

CCHBC Sustainability Monitoring CCH Program Description

May 2025



Coca-Cola HBC World's most sustainable beverage company in the 2024 S&P Dow Jones Sustainability Index

"We continuously evolve our business model to deliver growth successfully and sustainably at the same time and take a clear and strategic approach to sustainability that makes our business more resilient. Each year we make good progress towards our ambitious and measurable objectives in sustainability. In 2025, the Science Based Targets initiative (SBTi) approved our NetZero by 40 target which, for the first time, includes Egypt.

We know that sustainability initiatives are increasingly important for our customers and consumers. Our customers tell us they value our sustainability expertise and our joint sustainability initiatives help grow their business, which, in turn helps make our own business stronger.

Thank you to our colleagues, customers, suppliers, and partners for helping us to continue our journey and open up a more sustainable future."

**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

LEVELS OF ACTIONS	TCCC System 3 rd -Party SGP Audits & SEDEX:	EcoVadis IQ (Screening) EcoVadis IQ Vitals & EcoVadis (Assessments):	Supply Base Assessment (SBA) + Water Risk Filter	Environmental Social & Governance (ESG) Questionnaires	Sustainable agriculture Program & Biodiversity (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, Climate, Financials, Biodiversity Screening	Used for lower value, Tactical buy and as initial screening during tenders	Used for Sugar, HFS, Juices, Pulp & Paper

The Procurement Sustainability Program 2024 Highlights

Supplier Category Risk:

Screened	Assessed
✓ 15,478 Tier 1 (T1) Suppliers Screened (100% of T1 suppliers)	✓ 2,319 T1 Significant Suppliers Assessed
✓ 4,149 T1 Significant Suppliers Screened	✓ 45,231 T2* Significant Suppliers Assessed
Significant Suppliers cover 95.9% of Total Spend	✓ 47,550 T1& T2* significant sup. Assessed (95.6% of total Significant T1&T2* Suppliers)
✓ 45,572 T2* significant suppliers Screened	
	*Tier 2 (T2) means non-Tier 1 for Coca-Cola HBC

EcoVadis (T1):

- 278 Suppliers added in 2024 reaching total 1,945 Suppliers evaluated by end 2024.
- YTD May 2025, we reached 2,068 (6% increase since Jan 2024)

100% EcoVadis Corrective Action Plans in place with Active T1 Suppliers of High Risk

SGP TCCC Audits (SEDEX):

124 Audits - 2024

100% CAPs in place as needed after audit

Sustainable Agriculture PSA coverage:

96% for 2024 (+17ppt vs PY) as weighted average of the following scores:



- 95% Sugar
- 100% HFCS (96% HFCS & Sugar together) and
- 100% Juice fruit crops
- 100% of Costa Coffee beans are certified under Rain Forest Alliance (Reference: [Coffee — Sustainability | Costa Coffee](#))

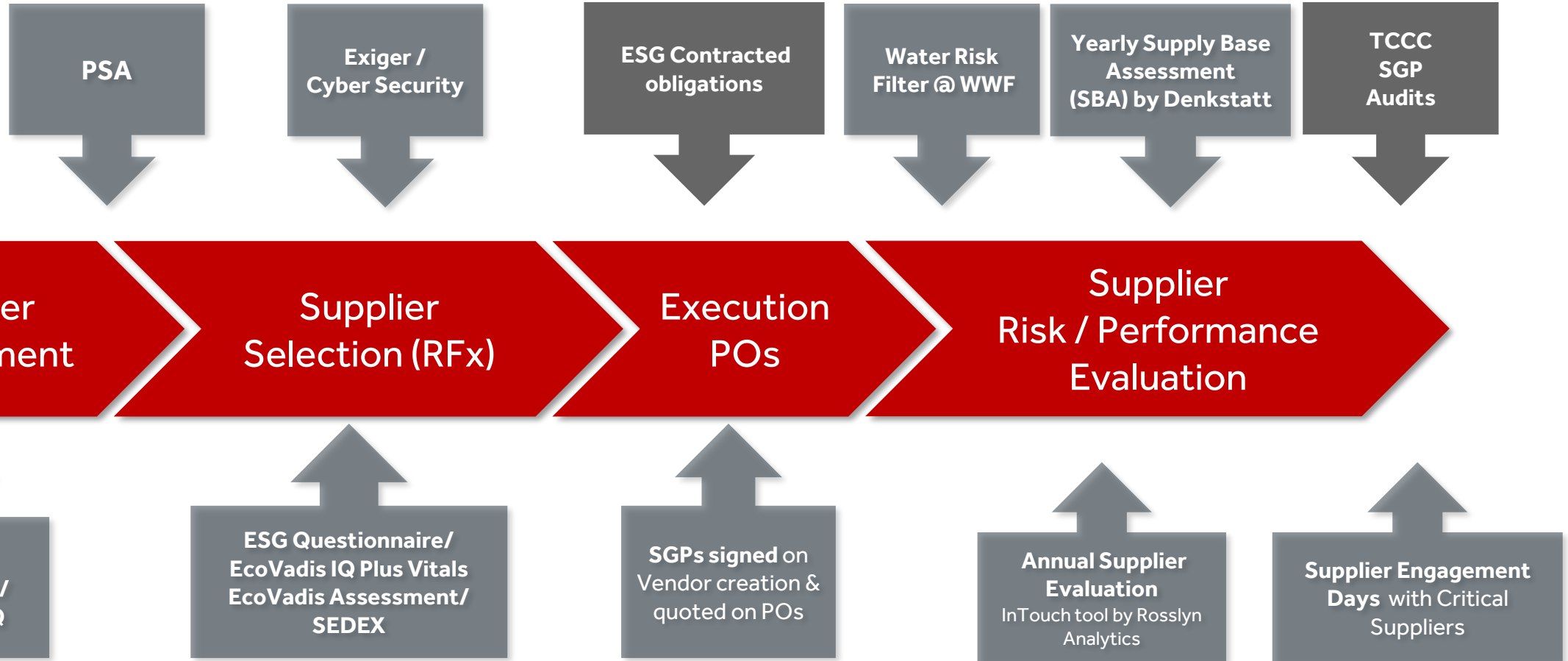
CCH has discontinued any ADES products, and we have no Soya in our range of Ingredients any longer.

Human Rights

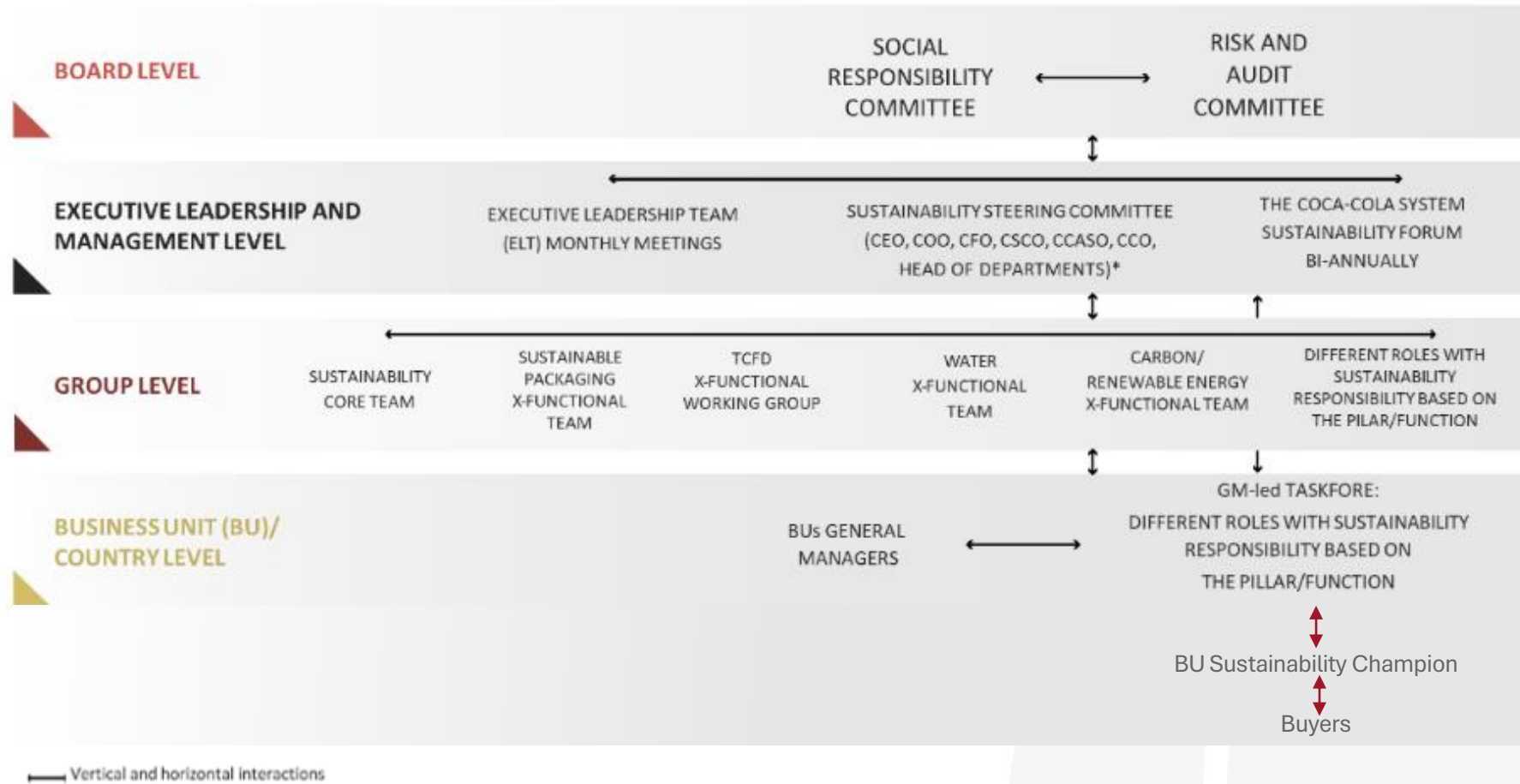
100% of CCHBC suppliers were mapped according to the Category Risk Mapping Tool developed by EcoVadis to review Social & Ethical Risk

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



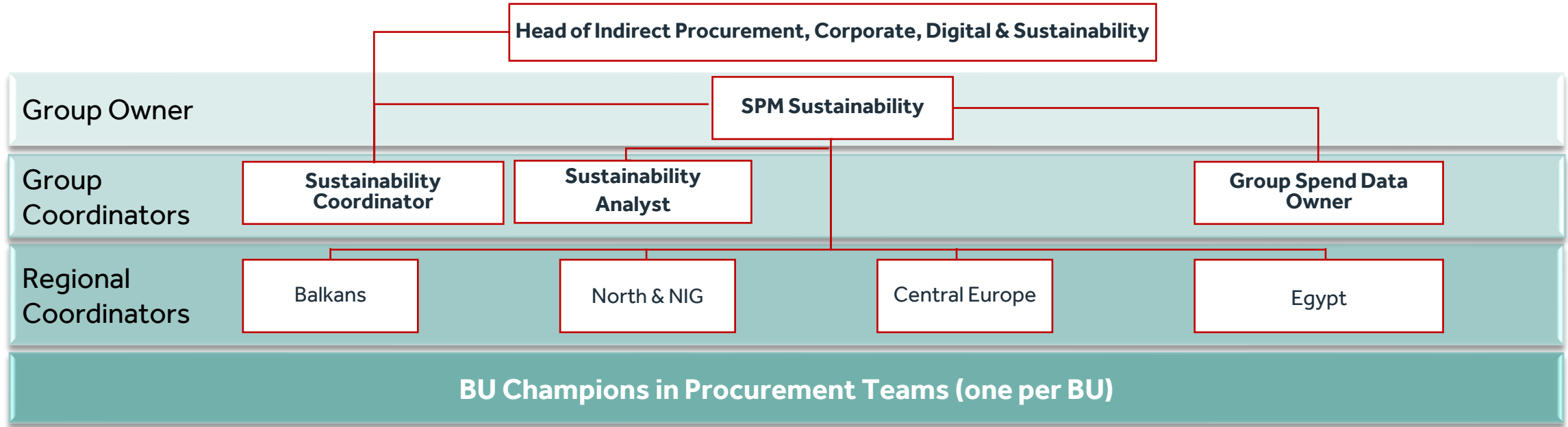
Sustainability Governance



- * 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
-  Monthly meetings between Regional Coordinators & Country Champions
-  Bi-annual Sustainability Forums with All BUs

Trainings

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

Materials

-  Dedicated **Sustainability Library**
-  EcoVadis **Academy**
-  EcoVadis Customized Trainings available also to Suppliers
-  Q&A Section for all Bus in TEAMS

Sustainability in Strategic Sourcing

Table 5.C. – Awarding Criteria weights and Ownership

Type of Criteria	Description	Weight	Scoring Responsibility
Technical	Specification and Quality elements	42.5 %	Requesting Function (Project sponsor) & RFx Team Procurement (optional contributor)
Commercial	Price and Contract elements	42.5 %	Procurement
Sustainability	Environmental, social, and corporate governance assessment	15 %	Procurement

Important: Coca-Cola HBC we are shifting higher focus in ESG compliance as part of our Strategic Sourcing processes and in 2024 we increased the Sustainability Weight in Awarding Criteria from 5% to 15%

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 7.0 & 6.0 Report	N/A
EcoVadis Assess. >45	MEDIUM	EcoVadis Certificate/ Medal	
SMETA 4 Pillar	MEDIUM	SMETA 4 Report	AIM – Progress Module
EcoVadis Assess. 25-44	MEDIUM/ LOW	EcoVadis Certificate	CAR Required
EcoVadis IQ Plus Vitals	MEDIUM	Platform Supplier Score	
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 for Raw Materials & Packaging 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



2024 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 ²
Severe	73	65	68	55	0	44	3	66	8	73
High	729	393	642	259	30	139	6	308	49	729
Medium High	2,386	582	2,078	133	19	26	3	143	128	2,386
Medium Low	6,011	822	5,030	160	10	5	3	111	380	6,011
Low	5,413	591	4,579	234	0	0	0	3	146	5,413
Very Low	866	39	703	12	4	4	0	4	22	866
Grand Total	15,478	2,492	13,100	853	63	218	15	635	733	15,478

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 ²
Country Strategic	3,282	1,295	2,977	5	4	16	2	119	359	3,282
Group Critical	850	724	801	848	59	197	12	491	32	850
Tactical Supplier	11,242	448	9,222	0	0	2	1	19	342	11,242
Group Tactical	87	25	83	0	0	3	0	6	0	87
TCCC	17	0	17	0	0	0	0	0	0	17
Grand Total	15,478	2,492	13,100	853	63	218	15	635	733	15,478

% 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 ²
Country Strategic	21%	52%	23%	1%	6%	7%	13%	19%	49%	21%
Group Critical	5%	29%	6%	99%	94%	90%	80%	77%	4%	5%
Tactical Supplier	73%	18%	70%	0%	0%	1%	7%	3%	47%	73%
Group Tactical	1%	1%	1%	0%	0%	1%	0%	1%	0%	1%
TCCC	0%	0%	0.1%	0%	0%	0%	0%	0%	0%	0.1%

RISK Category	Supplier Segmentation	Supplier Codes
Severe	Country Strategic	18
	Group Critical	55
	Total	73
High	Country Strategic	266
	Group Critical	257
	Group Tactical	5
	Tactical Supplier	201
Medium High	Total	729
	Country Strategic	788
	Group Critical	132
	Group Tactical	4
	Tactical Supplier	1462
Medium Low	Total	2386
	Country Strategic	1346
	Group Critical	160
	Group Tactical	31
	Tactical Supplier	4474
Low	Total	6011
	Country Strategic	804
	Group Critical	234
	Group Tactical	29
	Tactical Supplier	4346
Very Low	Total	5413
	Country Strategic	60
	Group Critical	12
	Group Tactical	18
	Tactical Supplier	759
	TCCC	17
Grand Total	Total	866
		15,478

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 2024

Supplier Segmentation in Tier 1	Suppliers with Spend in 2024		
	Total # of Suppliers Screened per Segment	% of Screened Sup. on Total Suppliers	% of Screened Spend on Total Spend
Group Critical Suppliers	850	5.5%	71.9%
Country Strategic Suppliers	3,282	21.2%	
TCCC	17	0.1%	
Total # of Significant Suppliers in Tier 1	4,149	26.8%	95.9%
Tactical Suppliers	11,329	73.2%	4.1%
Total # of Tier 1 Suppliers	15,478	100.0%	100.0%
Total # of Significant non-Tier 1 Suppliers	45,572	n/a	n/a

Total Tier 1	Tier 1 Significant & Tactical (Abs. #)
Suppliers	15,478
Spend	€ 7.14 bn
Procurement Addressable Spend:	€ 5.43 bn

Significant Suppliers Screened in 2024	
Supplier Type	No of Suppliers
Tier 1	4,149
Non-Tier 1	45,572
Total	49,721

RISK Category	Total T1 Screened Suppliers
Severe	73
High	729
Medium High	2,386
Medium Low	6,011
Low	5,413
Very Low	866
Grand Total	15,478

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

Suppliers Assessed in 2024

Supplier Segmentation in Tier-1	Suppliers with Spend in 2024		
	Total # of Suppliers per Segment	No. of Suppliers Assessed	% of assessed spend on total Spend
Group Critical Suppliers	850	780	59.3%
Country Strategic Suppliers	3,282	1,522	
TCCC	17	17	
Total # of Significant Suppliers in Tier 1	4,149	2,319	83.3%
Tactical Suppliers	11,329	792	0.7%
Total # of Tier-1 Suppliers	15,478	3,111	84.0%
Total number of significant suppliers in non-Tier 1	45,572	45,231	n/a

Total Tier 1		Assessed* (Abs. #)	Assessed (%)	Non-Assessed (Abs. #)	Comments
Suppliers	15,478	3,111	20.1%	12,367	
Spend	€ 7.14 bn	€ 6.00 bn	84.0%	€ 1.14 bn	

Significant Suppliers in 2024				
Supplier Type	Assessed	Assessed with substantial actual/potential ESG Risk	Corrective Action Plan in place**	Under Capacity Building Program**
Tier 1	2,319	208	200	2,259
Non-Tier 1	45,231	52	39	44,993
Total	47,550	260	239	47,252
** 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	95.63%	91.92%	95.03%

High Risk Tier-1 Significant Suppliers – Definition & 2024 Results

Tool	Definition of Substantial Risk	Number of Suppliers
ESG Self-Assessment Tool	Red Colour Rating	1
SGP Compliance Audits / SEDEX*	Red and Orange Colour Rating	38
SEDEX	>6 Non-Conformities (NC)	0
Water Risk Filter @ WRF	High & Very High Risks (>3.40)	36
EcoVadis	<=24 under any theme	140
Total Tier 1 (T1) Significant Supplier codes identified with risk for actual/ potential substantial ESG Impact		208
Total T1 Significant Supplier codes identified with risk for actual/ potential substantial ESG Impact with agreed corrective action/improvement plan		200
% 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		96%



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 2025, The Coca-Cola System (TCCS) suppliers recruited by the participating members in EcoVadis are 3673 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 by end 2024	1945	278	+17%
Supplier Count YTD May 2025	2068	123	+6%

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 2024 Summary of ESG Risk Analysis for all Categories

	Parent Suppliers	Total supplier codes
Total unique # Tier-1 Suppliers Screened/Assessed on Sustainability Risks:	317	853
Unique #Suppliers Identified as Very High Risk:	32	40
% Very High-Risk suppliers with Risk Reduction measures implemented	66%	58%

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	180	563	113	261	23	28	1	1
Climate Change	209	629	69	134	36	87	3	3
Forced Labour	222	649	46	130	38	62	11	12
Child Labour	239	700	45	103	24	39	9	11
Disregard of Labour Rights	194	616	65	127	35	79	23	31
Biodiversity	23	45	253	592	40	215	1	1

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:	45,572	45,231	44,993	52	39

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 2024 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 using WWF Water Risk Filter. 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 WWF 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.

2024 Assessment Results for Overall Risk: **340 Group Critical suppliers** assessed on parent level in 611 production sites. Identified only 29 suppliers on parent level in 38 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.

2024 Suppliers originated in Water Stress Areas / Water Basin Risk:

Sourced agricultural commodities 5 suppliers identified in 6 production sites with high basin risk (score >3.4) representing 0.5% of our total spend
(Including: Sugar, HFSS, Dextrose & Juices)

Sourced commodities with High water footprint: 8 suppliers identified in 10 production sites with high basin risk (score >3.4) , representing 0.6% of our total spend

2023 Summary of Analysis as per WRF as per GRI requirements ¹	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%

% of sourced agricultural commodities originating from water-stressed areas (e.g. <1700 m3/(person*year) or high, very high and severe) (mandatory) ²	
Maize (HFSS)	22%
Sugar	7%
Juices	3%
Cost of goods purchased in last FY³	0.5%

Notes for the tables:

¹ 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

² The % of sourced agricultural commodities from water stressed areas is reported versus total commodity volume per commodity (i.e., % of sugar from water stress are on total sugar).

³ Total cost of the purchased sugar, Maize and Juices from water stress areas only, on the total cost of all goods we purchase (direct & indirect addressable spend & Concentrate)

2024 ESG Benchmark

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:

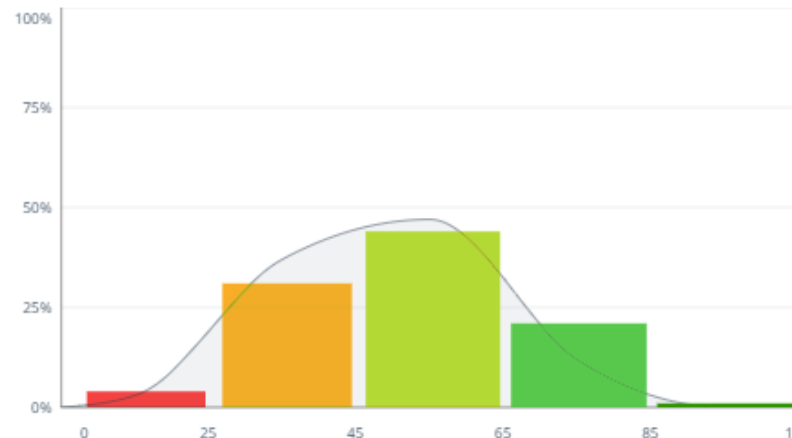
- a. External:** EcoVadis platform gives the participants access to insights from global supply chain ratings. EcoVadis Ratings, is the cornerstone of over 1400+ sustainable procurement programs within global value chains and has been tested on over 150,000+ companies across 250+ industries and 185+ countries.
- 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 2025) we have assessed 2068* 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 2024** vs 2023 of **+3.9 pts*** and in Environment **+4.4 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.

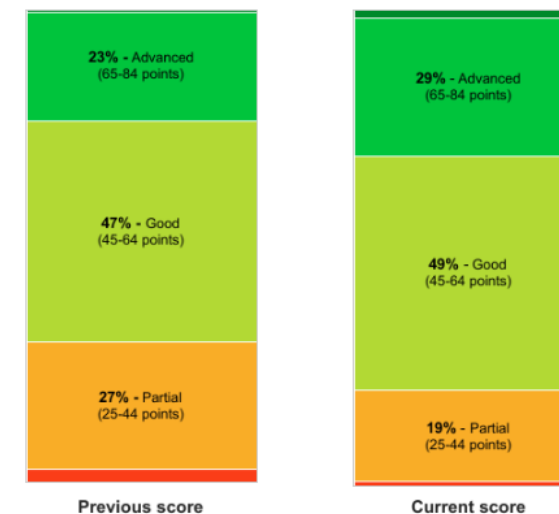


Overview score distribution



Changes in overall score by

Maturity Medal Threshold



* Reference: YTD EcoVadis Data May 2025

2024 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.

	Average of 1. Water Risk Residual Risk Score	Average of 2. Climate Change Residual Score	Average of 3.1. Forced Labour Residual Score	Average of 3.2. Child Labour Residual Score	Average of 3.3. Disregard of Labour Right Residual Score	Average of 4. Biodiversity Residual Score
Purchasing Categories	Water	Climate Change	Forced Labor	Child Labor	Disregard of Labor Rights	Biodiversity
Aseptic Fiber Packaging	1,83	1,00	1,00	1,00	1,00	2,17
BIB Bags	1,00	1,00	1,00	1,00	1,00	1,67
Cans	2,14	2,09	2,23	2,00	2,27	2,18
CDE	1,68	1,24	1,56	1,52	1,80	1,84
CO2	1,56	1,03	1,03	1,00	1,06	2,00
Coffee Machines	1,38	1,19	1,44	1,00	1,25	1,81
Corporate Services	1,00	1,42	1,22	1,03	1,45	2,69
Corrugated & Paperboard	1,89	1,28	1,38	1,26	1,45	2,08
FLM	1,00	1,02	1,05	1,05	1,02	2,21
Glass Bottles	1,84	1,42	1,79	1,89	1,95	2,05
IST	1,00	1,36	1,32	1,23	1,46	2,36
Juices	2,07	1,00	1,00	1,00	1,00	2,04
LOG	1,00	1,13	1,25	1,08	1,21	2,00
Metal Closures	1,00	1,60	1,60	1,60	1,60	2,40
Metal Crowns	1,62	1,62	1,54	1,46	1,54	2,00
PAPER LABELS	1,00	1,00	1,00	1,00	1,00	2,00
PEQ/MRO	1,48	1,00	1,00	1,00	1,00	1,86
PET PREFORMS	1,48	2,06	1,97	1,82	2,03	1,97
PET Resin (rPET)	1,73	1,55	1,45	1,09	1,55	1,27
PET Resin (vPET)	1,89	2,33	2,33	2,44	2,56	2,00
Plastic Closures	1,17	1,90	1,87	1,93	1,97	2,00
Plastic Labels (BOPP, Sleeves, PSL)	1,35	1,35	1,45	1,55	1,60	1,95
SAM	1,17	1,35	1,00	1,00	1,06	2,43
Stretch & Shrink Film	1,40	1,55	1,45	1,42	1,67	1,82
Sweeteners (Dextrose)	2,25	1,25	1,25	1,25	1,25	2,00
Sweeteners (HFCS)	2,29	1,43	1,14	1,14	1,14	2,29
Sweeteners (Sugar)	2,00	1,69	2,02	1,88	2,05	2,31
Utilities	2,00	3,00	2,00	3,00	4,00	2,00
Total Average 2024	1,38	1,38	1,35	1,28	1,46	2,19

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:

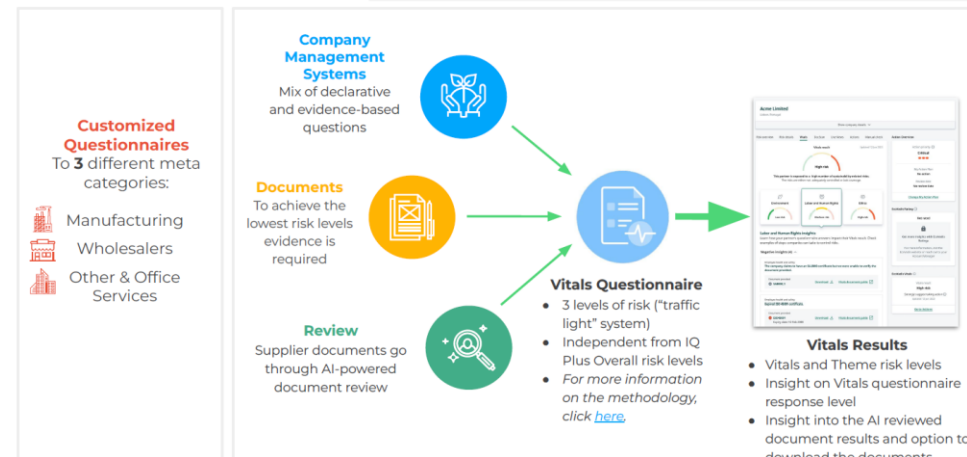
CSR/ ESG Compliance Audits - we monitor the process and compliance via third party SGP audits organized by The Coca Cola Company (TCCC), EcoVadis CSR Platform and a new tool introduced in 2018 – Category Risk Mapping provided by EcoVadis and fully refreshed in 2020. Nowadays, the Category Risk mapping is part of the EcoVadis IQ platform that we use to screen 100% of supply base + suppliers under consideration for tender activities.

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 & EcoVadis IQ Plus + Vitals: 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 250 Industries, 185 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.

Methodology | Vitals

Check out the [IQ Plus with Vitals Solution Overview](#) [here](#) & the [Platform Demo](#) [here](#)!



Annual Sustainability Monitoring - Process Description (2/3)

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.

Category Risk Mapping in EcoVadis IQ: 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 2024 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.

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 (3/3)

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.**

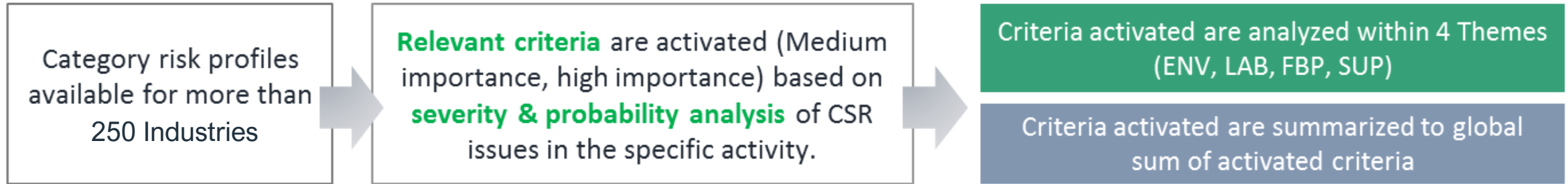
On annual basis Suppliers are also assessed their compliance and performance leveraging 3rd party SGP Audits and EcoVadis Assessment.

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 Mapping by EcoVadis

Industry Sector Materiality Analysis Example



Other transportation support activities

Key CSR Issues

Environment

Importance
Medium
CSR issue
Energy Consumption & GHG

Definition

Energy consumption (e.g. electricity, fuel, renewable energies) used during operations and transport. Greenhouse gases direct and indirect emissions including CO₂, CH₄, N₂O, HFC, PFC and SF₆. Also includes production of renewable energy by the company.

Industry issues

At a global level, the movement of freight accounts for all the energy consumed by transport (IPCC, 2007). 9 trade related emissions come from international trade emissions from other transportation and support activities contribute a significant amount towards this global total. Indirect GHG emissions from this sector are very significant along the chain of transportation activities, therefore having great influence on and efficiencies along the chain of transportation activities. Impact on energy consumption companies working make is through the consolidation or freight which a space to be utilized in each shipment(2). The monitoring emissions ensures transparency and sets the foundation for management(3). Specifically, companies can reduce using less intensive options such as rail and shipping internal energy consumption by choosing alternative technologies for company buildings and warehouses.

Environment	
Importance	CSR issue
Medium	Energy Consumption & GHG
Non-activated	Water
Non-activated	Biodiversity
Non-activated	Local Pollution
Medium	Materials, Chemicals & Waste
Non-activated	Product Use
Non-activated	Product End-of-Life
Non-activated	Customers Health & Safety
Medium	Sustainable Consumption

Labor & Human Rights

Importance
High
Medium
Medium
Medium
Medium
Non-activated
Medium
Risk countries only

CSR issue
Employee Health & Safety
Working Conditions
Social Dialog
Career Management & Training
Child & Forced Labor
Discrimination & Harassment
External Human Rights Issues

Ethics

Importance
Medium
Medium
Medium
Medium
Medium
Medium
Medium

CSR issue
Corruption & Bribery
Anti-competitive Practices
Responsible Information Management
Sustainable Procurement
Suppliers & Environment
Suppliers & Social

The EcoVadis Sustainability Intelligence Suite & CCH applications



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 (2024 app. €5.4 billion spend (Direct & Indirect) per each category level and €7.1 billion spend including TCCC.
- Risk Analysis concerns 217 purchasing categories and a total of 15,478 suppliers (suppliers codes representing 14,074 parent level Suppliers)

CSR Risk Screening in EcoVadis IQ (reference May 2025)

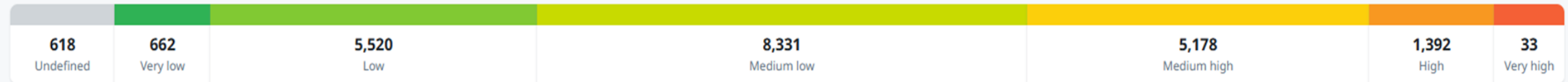
Overview

21,734 Partners

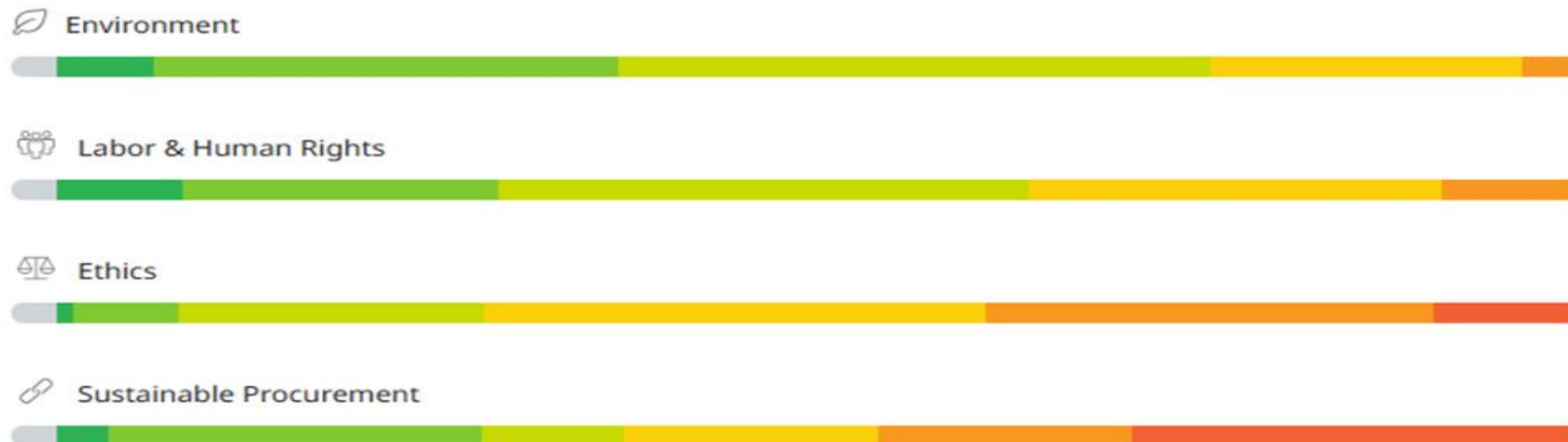
238 Industries

75 Countries

Overall risk











Sustainability risk by theme



EcoVadis Methodology - 4 themes / 21 CSR Criteria



EcoVadis Scoring Scale and CCHBC Sustainable Sourcing Targets

Innovation ↑ Risk ↓	CSR PERFORMANCE		LIKELY OUTCOME	
Innovation	85 - 100	 OUTSTANDING <ul style="list-style-type: none"> Structured and proactive CSR approach Policies and tangible actions on all topics Comprehensive CSR Reporting on actions & KPIs Innovative practices and external recognition 	 High Opportunity	Company has best-in-class CSR practices which present major opportunities for their customers in regards to product/service innovation, market differentiation, creating shared value , etc.
	65 - 84	ADVANCED <ul style="list-style-type: none"> Structured and proactive CSR approach Policies and tangible actions on major topics with Significant CSR Reporting on actions & KPIs 	 Medium Opportunity	Company has an advanced CSR management system which could yield positive business outcomes in terms of cost reduction, productivity improvements, efficiency gains , etc.
	45 - 64	GOOD <ul style="list-style-type: none"> Structured and proactive CSR approach Policies and tangible actions on major topics Basic reporting on actions or KPIs 	 Engaged	Company is engaged in major CSR topics, therefore risks are limited. Company embraces continuous performance improvements on CSR and should be considered for a long-term business relationship .
Risk	25 - 44	 PARTIAL <ul style="list-style-type: none"> No structured CSR approach Few tangible actions on selected topics Partial certification or possible products with eco-labels 	 Medium Risk	Company has partial involvement in CSR topics which could present medium risk for customers. Improvement areas identified should be addressed to encourage evolution of CSR performance.
	0 - 24	 INSUFFICIENT <ul style="list-style-type: none"> No engagements or tangible actions regarding CSR Evidence in certain cases of misconduct (e.g. pollution, corruption) 	 High Risk	Company lacks engagement on CSR which could present high risk for their customers with regards to regulatory compliance, impact on reputation, supply disruption , etc.

EcoVadis

Sample Corrective Action Plan

Italy

Printing and service activities related to...

Company size: XS | Assessment scope: Entity | Country risk: Low

BU IT

Overall score

36/100

Percentile 14th

Show company details

Scorecard Carbon Corrective Action Plan Activity History Metrics Carbon Product Data Live News Other

Scorecard

Download

Chat with AI Assistant

Publication date: 5 Aug 2024

Valid until: 5 Aug 2025

Request reassessment

Overall score

Percentile 14th

36/100



Environment



Labor & Human Rights



Ethics



Sustainable Procurement



KEY:

Environment

Labor & Human Rights

Ethics

Sustainable Procurement



Search in Network

?

🔔

Coca Cola Helle...
Nafika Maro

BACK

Italy

Printing and service activities related to...

Company size: XS | Assessment scope: Entity | Country risk: Low

BU IT

Overall score

36/100

Percentile 14th

Show company details

Scorecard Carbon Corrective Action Plan Activity History Metrics Carbon Product Data Live News Other

Corrective Action Plan

Chat with AI Assistant

You can request corrective actions from your partners. This will not impact their current score, but it will help them prepare for the next assessment. [Learn more](#)

Based on scorecards

Export

Corrective actions (33)

Corrective actions are determined based on the improvement areas. Once work on an improvement area begins, it is added to the list of corrective actions.

Request general improvement

Status	Theme	Priority	Requested by my company	Supplier due date	Status
Clear all					
✓	High	Declares actions on employee health & safety issues, but no supporting documentation available	Yes (31 Dec 2024)	Not specified	Not started
✓	High	No information on actions regarding discrimination and harassment	Yes (31 Dec 2024)	Not specified	Not started
✓	High	Declares actions on employee health & safety issues, but no supporting documentation available	Yes (31 Dec 2024)	Not specified	Not started
✓	High	Declares measures in place regarding sustainable procurement, but no supporting documentation available	Yes (31 Dec 2024)	Not specified	Not started
✓	High	No information on actions regarding discrimination and harassment	Yes (31 Dec 2024)	Not specified	Not started

Search in Network

Corrective Action Plan

Chat with AI Assistant

You can request corrective actions from your partners. This will not impact their current score, but it will help them prepare for the next assessment. [Learn more](#)

Based on scorecards

Export

Corrective actions (13)

Corrective actions are determined based on the improvement areas. Once work on an improvement area begins, it is added to the list of corrective actions.

Request general improvement

Status	Theme	Priority	Requested by my company	Supplier due date	Status
Theme Labor & Human Rights Clear all					
✓	High	Declares actions on employee health & safety issues, but no supporting documentation available	Yes (31 Dec 2024)	Not specified	Not started
✓	High	No information on actions regarding discrimination and harassment	Yes (31 Dec 2024)	Not specified	Not started
✓	High	No information on measures regarding career management & training	Yes (31 Dec 2024)	Not specified	Not started
✓	Medium	Inconclusive documentation for policies on career management & training	Yes (31 Dec 2024)	Not specified	Not started
✓	Medium	Inconclusive documentation for policies on employee health & safety	Yes (31 Dec 2024)	Not specified	Not started
✓	Medium	Inconclusive documentation for policies on preventing discrimination and harassment	Yes (31 Dec 2024)	Not specified	Not started
✓	Medium	Inconclusive documentation for policies on working conditions	Yes (31 Dec 2024)	Not specified	Not started
✓	Medium	Inconclusive documentation for reporting on career management & training	Yes (31 Dec 2024)	Not specified	Not started
✓	Medium	Inconclusive documentation for reporting on discrimination and harassment	Yes (31 Dec 2024)	Not specified	Not started

OJOTA - Nigeria
| Advertising and market research

Company size: M
| Assessment scope: Entity
| Country risk: High

BU NIG

Low theme score(s)

Overall score
37/100

Percentile
14th

Show company details

Scorecard
Carbon
Corrective Action Plan
Activity History
Metrics
Carbon Product Data
Live News
Other

Scorecard
Download
Chat with AI Assistant

Publication date: 12 Sep 2024
Valid until: 12 Sep 2025

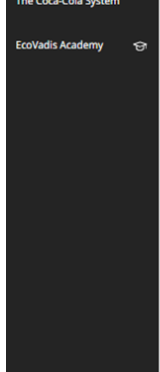
Overall score
Percentile 14th
37/100

Environment
Impact on score
30/100

Labor & Human Rights
Impact on score
40/100

Ethics
Impact on score
40/100

Sustainable Procurement
Impact on score
20/100



Search in Network

BACK

OJOTA - Nigeria
| Advertising and market research

Company size: M
| Assessment scope: Entity
| Country risk: High

BU NIG

Low theme score(s)

Overall score
37/100

Percentile
14th

Scorecard
Carbon
Corrective Action Plan
Activity History
Metrics
Carbon Product Data
Live News
Other

Corrective Action Plan
Chat with AI Assistant

You can request corrective actions from your partners. This will not impact their current score, but it will help them prepare for the next assessment.
Learn more

Based on scorecards
Export

Corrective actions (1)
Request general improvement

Status
Theme
Priority
Previo...
More filters

Theme All
Clear all

	Priority	Corrective Action	Requested by my company	Supplier due date	Status
<input checked="" type="checkbox"/>	High	Mandatory Corrective Action	Yes (13 Mar 2025)	Not specified	Completed

Carbon corrective actions (5)

Upgrade your subscription to view your partner's corrective actions regarding carbon. Please reach out to your Account Manager for assistance.

Search in Network

Coca Cola Helle...
Nafika Marai

Corrective actions (48)
Request general improvement

Corrective actions are determined based on the improvement areas. Once work on an improvement area begins, it is added to the list of corrective actions.

Status
Theme
Priority
Previo...
More filters

	Priority	Corrective Action	Requested by my company	Supplier due date	Status
<input type="checkbox"/>	High	Inconclusive documentation on environmental policies	No	Not specified	Not started
<input checked="" type="checkbox"/>	High	Mandatory Corrective Action	Yes (13 Mar 2025)	Not specified	Completed
<input type="checkbox"/>	High	No conclusive documentation on the integration of social and environmental clauses into supplier contracts	No	Not specified	Not started
<input type="checkbox"/>	High	No conclusive documentation regarding information security risk assessments	No	Not specified	Not started
<input type="checkbox"/>	High	No conclusive reporting on environmental issues	No	Not specified	Not started
<input type="checkbox"/>	High	No conclusive reporting on ethics issues	No	Not specified	Not started
<input type="checkbox"/>	High	No conclusive reporting on labor and human rights issues	No	Not specified	Not started
<input type="checkbox"/>	High	No conclusive reporting on sustainable procurement issues	No	Not specified	Not started
<input type="checkbox"/>	Medium	Basic ethics policies: lacks details on specific issues	No	Not specified	Not started
<input type="checkbox"/>	Medium	Basic sustainable procurement policies: lacks details on specific issues	No	Not specified	Not started
<input type="checkbox"/>	Medium	Declares actions on employee health & safety issues, but no supporting documentation available	No	Not specified	Not started
<input type="checkbox"/>	Medium	Declares measures on waste management, but no supporting documentation available	No	Not specified	Not started
<input type="checkbox"/>	Medium	Inconclusive documentation for policies on corruption	No	Not specified	Not started
<input type="checkbox"/>	Medium	Inconclusive documentation for policies on energy consumption & GHGs	No	Not specified	Not started

KEY:

- Environment
- Labor & Human Rights
- Ethics
- 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*

15% CSR + 42.5% Technical + 42.5 % 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 Double Materiality Assessment 2024

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 Double Materiality Assessment . The materiality assessment is updated annually.

For further info pls refer to the [Coca-Cola HBC 2024 Integrated Annual Report](#) p.37 - 40

2024 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 2024

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

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.

SBA Methodology

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 conducted an “inherent risk assessment” first, based on industry and geographical location of a 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, ILOSTAT, ITUC, World Justice Project as well as a set of acknowledged industry risk related reports on child and forced labor 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 2024

B. Overview on the Risk Categories for SBA 2024

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

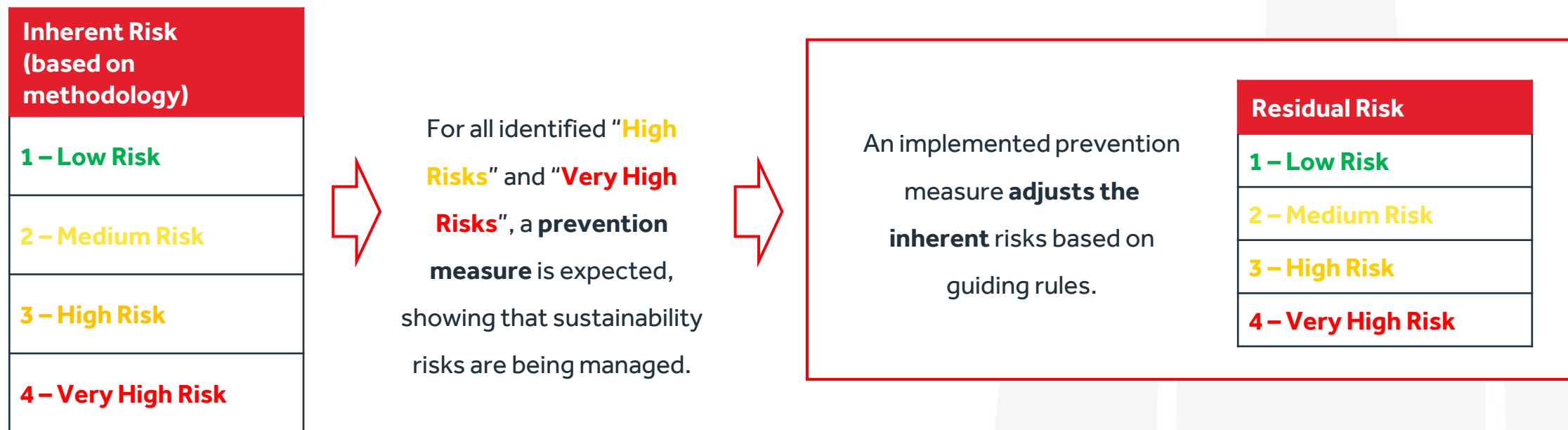
C. Overview on the Inherent Risk Indicators

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, 2023	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 , 2024 & ILOSTAT , 2024	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), 2024	Country Risk: Rule of Law Index (%), World Justice Project, 2024
4. Biodiversity	Country Risk: WWF Biodiversity Risk Filter , WWF, 2024	Commodity Risk: WWF Biodiversity Risk Filter , WWF, 2024
5. Financial Risk	Moody's External Analysis	

D. Methodology – Residual Risk

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		

D. Methodology – Residual risk (3/3)

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

2024 Supply Base Risk Assessment Methodology Approach per Risk Category for Inherent Risk

Methodology Approach

1. Water Risk

1. Water Risk Methodology Summary (1/2)

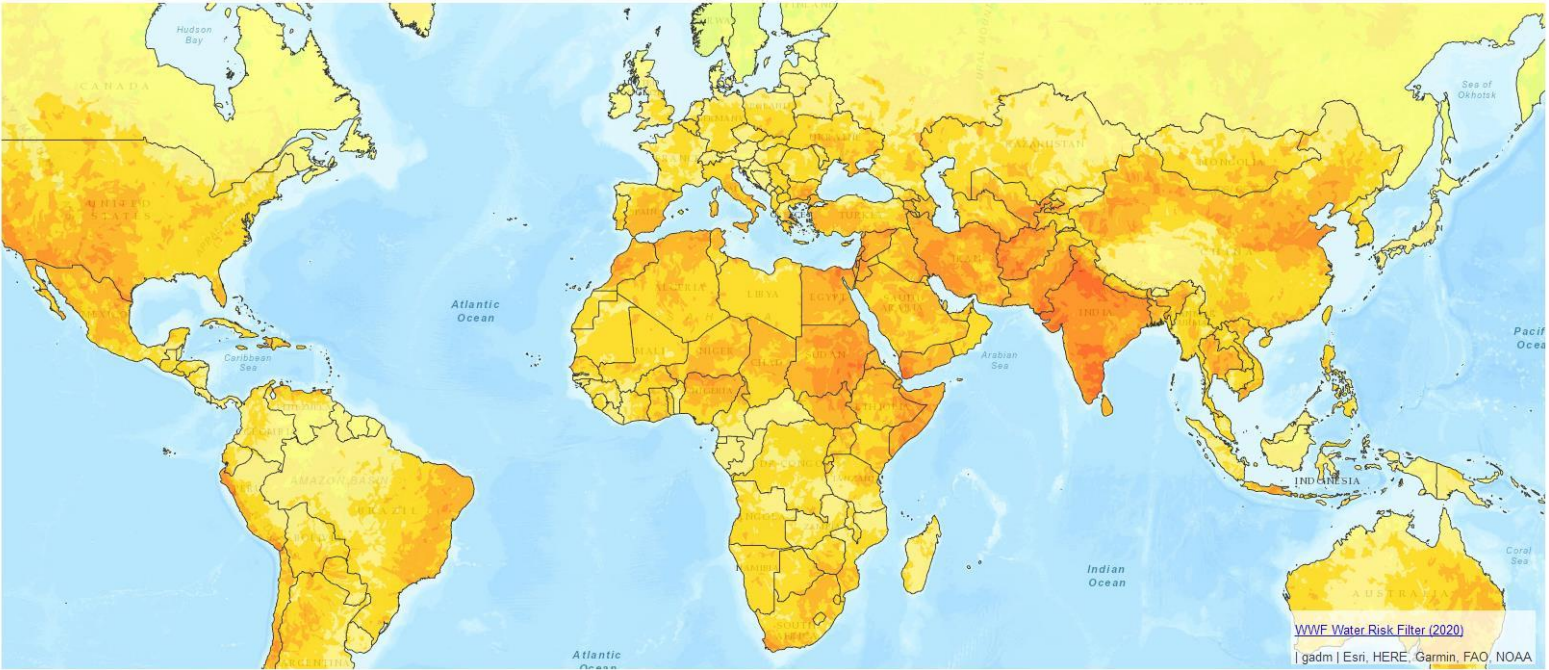
- We identify Water Basin and Operational Risk per Supplier site (taking into consideration their industry) through WWF Water Risk filter tool and plot our suppliers on the following Water Risk Matrix
- For the supplier that their water footprint as per below table is low/medium and for which assessment 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			
		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	

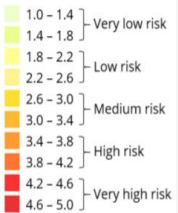
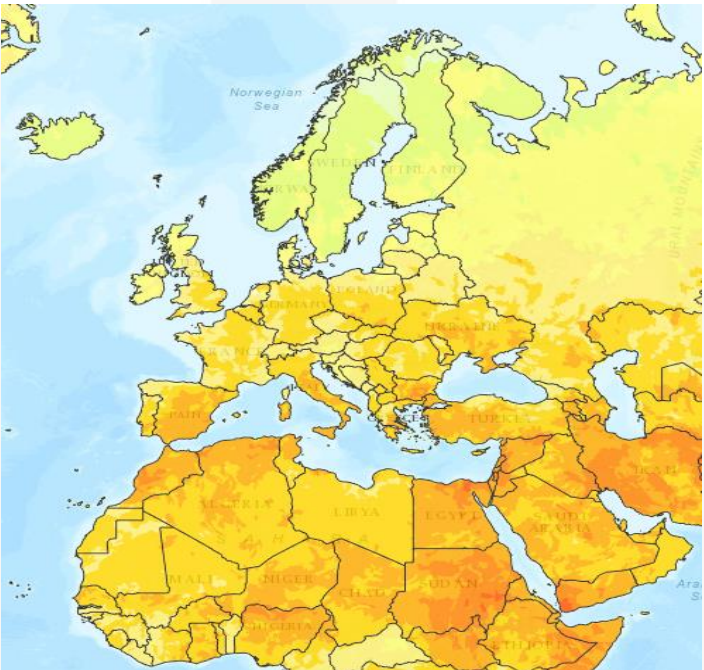
1. Water Risk Methodology Summary (2/2)



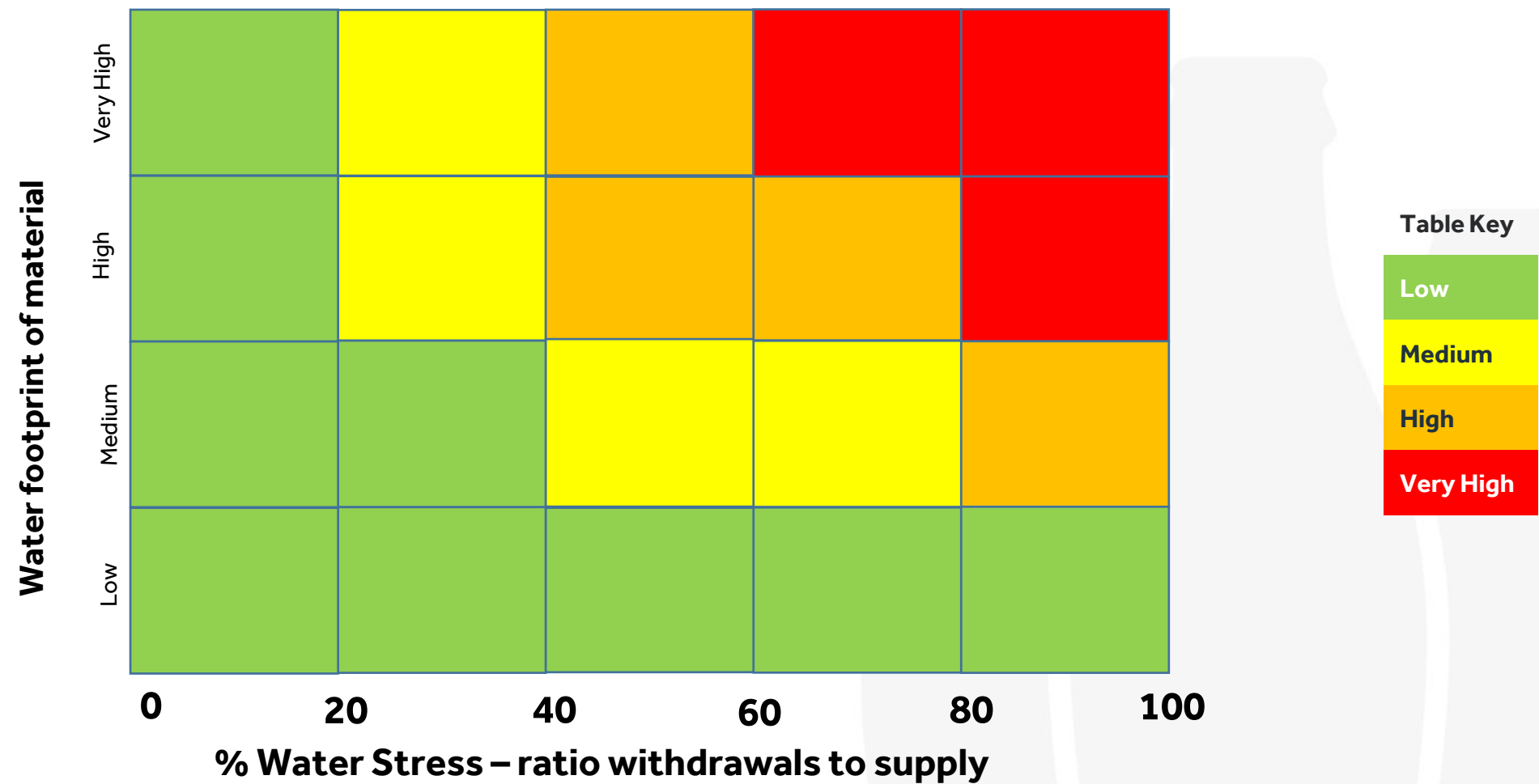
Maps



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. Water Stress Risk Matrix



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.

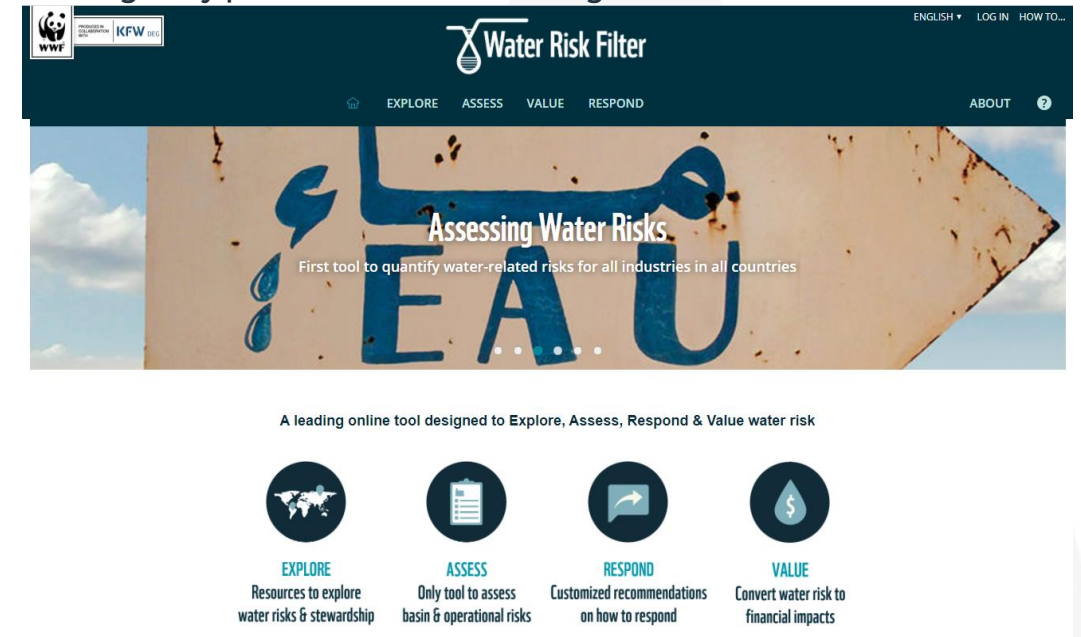
With its unique ability to combine state-of-the-art basin data with industry-weightings and operational information, the tool helps us better understand important aspects of water challenges across our supply chain and strategically plan for actions to mitigate these risks.

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

A screenshot of the WWF Water Risk Filter web application. The interface has a dark blue header with the WWF logo, a "PRIORITY COLLABORATION PARTNER" badge, and the "KfW DEG" logo. The main navigation bar includes "EXPLORE", "ASSESS" (highlighted), "VALUE", and "RESPOND". Below this is a sub-navigation bar with "Introduction", "Basin Risk" (highlighted), "Operational Risk", "Analyse Risk", and "Analyse Opportunity". The main content area shows a map of South America with a location pin in Brazil. To the right of the map is a form with fields for "Site Name*", "Select Industry*" (with a dropdown menu showing "No industries"), and "Select Exact Location*" (with a search icon). Below the form are two buttons: "Save and proceed to operational risk" and "Save and analyse results". At the top of the form area, there are links for "Single site: Add new | Edit | Delete" and "Portfolio: Add new | Edit | Delete".

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.

Overall 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.

1. WWF - Water Stress Risk Matrix



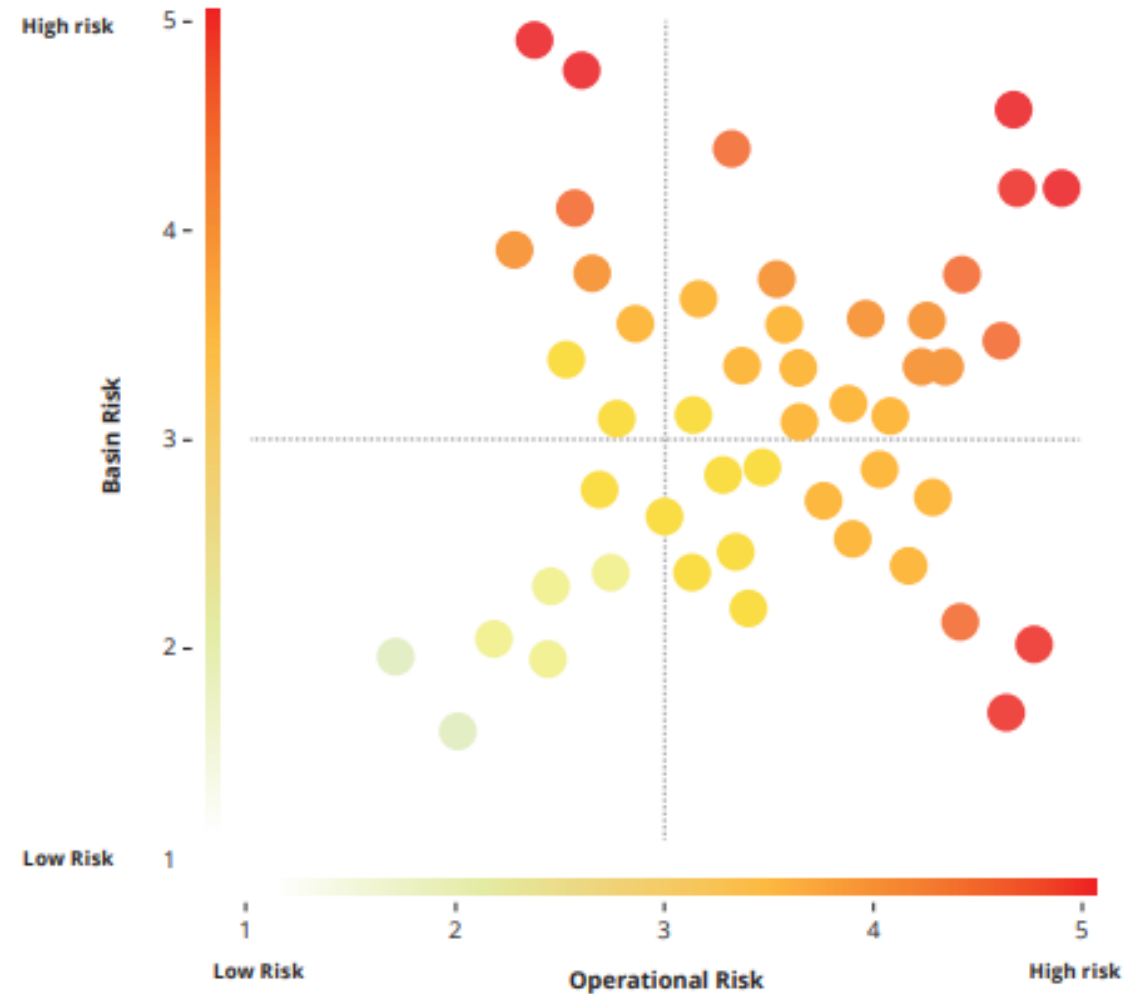
Table
Key

Low

Medium

High

Very
High

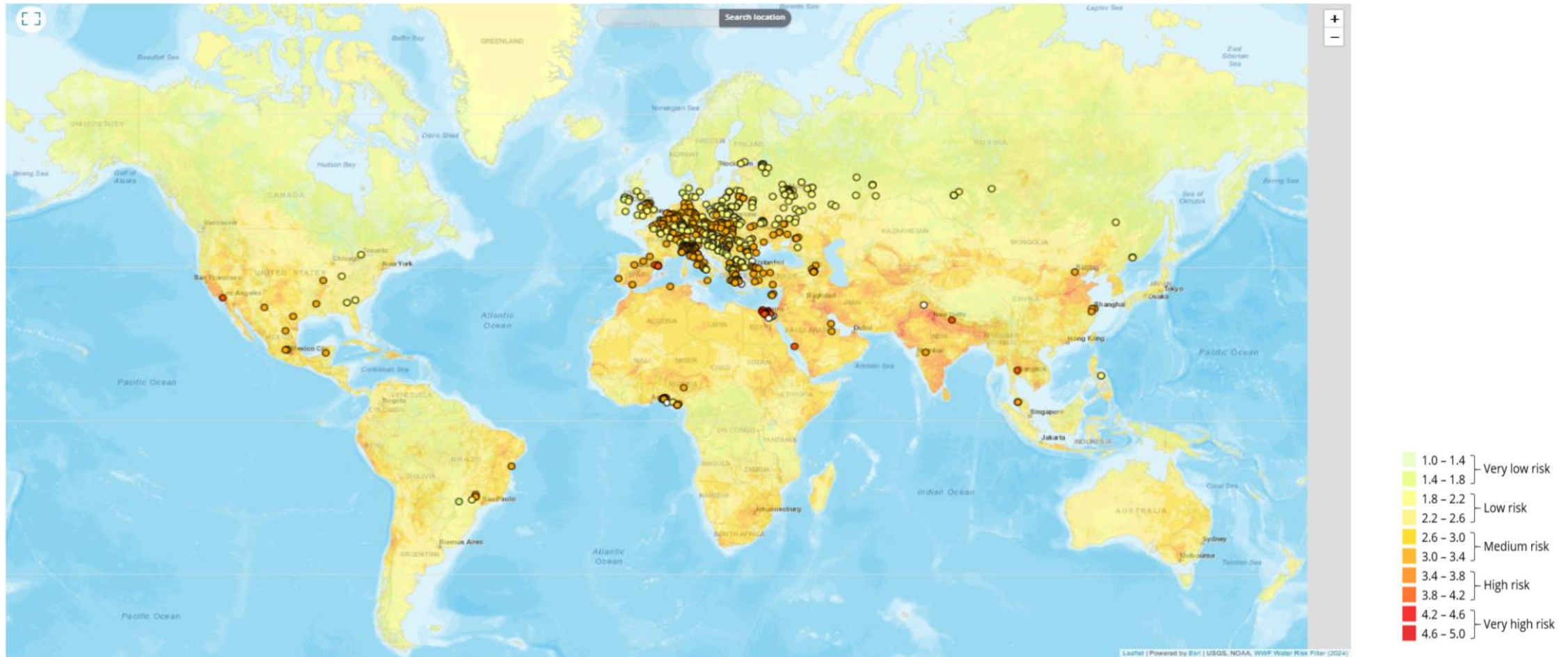


By assessing both basin and operational risks, companies and investors can get a complete understanding of the potential water risk facing their operations and investments, which will help to better focus efforts and actions to address them.

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.



In the WRF Graphs, Map & Results of the Category we included all the suppliers evaluated with WWF Methodology and not only the ones that are evaluated as part of this SBA.

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



In the WRF Graphs, Map & Results of the Category we included all the suppliers evaluated with WWF Methodology and not only the ones that are evaluated as part of this SBA

Methodology Approach

2. Climate Change Risk

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><u>EPI Climate Change Index</u>, Yale University, 2023.</p> <p>The Yale University in the United States monitors a global environmental index per country, in which Climate has a specific section.</p> <p>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>Emission factor of the purchasing category.</p> <p>CCHBC uses internal emissions per purchasing category for the calculation of the Scope 3.1 “Purchased Goods and Services”.</p> <p>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%

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.



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

2. Climate Change Risk Factor #2 Emission Factors per Purchasing Category

SBA 2024

Total Emissions	Category (revised to 2023 spend wording)
4 - Very high	Cans
4 - Very high	Metal Closures
4 - Very high	Metal Crowns
3 - High	Stretch & Shrink Film
3 - High	PET PREFORMS
3 - High	PET Resin (vPET)
3 - High	Plastic Closures
2 - Medium	FLM
2 - Medium	LOG
2 - Medium	Glass Bottles
2 - Medium	Utilities
2 - Medium	PET Resin (rPET)
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)
2 - Medium	CO2
2 - Medium	Juices
1 - Low	CDE
1 - Low	Coffee Machines
1 - Low	PEQ/MRO
1 - Low	IST
1 - Low	Travel, Personnel & Security - CORPORATE
1 - Low	Corporate Services
1 - Low	SAM

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

Updated

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? CCHBC Emission Factors</i>			
		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

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><u>Global Slavery Index</u>, 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 collabroatiove 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>EY denkstatt database</p> <p>EY denkstatt consolidate commodity, sector and industry-related risk factors in a self-made database. This database gathers acknowledged 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 e

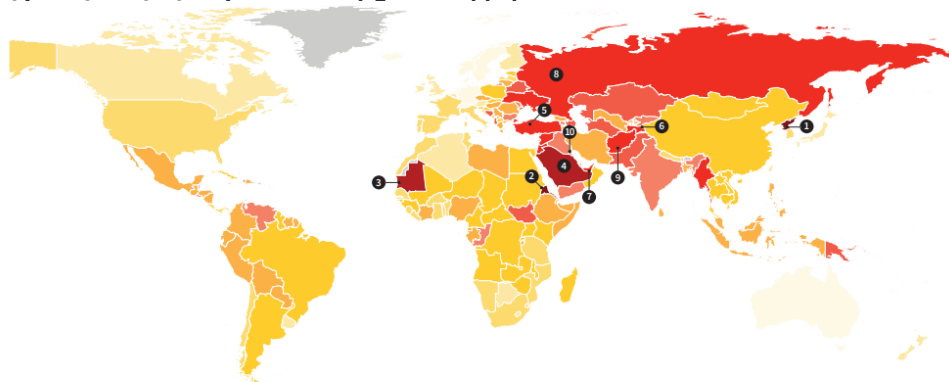
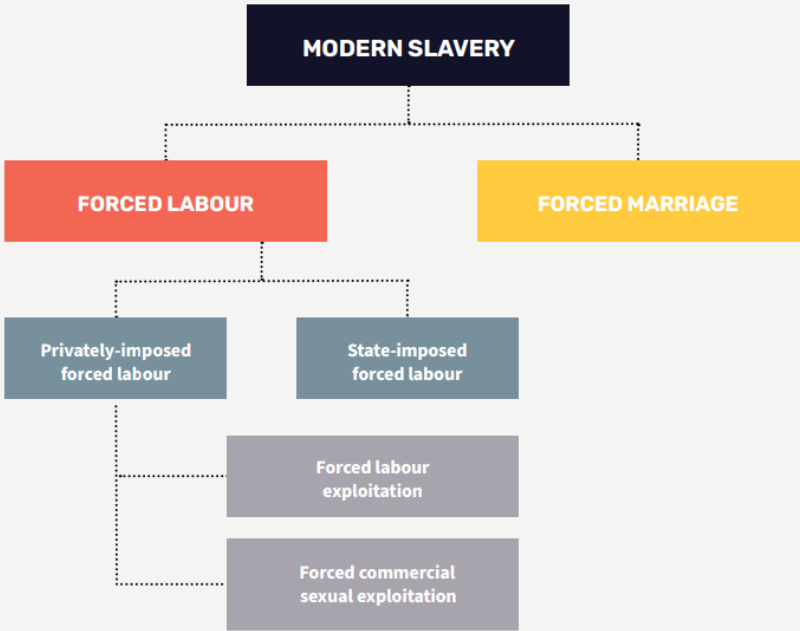


Figure 5
Estimated prevalence of modern slavery by country (noting estimated prevalence per 1,000 population for the 10 countries with highest prevalence)



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

Structure: Modern Slavery



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

3.1. CCHBC 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? (EY 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, 2024 <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, 2024 <p>Consolidation per country of children aged from 5-17 years engaged in child labour through diverse sources.</p>	<p>EY denkstatt database</p> <p>EY denkstatt consolidate commodity, sector and industry-related risk factors in a self-made database. This database gathers acknowledged 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 most recent 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. CCHBC Methodology – Matrix: Child Labour

Inherent supplier risk is determined according to the following table:

Child Labour		Category risk analysis <i>Do expert organizations identify a risk related to child labour in this purchasing category? (EY denkstatt study – see assessment file for details)</i>	
		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="160 439 996 532"><u>Global Rights Index</u>, International Trade Union Confederation (ITUC), 2024</p> <p data-bbox="160 601 1235 896">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="160 956 1240 1150">The Confederation has published in 2024 the 11th 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="1286 439 2308 532"><u>Rule of Law Index, Factor 4.8 Fundamental Labor Rights</u>, World Justice Project (WJP), 2024</p> <p data-bbox="1286 594 2377 788">The World Justice Project® (WJP) is an independent, multidisciplinary organization working to create knowledge, build awareness, and stimulate action to advance the rule of law worldwide.</p> <p data-bbox="1286 848 2346 1092">The 2024 WJP Rule of Law Index evaluates 142 countries and jurisdictions around the world. It calculates scores and rankings for eight factors and 44 sub-factors. The Factor 4.8 represents the fundamental labor rights of a specific country.</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.

The 10 worst countries for working people

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

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

3.3. Disregard of Labour Rights

Country Risk Indicator 2 – Fundamental Labor Rights

The WJP Rule of Law Index calculates scores and rankings based on eight factors and 44 sub-factors.

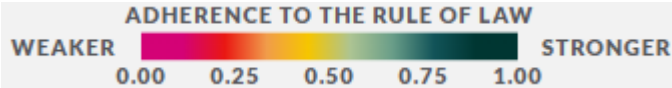
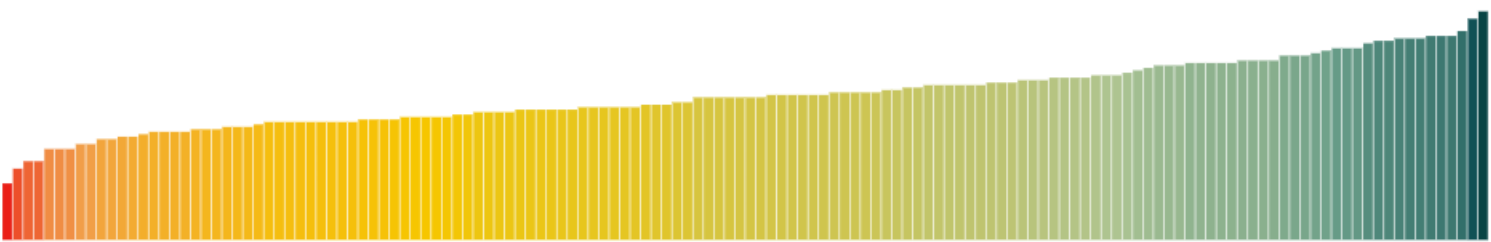
Factor 4 of the WJP Rule of Law Index acknowledges that a system of positive law that does not respect core human rights as established under international law can at best be considered “rule by law,” rather than a true rule of law system. Given the existence of other indices that focus on human rights and the impossibility of the Index covering the full spectrum of rights, this factor concentrates on a select set of rights that are firmly grounded in the United Nations Universal Declaration of Human Rights and are most closely related to rule of law concerns.

Specifically, Factor 4.8, titled “Fundamental Labor Rights are effectively guaranteed,” measures the effective enforcement of essential labour rights, including freedom of association, the right to collective bargaining, non-discrimination in employment, and the prohibition of forced labour



Scoring model

% of working poor	Risk Estimation
0	Very High
0,4	High
0,6	Medium
0,8	Low



3.3. CCHBC Methodology – Matrix: Disregard of Labour Rights

Inherent supplier risk is determined according to the following table:

Disregard of Labour rights		Country risk analysis <i>To what extent Fundamental Labour Rights are effectively guaranteed in a supplier's country according to the WJP Rule of Law Index?</i>			
		Low	Medium	High	Very High
Country risk analysis <i>What is the performance of the supplier's country on the ITUC Global Index?</i>	Low	Low Risk	Low Risk	Medium Risk	High Risk
	Medium	Low Risk	Medium Risk	Medium Risk	High Risk
	High	Medium Risk	Medium Risk	High Risk	Very High Risk
	Very high	High Risk	High Risk	Very High Risk	Very High Risk

Methodology Approach

4. Biodiversity Risk

4. Biodiversity

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

Risk Factor #1: Physical Risk (WWF BRF)	Risk Factor #2: Reputational Risk (WWF BRF)
<p>Physical risks are driven by the ways in which a business and its supply chains depend on and can be affected by both natural and human-induced conditions of land-, freshwater - and seascapes and how pressures might deteriorate ecosystem services in the future.</p> <p><u>WWF Biodiversity Risk Filter</u>, WWF, 2024</p> <p>Where no values were available from the WWF BRF Tool the country risk indicators provided by WWF were used in coordination with the WWF Technical Team.</p>	<p>Reputational risk represents stakeholders' and local communities' perceptions on whether companies conduct business sustainably or responsibly with respect to nature and can ultimately affect brand value and market share, among other factors. While a considerable amount of reputational water and biodiversity risk is operational, there are some preconditions in the landscape or basin that make reputational risk more likely to manifest.</p> <p><u>WWF Biodiversity Risk Filter</u>, WWF, 2024</p> <p>Where no values were available from the WWF BRF Tool the country risk indicators provided by WWF were used in coordination with the WWF Technical Team.</p>

4. Biodiversity – Risk Factor #1 and #2

The WWF Biodiversity risk factor includes dependency and impact weightings for all WWF Biodiversity Risk Filter (WWF BRF) industry sectors across the indicators featured in the tool. The WWF BRF sector weightings specifically highlight the direct potential dependencies and impacts of production processes on ecosystem services and biodiversity indicators, excluding those that occur through the supply chain. For example, the dependencies and impacts listed for the sector 'Food Retailing' do not include those related to the growing and harvesting of agricultural products, as these are covered under agricultural-related processes.



Scoring model

Index	Risk Estimation
>4,21	Very High
3,41 – 4,2	High
2,61 – 3,4	Medium
<2,6	Low

- 1 – Very low dependency/impact
- 2 – Low dependency/impact
- 3 – Medium dependency/impact
- 4 – High dependency/impact
- 5 – Very high dependency/impact
- Blank – This indicator is not applicable for this sector

Details can be found in the SBA Assessment File.

4. CCHBC Methodology – Matrix: Biodiversity

Inherent supplier risk is determined according to the following table:

Biodiversity		Reputational Risk			
		Low	Medium	High	Very High
Physical Risk	Low	Low Risk	Low Risk	Medium Risk	High Risk
	Medium	Low Risk	Medium Risk	Medium Risk	High Risk
	High	Medium Risk	Medium Risk	High Risk	Very High Risk
	Very High	High Risk	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	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
	9	Baa2	
	10	Baa3	
High	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 2024
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 2024 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 2024 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 2024 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 2024 under Capacity Building Program
	% of unique significant suppliers in capacity-building programs	% of significant suppliers in capacity building programs