



UN Global Compact Communication on Progress 2021

UN Global Compact - Communicating our Progress

This section provides more detail to internal and external stakeholders on Coca-Cola HBC's sustainability-related policies, programmes, and performance. In addition, it complements our 2021 Integrated Annual Report, which combined with the 2021 Global Reporting Initiative (GRI) Standards Index, serves as our Communication on Progress (COP) to the United Nations Global Compact.

Coca-Cola HBC has participated in the UN Global Compact since 2005 and is continuously working to implement and promote the 10 Principles in support of human rights, labour rights, the environment, and anti-corruption.

More specifically, we fulfil our commitments to the UN Global Compact by:

- Implementing the 10 Principles into Company operations and strategy;
- Supporting the Compact's global platforms, including the CEO Water Mandate and Caring for Climate initiatives;
- Contributing to the UN sustainable development goals;
- Working to make our supply chain more sustainable;
- Promoting the development of local networks;
- Reporting transparently in accordance with the GRI Standards.

1.1 GC Advanced Level

Our Integrated Annual Report, in conjunction with the 2021 GRI Index and this document, serves as our Communication on Progress (COP) to the Global Compact. To achieve Advanced Level status, we must meet the 21 criteria of the COP differentiation programme. Below is a summary of these criteria and how we meet each one.

1.1.1 Mainstreaming into corporate functions and business units

We have integrated sustainability into the way we run our business. We identified material issues to our business with our stakeholders and developed ambitious strategies, demanding targets, rigorous governance, and integrated reporting. We have also implemented internationally recognised management systems. Almost all (>99%) of our production volume comes from plants that are certified for quality (ISO 9001), environment (ISO 14001), health and safety (ISO 45000), and food safety (ISO 22000 and FSSC 22000).

1.1.2 Value chain implementation

Our supply chain is the biggest contributor to our impacts, particularly from an environmental perspective. To address this, we work with our suppliers, NGOs, The Coca-Cola Company, and other partners to tackle issues such as water use, access to water, carbon emissions, soil health, biodiversity, and others in our agricultural supply chain. We have also begun collaborative work with customers on joint sustainability initiatives. Together with The Coca-Cola Company, we are setting long-term sustainability targets and public commitments for our business that include our supply chain in a lifecycle approach. Further, as our coolers - used by our customers - are one of the major CO₂ emissions contributors, we provide energy-efficient and HFC-free coolers. We are also working to address the social issues (e.g., human rights, labour rights) in our value chain.

Robust Human Rights Management Policies & Procedures

1.1.3 Robust commitments, strategies, or policies in the area of human rights

- Relevant policies include: a Human Rights Policy, including explicit reference to the UN Framework and Guiding Principles on Business and Human Rights (the Ruggie Framework) and the ILO International Labour Standards; Supplier Guiding Principles; Slavery and Human Trafficking Statement; Inclusion, Diversity and Anti-Harassment Policy; Occupational Health and Safety Policy; and HIV-AIDS Policy.
- Building on our 2018 announcement of 50% women managers by 2025 as one of our Mission 2025 sustainability commitments, our actions included continuing to roll out Inclusive Leadership modules to drive the behaviours needed for an inclusive environment, with over 1,500 participants by end 2021; workshops on disrupting bias for our People & Culture teams and some local leadership teams; and our CEO again acted as judge in the WeQual awards, designed to recognise women at C-suite minus one level in FTSE companies. Other activities included participating in the Coca-Cola System and external thought leadership events on diversity and inclusion and building our employer value proposition by using social media to attract female candidates, e.g., by promoting women's stories - videos of women sharing their experiences of CCH.

1.1.4 Effective management systems to integrate the human rights principles

- Our commitments are integrated into management systems and training.
- All of our operational sites, offices, and distribution centres/warehouses are part of the internal management system where human rights are an integral part. Compliance is verified through internal audits.
- During 2021, 54* bottling plants were operational, 53 of which were certified to ISO 45000.

- High-profile health and safety campaigns and gender diversity initiatives are among the programmes which bring our commitments to life.

(^{*}): In the 2021 IAR we report 56 plants, as we add two plants that are not bottling sites. These are Bambi confectionary (snacks) plant in Serbia, and Tsakiris snacks plant in Greece.

1.1.5 Effective monitoring and evaluation mechanisms of human rights integration

- Regular reviews ensure that we adhere to all applicable laws and regulations, our Code of Business Conduct, and internal standards.
- Certification on a regular basis confirms that we are in legal compliance, processes are well implemented, targets are set and reached, and reporting is timely and accurate.
- Both suppliers and Company-owned operations are subject to independent assessments of workplace conditions.
- We have a well-publicly communicated whistle-blower system, with all concerns investigated.
- Coca-Cola HBC received no fines for non-compliance with human rights-related laws and regulations in 2021.

Robust Labour Management Policies & Procedures

1.1.6 Robust commitments, strategies, or policies in the area of labour

- Relevant policies include our Human Rights Policy and Supplier Guiding Principles (SGPs), available on our website.
- Suppliers confirm adherence to our SGPs. Moreover, the SGPs are part of all issued tenders and referenced in the purchase orders sent to suppliers. As of 2015, all new suppliers acknowledge to adhere to our SGPs.
- In 2015, we updated the SGPs to include express reference to the obligation of suppliers to be able to demonstrate, as a minimum, their compliance with our Supplier Guiding Principles and with the eight Core Conventions of the International Labour Organization if these set higher standards than local law. In 2017, we proceeded with further enhancements to include a more expansive prohibition of slavery, forced labour and human trafficking, complimented with internal review and consultation within our operational sites and supplier base. In 2020, we made further updates to the SGPs, to add a provision that creates an explicit prohibition of any form of recruitment fees.
- We maintain transparency throughout our supply base. Sustainability is at the core of all our sourcing activities and considers our suppliers as critical partners and contributors to the ongoing and sustainable success of our business. We monitor the performance of our critical suppliers through The Coca-Cola Company's Supplier Guiding Principles compliance audits, our internal supply base assessments and the EcoVadis platform that we have introduced in 2017. EcoVadis helps us monitor a range of risks using 21 criteria from international standard setters including the UN Global Compact, ISO 26000, the Global Reporting Initiative, and the International Labour Organization.
- We also recognise supplier certifications as per international standards including ISO 9001, ISO 14001, ISO 50001, FSSC 22000 and OHSAS 18001/ ISO 45001.
- In close collaboration with The Coca-Cola Company (TCCC), we are committed to working together with our suppliers to ensure that we source our key agricultural ingredients sustainably. Our suppliers are expected to ensure compliance with TCCC's Principles for Sustainable Agriculture, where we communicate our values and expectations of compliance with all applicable laws with emphasis on the importance of responsible workplace practices that respect human rights.
- For agricultural commodities, we are aligning with the wider industry to recognise the Rain Forest Alliance, Fair Trade, Bonsucro, the Sustainable Agriculture Initiative Platform (SAI- FSA), Global GAP+GRASP, etc.
- Through our Workplace accountability audits within a 3-years audit cycle, all of the long-term contractors and contracted services on-site are assessed in human rights.
- We also have a commitment to engage in social dialogue in the communities where we live and work. Various community development and investment initiatives that serve the needs of the communities in the countries where we operate are included in our 2021 Integrated Annual Report, in the section "Earn our license to operate".

1.1.7 Effective management systems to integrate the labour principles

- We have independent trade unions and/or works councils as well as formal communications protocols in place. For details, please see the relevant sections of our 2021 GRI Content Index.
- Comprehensive people development initiatives endeavour to ensure all employees achieve their potential. Pay for entry-level positions is significantly above local minimum wage, where one exists. For details, please see also the 2021 GRI Index.
- We work to improve working conditions in informal packaging collection systems.

- We participate in industry initiatives, such as SAI Platform, AIM-Progress, ECOVADIS, WWF Water Risk Filter through our Procurement function.

1.1.8 Effective monitoring and evaluation mechanisms of labour principles integration

- Regular reviews ensure that we adhere to all applicable labour laws and regulations and internal standards.
- Independent selective audits are undertaken of both Company and supplier workplaces.
- We perform annual supply base assessments.
- We have a well-publicised whistle-blower system, with all contacts investigated.
- Coca-Cola HBC received no significant fines for non-compliance with labour laws and regulations in 2021.

Robust Environmental Management Policies & Procedures

1.1.9 Robust commitments, strategies, or policies in the area of environmental stewardship

- We have publicly available policies on water stewardship, climate change, packaging waste management, food loss, biodiversity, and overall environmental policy.
- All of our suppliers are required to adhere to our Supplier Guiding Principles.
- 2021 Environmental targets and progress made, are publicly reported – having achieved some of them earlier on and with a great progress of the others, we have issued 17 new Sustainability commitments by 2025.
- Since 2011, 100% of wastewater (from manufacturing sites) is treated to a level that supports aquatic life.
- In 2021, 42% of our coolers in the marketplace are energy-efficient, followed our 50% commitment by 2025. These changes have helped to save electricity and thus CO₂ emissions at our customers.
- We have installed 13 CHP plants (10 in a partnership and 3 owned) in our production sites in Nigeria, Ukraine, Romania, Poland, Italy, Northern Ireland, reducing scope 1 and 2 emissions at each bottling plant.
- In 2015, we have committed to four of the initiatives of the 'We Mean Business' coalition prior to the COP21 in Paris, France.
- We were among the first 12 companies globally with approved science-based carbon reduction targets in both direct operations and value chain, back in January 2016.
- In late 2020 we have achieved approval of our next set of science-based carbon reduction targets, aligned with the 1.5-degree Celsius scenario.
- In June 2021 we have joined the European Climate pact coalition.
- In October 2021 we announced our NetZero by 40 commitment – to achieve net zero greenhouse gas emissions across the whole value chain (Scope 1, 2 and 3) by 2040, and we joined the Race to Zero campaign.
- Since 2006 we have made public Environmental commitments. Our recent sustainability commitments, called Mission 2025 include six pillars, among them carbon emissions, water stewardship, World Without Waste, sustainable sourcing, nutrition.
- Cross-functional team in place which works together with our partners from The Coca-Cola Company for building and executing a Packaging strategy towards the "World Without Waste" System initiative.
- At the end of 2017, our CFO signed the support letter to TCFD (Task Force on Climate-related Financial Disclosure), and we are committed to implementing TCFD recommendations. The Board continued to have oversight of climate-related risks and opportunities through the activities of the Social Responsibility Committee and the Audit and Risk Committee.

1.1.10 Effective management systems to integrate the environmental principles

- During 2021, 54 bottling plants were operational and under our operational control, 53 of which had achieved ISO 14001 certification, accounting for 99.8% of volume (the only one not certified plant is Lurisia in Italy due to integration process).
- By the end of 2021, we have achieved 52 certificates in water stewardship, in compliance with either the European Water Stewardship Standard (EWS) or Alliance for Water Stewardship Standard (AWS).
- In our countries, we have a Carbon and Water Champion who works with the Group Carbon and Water team to plan, investigate, track, and implement carbon and water reduction initiatives.
- Since 2016, each country is working with their appointed Packaging Champion on the development & execution of packaging roadmaps to achieve our sustainable packaging commitments. We have a robust process on the Group level to monitor and drive the progress.
- Our environmental priorities (Carbon & Water reduction, Packaging & Waste reduction, Renewable energy purchases and use of recycled packaging) are part of each country's Business Plan process.
- Environmental KPIs are part of our integrated software for performance review - BPMS (Business Performance Management System) - and all data, progress and actions are available monthly.

1.1.11 Effective monitoring and evaluation mechanisms for environmental stewardship

- Regular reviews conducted to confirm compliance to all applicable environmental laws, regulations & internal standards.

- Environmental management systems and data at all bottling plants are audited annually by independent parties.
- Customised software in place for collecting, reporting, tracking, and conducting trend analysis of all Environmental data per plant/country/segment/company.
- Regular internal audits assure that all plants meet environmental requirements (both legal and internal).
- Regular performance review meetings held at plant, country, and Group level (at least monthly) for main environmental KPIs.
- Sustainability team at Group level and Country Carbon & Water Champions in place, reporting progress on carbon/water/energy/packaging reduction quarterly to Senior Management.
- Regular meetings (webinars) held, at which people responsible for environmental issues at corporate and country level discuss performance and share best practices.
- Intranet-based system in place, for sharing successful practices from all countries and tracking replication in other countries. Within the database of the successful practice, there are several environmental categories such as water reduction, energy optimisation, waste management, recycled waste, wastewater treatment etc.
- Compliance and continuous improvement are integral to our management systems. Annual targets are set, and progress is monitored by the Board of Directors (via its Social Responsibility Committee) and reported publicly.
- Process in place to reward the country with the best annual environmental performance results.

Robust Anti-Corruption Management Policies & Procedures

1.1.12 Robust commitments, strategies, or policies in the area of anti-corruption

- Coca-Cola HBC's zero-tolerance approach to corruption is clearly defined in our Anti-Bribery Policy, which prohibits bribery both in commercial dealings with our customers and suppliers and in contacts with government authorities and Public Officials.
- Our Code of Business Conduct emphasizes that compliance is the Coca-Cola HBC way of doing business with integrity.
- In the 2021 annual "Tone at the Top" message to the organization issued by the CEO, highlighting the strong governance demonstrated throughout the year, stating that our company is committed to meeting the highest standards of corporate governance and inviting employees to always maintain the right Tone at the Top. All new employees receive Code of Business Conduct and Anti-Bribery training, which is refreshed every three years, underlining our zero-tolerance approach to corruption.
- Additional annual training sessions are developed by the legal department for risk zone employees, which include senior management, to target specific risks faced by each regional function. For further information please see the Anti-Bribery Policy and Code of Business Conduct on our website: <https://www.coca-colahellenic.com/en/about-us/corporate-governance/policies>.
- We expect our suppliers to adhere to and selectively audit them against our Supplier Guiding Principles that require, among other things, compliance with all applicable anti-corruption laws.
- We run significant awareness initiatives on business ethics and anti-corruption across all Group operations.
- We have worked with Global Compact local networks and others to conduct anti-corruption initiatives.
- We publicly report on Code of Business Conduct violations by type and relevant actions undertaken as a result.

1.1.13 Effective management systems to integrate the anti-corruption principle

- All employees undergo mandatory training and certification in the Code of Business Conduct and the Anti-Bribery Policy (3-year cycle).
- Additional annual training sessions are developed by the legal department for risk zone employees, which include senior management, to target specific risks faced by each regional function.
- In our Gifts and Entertainment Policy, there is a threshold for which items need prior approvals and we require employees to obtain prior legal approvals before extending value to Public Officials and commercial parties. We require employees to accurately record expenses related to dealings with Public Officials and commercial parties.
- We routinely conduct third-party due diligence to ensure that third parties interacting on our behalf with Public Officials are carefully chosen against our anti-corruption criteria and agree to abide by our Anti-Bribery Policy. Our Anti-Bribery Policy requires employees to obtain prior legal approval before hiring any third party to represent us with Public Officials.
- To foster an integrity culture, we run an annual Group-wide Ethics and Compliance Week setting the tone from the top and the middle management and offering employees engaging business ethics and anti-corruption communication. In 2021, in addition to the awareness campaign run during the Ethics and Compliance Week, throughout the year we communicated the importance of reporting potential violations of the Code of Business Conduct and encourage all employees to ask their managers, Ethics and Compliance Officers, or the Internal Audit Department questions.

- Employees can raise concerns, or ask questions, about conduct and compliance in various ways, including a confidential and independently operated whistle-blower “Speak-Up!” line, available in all Coca-Cola HBC countries in local languages. We also have an open-door policy.
- The confidential whistle-blowing line is available also externally. Additionally, consumers can use the dedicated complaint lines, available in our countries.
- We commit to protecting from retaliation those who raise concerns in good faith.
- In 2021 we updated our Whistleblowing Policy in some aspects to reflect the new requirements of the EU Directive on the protection of persons who report breaches of Union law.

1.1.14 Effective monitoring and evaluation mechanisms for the integration of anti-corruption

- We audit compliance with our Anti-Bribery Policy which includes conducting Anti-Bribery due diligence for third parties interacting on our behalf with Public Officials.
- All contacts are investigated, and any material issues are reported to the Audit and Risk Committee.
- All violations of our Code result in disciplinary action, even dismissal.
- Our whistle-blower system is 3rd party and it is audited by their external auditors. We have internal controls which are checked by Internal Corporate Audit team and the Internal Control team tests compliance with our responses to the reports received. As part of the assurance statement of our Integrated Annual Report, every year a 3rd party independent auditor verifies the evidence for the number of contacts we report.
- Independent audits of raw and primary packaging supplier sites are selectively conducted in collaboration with The Coca-Cola Company (TCCC): 86 audits were performed by TCCC in 2021.
- We introduced EcoVadis platform in 2017 and have assessed 848 suppliers by end of 2020, representing an increase of over 60% versus 2019. By December 31st, 2021, we had 1,184 suppliers assessed in EcoVadis. The average overall score for our suppliers is 47.3 and it is above the average score of 43.9 of the EcoVadis universe. The assessment is based on 21 criteria grouped in 4 themes - Environment, Social, Ethics, Suppliers/Supply Chain. Under the Ethics theme, EcoVadis uses 3 criteria - Corruption and Bribery, Anticompetitive Practices, Responsible Information Management.

Action in Support of Broader UN Goals and Issues

1.1.15 Core business contributions to UN goals and issues

- Coca-Cola HBC’s primary contribution is through its core business activities. Direct and indirect employment, salaries, supplier payments, community investments and government taxes are among the ways that we generate local economic benefit.
- Our business also brings indirect benefits, such as technical expertise or inward investment – particularly important in developing or transitional economies.
- As a founding member of the CEO Water Mandate and Caring for Climate initiatives, Coca-Cola HBC has committed to address water conservation and CO₂ emissions in our operations, supply chain, and beyond.
- We invest in renewable energy projects in our manufacturing and logistics operations.
- We support young people across our territories through our flagship social programme #YouthEmpowered.

1.1.16 Strategic social investments and philanthropy

- Our three strategic focus areas are: 1) youth development (youth empowered), 2) world without waste, 3) water stewardship. Additionally, all markets are encouraged to invest in local wellbeing, including emergency relief. In 2021, as the COVID-19 pandemic continued to have a significant impact on our communities, our support to our employees, vulnerable groups, and our customers also continued. For more information, please see the section “Earn our licence to operate” of the 2021 Integrated Annual Report (IAR), pages 45-51.
- In 2021 we invested €6.8 million into community programmes.

1.1.17 Advocacy and public policy engagement

- At Coca-Cola HBC, we table our advocacy efforts mainly through trade associations, which represent companies, organisations, causes, and industries. We may also engage in limited direct advocacy through paid agencies in circumstances where trade associations are either not active or cannot meet our requirements. The scope of our advocacy is wide, but we concentrate on the following areas: Product-specific policies, such as taxes, restrictions or regulations, environmental policy, and Health & Nutrition. For more details, please see our Public Policy Engagement document on our website.
- We aim to be transparent about our positions – calling for urgent action on climate change, for example.
- As a leader, we believe that we have a role to play in tackling the complex, global problem of obesity both as a Company and through the European Soft Drinks Association (UNESDA). We have committed to reducing the calorie content per 100ml in our sparkling beverages by 25% by 2025 vs. 2020. Our portfolio includes reformulated recipes to reduce added sugar and we offer diet, light, and zero-calorie as well as functional drinks. Through these efforts, we are also contributing to UNESDA’s target to reduce added sugar in beverages by 10% by 2025 from a 2019 baseline.

- Being a diligent taxpayer is one of our most impactful socio-economic contributions and all taxes and levies that we contribute directly and indirectly to local communities and central governments matter.
- We oppose measures that single out products or industries, such as soft drink taxes and we also challenge proposals that focus more on short-term financial gain than long-term sustainability.

1.1.17.1 Partnerships and collective action

- Multi-stakeholder partnerships are critical to solving many sustainability challenges. We participate in many such initiatives, even setting them up where none exist.
- As part of our approach to waste, we have committed to engage in 20 Zero Waste partnerships either with cities or along coastlines. We piloted this approach under the brand Zero Waste City with the City of Thessaloniki, Greece in 2018. Based on the first results, we introduced guidelines in 2019 to facilitate more Zero Waste City partnerships in our markets and at the end of 2021 we have in total eleven Zero Waste City (or coast) partnerships at the local level in Russia, the Czech Republic, Greece, Hungary, Ukraine, Moldova, Romania, Cyprus, and Austria.
- We support 20 packaging waste management schemes across our markets, and we have a Group-wide policy on packaging waste management, which provides the framework within which our countries operate. We have also supported modelling and feasibility studies in our markets in order to evaluate improved efficiencies of current systems but also possible change in systems (such as Deposit Return Systems).
- Continuing our partnering in a collection of packaging we place on the market. We are working with the industry and the governments in our markets where we do not have established recovery organizations. In Nigeria and Russia, we have established newly formed recovery organizations, which have started operations in 2020. In May 2021, the new recovery organization in Ukraine was established, continuing efforts from the already existing pilot project and we are also in discussions with key partners and stakeholders to do so in Armenia and Moldova. In Moldova, we have initiated a pilot project for collection in select cities and towns which has been operational since November 2021 and will continue and upscale operations within 2022.
- We supported the establishment of a PET-to-PET recycling plant in Austria several years ago to enable a closed-loop for packaging. We continue to explore the potential for investment in new recycling infrastructure in other countries.
- CCHBC markets altogether recovered for recycling the equivalent of 46% of primary packaging placed on the market in 2021, through legally required, voluntary or directly funded projects and/or initiatives.
- We spearheaded initiatives to clean up coastlines which in 2020 and 2021 due to the pandemic were postponed.
- Maintaining the long-term sustainability of the watersheds around our bottling plants is important to our business and to our relationships with local communities.
- Our approach to water stewardship begins with a focus on our own water use. We protect the water resources supplying our facilities, reduce the amount of water we use to produce our soft drinks and treat waste water to levels that support aquatic life. We also partner with suppliers to minimise our water footprint across the value chain, and work with some of our big customers for joint initiatives related to packaging, plastics, and water.
- To replenish the water we use, and help water access through innovative sustainable technologies, we have a 2025 sustainability commitment to help secure water availability for all our communities in water-risk areas or so-called water priority locations.
- Based on our internal and The Coca-Cola Company water risk assessment and classification, 19 of our 54¹ bottling plants are water priority plants. These plants are in Greece, Italy, Bulgaria, Russia, Nigeria, Armenia, and Cyprus. We are focusing on either water access initiatives or on replenishment activities. For all these, we seek partnerships with the Coca-Cola System, other companies operating in the relevant watershed area and international organisations. In 2021 we reported four water stewardship projects: in Armenia, Cyprus, and Nigeria as part of our Mission 2025 sustainability commitments.
- Youth development is a key area where we work with NGOs, government agencies and other technical experts. In 2021 we trained 210,422 young people through our flagship community program #YouthEmpowered. Cumulatively, since its start in 2017, the programme has helped 548,835 young people across our 28 markets. For more information, please see section "Earn our licence to operate" of our 2021 IAR, p. 45-51.
- In 2021 we have partnered in total with 774 NGOs or other external organisations in our community initiatives (local and international).

Corporate Sustainability Governance and Leadership

1.1.18 CEO commitment and leadership

- The CEO and Management of Coca-Cola HBC support the UN Global Compact and oversee our work in the areas of human rights, labour rights, the environment, and anti-corruption, and through these also contribute to the UN's Sustainable Development Goals, as highlighted in the different sections of the 2021 Integrated Annual Report.

¹ 54 are the bottling plants producing beverages. There are two more plants, producing confectionery products (Bambi) and snacks (Tsakiris).

- Also, the annual “Tone at the Top” message to the organization was issued by the CEO, highlighting the strong governance demonstrated throughout the year, stating as always that our company is committed to meeting the highest standards of corporate governance and inviting employees to always maintain the right Tone at the Top.
- CEO long-term incentives: the reduction in greenhouse gas emissions metric was selected to directly align with and incentivise delivery of the Company’s ESG objectives, particularly our ambitious goal to achieve net zero emissions across our entire value chain by 2040. The CO2 emissions target in the Performance Share Plan (PSP) implicitly captures a reduction in plastics, which was a key driver of its selection as a metric (15% weighting).
- Sustainability commitments and their progress are part of each CEO’s quarterly update to the employees.
- The CEO is actively involved in our sustainability agenda and regularly attends quarterly meetings of the Board’s Social Responsibility Committee.
- The CEO also participates in ‘top-to-top’ meetings with partners such as The Coca-Cola Company and other bottlers to ensure alignment of priorities including sustainability issues, strategies, and targets.

1.1.19 Board adoption and oversight

- The Board of Directors supports the UN Global Compact and our work in the local networks.
- The Social Responsibility Committee of the Board of Directors meets quarterly to review and guide sustainability performance. The chairman is Mr. Anastasios I. Leventis, a Director on our Board.

1.1.20 Stakeholder engagement

- Proactively engaging with our key stakeholders is an important part of defining the issues that are material to our business, current and potential.
- We engage with a wide range of stakeholders on our sustainability pillars including employees, consumers, customers, investors, academia, and suppliers, as well as non-governmental organisations (NGOs), regulatory bodies, industry associations and authorities, both local and national, The Coca-Cola Company, and the communities which we are part of.
- We held our first Group Supplier Sustainability Event on 14th April 2021: “Doing Good Together”, which was attended by over 300 participants from all over the world. During the virtual event, company and external experts provided context on the international drivers and challenges on environmental, social and governance (ESG) factors facing the industry as well as examples of best practices and new opportunities arising from sustainability.
- Our annual stakeholder forum brings together academics, government, industry, suppliers, customers, NGOs, and other participants in our value chain. As a result of travel restrictions caused by the global pandemic, our annual stakeholder forum was again held online in 2021. Forum 21’s theme was ‘Winning ESG Partnerships: When One Plus One Exceeds Two’, and the event placed special emphasis on sustainable packaging and climate action. Over 60 stakeholders from 24 countries attended to discuss better, stronger ESG partnerships. Please see more about this in the materiality section of our 2021 Integrated Annual Report, page 57.
- We also participate in multi-stakeholder partnerships to address issues that are material to our business and our communities. Coca-Cola HBC joined the World Economic Forum (WEF) in November 2021. Within the forum, we will be participants of several platforms and initiatives such as the Consumer Governor’s Group, regional action groups such as for Africa and Europe and also the action group for CEO Climate Leaders. We aim to leverage our partnership with WEF to strengthen our position as a global ESG leader through engagement with the external audience and to connect with community leaders, CEOs, heads of state, academics, public figures, NGOs to progress our ESG agenda.

Progress against the UNGC CEO Water Mandate

Coca-Cola HBC is a founder signatory of the UN Global Compact's CEO Water Mandate. An in-depth discussion of our water stewardship strategy and progress can be found in our 2021 Integrated Annual Report, which together with the 2021 GRI Content Index and this section serve as our COP. Below is a summary of our progress in the six focus areas of the Water Mandate.

CEO Water Mandate	Coca-Cola HBC's progress
1. Direct Operations	
<ul style="list-style-type: none"> - Conduct a comprehensive water-use assessment to understand Company's water use in direct production. - Set targets for operations for water conservation and wastewater treatment, framed in a corporate cleaner production and consumption strategy. - Invest in and use new technologies to achieve these goals. - Raise awareness in corporate culture. - Include water sustainability in business decision-making. 	<ul style="list-style-type: none"> - Each of our manufacturing plants has an annual water use efficiency target. - In 2018, as part of our Mission 2025 sustainability commitments, we set 2 new water-related goals which focus on the areas of water risk: 1) reduce water usage ratio in manufacturing plants with water risk by 20% by 2025 vs. 2017; and 2) help secure water availability in all communities in water risk in which we operate. - Improved water use ratio in water risk locations by 8.4 % vs 2017 base year. - 86% reduction in direct water footprint since 2004. - By the end of 2021, all our manufacturing sites in 18 countries have achieved international certification in water stewardship by the Alliance for Water Stewardship (AWS) expect for the most recent acquisitions of Natura plant in the Czech Republic and Lurisia plant in Italy (99.6% of production volume is certified in AWS). - 86% reduction in direct water footprint since 2004. - Since 2011, 100% of our waste water in direct operations is treated by our own waste water treatment plants or external treatment plants to the levels supporting aquatic life. - All bottling plants undertake the following reviews: annual water footprint assessment; bi-annual risk assessments; source vulnerability assessments; source water protection programmes. All are subject to internal audit. - Using WWF Water Risk Filter and the internal risk assessment (Facility Water Vulnerability Assessment (FAWVA) and Source Vulnerability Assessment (SVA)) to define plants located in areas, with water risk. These plants are called water priority plants/locations. - Working with equipment suppliers to develop and implement water-saving technologies and more water-efficient cleaning methods. - Customised water efficiency/optimization initiatives in each of the bottling plants. - Voluntary employee participation is encouraged in watershed protection initiatives. - Our "Near Loss" leading' KPI encourages our employees to report water-saving ideas and opportunities. - Since 2015, we use a 'true cost of water and water stress multiplier' for each plant to support the decision-making process for investment projects.

2. Supply Chain and Watershed Management

- Encourage suppliers to improve water conservation, quality monitoring, wastewater treatment, recycling.
- Encourage suppliers to assess their water usage and impacts.
- Share water sustainability practices – established and emerging – with suppliers.
- Encourage major suppliers to regularly report progress against goals.
- Build capacities to analyse and respond to watershed risk.
- Commitment to certify 100% by 2025 of our key agricultural ingredients against the Principles for Sustainable Agriculture (PSA).
- We recognise supplier certifications as per international standards including ISO 9001, ISO 14001, ISO 50001, FSSC 22000, and OHSAS 18001/ ISO 45001.
- For agricultural commodities, we are aligning with the wider industry to recognise, for example, Rain Forest Alliance, Fair Trade, Bonsucro and the Sustainable Agriculture Initiative Platform (SAI- FSA), Global GAP+GRASP, etc.
- EcoVadis CSR Platform is used to assess the sustainability performance of our critical suppliers (Energy & Greenhouse gases, Water, Biodiversity, are part of the criteria covered for the Environmental pillar). Progress per supplier is monitored.
- Sustainable agriculture programme.
- Supplier Guiding Principles.
- Critical Suppliers risk assessment includes water stress risk, and it is updated annually.
- WWF Water Risk Filter is used for identifying water and overall environmental risk for all critical suppliers and is updated on a 3-year cycle.
- Water footprint measures are used in supply chain.
- Bi-annual risk assessments study of local context for bottling plants.
- Source vulnerability assessments at all plants.
- Source water protection programmes at all plants.
- Commitment to achieve 100% certification of all plants by 2020 by the European Water Stewardship or Alliance for Water Stewardship standard and maintain the certification further.
- Environmental and watershed protection partnerships in 23 countries.

3. Collective Action

- Build ties with civil society organisations, especially regional and local.
- Work with national, regional, and local governments and authorities to address water sustainability issues and policies, as well as with relevant international bodies.
- Encourage development and use of technologies, including efficient irrigation methods, new plant varieties, drought resistance, water efficiency and salt tolerance.
- Actively support Country Networks of the UN Global Compact.
- Support water initiatives and collaborate with UN bodies and IGOs.
- Actively support Country Networks of the UN Global Compact.
- Community watershed partnerships involve government agencies, NGOs, and communities in 23 countries.
- Work with the UN bodies, IGOs and NGOs on water initiatives, including UNDP, UNICEF, GWP, WWF and many local community NGOs in various countries.
- At the end of 2016, our operations in Armenia joined forces with the United States Agency for International Development (USAID) at the Advanced Science and Partnerships for Integrated Resource Development Project (ASPIRED) - a 5-year initiative that aims at supporting sustainable water resource management and practices of water users, focused on reducing the rate of groundwater extraction in Ararat Valley to sustainable levels.
- Projects include promoting rainwater harvesting in water-scarce areas in Greece, borehole projects for communities around our Nigerian plants in water-scarce

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- Support water initiatives and collaborate with UN bodies and IGOs.
- areas to ensure safe drinking water for communities in need.
 - Our approach to water stewardship begins with a focus on our own water use. We protect the water resources supplying our facilities, reduce the amount of water we use to produce our soft drinks, and treat waste water to levels that support aquatic life. We also partner with suppliers to minimise our water footprint across the value chain.
 - To replenish the water we use and help water access through innovative sustainable technologies, we have a 2025 sustainability commitment to help secure water availability for all our communities in water-risk areas.
 - Using indicators from the World Wide Fund for Nature's (WWF) Water Risk Filter and The Coca-Cola Company global risk assessment, we have identified 19 of our plants as water priority plants. For all these, we will seek partnerships with the Coca-Cola System, other companies operating in the relevant watershed area, and international organisations.
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4. Public Policy

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- Contribute to government regulation and creation of market mechanisms to drive water sustainability agenda.
 - Advocate water sustainability in global and local policy discussions, presenting the role and responsibility of the private sector in supporting integrated water resource management.
 - Partner with government, business, civil society, and others to advance knowledge, intelligence, and tools.
 - Support policy-oriented bodies and frameworks.
- Green Danube partnership since 2005 actively engages in public policy.
 - Support development of national policy and regulatory frameworks for integrated water resources management. More on this on our website and at www.icpdr.org.
 - Founding member of the Water Footprint Network.
 - Founder signatory of the CEO Water Mandate.
 - Associate Partner in the World Economic Forum since November 2021
 - See more at our Public Policy Engagement document at <https://coca-colahellenic.com/en/about-us/policies/public-policy-engagement>
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5. Community Engagement

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- Endeavour to understand the water and sanitation challenges in our communities and how we impact those challenges.
 - Be active community members, and encourage/support local government, groups and initiatives advancing water and sanitation.
 - Work with public authorities to support – when appropriate – development of adequate water infrastructure, including water and sanitation delivery systems.
 - Undertake water-resource education and awareness campaigns with local stakeholders.
- Work in partnerships with local governments, communities, and civil society to support safe water access and sanitation initiatives in a number of countries.
 - UN World Water Day awareness-raising and celebrations, spreading the word with hashtags on social media for scope.
 - Annual river celebrations such as International Danube Day and raising public awareness about freshwater conservation and understanding of the Danube, Sava, Vistula, and Volga rivers, the Black Sea, and various other watersheds and water sources in our markets.
 - Clean-ups of waterways, embankments, oxbows and floodplains, and conservation of wetland habitat in most countries of operation.
 - Global Water Partnership – Mediterranean in cooperation with local authorities since 2013. The programme aims to promote water efficiency and the use of non-conventional water resources, such as rainwater and recycled greywater, to ease the country's water shortage issue.
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- Bi-annual risk assessments study on water and sanitation in local communities.
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6. Transparency

- Describe actions and investments in relation to the CEO Water Mandate in a COP, referring to performance indicators such as GRI.
 - Publish and share water strategies (targets, results, areas for improvement) in corporate reports, using GRI water indicators.
 - Be transparent in dealings and conversations with governments and other public authorities on water issues.
 - GRI reporter since 2003; GRI G4 Comprehensive compliant as of 2015; GRI Standards Comprehensive compliant for the period 2017-2019. Since 2020 we are GRI Standards Core compliant.
 - Report to CDP Water since 2012 (see more at www.coca-colahellenic.com).
 - Use Global Water Tool and WWF Water risk filter for identification of production sites which are in the area of river basins with water stress, to plan and implement solid water use reduction actions.
 - Use WWF Water risk filter for identifying the water risk at the supplier level.
 - Water stewardship sustainability pillar is part of the overall Sustainability section on our website.
 - All data validated by an external international organization through on-site audits and interviews, among others.
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UNGC Caring for Climate Business Forum progress

Coca-Cola HBC is a founder signatory of the UN Global Compact's Caring for Climate initiative. We provide detailed information on our approach and results in our disclosure to the Carbon Disclosure Project (more at www.coca-colahellenic.com), as well as in our 2021 Integrated Annual Report (IAR). These, together with our 2021 GRI Content Index serve as our CoP on Climate. Below is a summary of our progress against the five commitments in Caring for Climate.

Caring for Climate	Coca-Cola HBC's progress
<p>Taking practical actions now to increase the efficiency of energy usage and to reduce the carbon burden of our products, services, and processes, to set voluntary targets for doing so, and to report publicly on the achievement of those targets annually in our COP for climate.</p>	<ul style="list-style-type: none"> - Four climate commitments set in 2018, with the baseline year of 2017 and target year of 2025: 1) reduce carbon emissions intensity in direct operations by 30%; 2) achieve 50% renewable & clean energy out of total energy used in all manufacturing sites; 3) use 100% renewable & clean electricity in the manufacturing plants in EU & Switzerland; and 4) 50% of all coolers we provide to our customers to be energy-efficient and eco-friendly. - Reduced absolute emissions from operations (Scope 1 and 2) by 24% and emissions intensity (Scope 1 and 2 per litre of beverage produced) by 36% since 2017. - In 2021, four years ahead of the target year of 2025 we reached our 2025 commitment to reducing our direct emissions intensity and switching to 50% of our energy to renewable and clean sources: we reached 36% CO₂ intensity reduction and 53% renewable and clean energy in our direct operations. - Since 2021 we do follow our new carbon emission targets covering the entire value chain (Scope 1, 2 and 3) approved by the Science-based Target initiative (SBTi) at the end of 2020: 55% reduction of absolute emissions in direct operations (Scope 1 and 2) by 2030 vs. 2017, according to 1.5-degree Celsius pathway, and 21% reduction of absolute Scope 3 emissions by 2030 vs. 2017. - 2021 published long-term carbon reduction ambitions, NetZero40: commitment to achieve net zero emissions across the entire value chain by 2040. - CO₂ emissions reduction achievement so far: absolute carbon emissions of Scope 1+2+3 have been reduced by 11.5% in 2021 vs. 2017 base year. - In 2021 we have achieved 53% of renewable & clean energy used across all of our manufacturing plants. - Each plant has annual energy efficiency targets. - Energy intensity is reduced by 10% vs 2017. - Use 13 on-site Combined Heat and Power (CHP) plants. Each reduces plant emissions by at least 40%, with food-grade CO₂ recovery further boosting this figure. - Renewable energy projects on-sites include Photo Voltaic panels installation in 5 Nigerian plants, sourcing renewable electricity from the grid to all our 10 manufacturing plants in Russia and both plants in Cyprus. In 2021 we continued our investments to replace and upgrade our utility systems to improve energy efficiency in our plants. Our mineral water plant in Vals (Switzerland) is certified as carbon neutral plant and in 2020 we achieved the Climate Optimised status in Switzerland based on Swiss Climate. Both of those climate statuses have been renewed in 2021 and maintained.

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- Capital investment of €8.6 million in energy-saving projects in our plants supported direct carbon emission reduction. Future outlook: We will continue making similar or higher level of investments to ensure the achievement of our 2025 sustainability commitments and 2030 science-based targets for energy & carbon goals.
 - Developed, together with the supplier, energy-efficient and HFC-free refrigeration up to 57% more efficient than 2004 models.
 - As part of Mission 2025 sustainability commitments, set in 2018, we have four commitments related to sustainable packaging, aligned with The Coca-Cola Company strategy World Without Waste, which will support further CO₂ reduction by 2025: 1) Help collect the equivalent of 75% of our primary packaging; 2) Source 35% of the total PET we use from recycled PET and/or PET from renewable material; 3) 100% of consumer packaging to be recyclable; and 4) Engage in 20 Zero Waste partnerships (city and/or coast).
 - We support 20 packaging waste management schemes across our markets, and we have a Group-wide policy on packaging waste management, which provides the framework within which our countries operate.
 - During 2021 we have collected for recycling the equivalent of 46% of our primary packaging across our 28 markets.
 - During 2021, 54 plants were operational and under our direct operational control, 53 of which were ISO 14001-certified, accounting for 99.8% of volume.
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Building significant capacity within Coca-Cola HBC to understand fully the implications of climate change for our business and to develop a coherent business strategy for minimising risks and identifying opportunities.

- Have calculated and reported on total carbon footprint annually since 2006.
 - The Social Responsibility Committee of the Board of Directors is overseeing and approving strategy for all Sustainability related topics, including Climate change.
 - The Mission Sustainability Team deals at operational level and the Group's Executive Leadership Team (ELT) approves all Sustainability related actions, including Climate change.
 - Environmental performance responsibility in place in each country and in each plant.
 - Describe and report risks and opportunities to the CDP (former Carbon Disclosure Project).
 - Risks related to climate change are described in every Integrated Annual Report (IAR), including the 2021 IAR.
 - Climate change risks are embedded in the overall Enterprise Risk Management (ERM) process.
 - Our CFO signed off the support letter to TCFD (Task Force on Climate-related Financial Disclosure) and we created a x-functional team to work in the implementation of the TCFD requirements. In the 2021 IAR, the TCFD section is part of the overall "Risk and Materiality" section.
 - Climate change opportunities: reduced operational cost from energy efficiency projects, future carbon tax avoidance based on our science-based carbon reduction targets and internal carbon price, guaranteed licences to operate due to our comprehensive water stewardship programmes, competitive advantage due to our energy-efficient and HFC-free coolers we provide to our customers.
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- Climate change, water stewardship, packaging recycling and waste management, and sustainable sourcing, are part of our main materiality issues with the respective process in place (strategy/ programmes/ actions/ progress monitoring etc.).
 - Emergency relief is part of the Community programmes in our markets.
 - Carbon and water reduction initiatives are fully embedded in each country's business plan.
 - Carbon and Water Champion in each country and at the Group level.
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Engaging fully and positively with our national governments, inter-governmental organisations, and civil society organisations to develop policies and measures that provide an enabling framework for the business sector to contribute effectively to building a low-carbon and climate-resilient economy.

- Prior to COP21 in Paris in 2015, we committed to 4 of the initiatives of the 'We Mean Business' coalition.
 - Previously participated actively at COP15; signed Copenhagen, Bali and 2 degrees communiqués.
 - Liberty Island, Hungary - five-year restoration programme with WWF, supported by EU LIFE+ Nature Conservation Fund.
 - In 2021, we co-operated with many non-governmental organisations and non-trade partners, among them: The World Wide Fund for Nature and the Global Water Partnership.
 - As part of our approach to waste, we have committed to engage in 20 Zero Waste partnerships either with cities or along coastlines. We piloted this approach under the brand Zero Waste City with the City of Thessaloniki, Greece in 2018 and by the end of 2021 we have already had 11 Zero Waste Cities programmes: in Russia, Ukraine, Greece, Moldova, Cyprus, Romania, the Czech Republic, Hungary, and Austria.
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Working collaboratively with other enterprises nationally and sectorally, and along our value chains, by setting standards and taking joint initiatives aimed at reducing climate risks, assisting with adaptation to climate change and enhancing climate-related opportunities.

- Annual Category Risks Assessment and Annual Critical Suppliers Base Evaluation conducted every year for the overall company Environmental risk and the use of WWF Water Risk Filter updated on a 3-year cycle for all critical suppliers to evaluate water practices and risks
 - Introduced EcoVadis as a key assessment criterion for suppliers with significant spend as part of the Strategic tendering process. As an alternative, where EcoVadis or equivalent measure is not available, we have an Environment, Social and Governance (ESG) Self-assessment tool as part of Sourcing Strategy and Selection factors. The objective of the tool is to screen suppliers during the selection process in 6 areas, including Environment, Quality, and Agriculture conditions (where applicable).
 - We held our first Group Supplier Sustainability Event in April 2021: "Doing Good Together", which was attended by over 300 participants from all over the world. During the virtual event, company and external experts provided context on the international drivers and challenges on ESG factors facing the industry as well as examples of best practices and new opportunities arising from sustainability. We also organise annually Suppliers Innovation Days where selected key strategic partners are invited to share their most fresh, smart, and innovative ideas and we select the best and most relevant to our business ideas for implementation.
 - Introduced since 2019 the utilisation of 100% rPET for key water brands in our portfolio and selectively in certain other beverage bottles and have a full deployment plan in place until 2030 to increase the rPET utilisation gradually.
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- Invested in innovative rPET flakes-to-preform processing technologies and already announced the installation of the first SIPA EREMA system in Poland for 2021, a technology that reduces overall energy consumption, enhances material availability, decreases transport costs, and stimulates localization of supply while boosting the circular economy.
 - Concluded our testing of different solutions related to the implementation of tethered caps in line with the Single-Use Plastics (SUP) Directive and we are ready to start implementation as of 2021 and to cover >90% of quantities by 2023, one year ahead of the EU deadline.
 - Developed alternatives to plastic straws, cups, and lids. Italy and Croatia already started using paper straws while the remaining countries will join as of 2021.
 - Introduced Bio-Based Aseptic Fibre (AFP) packaging in Serbia (polymer-based internal layers derived from sugar cane) to reduce the plastic content and carbon footprint.
 - Successfully begun the roll out of Keel Clip™ technology in the Republic of Ireland, Northern Ireland, and Austria as the first step in our commitment to replace plastic wrap on all can multipacks in the EU markets. Representing reduction of > 3,000 metric tonnes of CO₂ and 2,000 metric tonnes of plastic each year.
 - In Logistics, we continue roll out of "Green Fleet" program aiming to transform our light fleet vehicle choices by introducing an extensive range of electric, hybrid, and low carbon intensity alternative fuel cars.
 - In response to 2021 forthcoming legislation on Energy Efficiency labelling, our Coolers will be labelled under category "C" – light green which is the best available currently in the Coolers market.
 - Develop with suppliers HFC-free, energy-efficient refrigeration that is up to 57% more efficient than 2004.
 - We are investing in a new generation of coolers which cut electricity use by more than half and use safe refrigerants which cause no harm to the atmosphere. We invested €75.5 million in new energy-efficient and HFC-free cold drink equipment in 2021, which helped our customers to save 786 Million kWh of electricity (-22%) and the respective carbon emissions reduction was 468 kilo tonnes of CO₂ eq (-30%) vs 2017 baseline.
 - The recycled and renewable (plant-based) content in our PET packaging in 2021 was 10%.
 - In 2019 we launched our first 100% recycled PET bottles for water brands in Austria, Switzerland, Ireland, Croatia, and Romania and increased the recycled PET content of packaging for our sparkling brands in several markets. In 2021 we introduced 100% rPET bottles for fifth Coca-Cola HBC water brand, Natura, in the Czech Republic.
 - Italy became the first Coca-Cola HBC market to launch a 100% rPET bottle for sparkling brands in 2021. The 100% rPET packaging was introduced for all on-the-go packs of Coca-Cola, Fanta, and Sprite, as well as FuzeTea.
 - Led set-up of 20 recovery organisations; the equivalent of 46% of our primary packaging is recovered for recycling in all of our 28 countries.
 - In 2016, we have initiated a packaging waste recovery project in Russia, called "Separate with Us" with objectives to build packaging waste collection
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infrastructure and to increase public awareness through multi-stakeholder partnerships.

- Within 2018 a recovery association was established in Nigeria, which has been operational for the past two years. In Ukraine, the first industry-owned Packaging Recovery Organization has been established in May 2021, continuing and upscaling existing efforts and continuing operations in 2022.
- In Moldova we have established with our packaging association, partnering with local municipalities: a pilot project for collection in November 2021 which will continue operations in 2022
- Sustainable agriculture programme, with a commitment to certify 100% of our key agricultural ingredients against the Coca-Cola System's Sustainable Agricultural Guiding Principles by 2025.

Becoming an active business champion for rapid and extensive response to climate change with peers, employees, customers, investors, and the broader public.

- Through the 20 recovery organisations we have helped set up, we provide infrastructure and education to encourage consumers to recycle. With additional directly funded projects, such as in Russia, Nigeria, and Ukraine we also provide educational information to countries where a formal recovery system is not available.
 - Provide support to WWF's Earth Hour campaign in several of our countries of operation.
 - World Water Day campaign in several countries.
 - Energy and water saving and achieving the energy and water goals are part of the incentives to employees on production floor.
 - Central environmental training programme delivered virtually in 2021 providing training opportunities to all our countries and plants.
 - Training in Super Ambassador programme for Key Account Managers within the commercial function.
 - Work with suppliers on development of a range of packaging optimisation and light-weighting initiatives, and on developing eco-friendly coolers.
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