supply Chain Officer), CCASO (Chief Corporate Affairs & Sustainability Officer), CCO (Chief Commercial Officer)

** **Head of Procurement Sustainability** is a member of the Sustainability Steering Committee. The Sustainability Steering Committee reports to the Board of Directors (specifically to the Social Responsibility Committee).




*** **Group Procurement** is part of the **Different Roles with Sustainability Responsibility based on the Pillar/function Team** who hold responsibility to design and execute sustainability strategy for Suppliers.

This Governance model ensures that the oversight of implementation of the supplier ESG program is up to the level of the Board of Directors.





Procurement Sustainability Core Team







Program Routines

-  Monthly meetings between Group & Regional Coordinators (review progress, develop action Plan, discuss roadblocks etc)
-  Monthly meetings between Regional Coordinators & Country Champions (review progress, cascade targets etc.)
-  Bi-annual Sustainability Forums with All BUs

Trainings

-  Bi-annual refresh trainings on Sustainability program for Champions, Buyers & SPMs
-  Supplier Debrief Sessions
-  Buyers & Suppliers' trainings on ESG aspects (5/Y)
-  *Ad Hoc* trainings on Need-to Basis

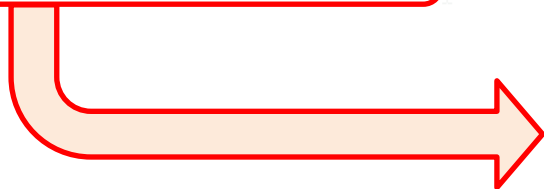
Materials

-  **EcoVadis Academy**
-  Dedicated **Sustainability Library** with Access to ESG Materials for SPMs/Buyers
-  Q&A Section for all Bus in TEAMS
-  Training materials sent to Suppliers

Sustainability in Strategic Sourcing

Table 5.C. – Awarding Criteria weights and Ownership

Type of Criteria	Description	Weight	Decision
Technical	Specification and Quality elements	47.5 %	Requesting Function
Commercial	Price and Contract elements	47.5 %	Procurement
Sustainability	Based on the CSR Assurance Matrix (Appendix 13.8.3)	5 %	Requesting Function & Procurement



To achieve process risk assessment for T1 suppliers, Procurement seeks from vendors the appropriate documentation under the following ESG assessment tools

CSR Coverage (examples)	Scoring	Docs Required	Extra Modules strongly advised
PSA Leader Status	HIGH	Approved Certifications	As per PSA Supplier Guidelines per Commodity
TCC SGP Audits	HIGH	Audit report	N/A
SMETA 6.0	HIGH	SMETA 6.0 Report	N/A
URSA	HIGH	URSA Report	N/A
EcoVadis Assess. >45	MEDIUM	EcoVadis Certificate/ Medal	
SMETA 4 Pillar	MEDIUM	SMETA 4 Report	AIM – Progress Module
GSCP Equivalent	MEDIUM	Audit Report	AIM – Progress Module
BSCI or EICC	MEDIUM	Audit Report	AIM – Progress Module
EcoVadis Assess. 25-44	MEDIUM/ LOW	EcoVadis Certificate	CAR Required
ESG Form	LOW	ESG Form submission	
EcoVadis IQ	LOW	Platform Supplier Score	
EcoVadis Assess. <	LOW	EcoVadis Certificate	CAD Required
Water Risk Assessment	MEDIUM/LOW	Platform Supplier Score	

Note: Other types of 3rd party assessments accepted upon review

Coca-Cola HBC aspires critical suppliers to gain also certification to the following standards (requested in relevance to industry):

- **ISO 9001 (quality);**
- **ISO 14001 (environment) ;**
- **ISO 45000 (health and safety);**
- **EcoVadis Assessment**
- **CDP Climate & Water disclosure**
- **SBTi Commitments**

Ingredient and packaging suppliers must also achieve certification to **FSSC 22000** for food safety or equivalent for FSSC 22000, recognized under GFSI framework



2023 Supplier Screening & Assessment Summary

No. of Screened & Assessed Suppliers per Risk Category & Screening/Assessment Type¹

Category Risk	Total Screened Suppliers	EcoVadis	EcoVadis IQ	SBA	PSA	SGP Audits	SEDEX	WRF	ESG	Category Risk Mapping
Severe	87	73	81	63	0	54	2	83	5	87
High	678	367	604	268	32	142	8	336	30	678
Medium High	2,817	580	2,369	131	21	23	3	135	119	2,817
Medium Low	5,329	621	4,464	146	10	6	3	102	252	5,329
Low	4,822	428	4,166	219	0	0	0	15	96	4,822
Very Low	861	29	703	4	0	0	0	0	38	861
Grand Total	14,594	2,098	12,387	831	63	225	16	671	540	14,594

Information:

In CCHBC we recognize Parenting - While a supplier may have a different code in multiple BUs for systemic reasons, it is still the same supplier as the Parent.



No. of Screened & Assessed Suppliers per Criticality & Screening/Assessment Type¹

Segmentation	Total Screened Suppliers	EcoVadis	EcoVadis IQ	SBA	PSA	SGP Audits	SEDEX	WRF	ESG	Category Risk Mapping
Country Strategic	3,135	1,115	2,830	1	0	19	2	137	309	3,135
Group Critical	838	648	776	830	63	201	12	509	30	838
Tactical Supplier	10,532	314	8,703	0	0	3	2	22	201	10,532
Group Tactical	77	21	74	0	0	2	0	3	0	77
TCCC	12	0	4	0	0	0	0	0	0	12
Grand Total	14,594	2,098	12,387	831	63	225	16	671	540	14,594

% of Screened & Assessed Suppliers per Criticality & Screening/Assessment Type¹

Segmentation	Total Screened Suppliers	EcoVadis	EcoVadis IQ	SBA	PSA	SGP Audits	SEDEX	WRF	ESG	Category Risk Mapping
Country Strategic	21%	53%	23%	0%	0%	8%	13%	20%	57%	21%
Group Critical	6%	31%	6%	100%	100%	89%	75%	76%	6%	6%
Tactical Supplier	72%	15%	70%	0%	0%	1%	13%	3%	37%	72%
Group Tactical	1%	1%	1%	0%	0%	1%	0%	0%	0%	1%
TCCC	0%	0%	0.03%	0%	0%	0%	0%	0%	0%	0.1%

RISK	Supplier Segmentation	Sum of count
Severe	Country Strategic	24
	Group Critical	63
Severe Total		87
High	Country Strategic	244
	Group Critical	270
	Tactical Supplier	162
	Group Tactical	2
High Total		678
Medium High	Country Strategic	929
	Group Critical	130
	Tactical Supplier	1753
	Group Tactical	5
Medium High Total		2817
Medium Low	Country Strategic	1254
	Group Critical	151
	Tactical Supplier	3910
	Group Tactical	14
Medium Low Total		5329
Low	Country Strategic	632
	Group Critical	220
	Tactical Supplier	3939
	Group Tactical	31
Low Total		4822
Very Low	Country Strategic	52
	Group Critical	4
	Tactical Supplier	768
	TCCC	12
	Group Tactical	25
Very Low Total		861
Grand Total		14594



Note 1: Reported at Supplier Code level

Note 2: Category Risk Mapping: developed by EcoVadis to measure inherent risk of suppliers in accordance with supplier category, spend and criticality to CCH business

Supplier Risk Screening & Assessment Key results at glance

Suppliers Screened in 2023

Supplier Segmentation in Tier 1	Suppliers with Spend in 2023		
	Total # of Suppliers Screened per Segment	% of Screened Sup. on Total Suppliers	% of Screened Spend on Total Spend
Group Critical Suppliers	838	5.7%	73.6%
Country Strategic Suppliers	3,135	21.5%	
TCCC	12	0.1%	23.9%
Total # of Significant Suppliers in Tier 1	3,985	27.3%	97.5%
Tactical Suppliers	10,609	72.7%	2.5%
Total # of Tier 1 Suppliers	14,594	100%	100%
Total # of Significant non-Tier 1 Suppliers	98,483	N/A	N/A

Total Tier 1	Tier 1 Significant & Tactical (Abs. #)
Suppliers	14,594
Spend	€ 6.94 bn
Procurement Addressable Spend:	€ 5.28 bn

Significant Suppliers Screened in 2023	
Supplier Type	No of Suppliers
Tier 1	3,985
Non-Tier 1	98,483
Total	102,468

	Total T1 Screened Suppliers
Severe	87
High	678
Medium High	2,817
Medium Low	5,329
Low	4,822
Very Low	861
Grand Total	14,594

Suppliers Assessed in 2023

Supplier Segmentation in Tier-1	Suppliers with Spend in 2023		
	Total # of Suppliers per Segment	No. of Suppliers Assessed	% of assessed spend on total Spend
Group Critical Suppliers	838	727	57.5%
Country Strategic Suppliers	3,135	1,345	
TCCC	12	12	23.9%
Total # of Significant Suppliers in Tier 1	3,985	2,084	81.5%
Tactical Suppliers	10,609	524	0.3%
Total # of Tier-1 Suppliers	14,594	2,608	81.8%
Total number of significant suppliers in non-Tier 1	98,483	98,005	N/A

	Total Tier 1	Assessed* (Abs. #)	Assessed (%)	Non-Assessed (Abs. #)	Comments
Suppliers	14,594	2,608	17.9%	11,986	Assessed includes Tier 1 Procurement Addressable suppliers/spend & TCCC
Spend	€ 6.94 bn	€ 5.67 bn	81.8%	€ 1.27 bn	

Significant Suppliers in 2023				
Supplier Type	Assessed	Assessed with substantial actual/potential ESG Risk	Corrective Action Plan in place**	Under Capacity Building Program**
Tier 1	2,084	254	234	1,939
Non-Tier 1	98,005	85	67	97,412
Total	100,089	339	301	99,351
** All the suppliers with corrective action plan or participating in a capacity building program are directly or indirectly supported by Coca-Cola HBC or the Coca-Cola System				

Supplier Type	% of significant suppliers assessed	% of Significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	% of significant suppliers in capacity building programs
Tier-1 & Non Tier-1	97.68%	88.8%	97%

Note:

1. Supplier screening & assessment is conducted on an annual basis
2. No supplier with substantial actual/potential negative impacts was terminated
3. Risk Screening & assessment consider Industry Sector, Country, Spend Levels and ESG Risks

High Risk Tier-1 Significant Suppliers – Definition & 2023 Results

Tool	Definition of Substantial Risk	Number of Suppliers
ESG Self-Assessment Tool	Red Colour Rating	4
SGP Compliance Audits / SEDEX*	Red and Orange Colour Rating	31
SEDEX	>6 Non-Conformities (NC)	0
Water Risk Filter @ WRF	High & Very High Risks (>3.40)	88
EcoVadis	<=24 under any theme	135
Total Tier 1 (T1) Significant Supplier codes identified with risk for actual/ potential substantial ESG Impact		254
Total T1 Significant Supplier codes identified with risk for actual/ potential substantial ESG Impact with agreed corrective action/improvement plan		234
% of T1 Significant Supplier codes with corrective action plans on total T1 suppliers' codes identified with risk for substantial ESG Impact with agreed corrective action/improvement plan		92%



EcoVadis in CCHBC and the TCCS

- CCHBC, we promote the assessment of Supplier performance under specialist organizations such as EcoVadis, SEDEX/ SMETA etc.
- EcoVadis has become our key 3rd party Assessment body across The Coca-Cola System (TCCS). Back in mid 2019 together with TCCC, CCEP and CC-Amatil we decided to join forces and share visibility on the performance of our supply base, thus enabling us to make more conscious choices.
- By May 2024, The Coca-Cola System (TCCS) suppliers recruited by the participating members in EcoVadis are 2852 of which over half have been contributed by CCH.

Evolution of Supplier Recruitment & Evaluation under EcoVadis		Incremental vs PYA	% Change
Supplier Count by end 2018	149		
Supplier Count by end 2019	520	371	+249%
Supplier Count by end 2020	848	328	+63 %
Supplier Count by end 2021	1184	336	+40 %
Supplier Count by end 2022	1417	233	+20 %
Supplier Count by end 2023	1667	250	+18%
Supplier Count YTD May 2024	1741	74	+4%

CCH as of September 2019 we have introduced across all our countries a guidance :

- For suppliers with spend over 100K EUR on annual basis, EcoVadis we recommend to be part of the tendering requirement and the RFx
- We have updated our Legal templates (Contracts and Tender documents) to include EcoVadis as a standard clause
- We can accept other 3rd party assessment methods on overall Sustainability performance, but we continue to strive to have our TCCS supply base under EcoVadis as we can easily follow up online with proper tracking and reporting and gradually reduce the need for manual processing on assessment and action plans



Our EcoVadis Assessment 2025 Aspiration: Recruit all our T1 Critical Suppliers in EcoVadis Platform

SBA 2023 Summary of ESG Risk Analysis for all Categories

Parent Suppliers

Total supplier codes

Total unique # Tier-1 Suppliers Screened/Assessed on Sustainability Risks:

302

831

Unique #Suppliers Identified as Very High Risk:

33

94

% Very High-Risk suppliers with Risk Reduction measures implemented

61%

64%

Note: Numbers exclude duplicates: if one supplier is identified as Very High Risk in more than one Risk Category, then this supplier is counted only once in the total reported

Details per Risk Category All Categories	Low Risk		Medium Risk		High Risk		Very High Risk	
	Parent Supplier	Supplier Codes	Parent Supplier	Supplier Codes	Parent Supplier	Supplier Codes	Parent Supplier	Supplier Codes
Water	148	467	108	284	43	76	3	4
Climate Change	171	541	85	171	42	110	4	9
Forced Labour	210	587	53	165	33	73	6	6
Child Labour	209	587	49	161	42	81	2	2
Disregard of Labour Rights	184	554	77	201	30	45	11	31
Biodiversity	90	214	145	355	56	214	11	48

Note: Numbers exclude duplicates, but one supplier may have different risk scores in the different risk categories.

Risk Category – All Categories	Total Identified	Total Assessed	Under Capacity Building Programs	Assessed with High Risk	High Risk with Corrective Action /Improvement Plan
No of Critical non-T1 Suppliers:	98,483	98,005	97,412	85	67

Note: Significant non-Tier 1 (T2) Assessments are performed by Tier 1 Suppliers and reported back to Coca-Cola HBC

Water Risk Results based on WFF assessment methodology

In 2023 we assessed mainly all Direct Group Critical suppliers as well as Secondary Packaging, Aseptic Fiber Packaging, CDE, PE & MRO and Sales & Marketing Indirect critical supply base: The combination of the Basin and Operation risk (equally weighted) provides a comprehensive overall water Risk assessment.

Water Basin Risk: is updated on annual basis utilizing WFF platform and it help us identify the suppliers and the respective products **originating from water-stressed areas**

Operational Water Risk: Suppliers receive a template and a questionnaire from CCH to collect the respective information and uploaded in the WRF on-line Tool per supplier site every 3 years.

Overall Risk: The combination of the Basin and Operation risk (equally weighted) provides a comprehensive overall water Risk assessment.

2023 Assessment Results for Overall Risk: **317 Group Critical suppliers** assessed on parent level in 573 production sites. Identified only 53 suppliers on parent level in 77 production sites with overall high Risk (score >3.4).

(for all the above-mentioned categories) CCHBC engage with the suppliers identified with risk to ensure they take specific actions if/where needed.

2023 Suppliers originated in Water Stress Areas / Water Basin Risk:

Sourced agricultural commodities 11 suppliers identified in 13 production sites with high basin risk (score >3.4) representing 1.1% of our total spend
(Including: Sugar, HFSS, Dextrose & Juices)

Sourced commodities with High water footprint: 26 suppliers identified in 30 production sites with high basin risk (score >3.4) , representing 1.3% of our total spend

2023 Summary of Analysis as per WFF as per GRI requirements	Full Description	Sourced commodities with High water footprint
Total water withdrawal in megaliters (ML): (clause 2.2.2)	Total water withdrawal in megaliters by suppliers with significant water-related impacts in areas with water stress	9,257
Total water consumption in megaliters (ML): (clause 2.5.2)	Total water consumption in megaliters by suppliers with significant water-related impacts in areas with water stress	7,826
% of supplier that have set minimum standards for the quality of their effluent discharge (clause 2.4.3)	Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge	62%

Notes for the table:

Figures under GRI requirements include values only for the supplies' production locations with Basin score > 3.4 for products with high water footprint. If a supplier has additional locations with no risk identified, these locations are excluded from the report



2023 ESG Benchmark



SUSTAINABILITY

ESG Benchmark

We consider as priority to provide with our Suppliers with information on the gaps identified in their ESG performance, support them to develop corrective actions and offer access to capacity building programs and benchmarks against their industry peers contributing to a sustainable and socially responsible business ecosystem.

We have developed two types of benchmarks for our Suppliers:

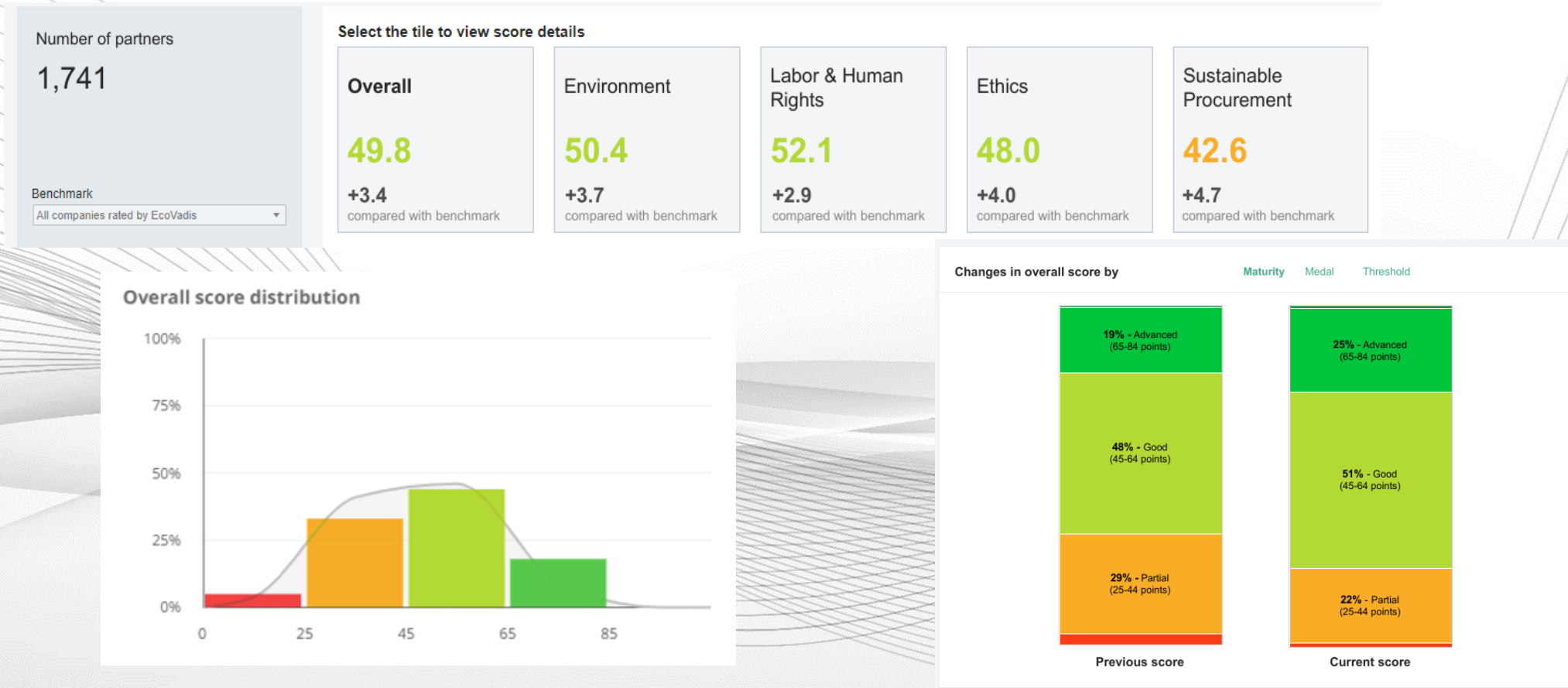
a. External: EcoVadis platform gives the participants access to insights from global supply chain ratings based on data derived from +125,000 sustainability ratings and +73,000 companies assessed by EcoVadis between 2019 and 2023.

b. Internal: We collaborated with EY denkstatt® to develop customized methodology for our critical Suppliers



EcoVadis Supply Base Performance / Benchmarking

- YTD that we compile this report (May 2024) we have assessed 1741* suppliers under EcoVadis, and we have recorded **+3.4 pts*** **increase on average score**, with all assessed subcategories scoring better vs previous Year and EcoVadis Averages
- Overall, we see for established suppliers that are under review and evaluation YoY sustainable improvement.
- Our **Correction Action Plans** are showing **100% improvement** across all 4 pillars. Especially under **Human Rights (LAB)** we see an **improvement in 2023** vs 2022 of **+3.0 pts*** and in Environment **+4.2 pts***
- New recruits exhibit lower scores at entry level, pushing the average a bit down. This we consider a normal outcome; we invest and work with our suppliers to educate them on our requirements before they can improve.



2023 EY denkstatt CCHBC Suppliers' Benchmarking

CCHBC is providing Suppliers of all purchasing categories an ESG-Benchmark with their peers based on the residual risk scores.

	<i>Average of 1. Water Risk Residual Risk Score</i>	<i>Average of 2. Climate Change Residual Score</i>	<i>Average of 3.1. Forced Labour Residual Score</i>	<i>Average of 3.2. Child Labour Residual Score</i>	<i>Average of 3.3. Disregard of Labour Right Residual Score</i>	<i>Average of 4. Biodiversity Residual Score</i>
<i>Purchasing Categories</i>	Water	Climate Change	Forced Labor	Child Labor	Disregard of Labor Rights	Biodiversity
Aseptic Fiber Packaging	2,00	2,00	1,83	1,83	2,17	3,00
BIB Bags	1,50	2,00	1,50	1,50	1,50	2,00
Cans	2,17	2,74	2,35	2,52	2,39	2,39
CDE	1,50	1,14	1,04	1,04	1,04	1,00
CO2	2,00	1,03	1,03	1,03	1,03	2,88
Coffee Machines	1,93	1,60	1,87	1,87	1,20	1,00
Corporate Services	1,03	1,72	1,44	1,41	1,59	1,59
Corrugated & Paperboard	2,12	1,31	1,27	1,29	1,47	2,37
FLM	1,00	1,05	1,05	1,05	1,03	1,53
Glass Bottles	2,21	1,74	1,68	1,79	1,89	2,21
IST	1,02	1,44	1,33	1,30	1,40	1,17
Juices	2,66	1,14	1,14	1,14	1,14	3,14
LOG	1,00	1,19	1,10	1,10	1,05	1,19
Metal Closures	1,00	1,60	2,00	1,80	1,80	2,60
Metal Crowns	1,60	1,53	1,47	1,47	1,40	2,67
PAPER LABELS	1,00	1,00	1,00	1,00	1,00	2,00
PEQ/MRO	1,78	1,15	1,15	1,15	1,15	2,84
PET PREFORMS	1,67	1,97	1,86	1,78	1,94	2,47
PET Resin (rPET)	2,43	1,71	1,14	1,14	1,14	2,00
PET Resin (vPET)	2,25	2,19	1,56	1,63	2,00	2,94
Plastic Closures	1,24	1,85	1,76	1,82	1,91	3,21
Plastic Labels (BOPP, Sleeves, PSL)	1,33	1,13	1,13	1,20	1,27	2,67
SAM	1,44	1,12	1,02	1,00	1,00	2,59
Stretch & Shrink Film	1,50	1,47	1,31	1,31	1,41	2,16
Sweeteners (Dextrose)	2,33	1,67	1,33	1,33	1,33	2,00
Sweeteners (HFCS)	2,38	1,38	1,38	1,50	1,38	2,25
Sweeteners (Sugar)	2,03	1,87	2,16	2,11	2,05	2,32
Utilities	2,00	3,00	2,00	3,00	4,00	2,00
Average per Risk Category 2023	1,54	1,51	1,40	1,40	1,47	2,11

Residual Risk

1 – Low Risk

2 – Medium Risk

3 – High Risk

4 – Very High Risk

ESG Screening & Assessment Methodology Details



Annual Sustainability Monitoring - Process Description (1/3)

We screen & assess our supply base through:

CSR/ ESG Compliance Audits - we monitor the process and compliance via third party SGP audits organized by The Coca Cola Company (TCCC), EcoVadis CSR Platform and a new tool introduced in 2018 – Category Risk Mapping provided by EcoVadis and fully refreshed in 2020.

TCCC ensure that all ingredient, primary packaging and global marketing suppliers are audited for compliance with our Supplier Guiding Principles (SGP) on a regular basis as per the audit results and agreed methodology (attached as separate document). Audits are conducted via independent 3rd party auditors.

EcoVadis CSR Platform: Starting 2017 we have introduced EcoVadis - a collaborative platform that provides sustainability ratings, performance monitoring and continues improvement tools for our supply chains. The platform delivers simple and reliable scorecards to monitor supplier Corporate Social Responsibility (CSR) practices covering 150 purchasing categories, 110 countries, and 21 CSR indicators in 4 Themes: Environmental, Labor and Human Rights, Ethics and Supply Chain based on international standards as UN Global Compact, ISO 26000, GRI, ILO etc.

EcoVadis IQ Platform: EcoVadis IQ gives procurement and sustainability teams immediate sustainability risk insights across their entire supply base and smart recommendations on next steps, providing a foundation for proactive sustainability risk management and an engine for a smarter assessment strategy.

EcoVadis Inputs

- ✓ Inherent Industry & Country Risk
- ✓ Deep Sustainability Expertise
- ✓ Insights from 150,000+ Assessments



Your Customer Data

- ✓ Supplier Information
- ✓ Supplier Spend
- ✓ Supplier Criticality



Annual Sustainability Monitoring - Process Description (2/3)

Category Risk Mapping: In 2018 we introduced Category Risk Mapping provided by EcoVadis. Based on this an additional assessment layer has been added in 2019 that complements previous practices and we asked EcoVadis to refresh the entire supply base Categorization in 2020.

In 2023 we mapped supplier risk according to their Category Risk as developed by EcoVadis on behalf of CCHBC (based on Industry Sector and Country Risks) and Procurement Risk criteria developed internally. Each supplier is then mapped against each respective category and classified under an overall Risk level.

As a next step we have recorded for each supplier all available info on sustainability practices, covering the screening of 14,594 Tier 1 Suppliers in total (100% of total CCHBC active vendor codes for 2023).

As a result, we are clear which suppliers we do not have adequate information for. The next step, and based on criticality and risk level, we proceed to create additional asks and action plans to cover for gaps gradually prioritizing suppliers on criticality and significance

Supply Base Assessment (SBA) for our Group Critical Suppliers: Assessment is performed on a yearly basis by EY *denkstatt* that have developed the methodology and perform the assessment, with the support of our Strategic Procurement Managers (SPMs) who are offering market insights, Category details, Spend data and updates on Supplier specific actions to contain ESG risks.

The SBA covers areas as Supply Positioning and Risk Assessment in areas of Water stress, Climate Change, Forced Labour, Child Labour, Disregard of Labour Rights, Biodiversity & Financial Risks.





Demonstration of Compliance to SGP

Demonstration of Compliance Supplier must be able to demonstrate, at the request and to the satisfaction of Coca-Cola Hellenic, compliance with the **Supplier Guiding Principles (SGPs)** requirements.

If the eight Core Convention of the International Labour Organisation establish higher standard than local law, the **Supplier shall meet the ILO standards.**

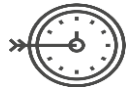
On annual basis Suppliers are also assessed their compliance and performance leveraging 3rd party SGP Audits and EcoVadis Assessment.

We collaborate with The Coca-Cola Company, which routinely utilize independent third parties to assess suppliers' compliance with the Supplier Guiding Principles; the assessments include confidential interviews with employees and on-site contract workers.

If a supplier fails to uphold any aspect of the requirements of the Supplier Guiding Principles, the supplier is expected to implement corrective actions. Coca-Cola Hellenic reserves the right to terminate an agreement with any supplier that cannot demonstrate that they are upholding the requirements of these Supplier Guiding Principles. These minimum requirements are part of all agreements between Coca-Cola Hellenic and its direct suppliers. We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with these Supplier Guiding Principles.



Category Risk Screening on EcoVadis Methodology / Developed by EcoVadis IQ



OBJECTIVES

Gain **visibility** into supplier portfolio risks and opportunities

Determine the **CSR Risks** combined with **Procurement risks** for each supplier under 217 purchasing Categories

Identify Risk Level for each supplier

Create a robust basis to **improve** the design of sustainable purchasing program



SCOPE & METHODOLOGY

- Analysis scope: Coca-Cola Hellenic Bottling Company
- Category Risk Mapping including CSR risk of Industry Sector, Spend score, Criticality, and Logo usage
- Spend score calculated based on (2022 app. €5 billion spend (Direct & Indirect) per each category level and €6.6 billion spend including TCCC, Finished goods & Other non- Procurement addressable spend
- Risk Analysis concerns 217 purchasing categories and a total of 14,594 suppliers



Category Risk Mapping by EcoVadis Industry Sector Materiality Analysis

Category risk profiles
available for more than
190 sectors

Relevant criteria are activated (Medium
importance, high importance) based on
severity & probability analysis of CSR
issues in the specific activity.

Criteria activated are analyzed within 4 Themes
(ENV, LAB, FBP, SUP)

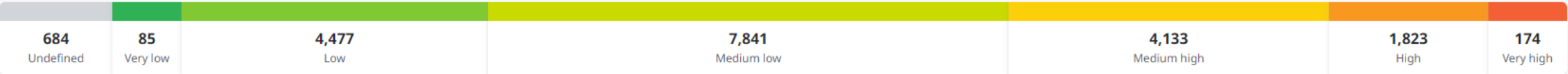
Criteria activated are summarized to global
sum of activated criteria

Other transportation support activities		Environment		Labor & Human Rights		Ethics		Sustainable Procurement	
Key CSR Issues		Environment		Labor & Human Rights		Ethics		Sustainable Procurement	
Importance	CSR issue	Importance	CSR issue	Importance	CSR issue	Importance	CSR issue	Importance	CSR issue
Medium	Energy Consumption & GHG	Medium	Energy Consumption & GHG	High	Employee Health & Safety	Medium	Corruption & Bribery	Medium	Suppliers & Environment
		Non-activated	Water	Medium	Working Conditions	Medium	Anti-competitive Practices	Medium	Suppliers & Social
		Non-activated	Biodiversity	Medium	Social Dialog		Responsible Information Management		
		Non-activated	Local Pollution	Medium	Career Management & Training				
		Medium	Materials, Chemicals & Waste	Medium	Child & Forced Labor				
		Non-activated	Product Use	Non-activated	Discrimination & Harassment				
		Non-activated	Product End-of-Life	Medium	External Human Rights Issues				
		Non-activated	Customers Health & Safety						
		Medium	Sustainable Consumption						



CSR Risk Screening in EcoVadis IQ (reference May 2024)

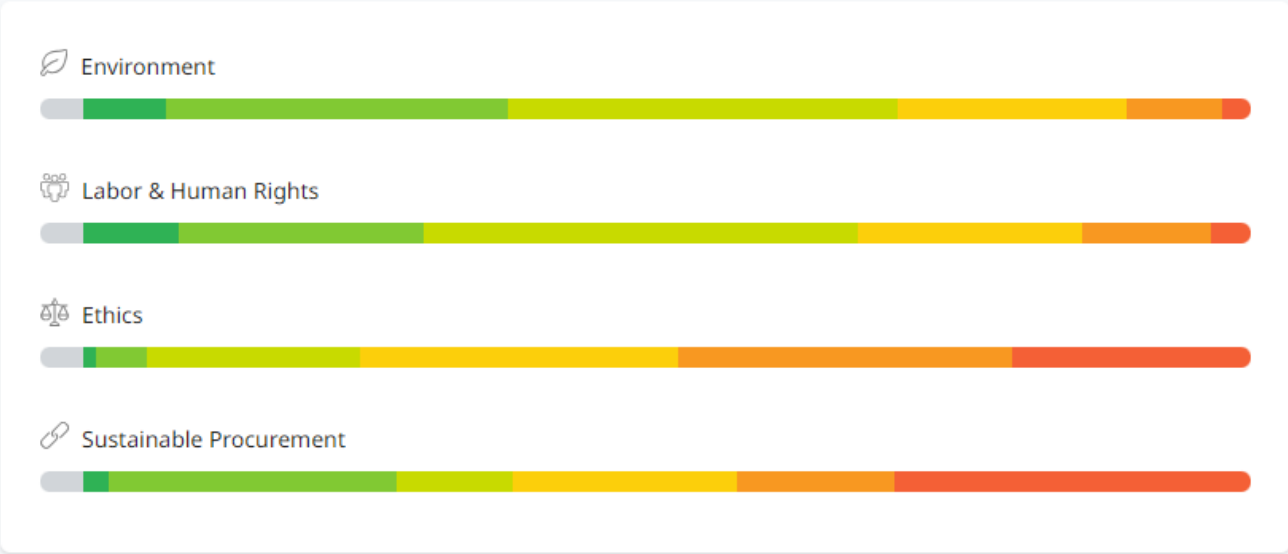
Overall risk distribution - by level



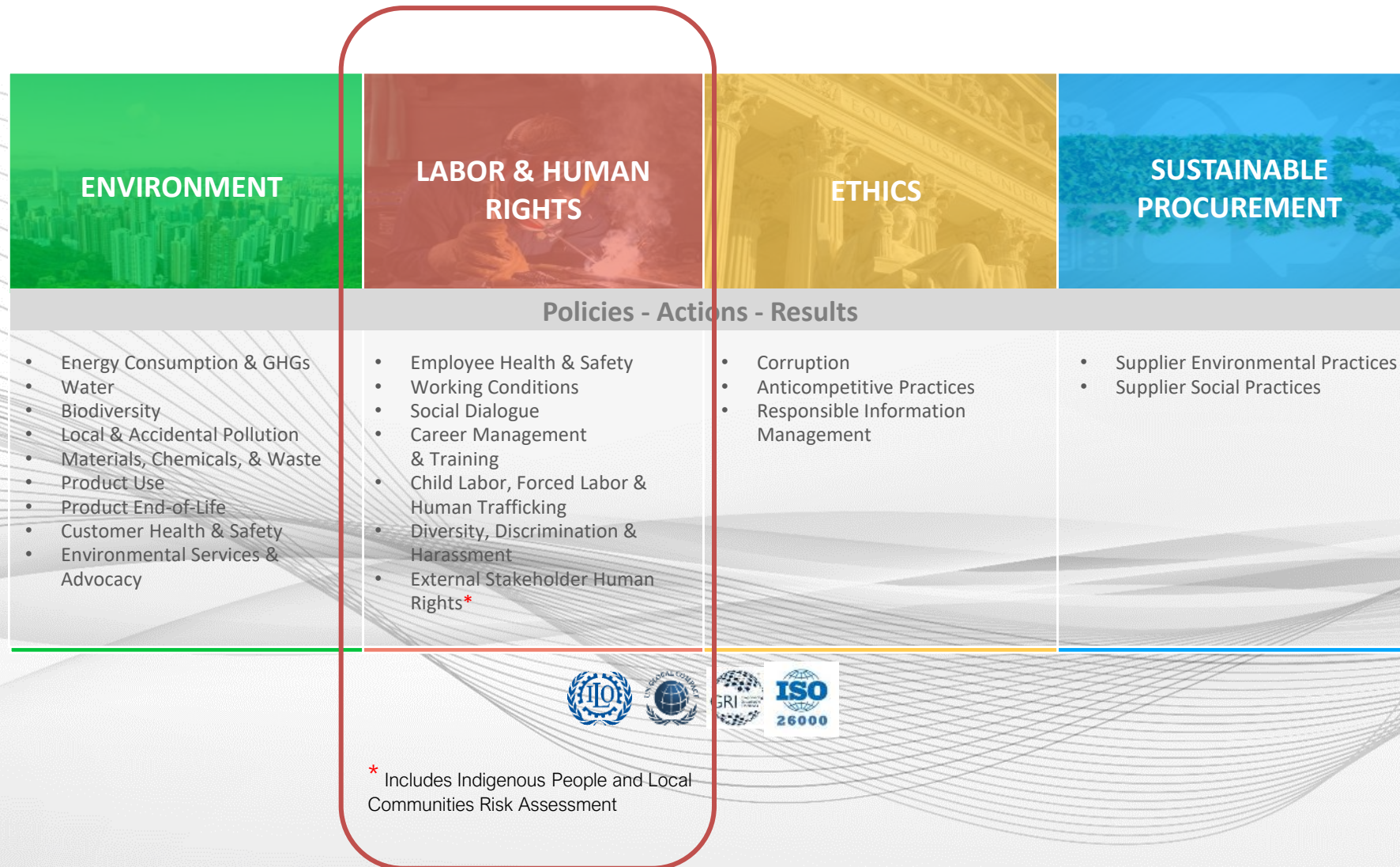
Overview



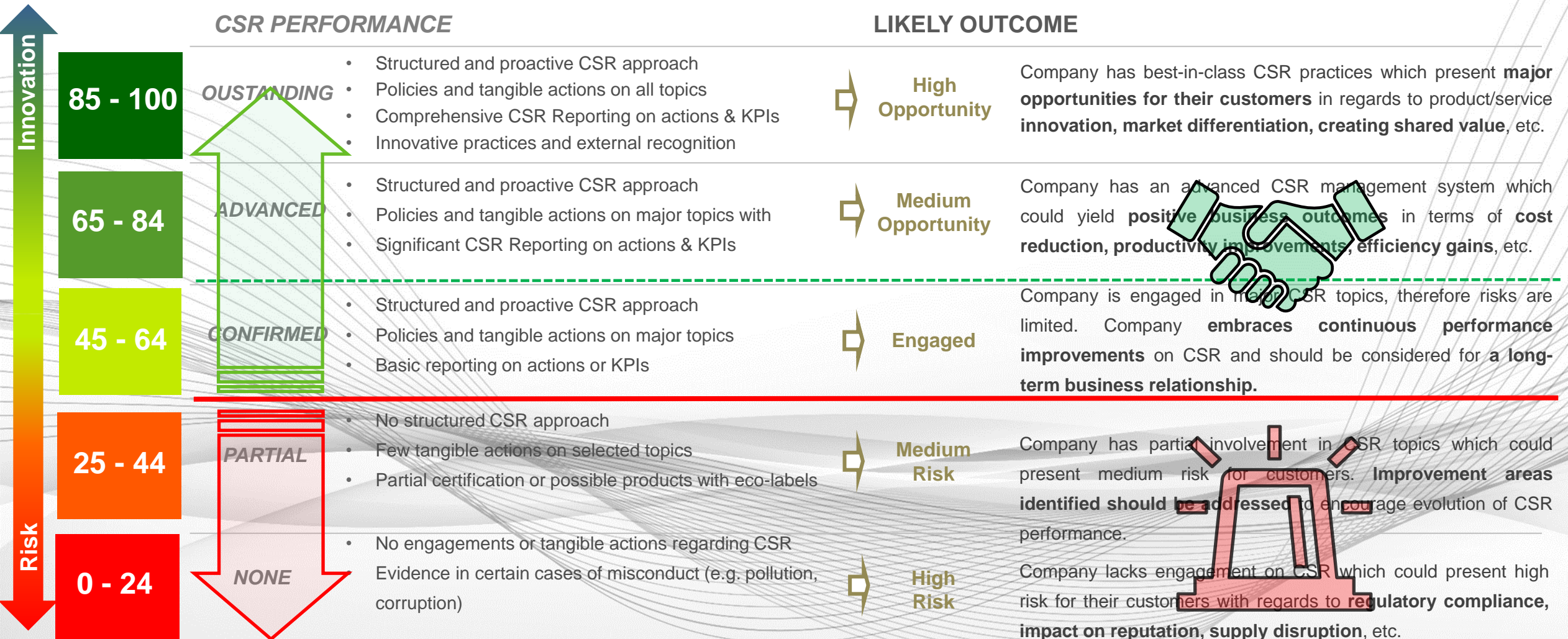
Company risk distribution per theme



EcoVadis Methodology - 4 themes / 21 CSR Criteria

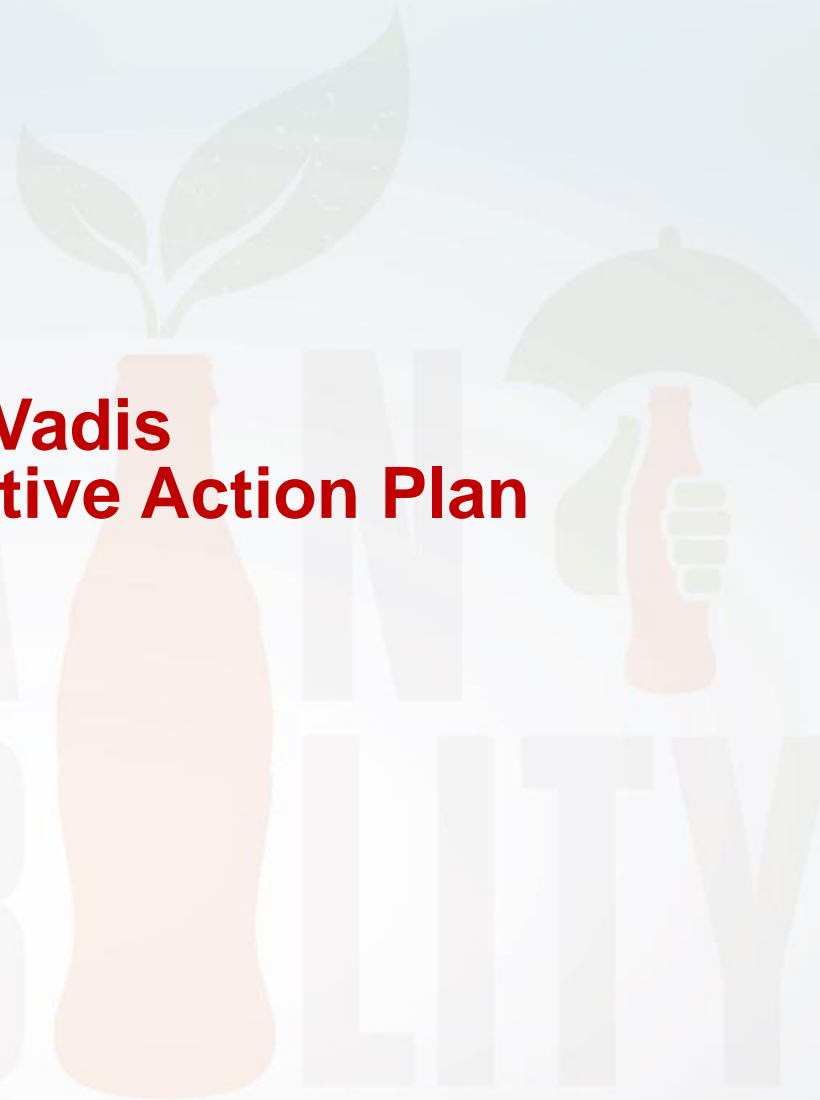


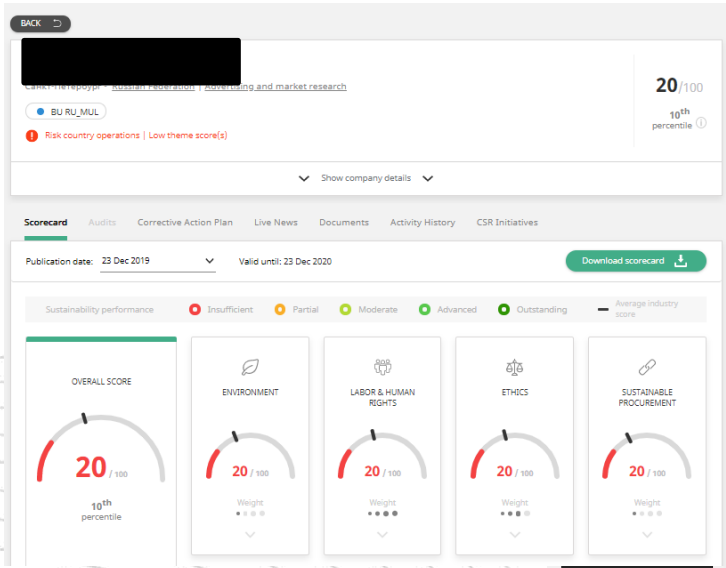
EcoVadis Scoring Scale and CCHBC Sustainable Sourcing Targets





EcoVadis Sample Corrective Action Plan





Corrective Action Plan

Based on Scorecard

Corrective actions (1)

Status	Theme	Priority	Indicator	Corrective actions	Requested by my company	Due/Solved	Status
High	All	None	Mandatory Corrective Action	Yes	2 Nov 2020	Requested	

Improvement Areas (26)

The improvement areas below were identified by EcoVadis during the last assessment. They are pre-organized by importance to facilitate improvement.

ecovadis

Search in Network

Priority	Theme	Indicator	Corrective actions	Requested by my company	Due/Solved	Status
High	All	None	Mandatory Corrective Action	Yes	2 Nov 2020	Requested

Improvement Areas (26)

The improvement areas below were identified by EcoVadis during the last assessment. They are pre-organized by importance to facilitate improvement.

Priority	Theme	Indicator	Improvement Areas
High	Environment	Policies	Inconclusive documentation on environmental policies
High	Environment	Results	No information on reporting on environmental issues
High	Labor & Human Rights	Policies	Inconclusive documentation on labor & human rights policies
High	Labor & Human Rights	Results	No information on reporting on labor & human rights issues
High	Ethics & Compliance	Actions	No measures in place regarding corruption
High	Ethics & Compliance	Policies	Inconclusive documentation on ethics policies
High	Ethics & Compliance	Actions	No measures regarding information security
High	Ethics & Compliance	Results	No information on reporting on ethics issues
High	Sustainable supply	Policies	Inconclusive documentation on sustainable procurement policies
High	Sustainable supply	Results	No information on reporting on sustainable procurement issues

KEY:

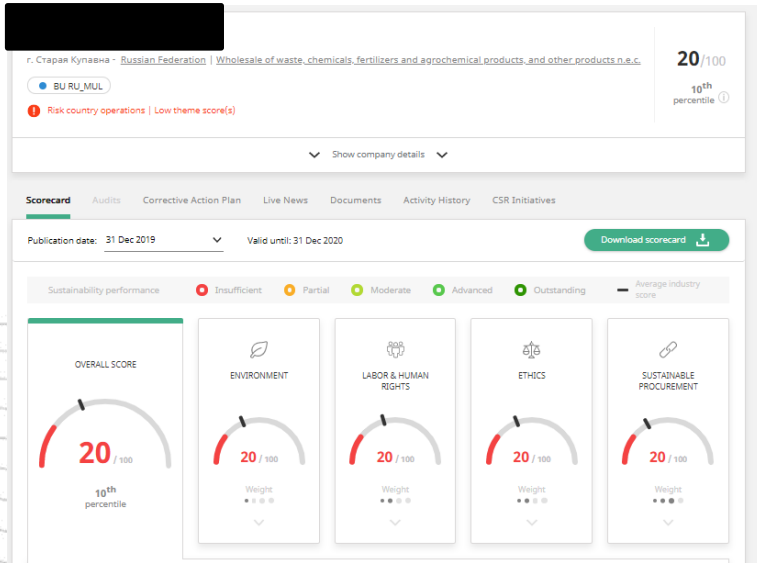
Environment

Human Rights

Ethics & Compliance

Sustainable supply





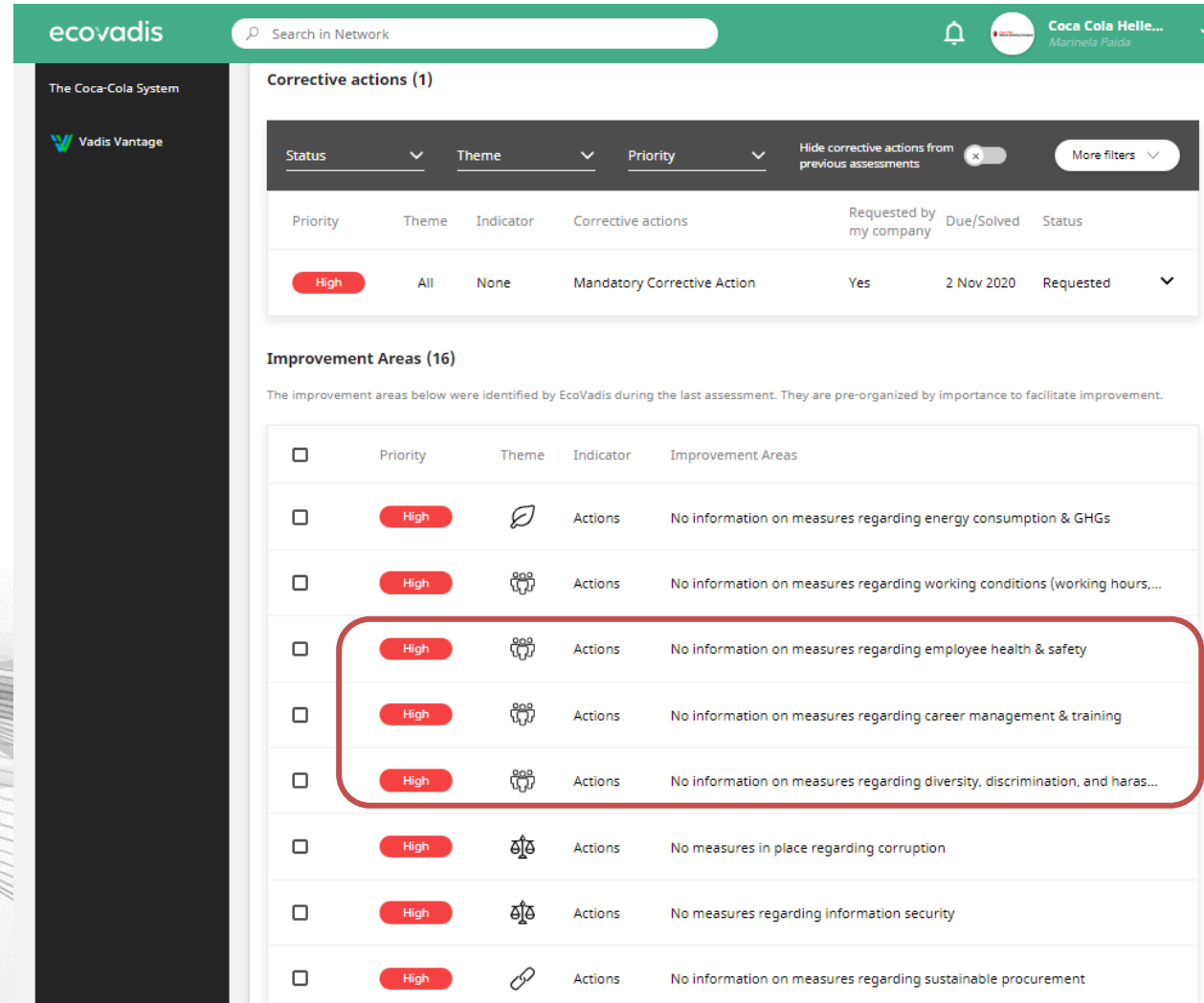
KEY:

Environment

Human Rights

Ethics & Compliance

Sustainable supply

ecovadis

Search in Network

Coca Cola Helle...
Marinela Paída

Corrective actions (1)

Status	Theme	Priority	Hide corrective actions from previous assessments	More filters
Priority	Theme	Indicator	Corrective actions	Requested by my company
Due/Solved	Status			
High	All	None	Mandatory Corrective Action	Yes
				2 Nov 2020
				Requested

Improvement Areas (16)

The improvement areas below were identified by EcoVadis during the last assessment. They are pre-organized by importance to facilitate improvement.

Priority	Theme	Indicator	Improvement Areas
High	Actions	No information on measures regarding energy consumption & GHGs	
High	Actions	No information on measures regarding working conditions (working hours,...	
High	Actions	No information on measures regarding employee health & safety	
High	Actions	No information on measures regarding career management & training	
High	Actions	No information on measures regarding diversity, discrimination, and haras...	
High	Actions	No measures in place regarding corruption	
High	Actions	No measures regarding information security	
High	Actions	No information on measures regarding sustainable procurement	

CCHBC ESG Pre-Assessment (Screening) Tool

ESG Objectives: Ensure Environmentally Sustainable Sourcing & Minimise Social Risks

When

- During RFx Process if Suppliers are not yet in EcoVadis or equivalent assessment not supplied by Vendor

Scope / Coverage

- CPG & Country Strategic RFPs

Weight

- 5% CSR + 47.5% Technical + 47.5 % Commercial

Validation Areas

- Environment / Human & Labor Rights / H&S Work Conditions / Society / Quality / Agriculture

ESG Final Validation

Green	Fully compliant - no further action required
Orange	Corrective Action required - send supporting evidence within 60 days
Red	Corrective Action required and evaluation of impact of non - conformance

Environmental, Social and Governance (ESG) refers to the three central factors in measuring the sustainability and ethical impact of a company or business.



ESG Pre-Assessment Document

	Threshold for scoring	Green	Orange	Red
Environment	16	<=16	17-32	>=33
Human and Labour Rights	18	<=18	19-36	>=37
H&S Work Conditions	30	<=30	31-60	>=61
Society	7	<=7	8-14	>=15
Quality	14	<=14	15-28	>=29
Agriculture	17	<=17	18-34	>=35
TTL Score - All applicable	305	<=102	103-204	>=205
TTL Score - W/O Quality and Agricul	214	<=71	72-142	>=143
TTL Score - W/O Agriculture	255	<=85	86-170	>=171

Scoring fixed, we have 3 scenarios:

1. All sections applicable, max score 305
2. All sections except Agriculture applicable, max score 255
3. Quality and Agriculture sections not applicable, max score 214

Whether Quality and Agriculture are included in scoring is determined on first answer in respective sheets for that sections, if it is answered N/A that sections wont be counted in score.

NOTES:

1. Option of having some questions applicable and some not in sections Quality and Agriculture is not considered - either all questions are applicable or all questions are not applicable.
2. Scoring: Low is good.
3. Findings can be Critical (scored with 5 points) and Minor (scored with 2 points)

Green	Fully Compliant – no action needed
Orange	Further investigation required – Supplier to be assessed by 3 rd party i.e. EcoVadis or equivalent if awarded or create corrective action plan internally
Red	Proposed not to be used unless imperative due to local conditions – Supplier to be assessed by 3 rd party i.e. EcoVadis or equivalent if awarded or create corrective action plan internally

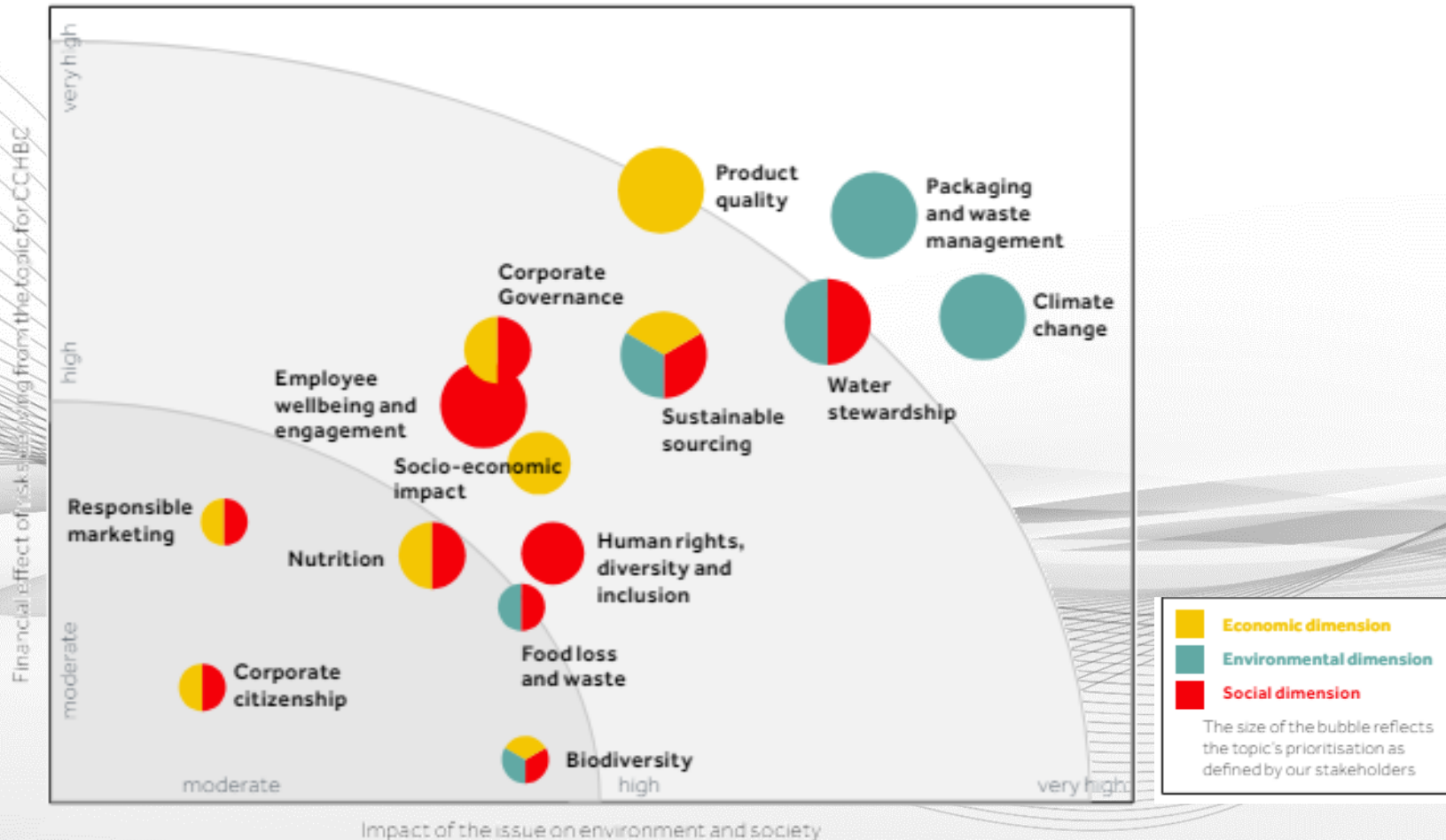


Coca – Cola HBC Materiality Matrix 2023

2021 we have upgraded the **SBA Assessment Methodology** with the input of specialist consultants from **EY *denkstatt*** and **sustainable**

The risk categories under assessment have been fully updated and the starting point has been the CCHBC Materiality Matrix. The materiality matrix is updated annually.

For further info pls refer to the [Coca-Cola HBC 2023 Integrated Annual Report](#) p.83



2023 Annual Supply Base (SBA) Risk Assessment Methodology



Content for methodology

A Overview of CCHBC Supply Base Assessment (SBA) Methodology

B Overview on the **risk categories** for SBA 2023

C Overview on the **indicators** enabling the estimation of **inherent risks**

D Methodology assessing the **residual risk**, after consideration of risk reduction measures

E Deep Dive on the methodology and indicators of each risk category

Note: i. This supply base assessment covers the group managed suppliers of CCHBC
ii. Due to the ongoing conflict between Ukraine and Russia, Russian suppliers are considered out of scope for the 2022 assessment

A. Overview of CCHBC Supply Base Assessment (SBA) Methodology

CCHBC Supply Base Assessment (SBA) & in scope Suppliers

In Coca-Cola HBC we segment suppliers into three categories based on criticality and potential opportunities:

Group Critical Suppliers are those that fulfil any of the following criteria: high percentage of spend, critical components (including but limited to Sweeteners, Juices, Resin, Cans, Glass, Preforms, Closures, Aseptic Packaging, Secondary Packaging, Cold Drink Equipment etc.), limited alternatives and partnership supporting our business strategies.

Country Strategic Suppliers are those which have strategic importance at a local or regional level.

Both Group Critical & Country Strategic suppliers are considered Critical to the overall competitiveness and success of Coca-Cola HBC.

Tactical Suppliers represent low-volume and/or low-spend suppliers, supplying goods or services where there are many alternative sources available, enabling a flexible supply base.

Both Group Critical & Country Strategic suppliers as well as The Coca-Cola Company (TCCC) Concentrate supply, have significant business relevance to the company and are considered to be of great substance in terms of potential ESG or financial impact. To this respect these suppliers are defined to be **Significant Suppliers** to the overall competitiveness and success of Coca-Cola HBC.

Supply Base Assessment (SBA): this is a deep dive and detailed assessment to T2 level of the Coca-Cola HBC Group Critical Suppliers. This is performed on a yearly basis by specialist consultancy in Sustainability (**EY denkstatt**) with the collaboration of our Strategic Procurement Managers that are responsible for the highest impact and spend Procurement Categories. The SBA covers areas such as Water risk, Climate Change, Forced Labour, Child Labour, Disregard of Labour Rights, Biodiversity & Financial Risk and it includes both Tier 1 suppliers as well as Tier 2 suppliers.

TCCC and Coca-Cola HBC we share the same ESG standards and policies and as members of The Coca-Cola System we share to a great extent common supply base that we jointly manage, negotiate, innovate and support improvements in their ESG performance.

CCHBC have been conducting Supply Base Assessments (SBA) for their Group Significant/Critical Suppliers for several years. The SBA has been conducted along six environmental and social sustainability risk categories. The overall risk results are taking into consideration the residual risk assessment which is a combination of the inherent risk as well as a mitigation measures and certificates, such as e.g. EcoVadis Scores and on-site audits.

Inherent risk Assessment

To assess the six environmental and social risk categories, CCHBC first conducted an “inherent risk assessment”, based on industry and geographical location of the Supplier. For this assessment, internationally recognized databases and tools were used, such as WWF Risk Filter for Water and Biodiversity Risks, Environmental Performance Index and CO2 Footprint of purchased materials for Climate Risk, as well as Walk Free Foundation, UNICEF, ITUC and ILOSTAT for Social Risks.

Residual risk Assessment

Then, a “residual risk assessment” was conducted, taking into account supplier-specific sustainability and risk reduction measures, such as EcoVadis Scores, Principles of Sustainable Agriculture, SEDEX and CCHBC own on-site audits, in order to derive a final supplier-specific score per risk category.

SBA includes also a **Financial Risk Assessment** Conducted by *Moody's Analytics*

B. Overview on the risk categories for SBA 2023

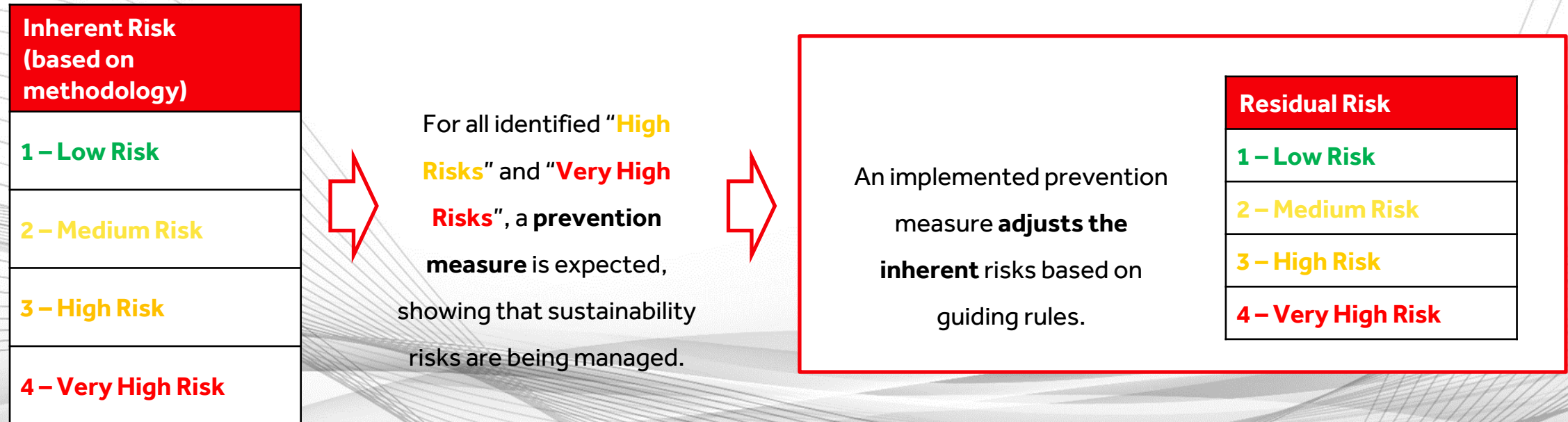
Risk Categories	Description
1. Water Risk	Consumption and pollution of water along the upward value chain through fabrication processes or from the purchased product composition.
2. Climate Change	Impact on Climate Change through the direct or indirect emission of Greenhouse Gas along the upward value chain.
3.1. Forced Labour	Work or service in the supply chain that would be required of a person under threat of punishment and for which he or she has not made himself or herself available as voluntarily.
3.2. Child Labour	Presence in the supply chain of exploitation of children interfering with compulsory school attendance and/or through a mentally, physically, socially and/or morally harmful work.
3.3. Disregard of Labour Rights	Lack of consideration of people's rights in the relation with their employers in the supply chain through freedom of association, unequal treatment and/or fair wage .
4. Biodiversity	Degradation of valued ecosystems and species through the economic activities led in the upward value chain.
5. Financial Risk	<i>Financial risk will be shown separately from sustainability risk assessment</i>

C. Overview on the inherent risk indicators

Risk Categories	Risk Factor #1	Risk Factor #2
1. Water Risk	Country Risk: WWF Water Risk Filter , WWF, 2021	Commodity Risk: Water footprint of the purchasing category
2. Climate Change	Country Risk: EPI Climate Change Index , Yale University, 2022	Commodity Risk: Emission factor of the purchasing category
3.1. Forced Labour	Country Risk: Global Slavery Index , Walk Free Foundation, 2023	Commodity Risk: Indication of Forced Labour in the industry
3.2. Child Labour	Country Risk: Proportion of children engaged in economic activity (%), UNICEF , 2023 & ILOSTAT , 2021	Commodity Risk: Indication of Child Labour in the industry
3.3. Disregard of Labour Rights	Country Risk: Global Rights Index , International Trade Union Confederation (ITUC), 2023	Country Risk: Working poverty rate (%), ILOSTAT, 2023
4. Biodiversity	Country Risk: EPI Biodiversity & Habitat , Yale University, 2022	Commodity Risk: Potential risks on biodiversity of the purchasing category
5. Financial Risk	Moody's External Analysis	

D. Methodology – Residual risk (1/3)

Methodology Approach: Incorporation of Risk Reduction Measures to calculate Residual Risk



D. Methodology – Residual Risk (2/3)

Risk reducing actions/certifications/audits

Risk Categories	SGP Audit	EcoVadis	PSA (only Juices and Sweeteners purchasing categories)	SEDEX	SPM Comments; Annual Supplier Evaluation; ESG Form*
1. Water	No change to risk assessment				Strategic procurement managers (SPM) comments do not change the risk score, but are mentioned as additional information in the purchasing category summary
2. Climate Change	X	X	X	X	
3.1. Forced Labour	X	X	X	X	
3.2. Child Labour	X	X	X	X	
3.3. Disregard of Labour rights	X	X	X	X	
4. Biodiversity			X		

*Annual Supplier Audit and ESG Form will not be used in Methodology

D. Methodology – Residual risk (1/3)

For all identified “**High Risks**” and “**Very High Risks**”, a **prevention measure** is expected, showing that sustainability risks are being managed. Each result is associated to an equivalent of risk points, then an average is taken according to the total of available measures. If there is none of the selected prevention measures available, the inherent risk score is used in the SBA.

Risk Categories	Adjustment of the inherent risk	Weighting points	Comments
SGP Audit	<ul style="list-style-type: none"> Green → “1 – Low Risk” Yellow → “2 – Medium Risk” Orange → “3 – High Risk” Red → “4 – Very High Risk” No Audit → No change 	2 Points	<p>The following rules are considered:</p> <ul style="list-style-type: none"> - A measure performed at supplier will apply to all entities regardless of the entity in scope of the assessment - The measure performed in the most recent year is considered regardless of the score - The worst score is considered if two similar measures are performed the same year - Feedbacks from SPM are integrated as comments but don't have any influence on the suppliers' risk scores
PSA (only for Juices and Sweeteners)	<ul style="list-style-type: none"> PSA Audit YES → “1 – Low Risk” PSA Audit PARTIAL → “2 – Medium Risk” No PSA Audit → No change 	2 Points	
SEDEX	<ul style="list-style-type: none"> 0 Non-Conformity (NC) → “1 – Low Risk” <=3 NC → “2 – Medium Risk” <=6 NC → “3 – High Risk” >6 Critical NC → “4 – Very High Risk” 	2 Points	
EcoVadis	<ul style="list-style-type: none"> Score >=45 → “1 – Low Risk” <45 Score → “3 – High Risk” <=24 → “4 – Very High Risk” No score → No change 	1 Point	

The division is done by the total weighting points of the available measures

EXAMPLE	SGP	SEDEX	PSA	EcoVadis	CALCULATION	RESIDUAL RISK
Supplier A	1 – Low	3 – High Risk	1 – Low		$= \text{ROUND}((1*2 + 3*2 + 1*2) / 6) = 2$ <p>SGP + SEDEX + PSA</p>	2 – Medium Risk
Supplier B	1 – Low			4 – Very High	$= \text{ROUND}((1*2 + 4*1) / 3) = 3$ <p>SGP + EcoVadis</p>	3 – High Risk

2023 Supply Base Risk Assessment Methodology Approach per Risk Category for Inherent risk

Methodology Approach

1. Water Risk

1. Water Risk Methodology Summary (1/2)

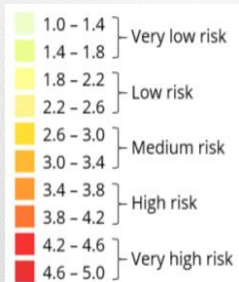
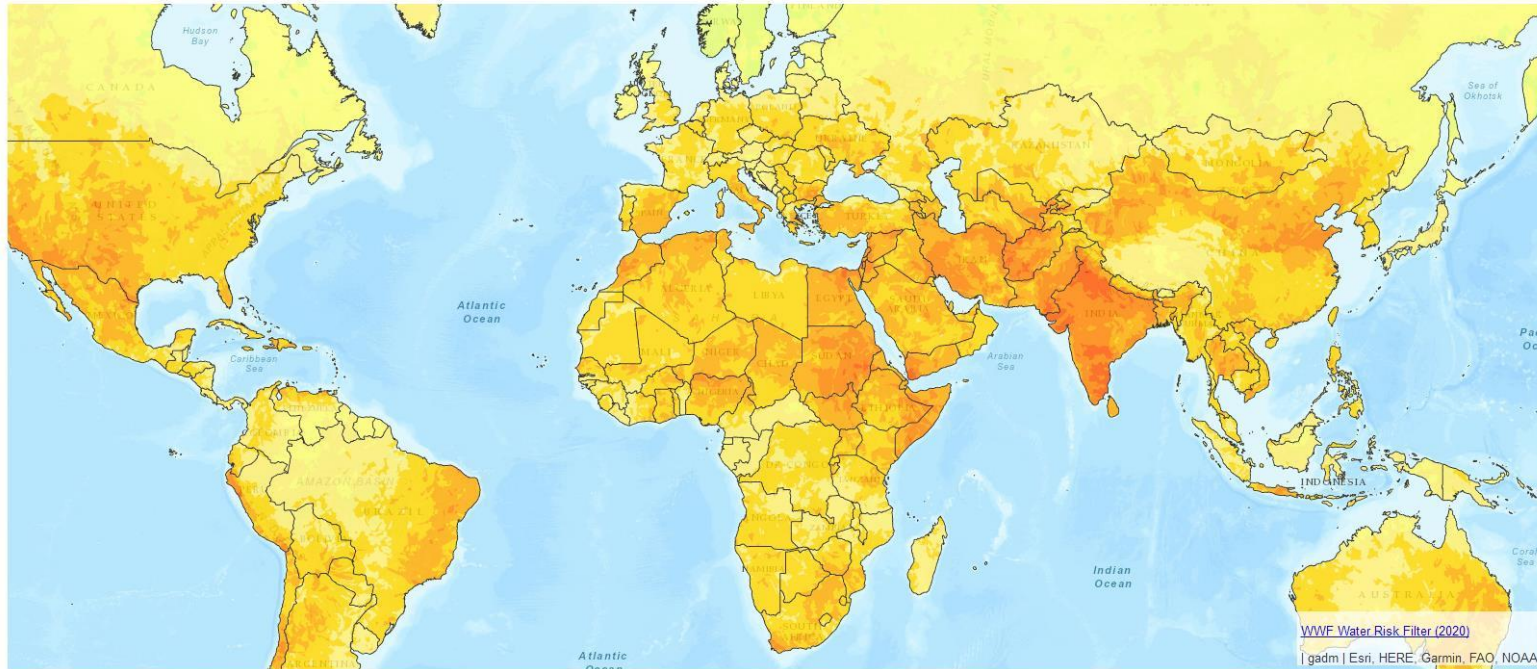
- We identify Water Basin and Operational Risk per Supplier site (taking into consideration their industry) through WWF Water Risk filter tool and plot our suppliers on the following Water Risk Matrix
- For the supplier that their water footprint as per below table is low/medium and for which assessment through WWF Water Risk filter tool is not available we proceed as follow: a) determine the water needs as per following table, b) identify river basin of production and determine water stress level in that river basin based on WWF geographical risk per industry (if available), and c) plot our suppliers on the following Water Risk Matrix

Water footprint of material	Very high	irrigated maize		irrigated cane			
		irrigated beet					
	High	irrigated orange		aluminium from raw material		Pulp & Paper	
		irrigated citrus		steel from raw material		cardboard	
	Moderate	maize	glass	PET	PE & MRO		
		beet	aluminium from recycling		Electricity		
		cane	steel from recycling				
	Low	orange	Pineapple	Fleet	Servers	Office Devices	Gas
		citrus	Personnel	Logistics	Air Carries	Travel Industry	Fuel
		Apple	Temp Staff	Data Centre	Security	Professional Services	

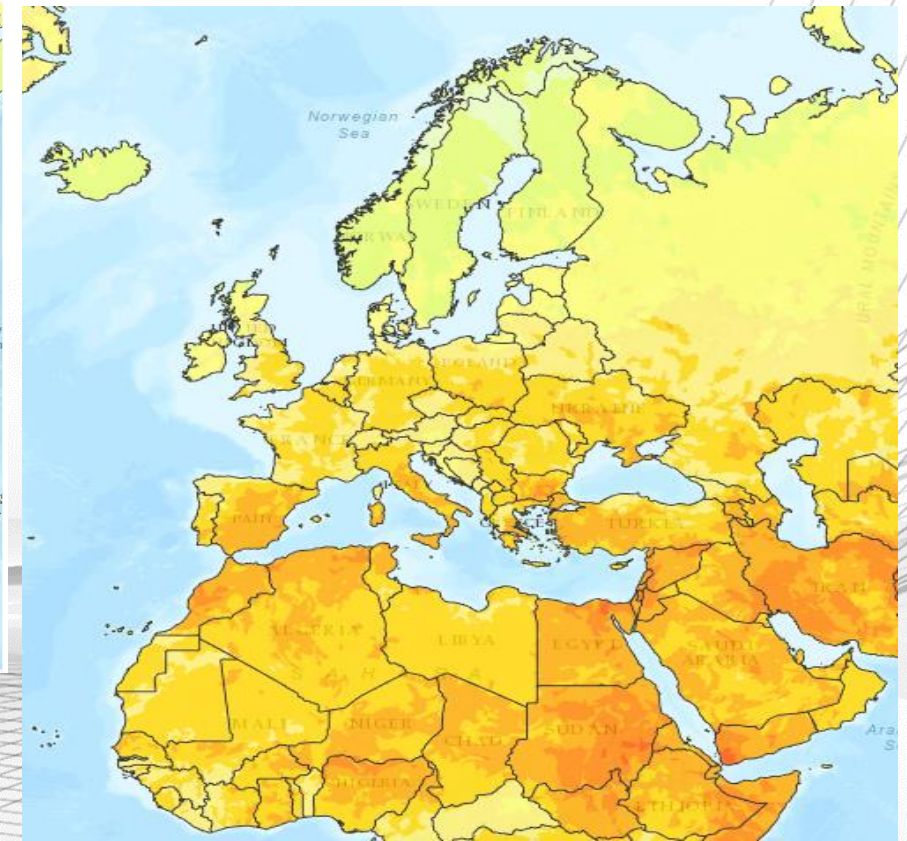
1. Water Risk Methodology Summary (2/2)



Maps



The map represents the aggregated overall water risk for a selected industry. The weighting scheme varies between different Industries and therefore overall risk maps may vary.



1. WWF - Water Risk Filter Assessment Methodology

The WWF Water Risk Filter (WRF) covers all relevant elements of water risks, all industries (standard classifications) and all countries of the world, it is a leading, online tool that enables companies and investors to Explore, Assess, and Respond to water risks in their operations, supply chain and investments.

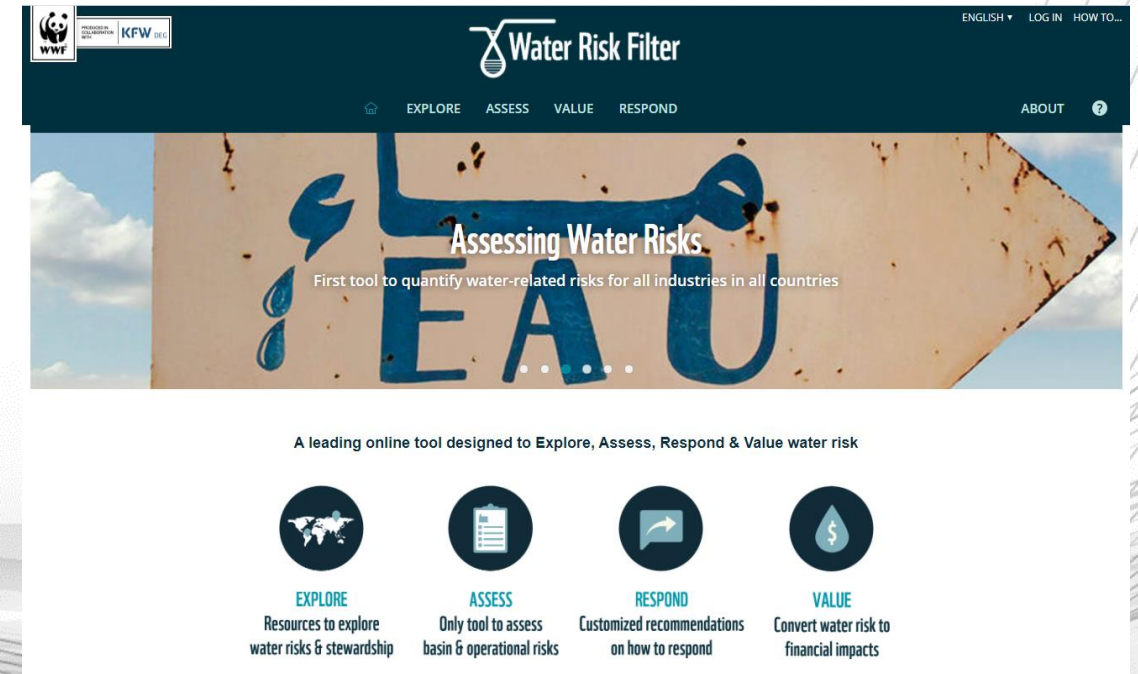
With its unique ability to combine state-of-the-art basin data with industry-weightings and operational information, the tool helps us better understand important aspects of water challenges across our supply chain and strategically plan for actions to mitigate these risks.

The Water Risk Filter's risk assessment is based on a Suppliers' geographic location(s), which informs a site's **basin-related risks**, as well as characteristics of its operating nature (e.g., its reliance upon water, its water use performance given the nature of the business/site), which informs a site's operational-related risks.

Coca-Cola HBC uses the WRF to assess all Direct Group Critical suppliers and specific Indirect Suppliers with potential water impact. Suppliers received a template and a questionnaire to fill in which

Coca-Cola HBC subsequently upload in the WRF on-line tool to generate the respective Risk profile/ Overall Risk scoring per Supplier location/site.

Overall Risk - The combination of the Basin and Operation risk (equally weighted) provides a comprehensive overall water Risk assessment. In rare cases where operational questionnaire is missing overall risk is based only on Basin Risk.



According to The World Wildlife Fund (**WWF**) and the World Business Council for Sustainable Development (**WBCSD**) the [three leading corporate water tools](#) for companies and investors to assess water risks and shared water challenges are the following:

[WBCSD's India Water Tool](#)
[WWF's Water Risk Filter](#)
[WRI's Aqueduct Water Risk Atlas](#)

1. WWF Water Risk Filter – Basin Water Risk Assessment

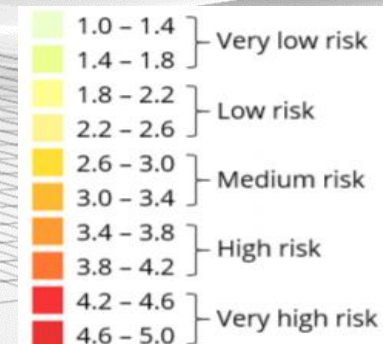
The screenshot shows the WWF Water Risk Filter interface. The top navigation bar includes 'EXPLORE', 'ASSESS' (selected), 'VALUE', and 'RESPOND'. Below this, a sub-navigation bar shows 'Introduction', 'Basin Risk' (selected), 'Operational Risk', 'Analyse Risk', and 'Analyse Opportunity'. The main content area is divided into 'Single site' and 'Portfolio' sections. The 'Single site' section has buttons for 'Add new', 'Edit', and 'Delete'. The 'Portfolio' section has buttons for 'Add new', 'Edit', and 'Delete'. The 'Single site' section is active, showing a map of South America with a location pin in Brazil. To the right of the map, there are input fields for 'Site Name*', 'Select Industry*' (with a dropdown menu showing 'No industries'), and 'Select Exact Location*' (with a search icon). Below these fields are two buttons: 'Save and proceed to operational risk' and 'Save and analyse results'.

Basin Risk – Companies face different physical, regulatory and reputational risks due to the nature and conditions of the basins in which they are operating. The geographic location of a company's sites will determine its basin water risk exposure.

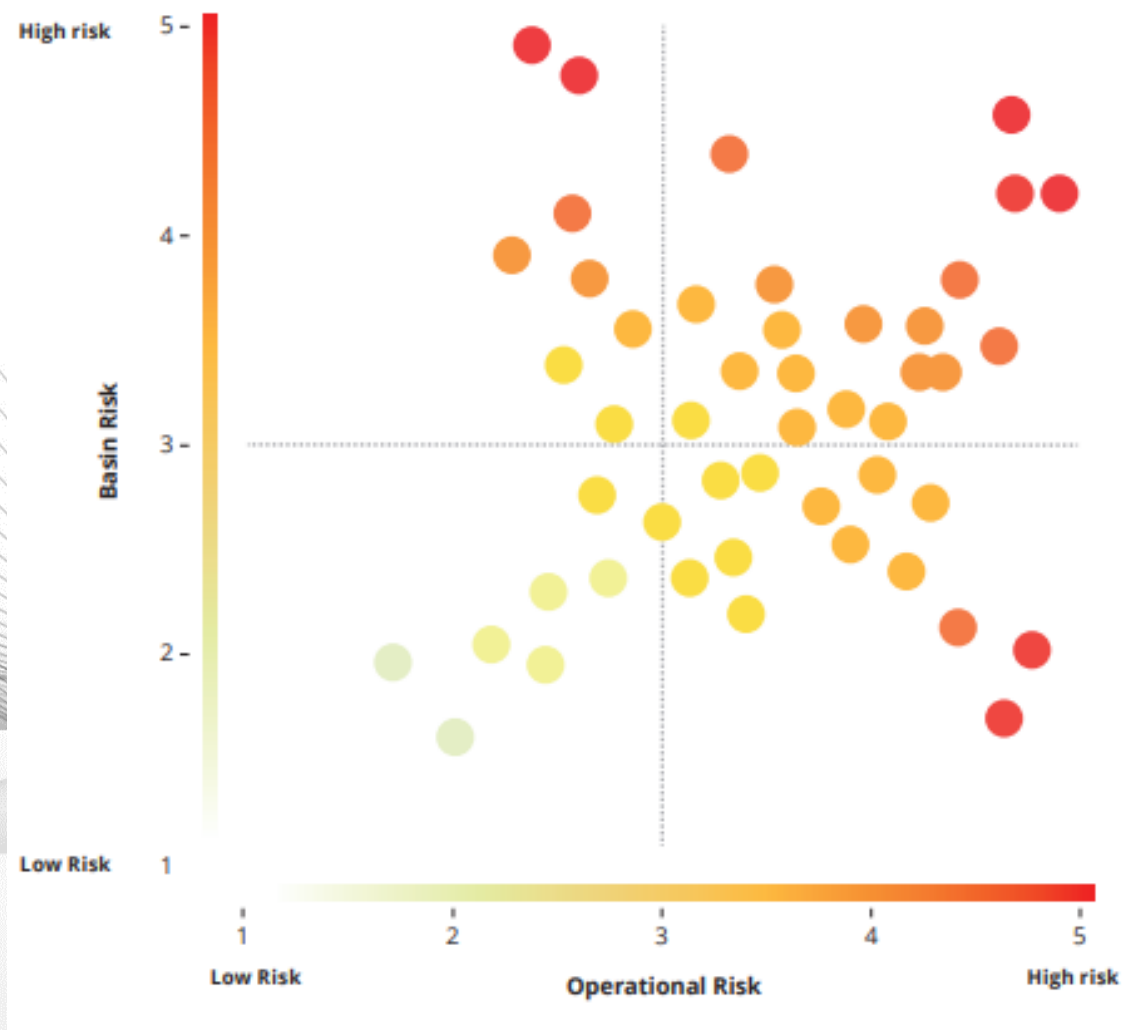
Suppliers provides to CCH information on the sector and locations of its facilities (which are serving CCH) by using a predefined template, in order to assess its water risks based on location, referred to as basin-related risk.

CCH receives the questionnaires from suppliers and upload them on WWF Water Risk Filter platform. Based on the Water Risk Filter's 32 water risk data sets and pre-selected industry weightings, Overall basin risk scores (ranging from 1 to 5) at the facility and for the entire portfolio are generated.

Overall Risk



1. WWF - Water Stress Risk Matrix



By assessing both basin and operational risks, companies and investors can get a complete understanding of the potential water risk facing their operations and investments, which will help to better focus efforts and actions to address them.

Table Key

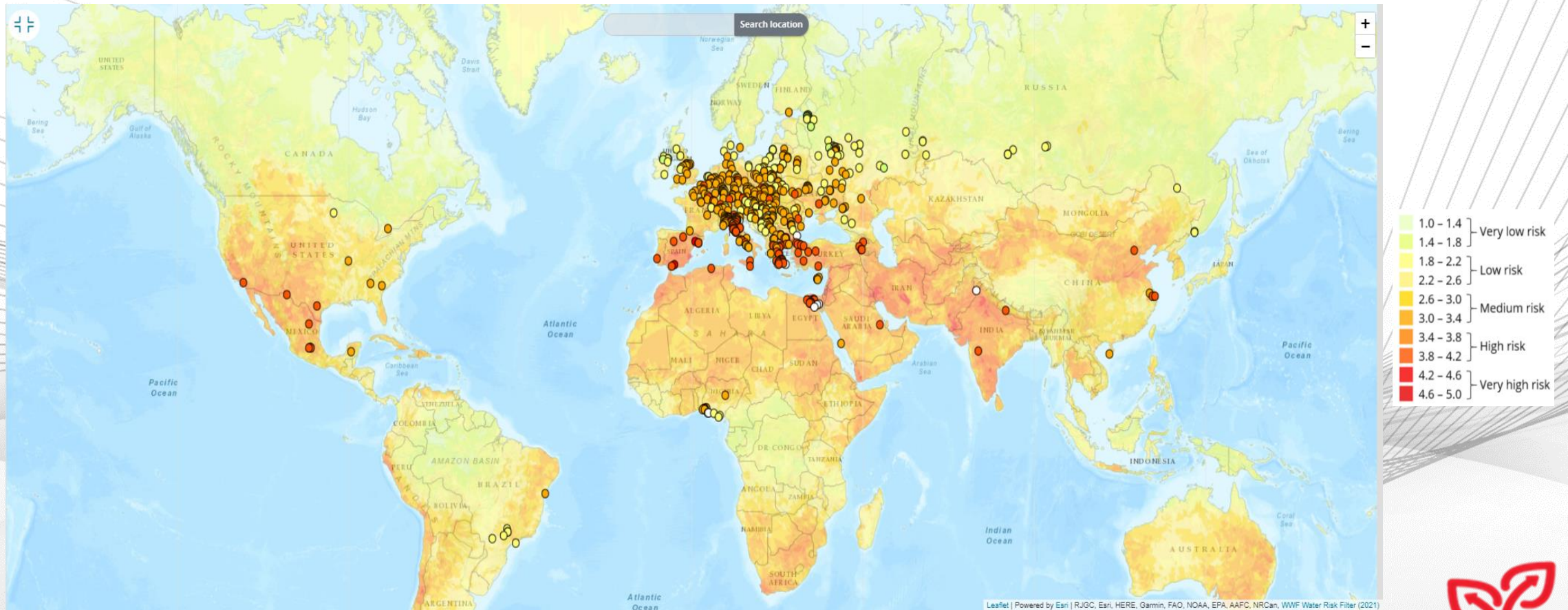
Low
Medium
High
Very High

WWF Water Risk Filter Map

The WWF map represents the aggregated overall water risk for a selected industry. The weighting scheme varies between different Industries and therefore overall risk maps may vary.

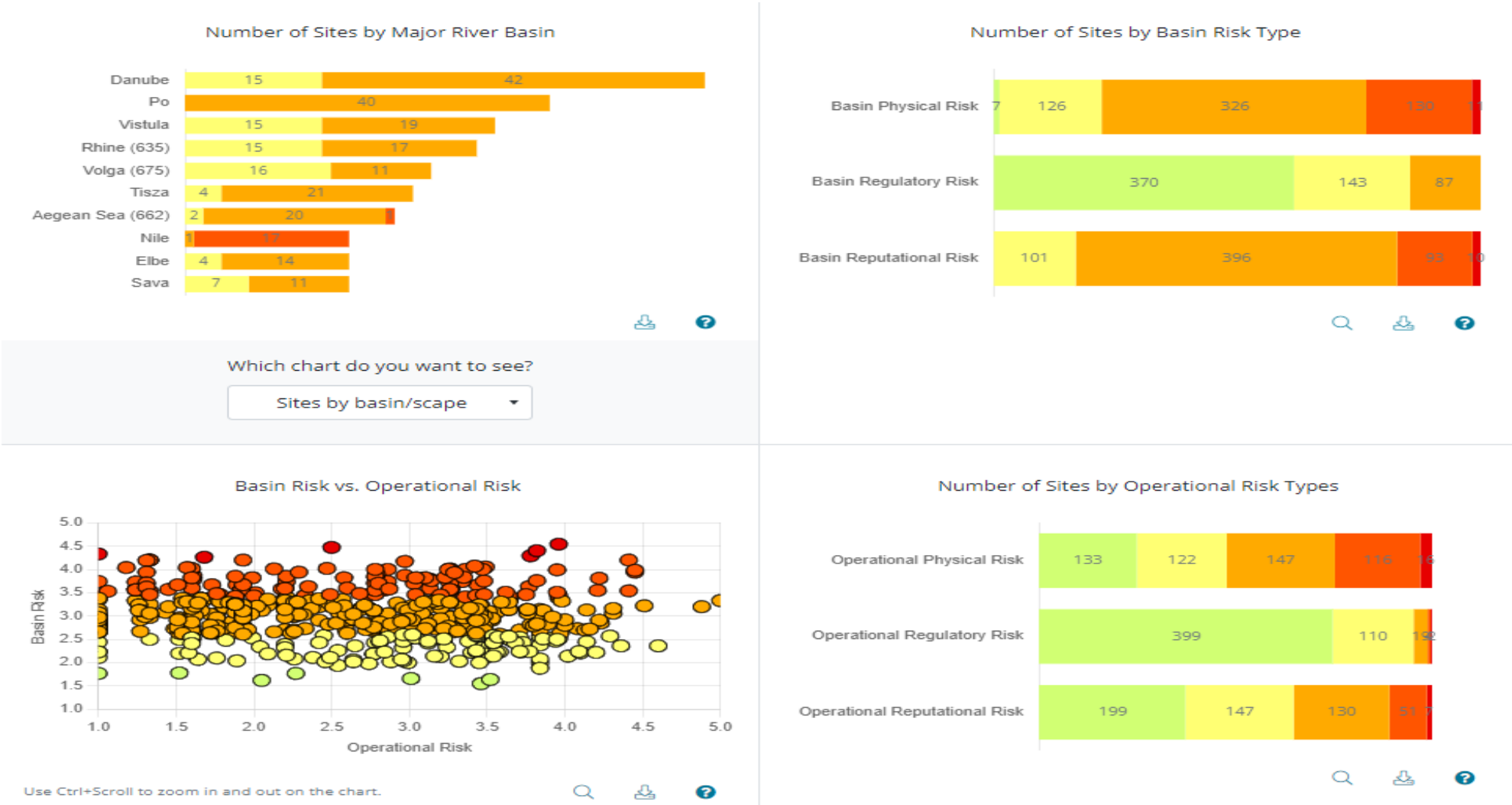
The map shows the distribution of all suppliers' sites represented by green pointers across the world and how they are exposed to different types of basin water risks.

The tool allows to choose the type of industry and the suppliers sites. Thus, different maps have been created per Category.

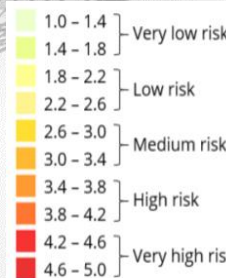


WWF Water Risk Filter Graphs

The Graphs shows our Suppliers Risk per Risk Category per production site and the Risk Matrix of all our supplies assessed through WRF



WRF Risk Levels



Methodology Approach

2. Climate Change

2. Climate Change

Description: Impact on Climate Change through the direct or indirect **emission of Greenhouse Gas** along the upward value chain.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p data-bbox="188 576 1072 618">EPI Climate Change Index, Yale University, 2022.</p> <p data-bbox="188 678 1235 819">The Yale University in the United States monitors a global environmental index per country, in which Climate has a specific section.</p> <p data-bbox="188 879 1245 1075">The Climate Change index is composed of eight indicators detailed in the next slide, and ranges from 1 (bad performance on the greenhouse gas theme) to 100 (good performance).</p>	<p data-bbox="1314 576 2109 618">Emission factor of the purchasing category.</p> <p data-bbox="1314 678 2372 819">CCHBC uses internal emissions per purchasing category for the calculation of the Scope 3.1 “Purchased Goods and Services”.</p> <p data-bbox="1314 879 2318 1021">The chosen emission factors represent the generic emission level of the product or service purchased, and they have been sorted according to their impact.</p>

2. Climate Change – Risk Factor #1

Details of EPI Climate Change Index



The EPI Climate Change Index includes in its calculation the following items:

Climate Change	CCH	40%	CO ₂ Growth Rate	CDA	55%
			CH ₄ Growth Rate	CHA	15%
			F-gas Growth Rate	FGA	10%
			N ₂ O Growth Rate	NDA	5%
			Black Carbon Growth Rate	BCA	5%
			CO ₂ from Land Cover	LCB	2.5%
			GHG Intensity Trend	GIB	5%
			GHG per Capita	GHP	2.5%

Scoring model

Index	Risk Estimation
0,00 to 24,99	Very High
25,00 to 49,99	High
50,00 to 74,99	Medium
> 75,00	Low

CDA: The CO₂ growth rate is calculated as the average annual rate of increase or decrease in raw carbon dioxide emissions.

CHA: The CH₄ growth rate, is calculated as the average annual rate of increase or decrease in raw methane emissions.

FGA: The F-gas growth rate, is calculated as the average annual rate of increase or decrease in raw fluorinated gas emissions.

NDA: The N₂O growth rate is calculated as the average annual rate of increase or decrease in raw nitrous oxide emissions.

BCA: The black carbon growth rate, is calculated as the average annual rate of increase or decrease in black carbon.

GHP: We calculate greenhouse gas (GHG) emissions per capita for each country.

LCB: This new indicator estimates CO₂ emissions from land cover change.

GIB: Our greenhouse gas (GHG) intensity growth rate indicator serves as a signal of countries' progress in decoupling emissions from economic growth. This indicator highlights the need for action on climate change mitigation in countries at all income levels.

2. Climate Change Risk Factor #2 Emission factors per purchasing category

SBA 2023

Total Emissions	Category
4 - Very High	Cans
3 - High	FLM
3 - High	LOG
3 - High	Stretch & Shrink Film
3 - High	PET PREFORMS
3 - High	PET Resin (vPET)
3 - High	Plastic Closures
3 - High	Metal Closures
3 - High	Metal Crowns
2 - Medium	Glass Bottles
2 - Medium	Utilities
2 - Medium	PET Resin (rPET)
2 - Medium	CDE
2 - Medium	Aseptic Fiber Packaging
2 - Medium	Corrugated & Paperboard
2 - Medium	Plastic Labels (BOPP, Sleeves, PSL)
2 - Medium	PAPER LABELS
2 - Medium	BIB Bags
2 - Medium	Sweeteners (Sugar)
2 - Medium	Sweeteners (HFCS)
2 - Medium	Sweeteners (Dextrose)
1 - Low	Coffee Machines
1 - Low	PEQ/MRO
1 - Low	CO2
1 - Low	IST
1 - Low	Juices
1 - Low	Corporate Services
1 - Low	SAM

Climate risks estimations per purchasing category have been updated with actual emission factors used for CCHBC Scope 3 calculation.

Scoring model

Kg CO2 per unit	Risk Estimation
> 4	Very High
2 to 3,99	High
0,5 to 1,99	Medium
0 to 0,49	Low

2. CCH Methodology - Matrix: Climate Change

Inherent supplier risk is determined according to the following table:

Climate Change		Purchasing category risk analysis <i>How important is the emission factor of the purchasing category?</i> CCHBC Emission Factors			
		Low <i>0 to 0,49 Kg CO2 per Kg or EUR</i>	Moderate <i>0,5 to 1,9 Kg CO2 per Kg or EUR</i>	High <i>2 to 3,9 Kg CO2 per Kg or EUR</i>	Very High <i>> 3,9 Kg CO2 per Kg or EUR</i>
Country risk analysis <i>What is the score of the supplier country on EPI Index related to Climate Change?</i>	Low <i>0 to 24,99</i>	Low Risk	Low Risk	Medium Risk	High Risk
	Medium <i>25 to 49,99</i>	Low Risk	Medium Risk	Medium Risk	High Risk
	High <i>50 to 74,99</i>	Medium Risk	Medium Risk	High Risk	Very High Risk
	Very High <i>75 to 100</i>	High Risk	High Risk	Very High Risk	Very High Risk

**Methodology
Approach
Section 3
Social Risks**

3.1

Forced Labour

3.2

Child Labour

3.3

Disregard of Labour Rights

Methodology Approach

3.1. Forced Labour

3.1. Forced Labour

Description: Work or service in the supply chain that would be required of a person under threat of punishment and for which he or she has not made himself or herself available as voluntarily.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p>Global Slavery Index, Walk Free Foundation, 2023</p> <p>The Walk Free Foundation is an independent, privately funded international human rights organisation based in Perth (Australia) focussed on the eradication of all forms of modern slavery.</p> <p>The foundation measures globally modern slavery through a combined methodological approach, drawing on three sources of data: nationally representative surveys, counter trafficking data collaborative dataset, comments from the ILO Committee of Experts on the application of conventions and recommendations relating to state-imposed forced labour, and other secondary sources.</p>	<p>Sustainable AG/denkstatt database</p> <p>Sustainable AG and denkstatt consolidate commodity, sector and industry-related risk factors in a self-made database. This database gathers public reports and studies from expert organisms, recognized texts from international institutions and specific studies about forced labour.</p> <p>A verification of the CCHBC purchasing categories is performed through this database in order to identify the main risk elements and define a risk level on forced labour.</p>

3.1. Forced Labour

Country risk calculation – Global Slavery Index

A combined methodological approach is adopted for the global estimates of modern slavery, using three sources of data:

- 68 nationally representative surveys on forced labour and forced marriage during 2017 – 2021 with a total of 77,914 respondents;
- Administrative data from International Organization for Migration's CTDC datasets of assisted victims of trafficking with the 68 datasets to estimate forced sexual exploitation and forced labour of children, as well as the trafficking situation;
- Validated secondary sources with systematic review of comments from ILO Experts to estimate state-imposed forced labour

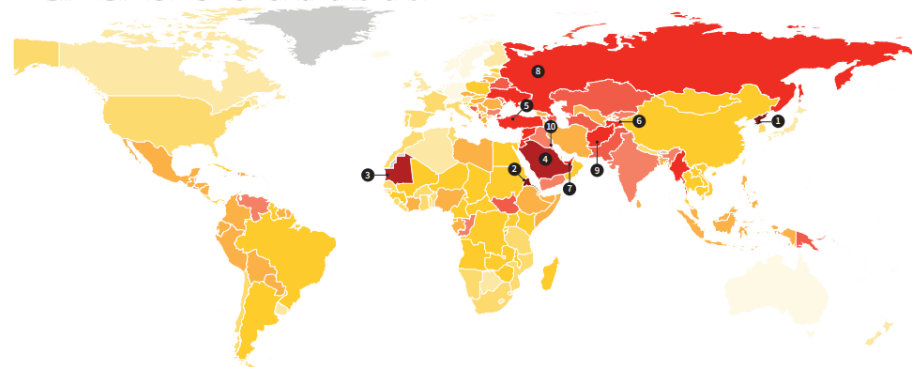


Figure 5
Estimated prevalence of modern slavery by country (noting estimated prevalence per 1,000 population for the 10 countries with highest prevalence)

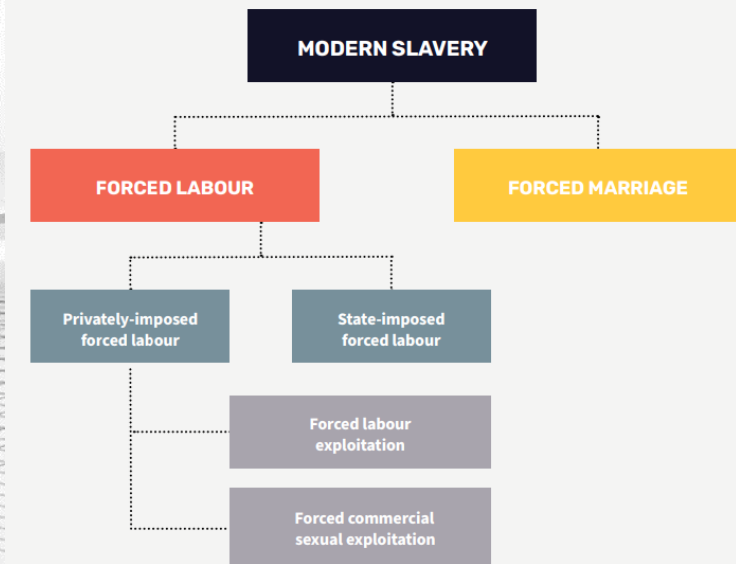
Low High

Rank	Country	Prevalence
1	North Korea	104.6
2	Eritrea	90.3
3	Mauritania	32.0
4	Saudi Arabia	21.3
5	Türkiye	15.6
6	Tajikistan	14.0
7	United Arab Emirates	13.4
8	Russia	13.0
9	Afghanistan	13.0
10	Kuwait	13.0

Scoring model

Victims per 1.000 people	Risk Estimation
> 10	Very High
5,00 to 9,99	High
2,50 to 4,99	Medium
0 to 2,49	Low

Structure: Modern Slavery





3.1. CCH Methodology – Matrix: Forced Labour

Inherent supplier risk is determined according to the following table:

Forced Labour		Category risk analysis <i>Do expert organizations identify a risk related to forced labour in this purchasing category? (sustainable/Denkstatt study – see assessment file for details)</i>	
		No	Yes
Country risk analysis <i>What is the prevalence of forced labour in the supplier's country?</i>	0 to 2,4‰	Low Risk	Low Risk
	2,5 to 4,9‰	Low Risk	Medium Risk
	5 to 9,9‰	Medium Risk	High Risk
	>10‰	High Risk	Very High Risk

Methodology Approach

3.2. Child Labour

3.2. Child Labour

Description: Presence in the supply chain of exploitation of children interfering with compulsory school attendance and/or through a mentally, physically, socially and/or morally harmful work.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p>Combination of</p> <ul style="list-style-type: none">▪ Percentage of children aged 5-17 years engaged in child labour from Child Labor Statistics - UNICEF DATA UNICEF, 2023 <p>Consolidation per country of children aged from 5-17 years engaged in child labour through diverse sources.</p> <p>AND</p> <ul style="list-style-type: none">▪ Proportion of children engaged in economic activity (%) Annual from Statistics on child labour - ILOSTAT ILOSTAT, 2021 <p>Consolidation per country of children aged from 5-17 years engaged in child labour through diverse sources.</p>	<p>sustainable AG/denkstatt database</p> <p>sustainable AG and denkstatt consolidate commodity, sector and industry-related risk factors in a self-made database. This database gathers public reports and studies from expert organisms, recognized texts from international institutions and specific studies about child labour.</p> <p>A verification of the CCHBC purchasing categories is performed through this database in order to identify the main risk elements and define a risk level on forced labour.</p>

3.2. Child Labour

Country risk calculation – UNICEF & ILOstat



The two sources have a similar method but complement each other in terms of country coverage. They indeed cover sometimes different countries and are therefore both used for the present analysis.

When a different data is shown, we have taken the worst data to set-up the country risk profile.

Children around the world are routinely engaged in paid and unpaid forms of work that are not harmful to them. However, they are classified as child labourers when they are either too young to work or are involved in hazardous activities that may compromise their physical, mental, social or educational development. In the least developed countries, slightly more than one in four children (ages 5 to 17) are engaged in labour that is considered detrimental to their health and development.

Therefore, the considered estimates on economic activity among children aged 5-17 refer to:

- (a) children 5–11 years old who, during the reference week, did at least one hour of economic activity,
- (b) children 12–14 years old who, during the reference week, did at least 14 hours of economic activity,
- (c) children 15–17 years old who, during the reference week, did at least 43 hours of economic activity. For more information, refer to the concepts and definitions page.

Scoring model	
% of working children	Risk Estimation
> 8,00	Very High
4,00 to 7,99	High
1,00 to 3,99	Medium
0 to 0,99	Low



3.2. CCH Methodology – Matrix: Child Labour

Inherent supplier risk is determined according to the following table:

Child Labour		Category risk analysis	
		Do expert organizations identify a risk related to child Labour in this purchasing category? (sustainable/Denkstatt study – see assessment file for details)	
		No	Yes
Country risk analysis <i>How important is the engagement of children in the supplier's country economy?</i>	0 to 0,9%	Low Risk	Low Risk
	1 to 3,9%	Low Risk	Medium Risk
	4 to 7,9%	Medium Risk	High Risk
	>8%	High Risk	Very High Risk

Methodology Approach

3.3. Disregard of Labour Rights

3.3. Disregard of Labour Rights

Description: Lack of consideration of people's rights in the relation with their employers in the supply chain through freedom of association, unequal treatment and/or fair wage.

Risk Factor #1: Country Risk	Risk Factor #2: Country Risk
<p data-bbox="188 558 1026 646">Global Rights Index, International Trade Union Confederation (ITUC), 2023</p> <p data-bbox="188 718 1261 1011">The International Trade Union Confederation is the world's largest trade union federation, and it has for main areas of studies promotion and defence of workers' rights and interests. It includes trade union and human rights; economy, society and the workplace; equality and non-discrimination; and international solidarity.</p> <p data-bbox="188 1072 1268 1268">The Confederation has published in 2023 the 10th edition of the ITUC Global Rights Index, famous for its deep analysis and the ranking of the „Worst Countries for working people“ with a strong focus on rights violations.</p>	<p data-bbox="1314 558 2074 596">Working poverty rate (%), ILOSTAT, 2023</p> <p data-bbox="1314 658 2303 796">This issue of ILOSTAT's Spotlight on work statistics focuses on employed people living in extreme poverty around the world.</p> <p data-bbox="1314 862 2318 1053">In this frame, the ILO shares on its statistics-dedicated website the share of employment by economic class in 2023, with lowest economic class based on the World Bank's international poverty line of \$2,15 a day.</p>

3.3. Disregard of Labour Rights

Country Risk Indicator 1 – ITUC Global Rights Index

The ITUC Global Rights Index depicts the world’s worst countries for workers by rating 149 countries on a scale from 1-5+ based on the degree of respect for workers’ rights.

Workers in countries with the rating of 5 have no access to rights and are therefore exposed to autocratic regimes and unfair practices. The rating 5+ is linked to dysfunctional institutions. Violations occur on an irregular basis in countries with the rating 1.

Scoring model

- 5+ No guarantee of rights due to the breakdown of the rule of law
- 5 No guarantee of rights
- 4 Systematic violations of rights
- 3 Regular violations of rights
- 2 Repeated violations of rights
- 1 Sporadic violations of rights
- No data

The 10 worst countries for working people

Bangladesh	Guatemala
Belarus	Myanmar
NEW – Ecuador	NEW – Tunisia
Egypt	The Philippines
Eswatini	Turkey

3.3. Disregard of Labour Rights

Country Risk Indicator 2 – Statistics on the Working Poor



Definition

- The proportion of the employed population below the international poverty line of US\$2.15 per day, also referred to as the working poverty rate, is defined as the share of employed persons living in households with per-capita consumption or income that is below the international poverty line of US\$2.15.

Concepts

- **Employment:** All persons of working age who, during a short reference period (one week), were engaged in any activity to produce goods or provide services for pay or profit.
- **Poverty Line:** Threshold below which individuals in the reference population are considered poor and above which they are considered non-poor. The threshold is generally defined as the per-capita monetary requirements an individual needs to afford the purchase of a basic bundle of goods and services. For the purpose of this indicator, an absolute international poverty line of US\$2.15 per day is used.
- **Working poor:** Employed persons living in households that are classified as poor, that is, that have income or consumption levels below the poverty line used for measurement.

Formula

$$\text{Working poverty rate} = \frac{\text{Employed persons living on less than US\$ 2.15 a day}}{\text{Total employment}} \times 100$$

Scoring model

% of working poor	Risk Estimation
> 8,00	Very High
4,00 to 7,99	High
1,00 to 3,99	Medium
0 to 0,99	Low



3.3. CCH Methodology – Matrix: Disregard of Labour rights

Inherent supplier risk is determined according to the following table:

Disregard of Labour rights		Country risk analysis <i>How many working poor are present in the supplier's country according to the ILOSTAT?</i>			
		0 to 0,9%	1 to 2,9%	3 to 4,9%	> 5%
Country risk analysis <i>What is the performance of the supplier's country on the ITUC Global Index?</i>	1	Low Risk	Low Risk	Medium Risk	High Risk
	2	Low Risk	Medium Risk	Medium Risk	High Risk
	3 or 4	Medium Risk	Medium Risk	High Risk	Very High Risk
	5 or 5+	High Risk	High Risk	Very High Risk	Very High Risk

Methodology Approach

4. Biodiversity

4. Biodiversity

Description: **Degradation** of **valued ecosystems** and species through the economic activities led in the upward value chain.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p data-bbox="163 558 1029 601">EPI Biodiversity & Habitat, Yale University, 2022</p> <p data-bbox="163 668 1210 811">The Yale University in the United States monitors a global environmental index per country, in which Ecosystem Vitality has a specific section.</p> <p data-bbox="163 872 1161 1015">The Biodiversity & Habitat index is composed of seven issues detailed in the next slide, and ranges from 1 (bad performance) to 100 (good performance).</p>	<p data-bbox="1289 558 2328 601">Potential risks on biodiversity of the purchasing category</p> <p data-bbox="1289 662 2379 805">Risks related to biodiversity are estimated per purchasing category through three guiding questions, as regards to the possible related implications:</p> <ul data-bbox="1289 811 2125 958" style="list-style-type: none"><li data-bbox="1289 811 1951 853">• Possible impact on deforestation<li data-bbox="1289 862 1819 905">• Possible use of pesticides<li data-bbox="1289 913 2125 958">• Possible soil contamination through waste

4. Biodiversity– Risk Factor #1

Details of EPI Biodiversity & Habitat Index

Biodiversity & Habitat

The Biodiversity and Habitat issue category assesses countries' actions toward retaining natural ecosystems and protecting the full range of biodiversity within their borders. It consists of seven indicators: *terrestrial biome protection* (weighted for the national and global rarity of biomes), *marine protected areas*, *Protected Areas Representativeness Index*, *Species Habitat Index*, *Species Protection Index*, and *Biodiversity Habitat Index*.



Scoring model

Index	Risk Estimation
0,00 to 24,99	Very High
25,00 to 49,99	High
50,00 to 74,99	Medium
> 75,00	Low

The EPI Biodiversity & Habitat Index includes in its calculation the following items:

Biodiversity & Habitat	BDH	25%	Terrestrial Biome Protection (national)	TBN	20%
			Terrestrial Biome Protection (global)	TBG	20%
			Marine Protected Areas	MPA	20%
			Protected Areas Representativeness Index	PAR	10%
			Species Habitat Index	SHI	10%
			Species Protection Index	SPI	10%
			Biodiversity Habitat Index	BHV	10%

4. Biodiversity – Risk Factor #2

Assessment of the purchasing Category

Guiding questions

Question 1: Does the purchasing category bear a specific risk on **deforestation**?

Question 2: Does the purchasing category implicate the **use of pesticides**?

Question 3: Does the purchasing category bear a specific risk of **soil contamination** through **waste**?

Category	Purchasing Category	Biodiversity - Risk Factor #2			Total Yes	Comments
		Does the purchasing category bear a specific risk on deforestation?	Does the purchasing category implicate the use of pesticides?	Does the purchasing category bear a specific risk of soil contamination through waste?		
Direct	Metal Closures	No	No	Yes	1	Post-consumer waste: 99% of the closures are recyclable (see presentation) however bottle caps recycling rates vary significantly from country to country (20% USA, 40% Europe, 90% Japan)
	Plastic Closures	No	No	Yes	1	Post-consumer waste: 99% of the closures are recyclable (see presentation) however bottle caps recycling rates vary significantly from country to country (20% USA, 40% Europe, 90% Japan)
	CO2	No	No	Yes	1	CO2 is by product from various processes and is not a risk commodity for deforestation. No pesticides are used for production. Assuming CO2 is seen as a waste fraction. There are inherent CO2 losses during filling and consumption and which strongly impacts the overall GHG footprint (see presentation)
	Glass Bottles	No	No	Yes	1	Post-consumer waste but also residuals from filling (e.g., deformation).
	Juices	Yes	Yes	Yes	3	Soy is one of the major drivers to deforestation additional negative impact of commodities coming from conventional agriculture as they use high amount of pesticides (Soybean is included in EU regulation of deforestation free products and pesticides frequently enter into the environment). Conventional agricultural products all contain high pesticide usage. Tier 1 and beyond: The fruit juice industry creates a considerable amount of waste.
	Cans	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining). Post-consumer waste but also residuals from filling: Cans are main fraction of litter. They are made either of aluminum or steel and can be recycled.
	Metal Crowns	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining). Post-consumer waste: Metal crowns are part of the can
	PET PREFORMS	No	No	Yes	1	Potential for waste generation during the blowmoulding process.
	PET Resin (vPET)	No	No	Yes	1	Post-consumer waste: Potential discharge of antimony after longer contact between beverage and packaging and discharge of microplastics.
	PET Resin (rPET)	No	No	Yes	1	see PET Preforms
	Sweeteners (Sugar)	Yes	Yes	No	2	Sweeteners include sugarcane, it is responsible for deforestation in some countries, pesticides are entering into the environment as well. Maize is also responsible for deforestation although not yet addressed as high risk commodity in the EU regulation for deforestation free supply chain
	Sweeteners (HFCS)	Yes	Yes	No	2	Sweeteners include sugarcane, it is responsible for deforestation in some countries, pesticides are entering into the environment as well. Maize is also responsible for deforestation although not yet addressed as high risk commodity in the EU regulation for deforestation free supply chain
	Sweeteners (Dextrose)	Yes	Yes	No	2	Sweeteners include sugarcane, it is responsible for deforestation in some countries, pesticides are entering into the environment as well. Maize is also responsible for deforestation although not yet addressed as high risk commodity in the EU regulation for deforestation free supply chain
	Aseptic Fiber Packaging	No	No	Yes	1	Post-consumer waste: However less solid waste compared to PET bottles
Indirect	CDE	No	No	No	0	No deforestation risk as it is not a high risk commodity and no pesticides are used for production.
	Coffee Machines	No	No	No	0	EU regulation on deforestation-free products states that coffee has a high risk of deforestation. Conventional agricultural products all contain high pesticide usage.
	Corporate Services	No	No	No	0	EU regulation on deforestation-free products states that timber and derived products have a high risk of deforestation (here paper): Corrugated Packaging can be recycled and is one of the most widely recycled materials.
	Corrugated & Paperboard	Yes	No	Yes	2	Films are made of different kind of plastics. Some plastics can be recycled, so the recyclable aspect will depend on the specific kind of plastics and its collection rate. Plastics are generally harmful if not handled after disposal as they can degrade in the environment into microplastics, pollute waterways etc. There is a varying degree of toxicity between the different kinds of plastics.
	Stretch & Shrink Film	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining)
	FLM	No	No	No	0	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining)
	IST	No	No	No	0	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining)
	Plastic Labels (BOPP, Slc)	No	No	Yes	1	Post-consumer waste: Part of the packaging, hence huge purchased amounts of plastic and paper labels (see presentation). Pollution such as discharge of microplastics can be attributed to the plastic labels.
	PAPER LABELS	No	No	Yes	1	
	BIB Bags	No	No	Yes	1	
	LOG	No	No	No	0	
	PEQ/MRO	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining). Given that MRO and PE could encompass thousands of categories and subcategories (e.g., facility supplies, cleaning supplies, chemical lubricants, batteries etc.) there is a potential for waste generation as well as pollution caused by certain materials when not disposed of correctly (e.g., batteries)
	SAM	No	No	Yes	1	Prints, single-use cutlery and others bear the potential to generate waste.
	Utilities	No	No	No	0	

Details can be found in the assessment file



4. CCH Methodology – Matrix: Biodiversity

Inherent supplier risk is determined according to the following table:

Biodiversity		Category risk analysis <i>How important is the potential impact of the purchasing category on Biodiversity?</i>		
		Only “No”	1 x “Yes”	2 or 3 x “Yes”
Country risk analysis <i>What is the score of the supplier country on EPI Index related to Biodiversity & Habitat?</i>	Low 0 to 24,99	Low Risk	Medium Risk	High Risk
	Medium 25 to 49,99	Low Risk	Medium Risk	High Risk
	High 50 to 74,99	Medium Risk	High Risk	High Risk
	Very High 75 to 100	High Risk	Very High Risk	Very High Risk

Methodology Approach

5. Financial Risk

5. Financial Risk Analysis

MOODY'S



BUREAU VAN DIJK

- Financial Risk Assessment performed by Moody's in Co-operation with Bureau Van Dijk and the complete assessment and methodology provided to CCH.
- Financial Risk Categorization is based on the Implied Ratings that gives a larger view on the risk that a Customer feel more likely to face. Every rating meaning is stated in the table below.

Financial Risk	Class	Implied Rating	Implied Rating Description
Low	1	Aaa	Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk .
	2	Aa1	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk .
	3	Aa2	
	4	Aa3	
	5	A1	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk .
Medium	6	A2	
	7	A3	
	8	Baa1	
High	9	Baa2	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
	10	Baa3	
	11	Ba1	Obligations rated Ba are judged to be speculative and are subject to substantial credit risk .
	12	Ba2	
	13	Ba3	
Very High	14	B1	Obligations rated B are considered speculative and are subject to high credit risk .
	15	B2	
	16	B3	
	17	Caa1	Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk .
	18	Caa2	
	19	Caa3	
	20	Caa-C	Obligations rated C are the lowest rated and are typically in default , with little prospect for recovery of principal or interest.

Generally Accepted Terminology/Definitions

Category/Area	Generally Accepted Terminology/Definitions	CCHBC Terminology/ Reference (p.g. 10)
Monitoring and reporting of supplier screening programs	Total number of Tier-1 suppliers.	Total Number of Tier 1 Significant & Tactical (Abs. #) Note that CCHBC Screen all Tier 1 Suppliers thus this is also equal to Total # of Suppliers Screened per Segment.
	Total number of significant suppliers in Tier-1.	Total # of Significant Suppliers in Tier 1
	% of total spend on significant suppliers in Tier-1.	% of Screened Spend on Total Spend for Total # of Significant Suppliers in Tier 1
	Total number of significant suppliers in non Tier-1.	Total # of Significant non-Tier 1 Suppliers
	Total number of significant suppliers (Tier-1 and non Tier-1).	Total Significant Suppliers Screened in 2023
Monitoring and reporting of significant supplier assessment programs	Total number of suppliers assessed via desk assessments/ on-site assessments.	Total number of Significant Suppliers in 2023 Assessed
	% of unique significant suppliers assessed.	% of significant suppliers assessed.
	Number of suppliers assessed with substantial actual/potential negative impacts.	Total number of Significant Suppliers in 2023 assessed with substantial actual/potential ESG Risk
	% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan.	% of Significant suppliers with substantial actual/potential ESG Risk with Corrective Plan in Place
	Number of suppliers with substantial actual/potential negative impacts that were terminated.	No supplier with substantial actual/potential impacts was terminated
Coverage and progress of significant suppliers with corrective action plans	Total number of suppliers supported in corrective action plan implementation	Total number of Significant Suppliers in 2023 with Corrective Action Plan in place
	% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	% of Significant suppliers with substantial actual/potential ESG Risk with Corrective Plan in Place
Coverage and progress of significant suppliers in capacity building programs	Total number suppliers in capacity-building programs	Total number of Significant Suppliers in 2023 under Capacity Building Program
	% of unique significant suppliers in capacity-building programs	% of significant suppliers in capacity building programs