

# CCH – Annual General Meeting – Chairman’s speech

## 18 June 2019

Dear Shareholders, Ladies and Gentlemen

On behalf of the Board of Directors of Coca-Cola HBC AG, I would like to welcome you to our 2019 Annual General Meeting.

Hopefully you have all had the opportunity to read our 2018 Integrated Annual Report and review the progress the company has made over the last year. Zoran will shortly present on these developments in more detail and you will be given the opportunity to ask any questions that you may have. In the meantime, I'd like to talk to you through the highlights of the last year.

2018 was another successful year for Coca-Cola HBC and the Board is pleased with progress that has been made. Our strong performance was the result of the successful execution of our strategy, increasingly efficient operations and the efforts of our talented and resourceful employees led by an outstanding management team. With more new products launched in 2018 than ever before our results are a testimony to the agility and entrepreneurship of our people. I am particularly pleased that, as we transformed many aspects of our business, our approach to creating value for all our stakeholders continued.

Over the year, the Board remained focused on the execution of our growth strategy; particularly on aligning strategically with our network of partners and The Coca-Cola Company in all of our markets.

It is our commitment to these stakeholders that has been a defining theme of 2018 and our integrated annual report was entitled “In Good Company” to reflect their importance. The Board has striven to ensure that the Company has a comprehensive approach to stakeholder engagement, including building robust stakeholder engagement practices which allows us to listen to any concerns and feedback, taking steps to engage further when necessary. As part of our commitment to this, we held our Annual Stakeholder Forum in Vienna with The Coca-Cola Company. This was a valuable exercise in garnering our partners’ opinions on the issues that matter most to us.

One such issue that has long been on the minds of many of our stakeholders is sustainability and I am pleased to say that great progress has been made in managing the social and environmental aspects of our business. While our sustainability leadership has long been recognised, we are determined to remain a leader in this area. So, as many of our 2020 sustainability targets have already

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been met, the Board recently approved a new set of ambitious targets for 2025. These targets are focused on the issues that matter most to our stakeholders: emissions, water use and stewardship, a World Without Waste, nutrition and ingredient sourcing.

The Board that I chair benefits from a diverse range of skills, experience, independence and knowledge. It has, in recent years, undergone a process of renewal and is now a very well-balanced and diverse group who can support management in leading our company to long-term success. In 2018 we were able to support Zoran as he developed the business strategy in his first year in the role and we look forward to ongoing engaging and collaborative discussions for the years to come.

In line with our commitment to adhere to best corporate governance practices, as in 2017, a Board effectiveness evaluation was conducted in the second half of 2018. We will repeat this again in 2019 to build upon the information gained from previous evaluations. We believe that our Board has the right composition and mix of skills to discharge its duties and responsibilities effectively. Nevertheless, the composition and diversity aspects will continue to be under review. Our Nomination Committee is devoted to developing strong succession plans for the Board and senior management and the Board remains committed to recruiting Directors with diverse backgrounds, personalities, skills and experience.

Embedding company values at the heart of our corporate culture has been fundamental to our success and, we will continue to cultivate a values-based culture with a drive for excellence. Our culture is defined by our six core values: winning with customers; nurturing our people; excellence; integrity; learning; and performing as one. These values make for a culture where our people are clear on our purpose and growth pillars as well as our objectives.

Transforming our business to become a Total Beverage Company requires us to build on this strong culture. We know from our success in navigating macroeconomic challenges in recent years that our people are resourceful and resilient. Successfully transforming our business requires that we further empower our people to take bold and entrepreneurial action to serve our customers, while at the same time asking that they seek to learn from failure and remain accountable for their decisions. Our strong results and steadfast progress in an ever-changing world is testimony to the agility and entrepreneurial attitude of our workforce and leaves me confident that we have the right culture to succeed in the future.

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With this in mind, on behalf of the Board I would like to take this opportunity to thank everyone at Coca-Cola HBC for another year of outstanding progress towards our 2020 targets. I would also like to take this opportunity to thank you, our shareholders, for your support and confidence in our company.

As we look to 2019, our focus will remain set on supporting management with strategy and decision-making as we continue our journey to become The 24/7 Total Beverage Partner and prepare for the next chapter of growth. I remain confident in our strategy over the coming year and look forward to reporting back to you at next year’s AGM. I will conclude by reminding you that the Board is proposing a full year dividend of 0.57 Euros per share, consistent with our progressive dividend policy. In addition, the Board is proposing a special dividend of 2.00 Euros per share reflecting successive years of strong performance, confidence in the future and our commitment to creating value for our shareholders.

Thank you.