

Towards Sustainability

Social Responsibility Report 2010



Coca-Cola
Hellenic
Passion for Excellence

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About Our Reporting

Coca-Cola Hellenic has reported on its corporate sustainability performance each year since 2003. Aimed at NGOs, analysts and investors, government and other opinion leaders, this report focuses on the sustainability issues of greatest concern to our stakeholders and our business. The report also serves as our Communication on Progress to the UN Global Compact.

Our reporting is guided by the three principles of the AA 1000 Assurance Standard: materiality, inclusiveness, and responsiveness. We use leading standards and methodologies for measuring and reporting impacts, such as the Greenhouse Gas Protocol and the Global Reporting Initiative (GRI). This report has been assessed by the report auditor to meet GRI application Level A+. We aim to report fully against the new sector supplement for the food processing industry in the 2011 report.

Following stakeholder requests, we have reintroduced independent assurance of our sustainability reporting. In addition, our environmental, quality, health and safety management systems and data are audited annually by third-parties at all 77 bottling plants. At Group level, community investment data are submitted to London Benchmarking Group (LBG) for checks, while our compliance with industry codes on responsible sales and marketing is periodically assessed by independent audi-

tors. Suppliers are also independently audited for compliance with our Supplier Guiding Principles.

This report includes full data for calendar year 2010 pertaining to the bottling, distribution and sales activities in all 28 countries of operation. The following investments are not considered here: our brewing interests in the Former Yugoslav Republic of Macedonia (FYROM) and Bulgaria, Greek snacks company Tsakiris, and vending businesses in Hungary, Ireland and Italy. None of these represents more than 1% of revenue.

To promote transparency and comparability, we have adopted the 2004 baseline used by the global Coca-Cola System for reporting environmental performance. We no longer report results against our original baseline of 2002. More information about our sustainability strategy and programmes – including Disclosures of Management Approach – can be found on the corporate website. The growing number of local websites and country-level sustainability reports are another source of information.



Message from the Board



Dear Fellow Stakeholders,

The year 2010 marked the tenth anniversary of Coca-Cola Hellenic. As we enter our second decade, we shall intensify our efforts to ensure that our business and our communities continue to thrive.

Sustainability is usually defined, following the Brundtland Commission Report of 1987,

as the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. We have already made significant strides in our sustainability initiatives, but there is no room for complacency. The hard decisions required of governments, companies and individuals if we are to achieve a sustainable world are soberly set out in the WWF's recent One Planet Report. At Coca-Cola Hellenic we recognize our responsibilities.

We have therefore stepped up our climate commitments and are now adding photovoltaic panels to factory rooftops in addition to the construction of combined heat and power (CHP) units. In 2010, we commissioned a further three units, showcasing the technology with suppliers, customers, governments and others. On completion, the programme will cut CO₂ emissions from manufacturing. In addition, we are close to completing construction of wastewater treatment plants wherever municipalities do not or cannot treat wastewater to Coca-Cola Hellenic's standards. In 2010, 97% of our wastewater was treated. We have developed further community water partnerships, and received a second special commendation in 2010 for water stewardship efforts across our business.

We are reinforcing our efforts to certify our plants against internationally recognised standards for quality (ISO 9001), environment (ISO 14001), food safety (ISO 22000 and FSSC 22000) and occupational health and safety (OHSAS 18001). By 2012, we expect all plants to be fully certified.

Given that we operate in many developing and emerging markets, these achievements are significant. In Armenia, we have gained certification for quality, food safety, environment, health and safety and were the first company to install wastewater treatment in full compliance with European standards. Yet these ambitions not surprisingly brought with

them challenges. The scale of our CHP programme and its innovative quad-generation technology caused administrative delays in some countries – as did our wastewater treatment plants.

Perhaps the most significant way we are stepping up our efforts is in managing our indirect impacts: the sustainability challenges inherent in our supply chain. Since the bulk of our corporate water footprint is in sugar production, we now work with sugar suppliers to understand and address our indirect water use. Similarly, the largest contributors to our carbon footprint sit in our value chain: the manufacture of beverage packaging and use of cooling equipment. We therefore partnered with suppliers to develop more energy efficient coolers. We have made our packaging lighter and included recycled content. In addition, we led the establishment of recovery organisations in 19 countries.

Throughout the recession, we have worked to protect jobs in our business and our supply chain, and we have offered increased opportunities for training and development. Encouragingly, engagement levels in 2010 were 13 percentage points higher than in the previous survey.

The number of serious accidents continues to fall. Our safety programme has led to a 39% reduction since 2009. Regrettably, we continued to experience fatalities. We are doing all we can to eliminate them.

Long-term strategic partnerships are essential to the success of our sustainability efforts. At global level, we are a long-standing and active participant in the UN Global Compact – in global platforms and local networks – which requires commitment to recognised principles of good corporate citizenship.

Our sustainability goals are long-term, building value for our business and our communities, and we already see benefits. In addition to cost efficiencies, we gain reputational advantage as an employer, business partner, community member and business in which to invest. In 2010, we retained our listing on the Dow Jones Sustainability Indexes (World and STOXX) for the third consecutive year. As a result, we are among the top 10% of companies worldwide and top four beverage companies for sustainability. We were also included in the Ethibel EXCELLENCE Investment Register.

We hope this report provides the information you seek. As always, we welcome your comments.



**Dow Jones
Sustainability Indexes**
Member 2010/11



Sir Michael Llewellyn Smith
Chairman, Social Responsibility Committee

Business Overview

With annual sales of more than two billion unit cases, Coca-Cola Hellenic is one of the largest bottlers of products of The Coca-Cola Company. Operating in 28 countries, the Company serves a diverse population of approximately 560 million people.

Sales: **2.1** billion unit cases

EBITDA: **€1.1** billion

Employees: **43,189**

Bottling plants: **77**

Emerging markets

Armenia	Montenegro
Belarus	Nigeria
Bosnia and Herzegovina	Romania
Bulgaria	Russia
FYROM	Serbia
Moldova	Ukraine

Developing markets

Croatia	Lithuania
Czech Republic	Poland
Estonia	Slovakia
Hungary	Slovenia
Latvia	

Established markets

Austria	Northern Ireland
Cyprus	Republic of Ireland
Greece	Switzerland
Italy	

Across its territories, Coca-Cola Hellenic owns and operates 77 bottling plants and 365 warehouses and distribution centres. By producing and distributing beverages locally, we remain close to our customers and consumers. This business model also generates local employment and supports local suppliers, while minimising the environmental impacts of transportation.

Beverages and Brands

We offer a diverse range of ready-to-drink non-alcoholic beverages. In addition to sparkling soft drinks, we produce waters, juices and juice drinks, sports and energy beverages, ready-to-drink teas and coffees. We also offer reduced-calorie options, as well

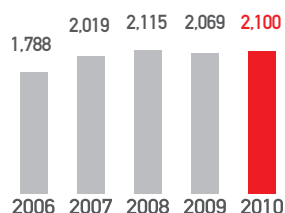
as beverages with health and wellness benefits. In addition to producing such global brands as Coca-Cola, Fanta and Sprite, we offer many local brands which are designed to meet local tastes.

The Coca-Cola System

Coca-Cola Hellenic produces and distributes beverages under licence agreements with The Coca-Cola Company. These brands represented 89% of our Company's sales in 2010. Brands belonging to other companies, such as Nestea, illy café, Dr Pepper, Schweppes and Tuborg, accounted for 7% of sales. Our own brands, such as Amita juices and Avra mineral water, represented the final 4% of sales.

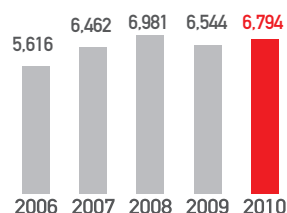
Volume

(million unit cases)



Net Sales Revenue

(million €)





Sustainability

Over the past decade, we have worked hard to integrate sustainability considerations into the way we do business. With a large part of our business in the developing and emerging economies of Eastern Europe and Nigeria, we aim to take a leadership role. Since 2008, Coca-Cola Hellenic has been listed on the Dow Jones Sustainability Indexes (World and STOXX), placing us among the top 10% of companies for sustainability worldwide. We are the only European soft drinks company on the Indexes.

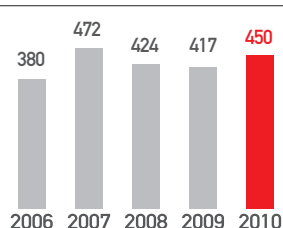
Ownership

Our largest shareholders are the Kar-Tess Group and The Coca-Cola Company. Coca-Cola Hellenic shares are listed on the Athens Stock Exchange, with a secondary listing on the London Stock Exchange. American Depositary Receipts are listed on the New York Stock Exchange.

[ABOUT US](#)
[PRODUCT PORTFOLIO](#)
[SUSTAINABILITY](#)
[ANALYST RATINGS](#)

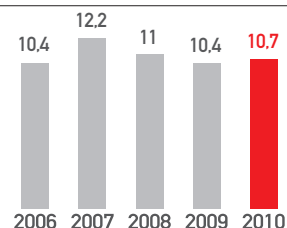
Net Profit

(million €)



Return on Invested Capital

(percent)



Sustainability Milestones



2000

Creation of Coca-Cola Hellenic Bottling Company

2001

First country operation certified ISO 14001 - commitment to certify all operations

Acquired Russian Coca-Cola operations

2002

FTSE4Good listing confirmed

Launched WWF Water Savers tool

Acquired Baltics Coca-Cola operations

Acquired mineral water companies Valser in Switzerland and Dorna Apemin in Romania

2003

Formed Social Responsibility Committee of the Board and executive-level council

First country operations certified OHSAS 18001 - commitment to certify all operations

Acquired mineral water companies Römerquelle in Austria and Multivita in Poland

2004

First CSR Policies ratified for Human Rights, Equality of Opportunity, HIV/AIDS, Health & Safety, Environment and Quality

First GRI report in the non-alcoholic beverage industry

Acquired mineral water company Gotalka in Croatia

2005

Launched Green Danube Partnership with ICPDR

Signed the UN Global Compact

Ratified the UNESDA commitments

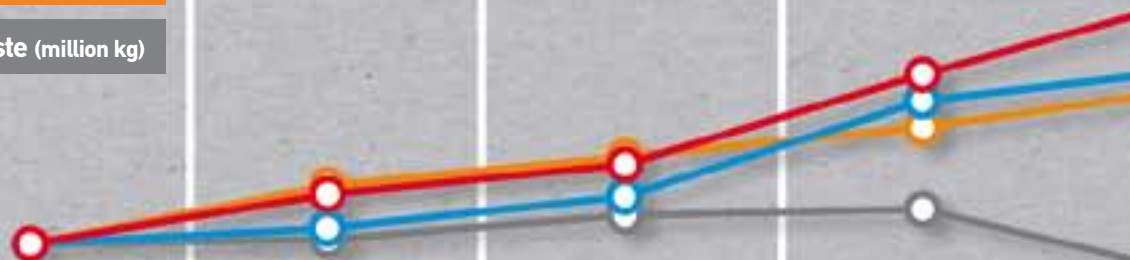
Acquired mineral water companies Bankya in Bulgaria, Vlasinka in Serbia and fruit juice company Multon in Russia

Production Volume (million unit cases)

Total Water Use (million litres)

Total Energy Use (million MJ)

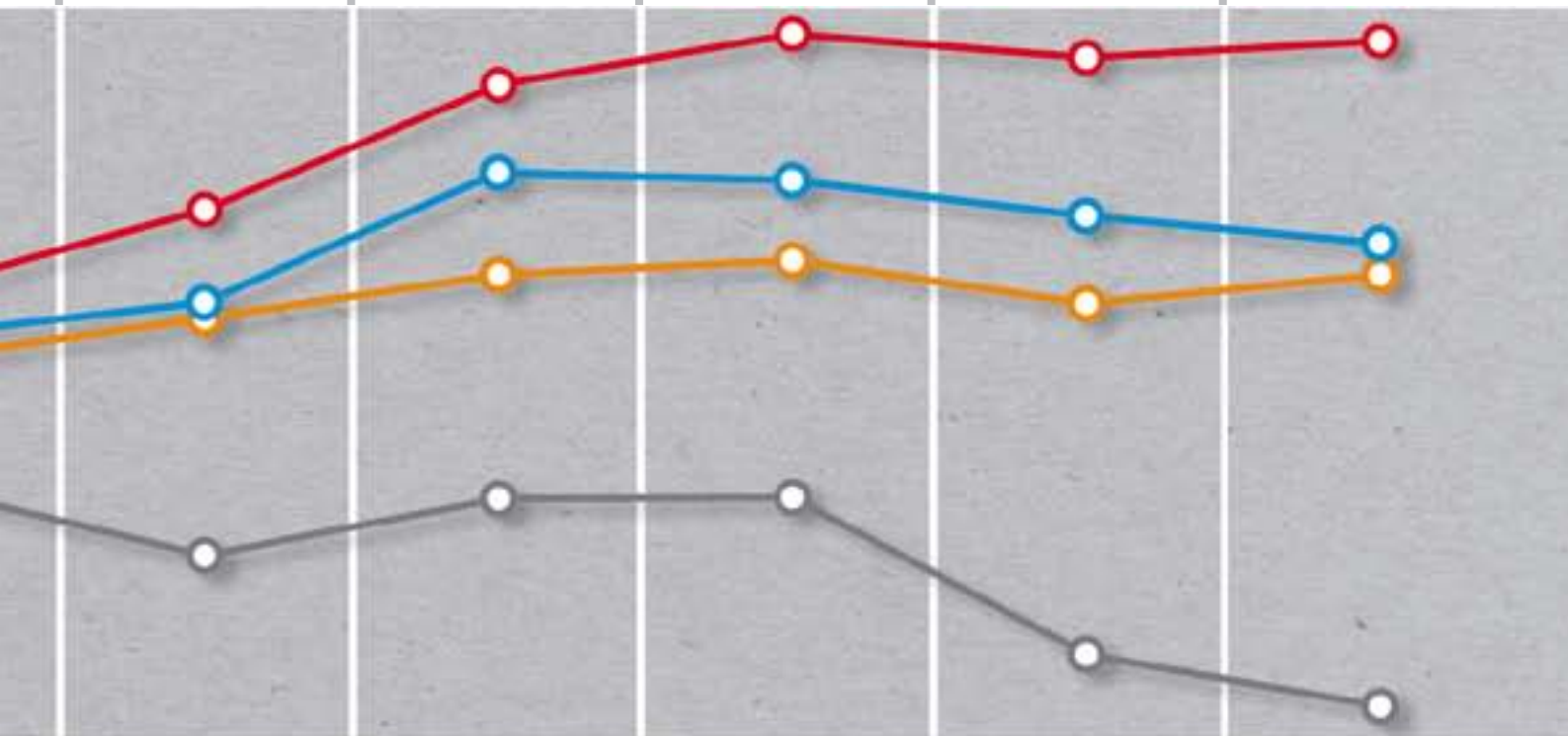
Total Landfilled Waste (million kg)



[BUSINESS MILESTONES](#)



2006	2007	2008	2009	2010
<p>Annual sales of waters and juices exceeded 33% of volume for first time</p> <p>Stopped using HFCs in insulation of Cold Drink Equipment</p> <p>Named Notable Reporter by the UN Global Compact</p> <p>Launched front-of-pack nutritional labelling in all EU countries</p> <p>Acquired mineral water company Fonti del Vulture in Italy, fruit juice company Fresh&Co in Serbia and beverage and dairy company Lanitis in Cyprus</p>	<p>Signed CEO Water Mandate, Caring for Climate statement and the Bali Communiqué</p> <p>Opened 1st industry-owned PET-to-PET recycling plant in Europe</p> <p>Launched Green IT initiative</p> <p>Joined London Benchmarking Group (LBG)</p> <p>Joined CSR Europe</p> <p>First country operations certified ISO 22000 - commitment to certify all operations</p> <p>Acquired beverage company Aquavision in Russia</p>	<p>Included in the Dow Jones Sustainability Index</p> <p>Launched Stakeholder Panel</p> <p>Launched the "Business friends of the Danube" fund</p> <p>Extended Safe and Eco-Driving courses to all countries</p> <p>Increased use of recycled PET by 70% vs previous year</p> <p>Launched three-year safety plan</p> <p>Acquired Southern Italy Coca-Cola bottling operations</p>	<p>Started construction of 15 CHP units to reduce CO₂ from bottling operations by over 20%</p> <p>First absolute reductions in water, energy and waste in operations</p> <p>Over two-thirds of operations certified ISO9001, ISO14001, OHSAS 18001 and ISO 22000</p> <p>First submission to Carbon Disclosure Project</p> <p>First report on implementation of CEO Water Mandate and Caring for Climate</p> <p>First corporate water footprint</p>	<p>Signed Consumer Goods Forum resolutions on deforestation and refrigeration</p> <p>Launched solar energy programme</p> <p>3rd consecutive year of absolute water reduction</p> <p>Launched carbon-efficient fleet of commercial coolers</p> <p>Anti-corruption training rolled out across all operations</p> <p>Employer of choice awards in 16 countries</p> <p>13-point rise in employee engagement since 2007</p> <p>Founding member of European Water Footprint Sustainability Assessment Sounding Board for Sugar</p> <p>First Stakeholder review of CSR Report</p> <p>Over 99% of volume produced by ISO 9001 certified plants</p>



Targets and Progress

	Targets	2010 Progress	Future Goals
Water Stewardship 	Reduce operational water footprint by 40% vs 2003	Reduced operational water footprint by 48% vs 2004 Established European Water Footprint Sustainability Assessment Sounding Board for Sugar	Understand and reduce supply chain footprint
	Reduce water ratio by 2% vs 2009 No increase in absolute water use	Reduced water ratio by 4% (now 19% below 2004). Absolute reduction in water use for third consecutive year	Reduce 2011 water ratio by 3% vs 2010 and 2020 ratio by 40% vs 2004 No increase in absolute water use
	Ensure 100% of wastewater is treated by 2010	97% of wastewater treated. Final wastewater treatment plant under construction	Ensure 100% of wastewater treated at all times
	Expand water risk assessments	Source vulnerability assessments now cover 28 plants	Source vulnerability protection plans in all plants by 2012
	Expand water stewardship programmes	Programmes in 26 countries, covering all major rivers	Expand water stewardship programmes to all countries
	Expand ISO 14001 certifications	Five more plants certified, now cover 91% of total	All plants certified ISO 14001 by 2012
Energy and Climate Change 	Reduce energy ratio by 2% vs 2009	Increased energy ratio by 0.6% (now 22% below 2004)	Reduce 2011 energy ratio by 3% vs 2010
	Build three CHP units; 15 by 2011	Two CHP units built, 5 under construction	Cut CO ₂ emissions in production by 25%
	No increase in operational CO ₂ emissions	Operational CO ₂ ratio reduced 1.2%	Reduce CO ₂ emissions by 20% by 2020 vs 2004 baseline
	Expand energy-efficient and HFC-free cooler fleet	Purchased 23,400 energy-efficient HFC-free coolers	Cooler fleet to be 50% more energy-efficient by 2020 vs 2004
	Install photovoltaic panels on roofs of bottling plants	Photovoltaic panels installed at five Italian plants	Expand to four plants in other Mediterranean sites
Packaging and Recycling 	Improve packaging efficiency by 25% by 2012	Packaging efficiency decreased 7%	Improve packaging efficiency by 25% by 2012
	Reduce material use through lightweighting	Saved 5,000 tonnes of PET through lightweighting	Save a further 3,500 tonnes of PET through lightweighting
	Increase use of rPET in new bottles	Used 6,500 tonnes of rPET	Use 6,500 tonnes of recycled rPET
	Recycle 50% of post-consumer beverage containers in Europe by 2015	Recycled equivalent of 64% of packaging in Europe. Led establishment of two new recovery organisations; 19 to date.	Enhance post-consumer packaging collection and recycling in all compliance schemes
	Increase recycling rate in bottling plants by 2% vs 2009	Recycling rate increased 2.4% to 85%	Recycle over 90% of plant waste by 2015
	Reduce landfilled waste from bottling plants	Landfilled waste reduced by 20%	Reduce total landfilled waste by 80% vs 2004 by 2020

	Targets	2010 Progress	Future Goals
Consumer Health 	Continue to expand beverage range	100 new juices, flavours, package sizes	Continuously adapt to consumer preferences
	Reduce average calorie content	Average calorie content decreased 0.5%, now 19% below 2001. Low-calorie beverages including waters account for 26% of volume	Continue to reduce average calorie content. Promote diet and light beverages
	Extend GDA labels to all products in the EU	GDA labels on all products in the EU, where practical	Extend front-of-pack calorie information to all product labels in non-EU countries
	Expand ISO 9001 (Quality) certifications	75 plants certified ISO 9001, covering 99.6% of volume	All plants certified ISO 9001 by 2012
	Expand food safety certifications ISO 22000 and FSSC 22000	60 plants certified ISO 22000, covering 78% of volume	All plants certified ISO 22000 by 2012
	Encourage physical activity among consumers	1.2 million participants in sports and fitness programmes	Expand programme to all countries
Employee Development 	Improve employee engagement	Engagement levels 56%, now 13% above 2007	Achieve engagement levels equivalent to high-performing norm
	Improve safety performance	Serious accidents down 39% since 2009, but fatalities increased	Continue to improve safety performance
	Expand OHSAS 18001 certifications	65 plants certified, now cover 93% of employees	All plants certified OHSAS 18001 by 2012
	Extend Leadership Pipeline to all managers	Leadership Pipeline expanded to 100% of managers	Incorporate leadership pipeline model into HR processes for managers
	Certify all employees in new anti-corruption training	73% of email-enabled employees certified on Code of Business Conduct	Train and certify all employees
	Develop employees to their full potential	Employee training rose to 21 hours per year	Roll-out CSR training for all managers. Set targets for internal promotion
Supplier Engagement 	Expand audit programme to more suppliers	61 supplier sites audited; 121 to date	Expand joint audit programme to more suppliers
	Explore positive screening and integration of environmental criteria	Work on Pilot Scorecard to assess carbon reduction strategy for packaging suppliers	Refine Pilot Scorecard
	Address global footprint with suppliers	Worked with sugar refiners to understand water footprint	Work with sugar suppliers to improve their water footprint
	Engage more with suppliers	Included suppliers in Stakeholder Panel	Deepen dialogue with suppliers
Community Involvement 	Maintain community investment at 1.5% pre-tax profit throughout recession	Contributed €9.5 million, 1.4% pre-tax profit	Maintain current levels of community investment
		6,000 employees volunteered	Encourage employee volunteerism
	Deepen relation with Red Cross societies	Worked with national Red Cross organisations in ten countries; Provided relief in nine countries	Expand programmes to more countries

Managing Our Impacts

Our commitment to sustainability does not stop at the boundaries of our bottling plants. Today, we work to address the impacts of our business throughout our value chain from suppliers to end-consumers. To do so, we work collaboratively with our business partners, The Coca-Cola Company in particular. In addition, we contribute to broader initiatives that promote sustainable development in our communities. Much of our business is in the developing and emerging markets, where our goal is to take a leadership role.



Suppliers

Our ingredients, packaging and other goods and services come from 84,000 suppliers.

Water use in our agricultural supply chain accounts for the greatest share of our water footprint. We and The Coca-Cola Company are working with sugar producers to better understand its impacts.

Packaging represents the greatest source of CO₂ emissions in our supply chain. Through collaboration, we reduce the weight of our beverage containers, and increase recycled content.

We also work with suppliers to develop low-carbon technologies, such as our pioneering work to develop climate-friendly refrigeration and combined heat and power (CHP) plants that use quad-generation technology.

Almost 90% of our supplier spend is within our countries of operation, supporting local jobs and economies. Our independently audited Supplier Guiding Principles programme aims to ensure good workplace practices in suppliers.

Bottling Plants

We own and operate 77 plants and 365 warehouses and distribution centres, in addition to corporate offices. Our business employed 43,189 people at the end of 2010.

Since 2004, we have significantly reduced the environmental impacts of our operations. We have improved our energy and water use efficiency by 22% and 19% respectively.

We also implement transformational programmes such as the construction of combined heat and power (CHP) plants to reduce carbon emissions by 250,000 tonnes each year. We own 43 wastewater treatment plants, and 97% of our wastewater was treated in 2010.

There are 49 trade unions in 15 of our country operations and work councils in a further seven. Twenty countries have a safety committee with joint management and employee representation.

We also invest significantly in developing our employees to their full potential. Across our operations, we gained employer of choice awards in 16 countries in 2010.

Internationally recognised management system standards ensure that our approach is rigorous and effective. By 2012, we aim to have certified all plants for quality, environment, health and safety, and food safety.

Fleet and Transportation

Coca-Cola Hellenic has a relatively small transportation footprint. Our plants are largely local, as are the majority of our suppliers.

In 2010, the Company owned or leased 3,109 haulage and delivery trucks, 3,452 management cars and 14,696 sales and other vehicles, which consumed 85 million litres of fuel.

Road safety is a particular concern in our emerging and developing markets, as six of our nine fatalities resulted from road traffic accidents.

Through our Safe and Eco-Driving programme and other initiatives, we have reduced the number of accidents and avoided 954 tonnes of CO₂ since 2009.



Sales

The greatest share of our total carbon footprint comes from the 1,508,000 coolers, vendors and fountains used to chill our beverages for immediate consumption.

Our new cold drink equipment is up to 63% more energy-efficient than in 2004 and most new models are now free of hydrofluorocarbons. By retrofitting energy management devices to existing fleet, we are also improving the efficiency of equipment already in the marketplace.

Increasingly, we work with customers on joint sustainability projects, helping to educate their shoppers about recycling or healthy lifestyles. We also support small-scale entrepreneurs, helping to set up and grow distribution and retail businesses.

Consumers

We respond to the changing health and wellness needs of our consumers by offering more reduced-calorie and nutritionally enhanced beverages. We have taken a leadership role in placing front-of-pack nutritional labels and adhere to stringent codes on responsible sales and marketing.

More than 99% of production volume comes from operations which are ISO 9001 certified.

We also help consumers to recycle their beverage packages. In 19 countries, we have led the establishment of systems which recycled or recovered 64% of packaging during 2010.

Communities

We invest significantly in our local communities, supporting environmental conservation and promoting sustainable development. In 2010, we invested more than €9.5 million in community programmes and partnerships, or 1.4% of pre-tax profits.

We now have watershed protection projects in 26 countries and covering all major rivers. More than 1.2 million people participate in our sports and fitness programmes each year.

In addition to raising public awareness of sustainability challenges, we encourage employees, local businesses and communities to participate in our initiatives.

Integrating Sustainability

Developing our business in a sustainable manner is part of the corporate mission of Coca-Cola Hellenic. We must not only refresh consumers, partner with customers and reward shareholders, but do so while protecting the environment and enriching the lives of our communities.



Our Approach

Our sustainability agenda has been, and remains, a journey. As a participant in the UN Global Compact, we have integrated social and environmental considerations into the way we do business. With our commitment built into our corporate mission and operating framework, we have focused on:

- Establishing governance and management structures
- Identifying and addressing material issues
- Developing robust management systems and standards
- Monitoring progress and ensuring compliance

Now that our approach to sustainability is integrated throughout our business and we have made major progress in all focus areas, we are reaching further into our value chain.

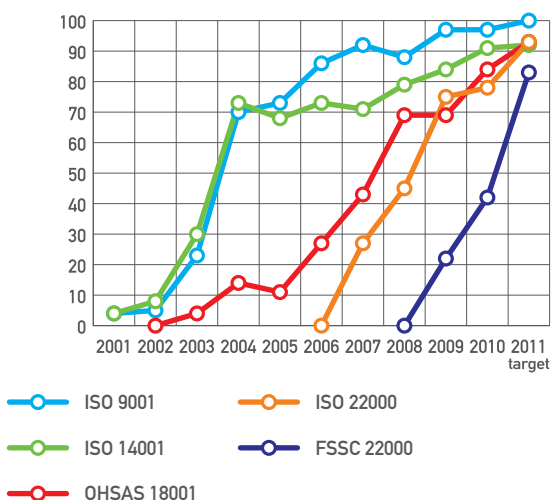
Addressing Material Issues

We focus our efforts on the greatest sustainability challenges for our business and our communities. These challenges have been identified through risk management processes, stakeholder feedback and ecological analyses of operations, products and raw materials. In this report, we discuss the seven most relevant and significant issues:

- Managing our use of water and helping to protect watersheds

Certifications of Bottling Plants

(% of plants certified)



We are on track to achieve full certification of all bottling plants by 2012.

- Tackling energy use, reducing direct and indirect carbon emissions
- Reducing the environmental impacts of packaging
- Helping consumers lead healthy lifestyles
- Developing employees to their full potential
- Working with suppliers to address indirect impacts
- Investing in local communities

Through bold and decisive action, we aim to turn business risks into opportunities, stimulating innovation, driving cost efficiencies, gaining reputation and competitive advantage.

Systems and Standards

To guide our sustainability programmes, we have built a robust framework of policies and management systems. These help to translate our commitment to the UN Global Compact into actionable requirements for our business.

The Coca-Cola Hellenic **Code of Business Conduct** underpins our standards and outlines the behaviour required of employees and directors. Integrity is one of our Company's core values and we have a zero-tolerance of corruption and aim to comply with all applicable laws.

We have also developed a set of sustainability-related **policies and standards** which are periodically reviewed and updated. In addition, we help to develop industry codes and standards.

Management Systems

Our programme to certify all bottling plants to internationally recognised management system standards is nearing completion. These standards include: quality (ISO 9001), environment (ISO 14001), health and safety (OHSAS 18001) and food safety (ISO 22000 and FSSC 22000).

Since much of our business is in developing and emerging territories, this has been an enormous undertaking. We aim to take a leadership role and achieve full certification of all 77 bottling plants by 2012.

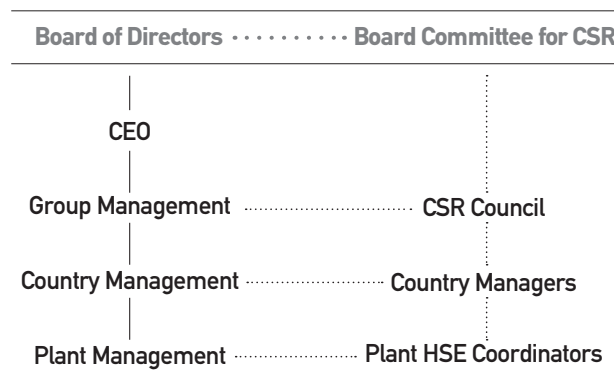
Governance and Management

Our sustainability agenda is driven from the top of the Company. At Board level, the CSR Committee meets quarterly. The Committee approves sustainability strategy and targets and reviews actual performance. Both the Board CSR Committee and

the Operating Committee (OpCo) are briefed on sustainability developments, as needed, to ensure that they are kept abreast of changing risks and opportunities.

At corporate level, the cross-functional CSR Council also meets quarterly. The Council identifies strategic risks and opportunities, sets targets and reviews performance, as well as assessing compliance. Each country operation has a manager who oversees CSR activities, in addition to health, safety and environmental coordinators at every bottling plant. New specialist networks across our business help to advance specific topics, such as health and safety; water stewardship; and energy efficiency.

Corruption-related risks are the responsibility of our Internal Audit function, which reports directly to the Audit Committee. All operations are assessed for corruption risks every two to three years, with those in higher-risk countries audited more frequently.



The Coca-Cola System

As part of our global business system, we work closely on sustainability programmes with The Coca-Cola Company and other bottlers. In Europe, a joint Corporate Reputation and Sustainability Board meets twice a year to approve shared goals and review progress. To promote transparency and compara-

Standards and Policies

Issue	External Standards	Internal Policies
Overall	UN Global Compact GRI Reporting Guidelines	Code of Business Conduct
Water Stewardship	CEO Water Mandate	Environmental Policy Water Stewardship Policy
Energy and Climate	Caring for Climate GHG Protocol	Climate Change Policy Environmental Policy
Packaging and Recycling	UN Global Compact - Environment EU Packaging Waste Directive	Packaging Waste Policy
Consumer Health	ICBA Guidelines EU Pledge & UNESDA commitments to the EU Platform	Health & Wellness Policy Quality & Food Safety Policy Statement GMO Statement
Employee Development	UN Global Compact – Human Rights, Labour, Anti-Corruption UN Declaration of Universal Human Rights ILO Codes	Human Rights Policy Equality Policy Health & Safety Policy HIV-AIDS Policy Fleet Safety Policy
Supplier Engagement	UN Global Compact – Environment, Human Rights, Labour, Anti-Corruption	Supplier Guiding Principles Code of Business Conduct
Community Involvement	UN Global Compact – Environment, Human Rights, Labour Standards Anti-Corruption, LBG Model	Human Rights Policy Code of Business Conduct
Anti-Corruption	UN Convention against Corruption	Code of Business Conduct Code of Ethics Code for Dealing in Shares Supplier Guiding Principles

Integrating Sustainability

bility, we have adopted the 2004 baseline used by the global Coca-Cola System for reporting environmental performance.

Making It Happen

To bring our sustainability commitments to life, we clearly define accountability and rigorously measure and monitor our performance.

Building Accountability

Our Leadership Pipeline includes CSR as one of seven key results areas in which Coca-Cola Hellenic leaders must excel to progress through leadership layers. All managers therefore have annual performance objectives related to sustainability; these help to determine career progression, as well as variable compensation.

Training and Awareness

All Coca-Cola Hellenic employees are trained in the Code of Business Conduct. Our various reporting channels – including a confidential hotline and email system – are widely publicised. We also make employees aware that if they do not report a suspected violation, they themselves violate the Code. Our people are also trained in other aspects of sustainability,

based on their roles. Commercial employees are trained in competition law, for example, while drivers are trained in our Safe and Eco-Driving programme.

Ensuring Compliance

We regularly review our compliance with laws, regulations and internal standards.

Compliance and continuous improvement are integral to our management systems. In addition to regular internal audits, third parties verify these systems on an annual basis.

Our confidential hotline and email system are another important way to assess compliance. Concerns raised through these and other reporting channels are independently investigated, with findings reported to the Audit Committee. Violations of the Code of Business Conduct lead to disciplinary action, even dismissal.

In 2010, Coca-Cola Hellenic received no significant¹ fines for non-compliance with laws and regulations.

A Culture of Sustainability

We also encourage employee involvement and feedback. To root sustainability into corporate culture, we communicate our CSR strategy and progress through our company magazine Journey and our internal TV channel.

Training in the Code of Business Conduct

A new e-Learning programme is helping to ensure that our Code of Business Conduct is understood. The programme includes a test which every employee must pass in order to become certified. Already available in 11 languages, the programme will be translated into more. During the first year, 73% of email-enabled employees completed the course and achieved certification. This new initiative complements existing training and communications. An annual letter from the Managing Director to every employee reaffirms our zero-tolerance approach to corruption. In addition, we send monthly tips by email and ensure that all new recruits receive in-person training.



Third consecutive listing in DJSI

For the third consecutive year, Coca-Cola Hellenic has achieved listings on the Dow Jones Sustainability Index (DJSI) and the DJSI Europe Index (STOXX). This makes us one of only four beverage producers worldwide on the 2010 DJSI World Index – one of two in the Europe Index. We are the only Greek-based company in the Index. In the face of fierce competition and ever higher standards, we must work hard to retain our listing.



1. Fines of €1 million or more are deemed significant by financial auditors.

Engaging Stakeholders

Engaging with stakeholders – the people who affect our business or who are affected by it – is fundamental to our business success. Engagement is also integral to our sustainability strategy. We cannot be successful if we do not listen to others or work with them.

As we address our indirect impacts, working collaboratively becomes even more important. Since we do not own or control these other entities, we can only achieve progress by working together.

Our Approach

We engage with our stakeholders in a variety of ways, including:

- Integrating sustainability into core business relationships and day-to-day engagement
- Forming or joining strategic partnerships to address key issues
- Mobilising others – raising awareness and encouraging involvement
- Seeking expert input on our sustainability strategy and reporting

Working in Partnership

Wherever we operate, we aim to establish long-term partnerships with NGOs, UN agencies, government agencies and others. From conserving watersheds to promoting healthy lifestyles, working in partnership is central to delivering our commitments.

Set up in 2010, the European Water Footprint Sustainability Assessment Sounding Board for Sugar is one such initiative. This new coalition of European sugar producers, Coca-Cola bottlers, NGOs and academia aims to address indirect water use in agricultural supply chain.

Our longest-standing partnership, the Green Danube, marked its fifth anniversary in 2010. Under this umbrella, country-level partnerships with environment ministries, NGOs and others conserve watersheds and raise public awareness in eight countries.

In addition, we join major partnerships and strategic initiatives. We were founding members of the CEO Water Mandate and Caring for Climate and actively support 14 local networks of the Global Compact.

Dialogue and Engagement

During 2010, we continued to deepen our collaboration with key stakeholders on sustainability issues. More details on the partners and projects below can be found in subsequent chapters.

NGOs and IGOs – Partners such as the WWF, ICPDR, Water Footprint Network and UN agencies provide the technical expertise for our sustainability programmes. With strong water stewardship programmes in place, we are broadening the range of partners and issues we tackle, such as our growing collaboration with the Red Cross.

Groupwide Partnerships

UNGC	United Nations Global Compact CEO Water Mandate Caring for Climate
ICPDR	International Commission for the Protection of the Danube River



Country Partnerships

WWF	World Wide Fund for Nature
IFRC	International Federation of Red Cross and Red Crescent Societies
UNDP	United Nations Development Programme
GWP	Global Water Partnership
UNESCO	United Nations Educational, Scientific and Cultural Organization



International Federation of Red Cross and Red Crescent Societies



Engaging Stakeholders

Governments – We work in partnership with government agencies on water stewardship, packaging recovery and active lifestyle programmes in many countries. In addition, we work with industry associations to inform public policy on sustainability challenges, sharing our experiences and advancing practical solutions. We aim to be transparent about our positions – calling for urgent action on climate change; promoting integrated water resource management and championing the producer responsibility principle, for example.

Our Code of Business Conduct governs how we interact with politicians and authorities. No political contributions were made by Coca-Cola Hellenic in 2010.

Employees – Our overall engagement score rose 13 points in our 2010 survey of employees. This was due to concerted efforts to build trust and communication following previous survey findings. As the recession continued, we tried to maintain jobs and minimise redundancies, keeping employees informed of business developments. Volunteerism is a growing part of engagement and in 2010, more than 6,000 employees took part in our community projects. In 2010, Coca-Cola Hellenic gained employer of choice awards in 16 countries.

Suppliers – To address our indirect impacts, we have stepped up collaboration with suppliers. We have shared the results of water footprint studies and begun discussions to reduce water use in sugar production. Work also continues with suppliers to develop low-carbon and resource-efficient technologies, such as our cold drink equipment and quad-generation CHP units. Our next step is to assess suppliers' carbon reduction programmes.



In Greece, we involved consumers in our award-winning partnership to restore forests devastated by recent wildfires. Together with the environmental NGO Arcturos and retailers, we gave away saplings in return for purchases of our mineral water. More than 22,140 young trees were planted in forests and we have pledged to care for them until they take root.

During the recession, we continued to support local suppliers. We commission independent audits of working conditions in our supply chain.

Customers – As part of our drive to place customers at the heart of everything we do, we are increasing collaboration with retailers and other customers on sustainability issues. Programmes are at an early stage but we have already worked together to raise shopper awareness of active lifestyles, packaging reduction and water stewardship in several countries. We also support independent businesses and entrepreneurs.

Consumers – To date, our greatest interaction has been in two main areas: consumer health and recycling. We have responded to demand for more reduced-calorie and nutritionally enhanced beverages; undertaken consumer research and education about our nutritional labels; and developed responsible marketing practices that respond to concerns of parents and educators. We also urge consumers to recycle their cans and bottles, providing the infrastructure and education to help them do so.

We are expanding such interaction, integrating sustainability into our brands and marketing programmes, such as the award-winning Greek reforestation project of local mineral water brand Avra.

Communities – We continued to invest significantly in community programmes throughout the recession. We also engage with communities in other ways, facilitating employee and community volunteerism in our programmes and actively supporting local networks of the Global Compact. Bottling plants host visits from stakeholder groups and plant managers are responsible for engaging with their community on local issues.

Investors – Social and environmental performance is integral to our engagement with investors, from roadshow presentations to our Annual Report. In 2010, Coca-Cola Hellenic was voted No.1 in the European beverage sector for investor relations by Institutional Investor magazine.

We also engage with ratings agencies, socially responsible investors and analysts and discuss climate risks in our submission to the Carbon Disclosure Project. The Fondation Guilé helps to guide our sustainability strategy and reporting by assessing how well we meet our commitments to the UN Global Compact.

Seeking Expert Input

To inform our approach, we periodically seek input from experts on specific sustainability topics. Coca-Cola Hellenic is a member of several sustainability working groups, including the IMD's Center for Corporate Sustainability Management.

In 2010, we hosted multi-stakeholder meetings in Hungary and Russia on packaging and recycling; while in Greece, a major stakeholder survey helped identify the focus for our new community programme 'I Care for My Health'.

Our Stakeholder Panel

At corporate level, we benefit from the insights of our annual Stakeholder Panel. In 2010, we expanded panel membership to include customer and supplier representatives, in addition to NGOs, academia, investors, trade associations and CSR specialists. Furthermore, the Panel now provides a critique of our report which we publish unedited (see Stakeholder Review Statement).

The Panel meeting in November 2010 generated constructive feedback on our sustainability strategy and reporting. We also received valuable input on our reporting from the Fondation Guilé, GRI and CSR Europe. Key points are listed below.



In Italy, we are working with retailers to stage an interactive exhibition on recycling. More than 5,500 people have already visited the exhibit and over 4,000 copies of our children's book on recycling have been distributed.

Feedback from Our Stakeholder Panel

What Stakeholders Said

Assurance – External assurance of our report would enhance its credibility

Compliance – We should describe more fully our approach to compliance

Diversity – We should explain our statistics and of how we are diversity-proofing Coca-Cola Hellenic

Anti-corruption – Although our reporting has improved, we could provide more detail

Suppliers – This chapter was weaker in past reports. It needs more information

Global Compact – We should publish the Ten Principles, showing how we support each

External commentary – A panel review of report would be more valuable than commentaries by individual experts

How We Responded

We reinstated external auditing of our sustainability reporting (see Validation Statement)

We include a separate section on compliance (see Integrating Sustainability)

We discuss research and projects underway to improve our Company's diversity

We describe anti-corruption activities in the relevant sections of the report

We significantly expanded this chapter and added a section on Sustainable Agriculture

We include a table showing how we implement and promote each of the Ten Principles in our business, value chain and beyond

Our Stakeholder Panel has reviewed this report and we publish their findings unedited





WATER STEWARDSHIP

The world's available freshwater is limited and accounts for less than 1% of water on the planet. There are many competing demands on this finite yet renewable resource: safe water and sanitation; agriculture and industry, as well as the maintenance and preservation of ecosystems.

3rd consecutive year we have reduced our absolute water use

.....

19% rise in water efficiency since 2004

.....

Operational water footprint is **48%** smaller than 2004

.....

More than **97%** of wastewater treated in 2010

Freshwater demands increase as populations grow and become more urbanised. In addition, poor or fragmented governance has led to depletion and pollution of water resources.

With climate change intensifying the problem, communities and ecosystems suffer increasingly from water stress. Water scarcity and declining water quality are now recognised as strategic challenges for businesses, too.

Our Approach

Since 2003, Coca-Cola Hellenic has developed and evolved a comprehensive approach to water stewardship. As a beverage company, we anticipated the growing water-related risks to our business and have made significant progress in managing them effectively. The ISO 14001 certifications of our bottling plants (now covering 97% of produced volume) are an essential process towards eliminating risks of pollution and fostering continuous improvement.

Our water stewardship strategy focuses on:

- Ensuring the sustainability of our water extraction
- Reducing water use within operations
- Treating 100% of our wastewater
- Working with suppliers and others to reduce our indirect water use
- Partnering with others to protect local watersheds

Our approach is underpinned by our support of the CEO Water Mandate ([assessment available online](#)), as well as our new water stewardship policy. Developed in 2010, this policy recognises that safe drinking water and sanitation are basic human needs. Although provision of water is largely a government responsibility, we ensure that our water use will not negatively impact water available for the basic needs of

local communities.

In 2010, we received a special commendation for 'Outstanding and sustainable contribution to international water stewardship' at the Water Innovation Awards.

Understanding Water Risks

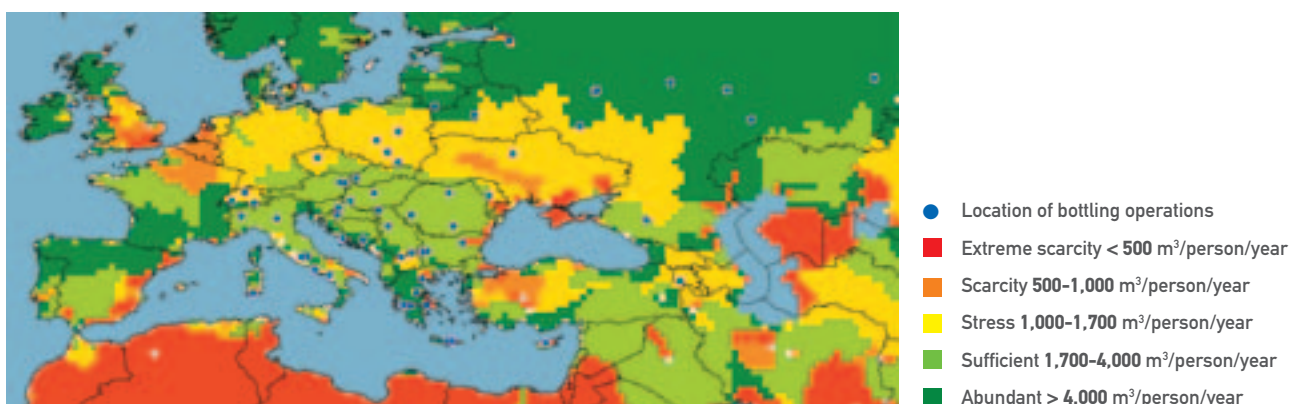
As a beverage manufacturer producing locally, our business depends on the availability and quality of local freshwater sources. Most of our bottling plants are located within river basins which are water-abundant. Some watersheds face water stress, like the Vistula and Dniepr river basins, while others experience seasonal water scarcity, such as the eastern Mediterranean and northern Nigeria.

Since 2007, each of our bottling plants has conducted comprehensive assessments of local water resources, developing an in-depth understanding of their inherent risks.

Our most recent assessments of local water risk showed that eight bottling plants are located in areas facing baseline water stress. Approximately one-third of the water we use is from municipal sources; the remaining two-thirds is from our own wells. Seven plants are approaching the technical or administrative supply limits, so that we are investigating alternative supplies. In most countries of operation, both public and private water supplies are strictly regulated. This ensures that local communities are not disadvantaged by industrial water use.

Working with The Coca-Cola Company, we are developing source water protection plans (SWPPs) for each bottling plant. First, hydrogeology specialists help each plant complete a Source Vulnerability Assessment. Potential risks to the quality and quantity of local water supplies and the overall health of the aquifer are identified. We also assess our water use vis-

Water Availability in Our Watersheds



Annual Water Supply Levels (Source: WBCSD Water Tool).

Water Stewardship

à-vis the needs of other users, evaluating the plant's engagement with local stakeholders on water issues.

Following this assessment, the plant's water resource management team develops a plan to address the critical challenges identified at catchment level, from hydrological vulnerabilities to local government management capacity. By 2012, all bottling plants will have developed a Source Water Protection Plan.

Improving Our Efficiency

Coca-Cola Hellenic has improved its water use efficiency by 19% since 2004. We now use 2.3 litres of water to produce one litre of beverage.

We have reduced our water use in absolute terms for the third consecutive year. In 2010, Coca-Cola Hellenic's bottling operations used 27.3 billion litres of water.

Since we cannot reduce the water content of our beverages, we focus on reducing and recycling water in our manufac-

turing processes. In 2010, we recycled and reused 1.2 billion litres of water. To help plants identify opportunities, we have conducted audits, developed toolkits and shared best practice. As a result, technologies such as dry lube, air rinsers and recycle and reclaim loops are being implemented.

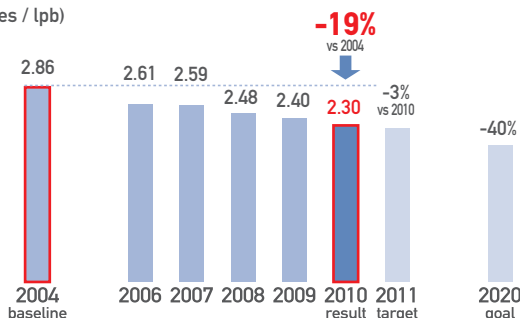
We also pilot new technologies. Using less water in cleaning processes is an area in which we have made particular progress. Switching to cold Cleaning-in-Place during 2010 has yielded savings of up to 40% of water and energy while achieving the same or better standards of cleaning.

There are two parts of our business where water use is relatively high. In certain countries, we use refillable bottles which need to be thoroughly washed before reuse. Secondly, our aseptic production lines to produce juices and teas without preservatives also require significantly more water in their cleaning processes. To reduce this, we piloted an innovative system to recover water from rinse sections of aseptic lines. After encouraging results, we will now move to commercial validation under normal production conditions.

As our water-savings programmes mature, further improvement will require significant capital investment. We have therefore developed a process to evaluate and prioritise projects by investment required and payback in terms of water savings and return on investment. We have also established a network of water experts across our business to help guide the next phase of our water-savings strategy.

Water Use Ratio

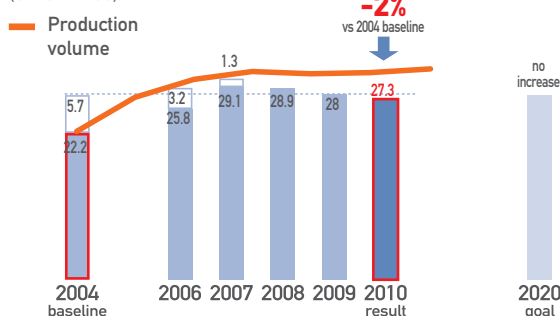
(litres / lpb)



The water ratio (relative water use, normalised for production) in bottling operations has considerably decreased due to water-saving activities.

Total Water Use

(billion litres)



Coca-Cola Hellenic's absolute water use in bottling operations has increased at a lesser rate than production volume and has started to decrease. Much of the increase resulted from the acquisition of businesses and the internalisation of their water use. When correcting for this, the total 2010 water use is 2% below 2004 levels.

Treating Wastewater

In some countries, municipal facilities cannot treat our wastewater to a level that supports aquatic life, the standard required by our business system. In 2003, we therefore committed to build on-site wastewater treatment plants wherever municipal facilities were inadequate.

This major investment programme is nearing completion. During 2010, we constructed a further three on-site wastewater treatment plants, bringing the total to 43 across our business. As a result, on average 97% of all wastewater in 2010 was treated, a figure which rose to 99% by year-end.

We believe this to be is an unparalleled achievement in our territories. Nevertheless, we narrowly missed our goal of 100% wastewater treatment by 2010. In FYROM, we did not receive planning permission to construct our final plant in time, but construction began in early 2011 and should be completed later in the year.

During 2010, 14,380 million litres of wastewater were returned to the natural environment. Total COD discharge was 1,044 tonnes, 70% below 2003 levels.

Reducing Indirect Water Use

Coca-Cola Hellenic's operational water use is significantly smaller than that used in its supply chain. Our wider water footprint reveals that our indirect water use is up to 43 times that used in our own operations. This includes water used by agriculture to grow sugar.

Agriculture is the biggest user of freshwater resources globally, therefore it is unsurprising that agricultural crops represent the greatest share of our water footprint. We have started to address this as part of broader efforts towards sustainable agriculture. As sugar is the main agricultural commodity we use, this is our initial focus. In Europe, we are founding members of the European Water Footprint Sustainability Assessment Sounding Board for Sugar. This brings together our business system with the Water Footprint Network, academia and leading European sugar companies to better understand the water footprint of the sugar we use. We are also working on a methodology to evaluate the sustainability of this water footprint in its local context.

At a global level, The Coca-Cola Company actively participates in the Better Sugarcane Initiative and the Sustainable Agriculture Initiative (SAI) on behalf of our business system (see Supplier Engagement).

Our Water Footprint

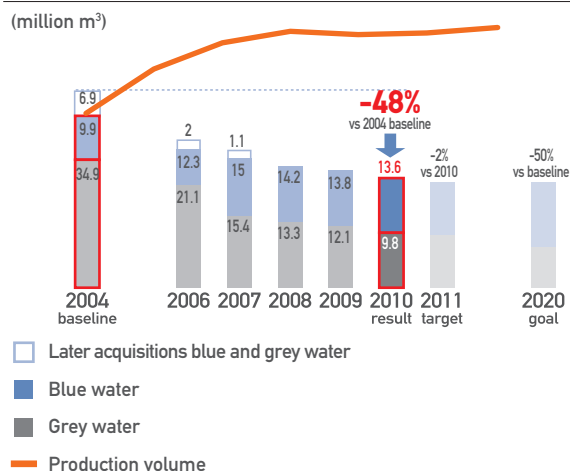
Coca-Cola Hellenic's corporate water footprint represents the freshwater consumed directly and indirectly by our business. In 2010, this footprint was calculated to be 1,011 billion litres. Most of this (97.7%) is due to our supply chain, agriculture in particular, with water use by our own operations accounting for only 2.3%.

This footprint includes the three different types of freshwater used by our business:

- Blue water is freshwater extracted and not returned to the watershed - the water in our products, as well as ground or surface water used to irrigate sugar and other crops in South European countries.
- Green water is rain water used to grow crops, especially sugar beet, in our supply chain. In temperate climates, sugar beet crops use no more water than natural vegetation such as grassland, so their net green water footprint is near zero.
- Grey water is an indicator of water pollution. Our grey water footprint has sharply declined as our programme to construct wastewater treatment facilities nears completion. Fertilisers and untreated wastewater in our agricultural supply chain account for the remainder of our grey water footprint.

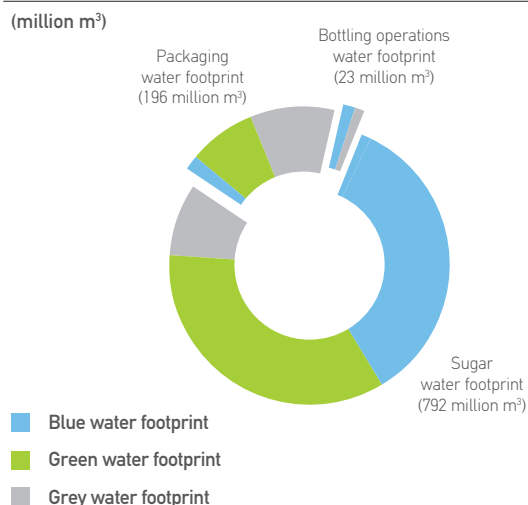
Water footprints have also been calculated for core products of The Coca-Cola Company.

Water Footprint from Bottling Operations



In absolute terms, the total water footprint of our bottling operations has decreased by 48% since 2004, although production volume has risen 58%. As the methodology was strengthened, we recalculated our baseline to a tougher standard, which results in a higher baseline than published previously.

Wider Water Footprint of Our Supply Chain



Our own operations account for only 2.3% of our wider water footprint.

Community Partnerships

Beyond our value chain, Coca-Cola Hellenic actively supports community water programmes in almost every country of operation. Since 2005, we have worked to build long-term partnerships with NGOs, government and UN agencies in 26 of our 28 territories. Together, we develop programmes that benefit local ecosystems and communities: conserving local watersheds; improving access to clean water and sanitation; and raising local awareness and involvement. We also support initiatives that promote an integrated approach to water resource management and better water governance.

Water Stewardship

Watershed Protection

Rivers are a particular focus for our conservation efforts. These vital waterways face threats ranging from excessive water extraction and over-fishing to agricultural run-off, infrastructure and dams.

All major river basins in our territories are now covered by Coca-Cola Hellenic watershed protection projects. The most longstanding is our Green Danube partnership with the ICPDR which in 2010 saw activities in eight countries. The River Danube is the main source of water for millions. Our partnership has built awareness, through extensive public education campaigns and helped restore wetlands, providing critical habitat for flora and fauna, supporting better river basin management.

Such water basins also offer important opportunities for international collaboration. Our project to reduce plastic pollution in the Tisza River, an important Danube tributary, has involved collaborative activities between Ukraine, Slovakia, Hungary and Romania.

Other conservation programmes include:

- **Russia** – Since 2006, our Living Volga programme partnership with UNESCO set up annual Volga Day celebrations and riverbank clean-ups in nine major cities, Volga art and eco-contests, environmental education for schoolchildren, as well as seminars on wetland biodiversity and eco-tourism.
- **Poland** – Now in the fourth year of our project with WWF, we have helped to restock the Vistula River with 1,400,000 salmon fry. The fish had been almost eliminated from the river due to pollution, overfishing and dam construction.
- **Belarus** – Our partnership with local NGO partner Birdlife Belarus has been restoring Yelnya Bog since 2007. Blocking the canals that artificially drain the Bog has allowed



In Belarus, we are helping to restore the endangered Yelnya Bog. As a result, groundwater levels have risen by one metre and forest fires have ceased.

groundwater levels to rise by a metre. As a result of this and the cessation of forest fires, CO₂ emissions from the bog have fallen and native birds and vegetation have begun to return.

Education and Awareness

We also build public awareness and understanding of local water issues. High-profile annual festivals that celebrate indigenous rivers are a particularly successful way to demonstrate the importance of rivers to local ecological, economic and social well-being. These events represent the annual culmination of conservation, education and awareness-raising activities.

Danube Day is the largest river festival in the world, and celebrated in eight countries in the region. More than 480 organisations, from NGOs to local authorities, helped to run 140 events in 2010. These included scientific seminars, roundtables and eco-camps, community clean-ups and traditional cultural entertainment.

Inspired by the success of Danube Day, we have launched programmes to celebrate other rivers, including the Volga, Dnieper, Sava, Tisza and Vistula. We continue to expand the reach of these festivals. In Serbia alone, we extended celebrations of Danube Day to 20 towns and cities in 2010.

We also encourage communities to become actively involved in conservation. As a starting point, we engage volunteers from our workforce and communities in cleaning up local watersheds. Ideally, we aim for programmes to be community-owned.

In Poland and the Ukraine, we give grants to community projects to rehabilitate springs and engage local communities. To date, 15 natural springs have been rehabilitated. Similarly, our Kropla Beskidu fund in Poland gives grants to projects that protect the local watershed.

Across the island of Ireland, more than 100 groups of volunteers care for rural beaches as part of the Clean Coasts initiative. Our Green Coast Awards recognise their achievements while Clean Coast Week raises public awareness.

Schools Education

Teaching young people about water sustainability is an important component of awareness-raising. In a growing number of countries, we work with government and NGO partners to develop educational resources.

- The award-winning Danube Box tool-kit has now reached more than one million schoolchildren in eight countries. It was introduced to schools in Bulgaria and the Czech Republic in 2010.

- A Volga Box has been launched in Russia, where more than 2,000 schoolchildren and students take part in the annual Green Team clean-up activities.
- In Nigeria, our new Water Ambassadors programme engages schoolchildren and communities. On World Water Day, children from 60 schools visited our plants and wastewater treatment facilities to learn about protecting water quality, the theme for 2010.
- In Italy, our children's book, 'The Mystery of the Disappearing Water', has been used by more than 3,500 schools. The book has been turned into an award-winning film and a stage play which is touring 30 Italian cities. The book has also been translated and launched in Russia.

Water and Sanitation

Safe water and sanitation is essential to human health and development, yet one-third of the world's population still lacks access. The problem is most acute in sub-saharan Africa.

In Nigeria, our plants provide access to potable water, boreholes and tanks. In 2011, we will take this support to a new level, working with Coca-Cola Nigeria and WaterHealth International to deliver affordable, quality drinking water to rural and disadvantaged communities nationwide. The programme is part of the broader Replenish Africa Initiative (RAIN), a \$30 million commitment by The Coca-Cola Company and others to provide more than two million people in Africa with access to clean water by 2015. In Nigeria, our local operations and Coca-Cola Nigeria have committed \$1 million to projects in 2011 and we are studying the placement of Water

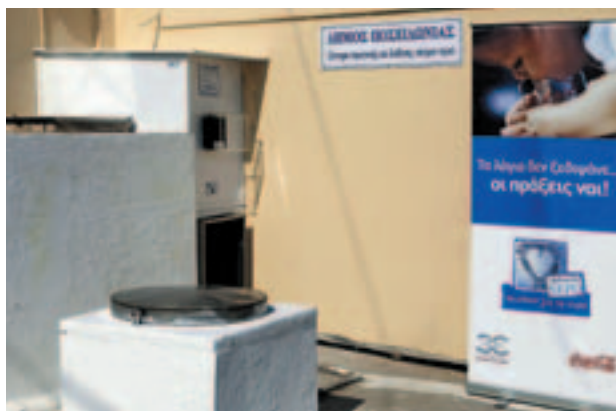


All 13 Nigerian plants now have on-site wastewater treatment units. On World Water Day 2010, children from 60 schools visited our plants to learn about protecting water quality. As part of our Water Ambassadors programme, the pupils saw our treatment facilities, met local water officials and received water treatment products for use at home.

Health Centres, a network of community-owned water purification micro utilities.

We also support initiatives to improve the quality and availability of water supplies and sanitation in a number of other developing and emerging markets.

We help address the growing problem of water scarcity in established markets, too. In Greece, our rainwater harvesting programme with Global Water Partnership-Mediterranean has established 18 systems in schools and public buildings on eight islands. These systems will yield an estimated 650,000 litres annually – enough to meet the freshwater needs of more than 5,500 people. The Mission Water project won a European Excellence Award in 2010.



Our partnership with Global Water Partnership-Mediterranean has set up 18 rainwater harvesting systems in public buildings on eight Greek islands.



The rainwater collected by the Mission Water programme in Greece will yield an estimated 650,000 litres annually – enough to meet the freshwater needs of more than 5,500 people.



Water Stewardship Projects in 2010

Northern Ireland and The Republic of Ireland

Coca-Cola Clean Coast Programme
and Green Coast Awards

Czech Republic

- Danube Box
- Emergency potable water during 2010 floods

Austria

- Green Danube partnership
- Danube Challenge
- Danube Box

Switzerland

Valser Water World

Slovenia

- You are my River
- Green Danube partnership

Italy

- The Mystery of the Disappearing Water (book and touring stage play)
- Otter House

Nigeria

- Water Ambassadors
- Replenish Africa Initiative (RAIN)
- Boreholes

Russia

- Living Volga
- Volga Day
- Baikal Clean Shores
- Green Teams
- Emergency potable water during 2010 wildfires

Volga

Estonia

- Let's do it!
- Beach clean-up

Latvia

- Juglas lake-side clean-up

Lithuania

- Let's do it! Clean-up of Nemunas river banks

Belarus

- Let's Save Yelnya Bog
- Meadow of Turov clean-up

Yelnya Bog

Poland

- Vistula Rivers for life
- Vistula Day
- Kropla Beskidu Fund and Partnership

Vistula

Ukraine

- Green Danube partnership
- Danube Day
- Tisza River project
- Green Teams

Dniepr

Central and Eastern Europe
Emergency potable water provided in 7 countries following 2010 floods

Slovakia

- Green Danube partnership
- World Water Day

Danube

Hungary

- Liberty Island conservation
- Danube Day
- Danube Box

Romania

- Green Danube partnership
- Adopt a River programme
- Water for Vatra Dornei residents
- Clean-ups in Vatra Dornei
- Water Education Centre

Croatia

- Our Beautiful Sava
- Danube Day
- Green Danube partnership

Sava

Danube

Danube

Green Danube Partnership
Austria, Slovakia, Hungary, Croatia, Serbia, Romania, Bulgaria, Ukraine, Slovenia and Czech Republic

Armenia

- Every Drop Matters
- Clean-ups in Dilijan

Bosnia

- River bank clean-ups

Serbia

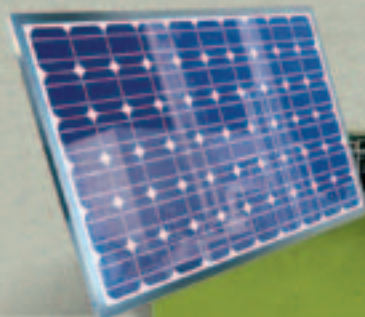
- Green Danube partnership
- Danube Day
- Danube Box
- Emergency potable water during 2010 floods

Bulgaria

- Green Danube partnership
- My Green City
- River Petrovksa clean-up
- Water supplies in Kostinbrod

Greece

- Mission Water rainwater harvesting
- Lake Kerkini clean-up



ENERGY AND CLIMATE CHANGE

CO₂ emissions have already started to disrupt the climate. As this continues, hotter and drier summers are expected to dry up rivers and jeopardise harvests, leading to increased food prices and economic hardship. Milder and wetter winters will erode soil and cause floods, threatening farming communities and cities. Everybody will be affected by climate change – but the poorest people and countries will suffer the most.

Constructing up to **20** CHP units,
the largest energy initiative in our industry



Leading the industry
in **HFC-free** refrigeration



Launched solar energy project at **5**
Italian plants



Improved plant energy efficiency
by **23%** since 2004

Our Carbon Footprint

- Our direct emissions are largely due to manufacturing and fleet. In 2010, direct emissions were calculated to be 849,719 tonnes of CO₂, a 0.6% increase compared to 2009, due to an increase in production sales volume.
- Our indirect emissions mostly result from our cold drink equipment and our packaging. These indirect emissions amounted to 5.13 million tonnes of CO₂ in 2010. This is 0.6% higher than 2009, again due to higher production volume.

If we are to avoid catastrophic climate change, the earth's temperature should not increase by more than 2°C. Urgent and extensive action is required by all sectors to achieve this. In 2010, Coca-Cola Hellenic signed the Cancun Communiqué which calls on world leaders to redouble their efforts to achieve a climate deal and pursue an ambitious mitigation strategy.

The private sector has a vital role to play. Through innovation and long-term investments in energy efficiency and low-carbon technologies, business must turn the climate challenge into market opportunities.

We reaffirm our commitment to transforming Coca-Cola Hellenic into a low-carbon business. Carbon management is a strategic priority for the Company and we are already seeing business benefits resulting from ongoing investments in energy efficiency and low carbon technologies.

Understanding Our Climate Risks

Climate change presents significant risks to our business – from rising energy costs to threats to our agricultural supply chain and availability of water. Through innovation and leadership, we aim to convert these risks into opportunities: cost-savings, reputation benefit and competitive advantage to name but a few (see table next page). Our report to the Carbon Disclosure Project discusses these risks and opportunities in detail.

Our Approach

As we transform Coca-Cola Hellenic into a low-carbon business, we have committed to take a leadership role. Since much of our business is in developing and emerging markets, we have a responsibility to promote the need for urgent climate action.

We are tackling climate change in the following ways:

- Improving our energy efficiency
- Switching to cleaner energy sources
- Working with others to reduce indirect emissions
- Developing and promoting low-carbon technologies
- Supporting climate adaptation



On-site Combined Heat and Power (CHP) units are now operational at four bottling plants; a further five are due to become operational in 2011.

We aim to reduce total emissions while growing our business. As a founding signatory of the UN Global Compact Caring for Climate platform, we publish a self-assessment of our performance against these requirements on our website.

In the past few years, we have come close to stabilising direct emissions, decoupling energy use from organic growth. Nevertheless, we must still compensate for emissions associated with business acquisitions. By 2020, our goal is to reduce emissions by 25% compared to 2004.

We also lead the European food and drink industry in developing and deploying low-carbon technologies. Coca-Cola Hellenic was the only non-alcoholic beverage company invited to showcase its CO₂ reduction programme at CSR Europe's Enterprise 2020 MarketPlace. Our innovative quad-generation CHP programme has also been designated an 'Official Partner' of the EC Sustainable Energy Europe campaign.

Reducing Direct Emissions

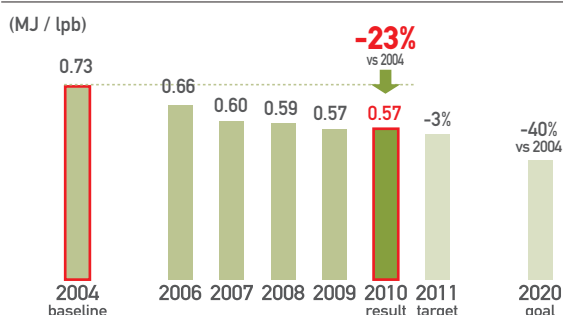
To reduce direct emissions, we are driving energy efficiency throughout our business: in manufacturing processes, equipment, buildings and fleet.

Energy and Climate Change

Risks and Opportunities in Our Business

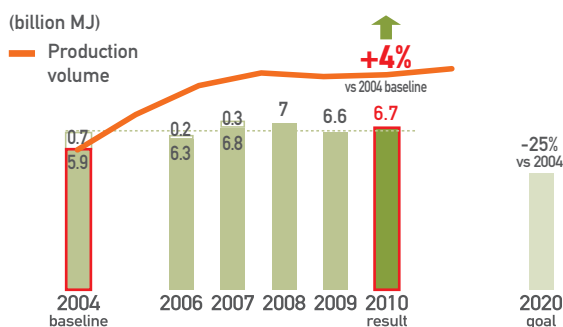
	Risk	Opportunity
Regulatory	<ul style="list-style-type: none"> We are not currently exposed because our operations are not considered to be major sources of emissions. Future regulation may affect packaging, product delivery and distribution. 	<ul style="list-style-type: none"> Our investments in on-site CHP units and energy efficiency may yield increased returns as energy prices rise. Our new cold drink equipment prepares us for possible limitations on equipment or coolants.
Physical	<ul style="list-style-type: none"> Production capabilities, supply chain, consumer demand could be affected. Water scarcity could limit availability for our operations. 	<ul style="list-style-type: none"> Water stewardship programmes protect our physical and social licence to operate
Economic	<ul style="list-style-type: none"> Price and availability of key crops (e.g. sugar beet) could be affected Poor/inclement weather conditions could reduce demand for our beverages 	<ul style="list-style-type: none"> Our new cold drink equipment is a competitive advantage with customers tackling their own footprint. Warmer weather could lead to greater demand for our beverages.
Other	<ul style="list-style-type: none"> Lack of leadership in combatting climate change could harm our reputation. 	<ul style="list-style-type: none"> Helping customers and consumers reduce their own footprint and promoting our efforts could deliver reputation benefits.

Energy Use Ratio



Our bottling plants are now 23% more energy-efficient due to energy-savings programmes.

Total Energy Use



Total energy use in our bottling plants has stabilised in the past three years, following a significant increase due to business acquisitions. When correcting for acquisitions, total 2010 energy use is only 4% above 2004 baseline.

Quad-Generation Power

The cornerstone of our carbon reduction strategy is our commitment to build multiple combined heat and power (CHP) units across our business. Representing an investment of €200 million, this is the largest energy-efficiency initiative in the industry.

On completion, this programme will cut direct CO₂ emissions by more than 250,000 tonnes annually. By installing a CHP unit, each bottling plant improves its carbon emissions by 40%. By using pioneering quad-generation technology to recover food-grade CO₂, plants can reduce emissions by up to a further 40% (see Supplier Engagement).

To date, CHP units are operational in Hungary, Romania, Northern Ireland and Italy. A further five are near completion in Nigeria, Poland and Ukraine which are expected to become operational in 2011. Given the scale of the programme and the technology involved, legal hurdles and administrative delays have been considerable. Nevertheless, we remain fully committed to this project.

Improving Energy Efficiency

We are systematically identifying and capturing opportunities to save or reuse energy in our plants. Following detailed audits of energy use, we completed 233 energy-saving projects across 63 plants during 2010.

Initiatives range from technologies, such as CO₂ evaporation, to ensuring that basics are in place, such as insulating pipes, preventing leaks and reducing boiler temperature. Lighting and heat recovery projects were a particular focus in 2010.

We have also launched a new energy-saving software to help plants identify and prioritise further improvement, calculating the potential investment, energy savings and pay-back period for projects.

Energy efficiency is incorporated into building design, too. Our new automated warehouses in Ireland, Italy and Romania are more efficient than traditional warehouses. These high-bay vertical warehouses occupy less space, require less light, heat and energy and reduce road transportation between production and warehousing.

Fleet and Transportation

Fleet sustainability initiatives yielded savings of 954 tonnes of CO₂ emissions in 2010 - more than 15,300 tonnes since the programme began in 2007. Our progress was recognised with an unprecedented three awards from Fleet Europe for fleet safety, environmental performance and fleet management.

We have set a maximum fuel consumption for each vehicle, deployed route management systems, trained drivers in Safe and Eco-Driving techniques, and monitored performance monthly.

We undertake trials with alternative fuels and vehicles, but to date, these have not provided a solution for our purposes and we therefore focus on small, clean diesel cars. We aim to purchase the smallest possible engines and vehicles, and almost all purchases in 2010 complied with this requirement.

We work to reduce our overall transportation footprint, too. Air freight is not used for raw materials or finished products and we continue to explore switching from road to rail where feasible.

Green IT

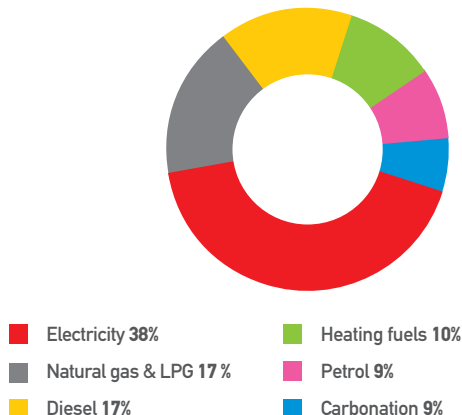
Since 2007, our Green IT strategy has worked to change both infrastructure and mindsets and has avoided 10,368 tonnes of CO₂ emissions.

To reduce business travel, we promote audio, video and webex conferencing. Air travel is discouraged and an internal carbon tax on corporate flights is used to off-set resulting emissions. Consequently, we avoided at least 600 tonnes of CO₂ in 2010¹.

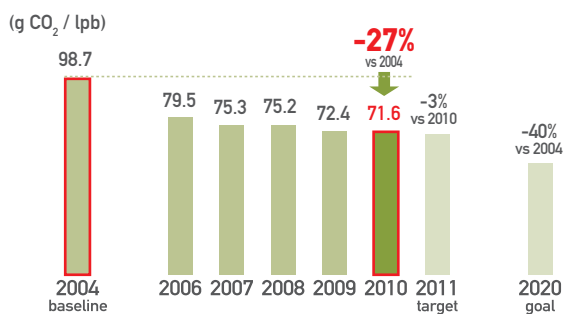
Other initiatives include an energy-efficient data centre and

CO₂ Emissions from Operations (Bottling and Distribution)

Total: 849,719 tonnes

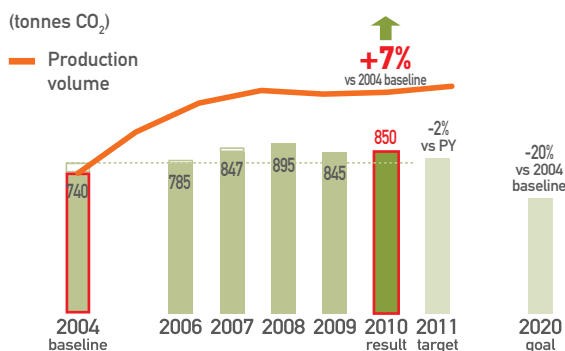


CO₂ Emissions Ratio from Operations



The CO₂ emissions ratio from our operations (bottling and transportation) is now 27% below 2004 levels.

Direct CO₂ Emissions



Total direct carbon emissions (bottling and fleet) has decreased for the third year in a row, following an increase due to business acquisitions. When accounting for these acquisitions, 2010 CO₂ emissions are above 7% higher than 2004 levels.

server consolidation. As we retire IT equipment, our purchasing specifications require that we deploy the most energy-efficient devices. These infrastructure projects are now largely complete.

1. Our conservative estimates include only 20% of all conferences and are calculated on the basis of only two people per meeting.

Energy and Climate Change



Her Majesty The Queen visited the new and highly energy-efficient bottling plant at Knockmore Hill, Northern Ireland. The on-site CHP unit – the fourth across our business – cuts plant CO₂ emissions by up to 66% while supplying excess electricity to the local grid. The plant won the Sustainable Ireland 2010 Energy Efficiency Award.

Switching Energy Sources

Diminishing reserves of fossil fuels mean that we must seek renewable energy sources. To increase the proportion of renewables in our energy mix, we introduced our first solar project in 2010. In Italy, five plants now have photovoltaic rooftop panels with a total capacity of 5.2 megawatts. We plan to extend this project to other Southern European countries in 2011.

All CHP units use natural gas which, although cleaner than coal or oil, is still a fossil fuel. We have explored switching to biogas, but have not yet found reliable sources of sufficient quantity in our territories.

Renewable energy accounted for 17.6% of electricity use or 6.3% of total energy consumed in 2010.

Reducing Indirect Emissions

More than two-thirds of our wider carbon footprint stems from cold drink equipment and beverage packaging. Consequently, this is where we concentrate efforts to reduce indirect emissions. We also continue to enhance our understanding of indirect emissions. In 2010, the emissions associated with sugar and sweeteners were calculated to be 391,000 tonnes of CO₂ or 8% of total emissions.

Cold Drink Equipment

Our carbon reduction programme for coolers and other cold drink equipment focuses on three areas: supporting the development of new coolers that do not use hydrofluorocarbons (HFCs); improving the energy efficiency of new equipment; and improving energy efficiency of existing equipment. These initiatives avoided 46,843 tonnes of CO₂ in 2010 (see Supplier Engagement).

We now own a wide range of HFC-free coolers and are on track to meet our goal that by 2015 all new equipment will be HFC-free. In addition, intelligent energy management devices and other energy-savings measures have made our new equipment up to 63% more energy-efficient than 2004 models. During 2010, we purchased 23,400 of those new coolers, which will reduce CO₂ emissions by an annual 27,000 tonnes.

We have also started to retro-fit existing equipment with energy management devices, improving its energy efficiency by up to one third. In 2010, we installed 12,500 devices which will cut CO₂ emissions by 4,300 tonnes for each remaining year of their 10-year life-span.

Packaging

Our comprehensive packaging and recycling strategy eliminated an estimated 16,900 tonnes of embedded carbon in 2010 (see Packaging and Recycling & Supplier Engagement). In 2011, we will start assessing the carbon reduction programmes of packaging suppliers as part of our new supplier scorecard.

Promoting Climate Action

Climate action in developing and emerging markets is particularly important. Given our geographic spread, we have a responsibility to promote climate mitigation and adaptation in our territories. We therefore champion rapid and extensive action by governments, businesses and others.

At international level, we were a founding signatory of the UN Global Compact Caring for Climate initiative. During the Cancun Climate Summit in 2010, we signed two resolutions on climate action by the Consumer Goods Forum. These major initiatives pledge to mobilise our collective resources to work towards ending deforestation and to phase out the use of refrigerant gases with high global warming potential.



We have produced communications materials to promote the low-carbon technologies that we have developed.

We showcased our HFC-free refrigeration to the Consumer Goods Forum and at a leading European sustainability conference with business, government and academic delegates from across Europe.

Low-Carbon Technologies

We not only invest in low-carbon technologies but actively promote these solutions. We mark the opening of each CHP unit with a climate-themed event for local stakeholders, demonstrating the technology and emphasising the need for action.

At the commissioning of the Nogara unit in Italy in 2010, more than 500 suppliers, customers, officials, NGOs and employees took part in events that included a roundtable with business leaders and environmental agencies. In Northern Ireland, the inauguration of our Knockmore Hill CHP unit by HM the Queen generated international media coverage of our quad-generation technology.

Shaping Behaviours

We involve consumers and communities in reducing the carbon footprint of their beverage by encouraging them to recycle the container. By playing their part in closing the recycling loop, consumers can reduce the associated emissions by up to 8%. We therefore support recycling awareness and education campaigns, as well as anti-littering and clean-up initiatives (see Packaging and Recycling).

Supporting Adaptation

In addition to pursuing a vigorous climate mitigation strategy, we must prepare our business for the reality of climate change. We must also help our communities do the same.

The availability and quality of fresh water will be the main way in which climate change affects us all. Our comprehensive water stewardship strategy is therefore the most important way that we address these growing risks to our business, our communities and ecosystems (see Water Stewardship).

CO₂ Emissions - Saving Programmes

Programme	Start of programme	CO ₂ reduced in 2010 vs 2009	CO ₂ reduced in 2010 vs baseline	Sum of CO ₂ reductions cumulated each year since start of programme
	(baseline)	(tonnes)	(tonnes)	(tonnes)
Energy savings activities in plants	2004	15,168	332,034	1,478,275
Combined Heat and Power	2006	7,000	25,000	89,000
Packaging reduction	2004	16,918	115,461	541,422
Corporate flights offsetting	2006	2,105	2,105	10,242
Eco-Driving	2007	7,000	7,554	15,354
Greener coolers	2008	46,843	62,746	78,650
Green IT	2007	600	3,940	10,368
Total		89,587	548,839	2,223,311

New Solar Programme Starts in Italy

During 2010, we installed 150,000 m² of solar panels on the rooftops of five Italian plants, with a capacity of 5.2 megawatts (or 5.88 million kilowatt hours). In our Nogara plant, this initiative, our new CHP unit and other energy-efficiency initiatives, have already cut the plant's CO₂ emissions by 66%.





PACKAGING AND RECYCLING

Packaging plays a vital role in maintaining product quality and safety as beverages travel from production line to end-consumers. As a result, packaging contributes to overall sustainability, preventing breakage and spoilage. Nevertheless, the cans and bottles themselves account for significant environmental impacts which we work to reduce at every stage of their lifecycle, from manufacture to recycling and disposal.

Avoided **51,000** tonnes PET since
2005 through lightweighting

.....
64% of packaging waste
recovered and recycled in **19** countries

.....
Increased the capacity of the Austrian
PET-to-PET plant

.....
Recycled or recovered **85%**
of production waste

Our Approach

We reduce the environmental footprint of our packaging by:

- Reducing materials and energy used in the manufacture of packaging
- Using recycled or renewable content to replace non-renewable material
- Championing the recovery and recycling of packages: working with others to strengthen the infrastructure and consumer participation

In addition to reducing use of non-renewable materials, these strategies help to drive down the carbon footprint of our packages. Our ultimate goal is to close the recycling loop, converting used packages into new. We have committed to invest in bottle-to-bottle recycling plants wherever environmentally and economically sustainable. We have done so in Austria, where we co-own a plant which recycles up to 570 million PET bottles each year.

Reducing Packaging

Source reduction is the most significant way to diminish the impact of packaging. By reducing the material content of our packages, we reduce carbon emissions in manufacturing, as well as subsequent transportation and recycling.

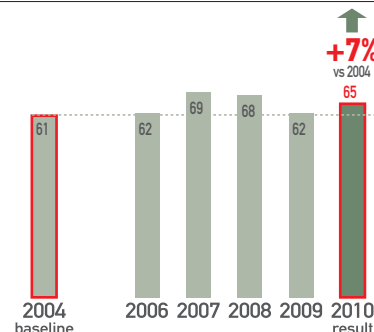
Our goal is that by 2012 we will reduce packaging used per litre of beverage by 25% compared to 2004. In 2010, this packaging ratio was 7% higher than in 2004 and we used 771,000 tonnes of material, up 6.5% from last year. Much of this increase was due to the replacement of wooden pallets used to transport cases of beverage.

For more than a decade, we have focused on lightweighting and all key packages now use considerably less material.

- **Lighter PET bottles:** During 2010, we established new benchmarks for PET bottles. Our 500ml bottles for waters now

Packaging Material Use Ratio

(g per lpb)



The amount of packaging material used to manufacture our products, per litre of produced beverage, has remained broadly stable. In 2010 it was 7% above 2004.

weigh on average 18 grammes, 36% less than in 2005; while our 500ml bottles for carbonated beverages are 26% lighter (see below). As a result of these efforts, we avoided the use of more than 4,500 tonnes of PET in 2010. Since 2004 our lightweighting efforts have resulted in PET bottles that are now on average 16% lighter.

- **Short-height plastic closures:** We continue to roll out shorter bottle closures across our business. Not only do these closures use less material, but they also allow bottle necks to be shorter and lighter, further reducing material use. By using these closures, we avoided 527 tonnes of material in 2010.
- **Light-weight glass bottles:** In 2010 we introduced 55 million light-weight glass bottles using up to one third less material.
- **Cans and cartons:** Although these represent only 16% of our primary packaging mix, we continue to work with suppliers on sustainability projects that include lightweighting.
- **Secondary packaging:** We minimise our use of cardboard, shrink film and other materials to deliver products to business customers. Such projects benefit customers, too, reducing their packaging waste and labour costs.

Lightweighting of Packages



We have significantly reduced the material used to produce each of our main packages.

1. Lowest achieved: 12.2 grammes.

Packaging and Recycling

As we seek opportunities to remove material from our packages, we work within constraints. If a package is not strong enough to withstand transportation and storage, this will lead to product waste, which typically accounts for considerably higher CO₂ emissions than packaging alone. Consumer appeal is another important consideration since the look, feel and convenience of packaging plays a significant role in brand preference and purchasing decisions.

Recycled and Renewable Content

Using recycled or renewable content is another way we lessen the impact of our packaging. These materials replace non-renewable materials, and their production uses much less energy – 85% and 95% less for recycled PET and aluminium respectively. While we focus on increasing the recycled content of our packages, The Coca-Cola Company has developed packaging made with renewable raw materials, such as the PlantBottle.

Recycled PET

Aluminium cans and glass bottles contain up to 60% recycled content. By contrast, the maximum recycled content in our PET bottles was 30% in 2010. We increased the recycled PET we used in 2010 to approximately 6,500 tonnes. Nevertheless, this still represents a small proportion of total PET usage and we aim to increase this. The greatest obstacle is lack of a stable supply of recycled PET feedstock. Around half of PET bottles are recycled, of which approximately two-thirds² are diverted into the PET fibres and sheet industry which does not demand food-grade quality standards. We must therefore enhance the efficiency of PET collection (see below) and increase our share of the recycled material produced. In 2010, we supported the introduction of another production line at the bottle-to-bottle recycling plant



At the Pet-to-Pet Recycling plant in Muellendorf, Austria, a new processing line has been installed. The state-of-the-art recycling plant has been producing PET flakes from recycled PET bottles for many years and now using the latest technologies to turn used PET bottles into granulate.

we co-own in Austria. With access to more reprocessed PET, we aim to produce bottles with higher recycled content.



PlantBottle

In 2011, Coca-Cola Hellenic will launch PlantBottle, the award-winning PET bottle developed by The Coca-Cola Company. Up to 30% of the PET in this package is derived from renewable plant-based waste material. The bottle has a lower carbon footprint than traditional PET yet maintains the same performance standards and is fully recyclable. Coca-Cola Hellenic will trial PlantBottle in Switzerland.

Promoting Recycling

For our packages to be recycled or recovered, we work with industry and government to achieve two important pre-conditions. Firstly, we set up schemes to collect, recycle or recover packaging. Secondly, we encourage consumers to play their part in closing the recycling loop; otherwise empty cans and packages end up as landfill or litter, not valuable feedstock for recycling.

Recovery Organisations

In 19 countries, Coca-Cola Hellenic has led the establishment of organisations to collect, recycle and recover packaging. In turn, these bodies work with 29,000 municipalities to provide 135 million people with access to collection systems. In 2010, 64% of our packaging was recycled or recovered in these countries.

The challenge is to bring all territories up to speed, as there are still countries where collection and recycling are limited or non-existent. We promote producer responsibility schemes since they facilitate both environmental and economic progress.

During 2010, two new recovery organisations came into being. In the Former Yugoslav Republic of Macedonia (FYROM), Pakomak was officially approved, starting operations in 2011. In Serbia, Sekopak completed its first year of operations. Residential collection systems have been set up in 21 municipalities together with campaigns to teach residents how to separate waste. First-year results exceeded targets with almost nine tonnes of packaging recovered. Since some municipalities previously had no residential waste collection, this result is particularly encouraging.

Other progress during 2010 included:

- In Romania, we extended collection systems to include rural households. Again, this marked the first collection of waste of any kind. In 2010, 38,000 tonnes of PET were collected for recycling.

2. PETcore.org

- In Russia, the new packaging and environment coalition Rus-PEC, chaired by Coca-Cola Hellenic, held its first multi-stakeholder conference. By bringing together government agencies, authorities, suppliers, manufacturers and recyclers, we developed comprehensive proposals for PET collection and recycling for submission to the Russian Parliament.
- In Hungary, we held a multi-stakeholder forum on PET packaging waste. This led to new projects, including a lifecycle analysis with the Ministry of Environment, on-pack labelling of recycled content and other consumer messaging.

Where recovery systems are in place, we remain actively involved and retain an ownership stake in 18 organisations. During 2010, we began a new initiative to review and improve their performance. We paid almost €42 million in recovery fees in 2010.

We continue to work with government and industry to promote market mechanisms, technological and sorting innovations and creation of equitable closed loop packaging solutions. At an international level, we support efforts by industry associations to work towards a global standard of producer responsibility.

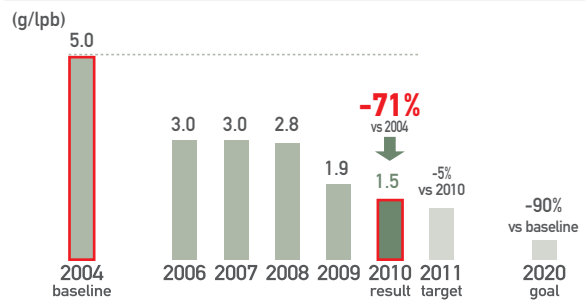
Mobilising Consumers

Since consumer participation is vital to the success of recycling initiatives, we support education and awareness campaigns. We also mobilise communities to support clean-up operations and anti-littering campaigns.

To stem the growing problem of plastic pollution in the Upper Tisza river basin, we support environmental projects in Romania and Ukraine. Lack of waste collection led residents to dump rubbish in rivers, floodplains or landfills. In addition to pioneering rural collection, we conducted education and awareness campaigns and clean-up operations.

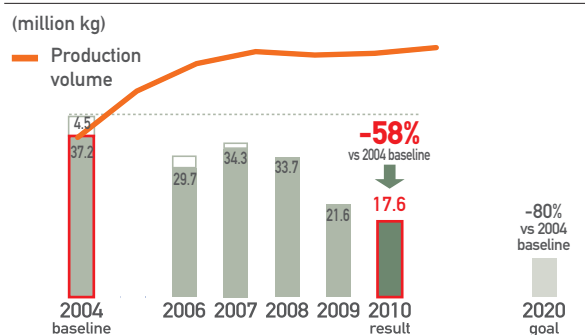
Even where recycling infrastructure is established, consumers often lack access when away from home. We therefore include collection schemes at all events that we support, from sports

Landfilled Waste Ratio



The amount of waste from plants that is sent to landfill, relative to the volume produced, is now 71% below 2004 levels. This results from reducing total waste and increasing recycling rates.

Total Landfilled Waste



Total waste from bottling plants that is sent to landfill is now 58% below 2004.

tournaments and music festivals to product sampling. In 2010, we collected 141 tonnes of packaging at events.

In-Plant Recycling

Our goal is that all plants will recover or recycle at least 90% of production waste by 2015. We are on track to achieve this with 39 plants recycling 90% of waste and a further 14 plants achieving rates of 80%. As a result, we diverted 103,000 tonnes of waste from landfill, an absolute reduction of 58% since 2004.

Tackling plastic waste pollution in Ukraine

In the rural community of Drotyntsi, plastic waste had blocked a cross-section of the river and led to flooding. Our Green Danube partnership worked with local authorities to address the source of the problem by installing residential waste collection and setting up a collection centre where plastic waste is compressed and baled, ready for recycling. In addition to tackling a local environmental issue, the project has also created jobs in the collection system. A local awareness campaign is now underway. We also organised clean-up activities along the river.





CONSUMER HEALTH

Business success depends on meeting changing consumer demands. As a result, we now offer more lower-calorie options, natural ingredients and added health or wellness benefits. Consumers also want more nutritional information about their food and drink. As the recession continues, affordability is particularly important.

26% of sales volume is low-calorie



Front-of-pack calorie information on **all**
sparkling beverages labels in EU states



1.2 million people actively took part
in our fitness programmes in 2010

Changing demands and expectations are due in part to the increasing prevalence of obesity. Already a major public health issue in developed countries, overweight and obesity are on the rise in developing and emerging countries, too. By 2015, the World Health Organisation predicts that there will be 2.3 billion adults overweight - more than 700 million of them obese.

Our Approach

We respond to the changing needs of our consumers in the following ways:

- Expanding our product range - especially reduced-calorie, nutritionally enhanced or all-natural beverages
- Reformulating products
- Providing highly visible nutritional information on labels
- Ensuring that our sales and marketing is conducted responsibly
- Working with others to promote physical activity and healthy lifestyles

The complexity of the obesity challenge requires the involvement of all stakeholders, from governments, NGOs and business to schools, families and individuals. Our challenge is to enable consumers to enjoy our beverages while helping them maintain a healthy weight and lead an active lifestyle. Children are a particular concern.

We work closely with The Coca-Cola Company which owns many of the brands we produce. The Coca-Cola Beverage Institute for Health and Wellness helps our business system by assessing wellness trends and advancing development of new beverages. The Coca-Cola business system also supports the new European Hydration Institute. This new body works with independent scientists, health and nutrition professionals to build understanding of appropriate hydration.

A Wider Choice of Beverages

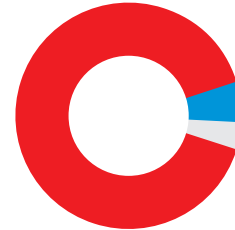
Our growing range of beverages includes waters, juices and juice drinks, iced teas, ready-to-drink coffees, sports and energy drinks in addition to sparkling soft drinks.

We are reducing the calorie content of many beverages, using natural ingredients and adding health and wellness benefits. We extend these benefits to lower-income consumers, too, with juice drinks brands such as Dobry and Su-Voce sold in Armenia, Belarus, Russia, Ukraine, Serbia and Montenegro.

Growth of Still Beverages and Water

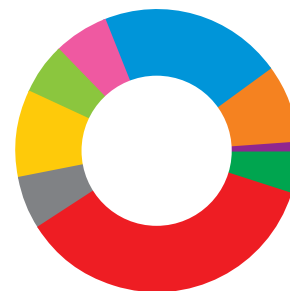
(sales volume)

2001



- Sparkling beverages 90%
- Waters 6%
- Other still beverages 4%

2010



- Coca-Cola 36%
- Waters 21%
- Coca-Cola low-calorie 6%
- Juice drinks 9%
- Fanta 10%
- Sport and energy 1%
- Sprite 6%
- Iced teas 5%
- Other sparkling beverages 6%

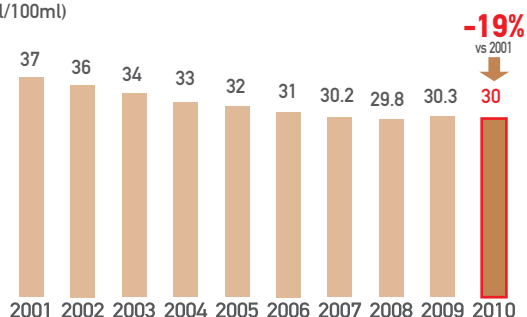
Low-calorie sparkling beverages, waters, juices, teas and other still beverages now account for 42% of volume.

Reduced Calorie Content

Sugar gives the body energy in the form of calories – but if more calories are consumed than expended through physical activity, this can lead to weight gain. To help consumers enjoy

Average Calorie Content

(kcal/100ml)



Average calorie content has fallen 19% due to the growth of waters and reduced-calorie beverages.

Consumer Health



We continue to launch new juices and juice drinks with health and wellness benefits. These range from added vitamins and minerals to antioxidants, prebiotics and natural polyphenols.

sparkling beverages while managing their weight, we offer low-calorie options, such as Coke Zero and Coca-Cola light.

Certain beverages have been reformulated to contain less sugar. To allow consumer tastes to adjust, sugar content is reduced gradually. In 2010, we eliminated a further 3-4% of sugar from Nestea beverages, depending on the flavour. To date, Nestea, Fanta and Sprite have been reformulated to contain up to 20% fewer calories.

Low-calorie carbonated beverages and waters accounted for 26% of our sales volume in 2010. The average calorie content of our products by volume has decreased 19% since 2001.

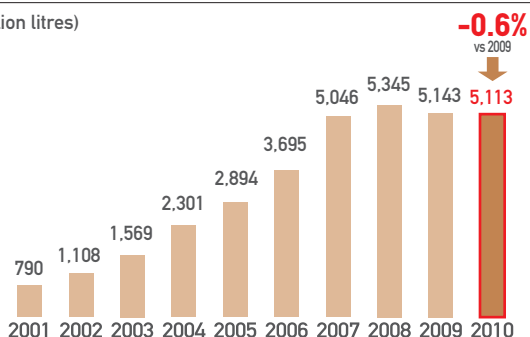
Smaller serving sizes also help consumers manage their calorie intake. In some EU territories, our beverages are available in smaller 200ml bottles and 250ml cans – in addition to 250ml bottles and 330ml cans.

Nutritionally Enhanced Beverages

Our range of juices and juice drinks with added vitamins and minerals help consumers meet their nutrition needs.

Growth of juices, teas, waters and low-calorie beverages

(million litres)



Juices, teas, waters and low-calorie beverages have become an increasingly important part of our volume, growing more than five-fold since 2001.

In Nigeria, 5Alive juice drinks are now enhanced with Vitamins B1 and B2. In Russia, our Yasli-Sad juice is the only juice for children with added calcium. In Poland, we launched Cappy Multivitamin, as well as Amita Extra Vitamin C in Greece.

Other functional juices include benefits such as prebiotics, fibre, omega-3, polyphenols and antioxidants.

- **Greece** – The Amita Ev Zyn range includes Omega-3 for heart health; mastic for the immune system; fibre for the digestive system; and calcium and Vitamin D for bone strength.
- **Serbia** – Expanding the neXt BodyTime functional juice range, we launched Cardio, which is rich in natural polyphenols to help the cardio-vascular system.

Nutritional Information

In order to understand calorie intake, consumers need to clearly see the energy contained in their food and drink. In the first such global commitment in our industry, The Coca-Cola Company pledged to place the calorie content on the front of all packages worldwide by the end of 2011.

This builds on the front-of-pack labels in our European territories which show the Guideline Daily Amounts (GDAs) for calories. More detailed nutritional information can be found on the reverse of packs.

We continue to promote consumer understanding and the use of GDA labels. During 2010, we supported education and awareness campaigns in Estonia, Poland, Bulgaria and Hungary.

In non-EU countries, we are working towards our business system's goal of placing calorie content on the front of all packages. Consumers can find further information about specific beverages, ingredients and nutritional content through country websites and consumer response hotlines.



In 2010, our award-winning Wake Your Body programme in Hungary marked its fifth anniversary. More than 2.1 million people have taken part in 500 sports and fitness events.

Responsible Sales and Marketing

To ensure that we market and sell our beverages in a responsible manner, Coca-Cola Hellenic helps to develop and implement industry codes of practice. These include the EU Pledge on advertising to children, as well as commitments made by the European beverages association UNESDA. This approach is underpinned by Global Guidelines on Marketing to Children from the International Council of Beverages Associations (ICBA).

The underlying premise of these various codes remains the same: we respect the authority of parents and caregivers and do not target marketing at children under the age of 12. Previously, this was defined as marketing communications in which under-12s represented more than 50% of the audience. In 2010, in consultation with UNESDA, we made this definition more stringent, extending this prohibition to marketing communications where 30% or more of the audience are under 12.

We have implemented these codes throughout our business. Independent audits verify industry compliance with these codes.

During 2010, Accenture assessed compliance with the EU Pledge in six markets including three in which we operate - Greece, Hungary and Poland. Analysis of more than 580,000 TV spots found a compliance rate of 98.9%. Similar analysis of online advertising across nearly 50 websites aimed at under-12s found just one case of non-compliance. Comparable results were found by previous audits on behalf of UNESDA and the ICBA.

These commitments are periodically reviewed and updated. During 2010, the UNESDA commitments were expanded to include digital marketing communications since new technologies now allow tangible and verifiable steps to ensure compliance.



Front-of-pack labelling of calorie content is being rolled out in every country of operation. Additional information on ingredients and nutritional content is printed on the back of packages.

Consumer Health

UNESDA also adopted a Code for the Marketing and Labeling of Energy Drinks in 2010. Since we recently introduced such drinks, we are implementing these commitments which include on-pack recommendations that they are consumed in moderation and are not suitable for children, pregnant women and those sensitive to caffeine.

Promoting Active Lifestyles

To prevent or reduce obesity, people must not only reduce their calorie intake but also increase their levels of physical activity. We therefore work with NGOs, authorities, sports and nutrition bodies to help people become more active. During 2010, more than 1.2 million people actively took part in our sports and fitness programmes.

Communities

Regardless of age or ability, we encourage people to try a wide variety of sports and make exercise part of their lives. In Hungary, our 'Move! Wake Your Body' programme celebrated its fifth anniversary in 2010. More than 2.1 million participants have participated in 500 recreational fitness, sports and wellness activities. To extend its reach, the programme is working with strategic NGO and business partners, such as Tesco.

For a third consecutive year, our 'Be Active' programme on the island of Ireland was awarded the prestigious Big Tick Healthy Communities award from Business in the Community. Working with local sporting bodies and councils, the programme had attracted 106,000 participants to 'Football for You' with the Irish Football Association, as well as to many other sports.

Coca-Cola Hellenic has a longstanding commitment to football. The tournaments we support are often the largest youth sporting competitions in the country. In Poland alone, 3,256 teams took part in the 2010 Coca-Cola Cup, including more than 1,100 girls' teams. We also support running – from competitive marathons to community fun-runs.

A newer focus for Coca-Cola Hellenic is cycling with its dual benefit of improving physical fitness while providing a greener form of transport. During 2010, more than 9,000 people took part in our cycling activities in Romania, Croatia, Hungary and Serbia.

Schools

By working with government agencies, sports and nutrition experts, we support healthy lifestyle programmes in schools. These programmes teach children the role that diet and lifestyle play in health, aiming to instil positive habits at a formative age.

In Greece, we work with the Ministry of Health and Social Welfare on the Moderation-Balance-Diversity programme which integrates nutrition education and physical activity into the school curriculum. By year-end 2010, the programme had reached 61,500 students in 875 schools. For the third consecutive year, the programme gained first prize at the 2010 Hellenic CSR Excellence Awards.

We also support broader industry initiatives. In Poland, the Keep Fit partnership involved 780,000 pupils in 6,949 schools during the 2009-2010 school year. Aimed at teenagers, the programme emphasises personal choice and responsibility. Surveys found that participants had more balanced diets than



During 2010, more than 9,000 people took part in our cycling activities in Romania, Croatia, Hungary and Serbia.

those who had not participated. Almost three million students have taken part since the programme began in 2006.

In Lithuania, we support a partnership between the food industry, NGOs and the Ministries of Healthcare and of Education that is promoting the importance of balanced nutrition and physical activity in schools. The project has involved more than 11,000 children in 160 schools.

In locations where children lack a safe, fun place to be active, we provide infrastructure. To date, we have provided 116 sports grounds and playgrounds in Russia, Ukraine, Belarus and Bulgaria.

Coca-Cola Hellenic encourages employees to participate in these activities as well as organising wellness activities in Company operations (see Employee Development).

Maintaining High Quality Standards

The quality and safety of our beverages is fundamental to maintaining consumer and customer trust. Of our 77 plants, 75 have been certified against the ISO 9001 quality management system standard. This represented 99.6% of produced volume in 2010.

An early adopter of the international food safety standard ISO 22000, we are also implementing the Food Safety System Certification standard FSSC 22000 following customer requests for a system recognised by the Global Food Safety Initiative.

We have now achieved ISO 22000 certification at 60 plants (78% of produced volume) and FSSC 22000 certification at 32 sites (42% of volume). We expect to complete certification of all plants within 2012.

Our ingredients and packaging come only from approved suppliers and are tested in quality control laboratories. Finished beverages are tested in our plants and in the marketplace. If products do not meet our quality standards, they may be removed although safe to consume.

In 2010, we worked with government agencies to resolve two instances of non-compliance due to isolated quality incidents. In Romania, a small piece of cardboard in a bottle of mineral water led to withdrawal of that batch. In Belarus, sales were suspended on a batch of juice after caramelisation of natural sugars due to the summer heat caused the



Almost three million Polish teenage schoolchildren have taken part in the Keep Fit programme since it began in 2006.



Following our acquisition of Multon in Russia in 2005, the Schelkovo plant has gained ISO 22000 certification and consumer complaints have fallen by 46%.

juice to turn brown. In both cases, we worked closely with the authorities and independent tests gave the beverages the all-clear. No safety risks were involved in either incident.

Consumer feedback also plays a key role in quality management. In 2010, we decreased complaints further, receiving only 0.28 consumer complaints per million containers sold.

Given continued concern among consumers in our territories, we do not use ingredients that are genetically modified or derived from GMOs. Our position on nanotechnology is the same.





Our core values define the way that Coca-Cola Hellenic treats employees. We help our people to achieve their full potential, engaging with them openly, honestly and with respect. We are committed to providing a workplace that protects employee safety and promotes their health and well-being.

All managers assessed for **CSR**
performance

• • • • •

Employer of choice
awards in **16** countries in 2010

• • • • •

Safety performance improved **39%**
since 2009

Our Workforce

Coca-Cola Hellenic employed 43,189 people at the end of 2010. Almost 98% of our workforce is of local origin, with more than 78% from emerging and developing economies. We are committed to developing local talent and almost 91% of our management are local nationals. Temporary labour only accounts for around 5% of positions.

By developing a reputation as an employer of choice, Coca-Cola Hellenic aims to attract, develop and retain the necessary talent to succeed today and in the future.

During 2010, we gained employer of choice awards in 16 countries. We were named Best Employer in Ukraine by AON Hewitt and placed second for Best Employer in Central and Eastern Europe 2009-10.

Employee Engagement

Throughout the recession, we have worked hard to keep employees informed and motivated. Our 2010 engagement survey provided valuable feedback on employee views of Coca-Cola Hellenic as an employer and whether these had changed since the 2007 survey.

Approximately 87% of employees participated in the survey, up from 78%. Even more encouragingly, our overall engagement score rose 13 points to 56%. This compares favourably to the People Metrics database of approximately 50 organisations, in which the median score is 48%.

To be considered engaged, employees must respond positively in three key areas: Retention (how committed they are to staying at Coca-Cola Hellenic); Effort (how motivated they are to go 'the extra mile'), and Advocacy (how likely they are to recommend the Company as a great place to work). Our improved score was largely driven by an increased rating for Retention, although we also scored higher for Effort and Advocacy.

Increased scores across all question categories showed that employees feel more empowered and have a greater sense of purpose. Critical questions relating to professional growth and performance feedback improved significantly. In addition, 80% of employees said that they really like working for Coca-Cola Hellenic.

There is, however, still work to do if we are to achieve the People Metrics top performing norm of 65% engagement. Although trust in senior management has improved, employees want their input to be more considered when major decisions are made.

Despite an eight-point improvement, work-life balance received one of the lowest scores. The roll-out of SAP has added to the challenge because of additional training, busi-

ness trips and stretching deadlines. To help employees manage the transition, a tailored stress management programme was made available in the countries. We will continue to listen and respond to changing employee expectations to improve this measure.

Each business unit is now implementing action plans, with employee focus groups providing ongoing feedback. The next survey will be conducted in 2012.

A Safe and Healthy Workplace

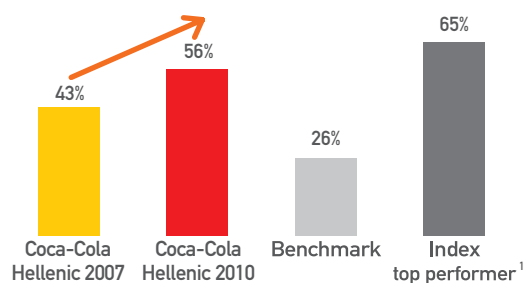
Our high-profile safety programme continues to yield results. Serious accidents again declined, a 39% reduction since the programme began in 2009. Operations in Latvia, Lithuania and Estonia had no lost-time accidents during 2010, while 23 countries performed better than the industry average.

Championed by our Operating Committee (OpCo), our safety programme aims to address systemic issues and build the foundation for a world-class safety culture. Defining accountability and embedding safety into business processes have been key to progress. Safety is now on the agenda of every meeting of the Operating Committee; it is also built into job descriptions and performance objectives, as well as business planning and budget approvals.

Despite progress in 2010, we did not eliminate fatalities. Regrettably, nine people lost their lives, six in road traffic ac-

Employee Engagement

(% of engaged employees)



Our 2010 employee survey showed a 13-point increase in engagement levels since 2007. This exceeds the median score of 50 organisations in our survey provider's database.

1. Based on PeopleMetrics client data from around 85,000 employees across a variety of industries and regions.

Employee Development



Each plant communicates its safety performance with new notice boards prominently displayed outside each site.

cidents. Three incidents involved driver error, two unsafe behavior and one in which our driver was hit by an oncoming vehicle that had crashed through the median barrier. Two fatalities were due to circumstances beyond our control including political violence and armed attack in Nigeria. The last fatality was as the result of the collapse of warehouse racking.

No fatal accident or injury is acceptable to Coca-Cola Hellenic. In-depth investigations are conducted; country General Managers present and discuss findings with OpCo; and lessons learned are shared across our business. To learn why unsafe behaviours persist, we will audit compliance with our Fleet Safety Policy. We are also trialling the active fleet safety device Mobileye which alerts drivers to risky behaviours, such as tailgating. Where vehicles are equipped with GPS systems, we will monitor results centrally.

In 2010, we enhanced the practical skills of frontline managers and supervisors. We ran 33 two-day workshops helping almost 750 participants develop action plans. These include 'Toolbox Talks', short but regular team discussions about local safety issues, and 'Walk the Talk', whereby managers observe safety practices in day-to-day activities and discuss improvement opportunities. We will actively promote the value of 'Near-Miss' incident reporting.

In addition to internal communications and engagement, we share our performance externally. Large notice boards outside each plant now display site safety performance.

We have made good progress in our OHSAS 18001 programme, with 65 plants (84%) now certified. By year-end 2012, our goal is to certify all plants. Our progress received recognition with the 2010 Fleet Safety Award from Fleet Europe. The campaign 'Safety is My Responsibility too' received the Serbian Association for Public Relations award for the second year.

Health and Wellbeing

We promote healthy, active lifestyles among our employees. Preventative programmes include cholesterol and blood pressure monitoring; flu vaccinations; diabetes and cancer screening; and free on-site medical consultations. More than 20,000 employees in 22 countries have benefited from such programmes.

During 2010, we also staged health and wellness events in 17 countries, ranging from sports and fitness events, education sessions, nutrition advice and lifestyle consultations. In Bulgaria, we launched a new programme to promote healthy and active lifestyles with tips, contests and personal consultations with health and wellness experts. In Serbia, more than 1,200 employees and family members received advice from external experts during an open day. In Austria, we have now set up monthly Active Days, with 650 participants during 2010. In Swit-

	Fatalities (Employees and Contractors)		Incidence Rate	Sickness	Average Sickness Days
	(including to/from work accidents)	(excluding to/from work accidents)	(number of accidents with >1 day absence per 100 employees)	(absence days)	(per FTE)
2004	14	7	3.6	215,786	5.86
2005	18	9	2.9	220,608	5.75
2006	23	17	3.5	196,221	4.85
2007	15	13	2.4	231,210	5.34
2008	28	25	3.8	282,309	5.75
2009	5	5	1.4	262,537	5.76
2010	9	9	1.1	233,898	5.36

zerland, smoking cessation courses for employees and their partners helped 44 people stop smoking, 57% of attendees.

Other programmes respond to local risks. In Nigeria, we support the Roll Back Malaria partnership, providing insecticide-treated nets to employees, their families and communities. As part of our HIV/AIDS programme, over 1,000 Nigerian employees have chosen to be tested, while infected employees and their dependents can receive free anti-retroviral treatment. Education programmes continue in Russia, Armenia, Estonia, Poland and Bosnia, where awareness remains relatively low.

People Development

We are committed to helping employees realise their potential through training and development opportunities. Another critical challenge is to create a pipeline of talented future leaders for our business.

Leadership Pipeline

Given the complex challenges facing businesses today, we have defined seven core areas in which our leaders must excel. These include not only Business & Financial Results, but also Management, People Development, Leadership, Relationships, Growth & Innovation and CSR.

For each of these areas, we have identified the skills, knowledge and experience required at every layer of leadership. This matrix forms the basis of our recruitment; performance management system; training and development; assessment and rewards.

Annual People Development Forums in each country ensure that we have the necessary talent to fill key capabilities and projects, as well as succession plans to ensure business continuity.

From team leader upwards, all employees create their own development plan. We are also rolling out a new career planning framework which identifies the performance standards and critical experiences required for career development.

Career planning is not limited to management. The newly launched Operators Development Programme defines a clear career path in manufacturing roles. From entry level operator to team leader, the programme provides recognition and reward for developing new skills.

Training and Development

Despite the recession, Coca-Cola Hellenic continues to increase training opportunities. Employees received on average 21 hours of formal training in 2010, compared to 20 in



During our first Active Week, 300 Austrian employees tried a range of new sports and learned simple exercises. Based on the success of Active Week, we have set up monthly activities and 650 employees took part during 2010.

2009. This increase was made possible by in-house training capabilities which deliver accredited programmes from AGORA, our Learning Centre of Excellence. By year-end 2010, 72% of frontline managers had participated in our core leadership training programme, 'Passion 2 Lead'. The newly launched 'Leadership Excellence' programme reached almost 35% of the target population.

We also continue to develop coaching skills within our Company. By year-end 2010, 63 managers had been externally certified as coaches. Almost 300 more managers have participated in our programme on developing a coaching leadership style.

Equality and Diversity

To build a pipeline of future leaders, Coca-Cola Hellenic must draw from the widest pool of talent available. A diverse workforce also helps us to mirror the diversity of our consumers and customers. More than 70 nationalities were represented in our workforce in 2010. Six nationalities are represented on our Board of Directors; OpCo members are also drawn from six different countries.

We are committed to developing local leaders in every country and 91% of senior leadership positions are occupied by people of local origin. Since we also offer international development opportunities for high-potential employees, 53% of our expatriate managers are from emerging and developing economies.

In 2010, 24% of managers were female. At all levels and in all functions, we are working towards a better gender balance. We undertook studies and focus groups during 2010 to explore why women are less well represented in our business and how we should remedy this. In particular, we tasked participants in our Excel leadership programme for

Employee Development

Workforce Breakdown

	Managers	Non-Managers	Total (2010)	Total (2009)
Total	3,145	40,044	43,189	44,800
Male	75.7%	75.0%	75.0%	79.2%
Female	24.3%	25.0%	25.0%	20.8%
Nationals	91.3%	98.3%	97.8%	98.5%
Non-nationals	8.7%	1.7%	2.2%	1.5%
Under 30	3.0%	35.0%	33.0%	33.8%
30-50	90.0%	57.0%	59.0%	58.0%
Over 50	7.0%	8.0%	8.0%	8.2%

high-performers to study female under-representation in our Russian business and we await their recommendations.

Women are also under-represented in Commercial functions in many countries. New recruitment strategies that target women are being piloted. In Switzerland, we are trialling testimonials from female market developers; gender-balanced interview panels; advertising in women's media and alignment workshops with commercial managers. In Serbia, 26% of new hires in 2010 were female, an increase from 6% in 2009. This was the result of workshops with the commercial management team and a gender balance objective for the recruitment manager. During 2011, learnings will be shared across our business and targets set for female representation. There were no women on our Board in 2011.

Despite under-representation, female employees earn essentially the same salary (within 2%) as men at the same job grade. At Coca-Cola Hellenic, merit is the sole criterion for selection, promotion and remuneration. Gender and other diversity indicators play no role.

There were no breaches of our Equality Policy or related legislation in 2010.

A Fair and Ethical Workplace

Internationally recognised labour and human rights standards underpin our commitment to providing a fair workplace. Our Code of Business Conduct describes our zero-tolerance approach to corruption (see Integrating Sustainability).

Human Rights

Our policy clearly prohibits child labour and recruitment procedures verify that prospective employees are of legal working age.

There can be potential conflict in countries where human rights are compromised. We keep abreast of issues, using such resources as Amnesty International, and ensure that

education on human rights and equality are integrated into management training programmes.

In addition to annual self-assessment, our operations are independently audited. To date, 27 (35%) plants have been subject to independent workplace accountability audits. During 2010, audits of two Nigerian plants found non-compliance issues related to overtime, payment procedures, excess overtime and health and safety issues. These findings are being addressed through corrective actions and both plants will be re-audited.

Various reporting mechanisms, such as a confidential telephone hotline and email address, allow employees to raise concerns. All contacts are investigated at the appropriate level, with results reported to the Audit Committee of the Board. We are committed to protect from retaliation employees who raise concerns in good faith.

In 2010, there were no breaches of human rights policy or related legislation.

Employee Relations

We respect the rights of employees to join or not to join unions or works councils. Almost half (48%) of employees are covered by collective bargaining agreements and 27% belong to independent trade unions.

There are 49 independent trade unions in 15 of our countries of operation, with works councils in a further seven countries. In all cases, a formal communications protocol ensures regular and open dialogue and consultation. During 2010, we agreed a new protocol with the secretary of the European Works Council (EWC), increasing the frequency of meetings and available external expert consultancy days. Both measures exceed the requirements of the EWC directive and our agreement.

In five countries, representing 7% of our workforce, there are neither unions nor works councils: Moldova, Armenia, Belarus, FYROM and Hungary. In these countries, we consult and communicate directly with employees. Independent au-

dits in such countries have not revealed issues of concern. In all of these countries, except FYROM, employee engagement scores improved in 2010, with Armenian operations gaining the second highest score after Greece. Furthermore, Belarus, Moldova and Hungary were among the countries in which we gained employer of choice awards in 2010.

Responsible Restructuring

Throughout the recession, we minimised job losses by making other cost reductions associated with human resources. Management salaries were frozen, company cars were not renewed and non-essential travel and events were cancelled. We also instituted a freeze on new positions and further reduced temporary labour.

Despite this, 1,306 people were made redundant across 16 countries in 2010. In such cases, we aim to treat affected employees fairly and with respect. We consult with unions, works councils and, where appropriate, the Select Committee of the EWC. We also help employees with CV preparation, training and outplacement advice. Comprehensive severance packages meet and, in the majority of cases, substantially exceed statutory requirements.

In 2010, we closed our plant in Estonia, a country with some of the highest unemployment levels in Europe. By providing outplacement support, approaching local employers and circulating CVs, we secured alternative employment for 40% of affected employees.

Aside from some sporadic and short-lived industrial action in Italy and Greece, restructuring in 2010 took place without incident. Working time lost due to industrial disputes and strikes was insignificant.



In Italy, our road safety awareness programme is the first to be endorsed by the State Traffic Police and Italian Association for Road Traffic Safety. Police representatives conduct sessions for employees about driving responsibly and feature in our Safe and Eco-Driving video which has been distributed to all employees in Italy.

Rewarding Performance

Coca-Cola Hellenic aims to reward employees fairly and competitively. We benchmark compensation packages against leading companies. Even entry-level employees are paid on average 50% more than the local minimum wage, where one exists.

Variable compensation rewards not only financial performance but all seven key results areas, including CSR, people development and innovation.

We are also committed to providing employees with pension and retirement provisions that are sustainable, competitive and appropriate for the long-term.

In 2010, Coca-Cola Hellenic paid €1,163 million in salaries and benefits. A breakdown of costs and pension plans can be found in the Annual Report and Accounts.

Building Trust and Two-Way Communication in Greece

In Greece, employee engagement rose to 78% in 2010 – from 46% in 2007 – due to a three-year programme to build trust, transparency and equality in the workplace. Developing effective two-way communication and involving employees in decision-making have been particularly important. More than 20% of the workforce took part in focus groups to determine action plans in response to previous survey findings. Over the following two years, 890 interviews with individual employees helped to refine programmes underway. In addition, employees can put forward ideas to drive innovation. Each year, the top 10 ideas receive awards, with the best adopted by the business. In 2010, the Greek operation was voted the winner of the Best Place to Work for the second consecutive year in the annual survey by the Great Place to Work Institute Hellas, as well as the sixth best place to work in Europe.





SUPPLIER ENGAGEMENT

The supply chain accounts for far greater sustainability impacts than our own operations. Agriculture represents the largest part of our total water footprint; whereas cold drink equipment and packaging together represent three-quarters of total carbon emissions. Furthermore, Coca-Cola Hellenic supports many times more livelihoods in its supply chain than within its own operations.

Developed **innovative**
low-carbon technologies with suppliers

• • • • •

121 supplier sites audited to date
for workplace conditions

Supply Chain Footprint

Coca-Cola Hellenic sources ingredients, packaging and capital equipment from approximately 84,000 suppliers. The main suppliers are sugar refiners and manufacturers of PET preforms, glass bottles, cans and coolers.

The way that we manage and develop our supply chain has potentially far more impact than sustainability programmes in our own business.

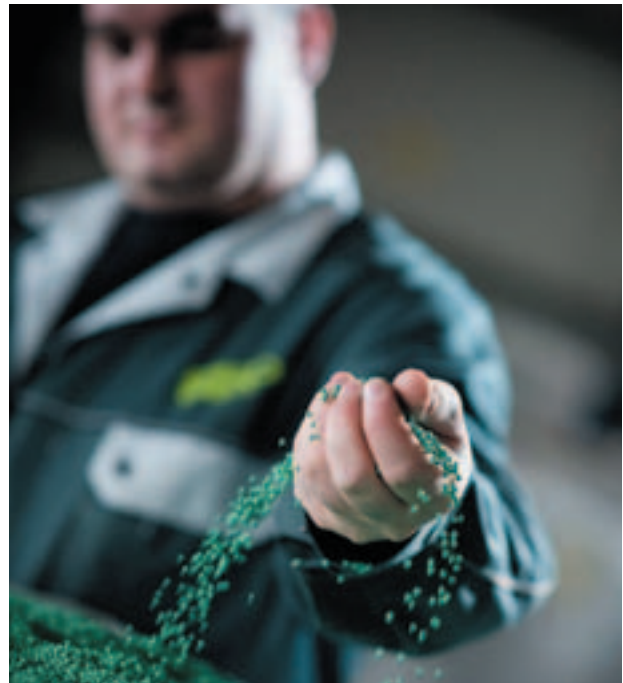
With a total supplier spend of €4,029 million in 2010, Coca-Cola Hellenic has significant influence with its suppliers. Since the Coca-Cola global business system is one of the world's top purchasers of sugar, citrus, tea and coffee, we have an even greater responsibility to address the social, environmental and social challenges in the supply chain.

The sustainability of our supply chain is also critical to future business growth. This is particularly true of agricultural raw materials; ensuring the security of sugar and fruit juice supplies are core business issues.

Our Approach

Addressing the environmental, social and economic challenges posed by our supply chain is an enormous task. We therefore take a phased approach, tackling the most significant impacts and risks first. Our primary efforts are focused on:

- Working with NGOs and suppliers to enhance understanding of indirect impacts
- Reducing water use in our agricultural supply chain
- Developing low-carbon technologies with equipment suppliers
- Reducing impacts in the packaging supply chain and closing the recycling loop



By working with suppliers, we can include recycled content into our PET bottles as well as reducing their weight by an average of 16%.

Sustainability criteria have already been incorporated into purchasing specifications - from coolers and packaging to vehicles and IT equipment. We are expanding this to evaluate suppliers themselves on their overall sustainability strategy. In 2011, we pilot a new scorecard in which sustainability criteria will account for up to 30% of a supplier's total score.

Environmental Impacts in Our Value Chain

Bottling plants account for only 13% of our total environmental impacts. By contrast, packaging, agricultural crops and cold drink equipment represent more than three-quarters. Coca-Cola Hellenic calculates its broader ecological footprint using the eco-indicator 99 method.



Cold drink equipment 41%	Distribution 7%
Raw materials 37%	Post-consumer waste 2%
Bottling plants 13%	

Supplier Engagement



By working together with key suppliers, we have developed coolers that use natural refrigerant gases instead of hydrofluorocarbons (HFCs), which have an extremely high global warming potential.

In addition to addressing environmental issues, we aim to improve economic and social conditions in our supply chain – for the suppliers who work with us, their employees and local communities. We do so by:

- Making clear the workplace practices we require of suppliers and assessing their compliance
- Sourcing locally to benefit both our communities and our business

Agriculture and Water Use

The main agricultural raw materials sourced by Coca-Cola Hellenic include sugar and, to a lesser extent, fruit juice. Although we do not source directly from farmers but from

sugar refiners and juice suppliers, we have a clear responsibility to help manage the manifold sustainability issues in this sector.

Our first priority is to work with the agricultural supply chain to conserve water availability and quality. Agriculture is the single biggest user of water worldwide, with almost 70% of the world's surface water supplies used for farming. In our business, agriculture accounts for 78% of the water footprint.

Ensuring security of supply is another priority. With the world's population expected to reach nine billion by 2050, production of food must double in the next 40 years.

Other sustainability challenges in the agricultural supply chain include protecting soil fertility and biodiversity and supporting the livelihoods of farmers and farm workers. The Coca-Cola Company engages on behalf of our business system to support the development of international standards for sustainable agriculture, which we will subsequently adopt. The Coca-Cola Company is also developing sustainable agriculture criteria as part of the system's long-term ingredient sourcing plans.



Through a variety of channels, we promote the benefits of climate-friendly refrigeration.

Reducing Water in Sugar Production

Of the sugar used by Coca-Cola Hellenic, 53% is local beet sugar, 33% is imported cane sugar and the remainder is high fructose syrup. As EU sugar reform continues to lead to more efficient and sustainable sugar production, we work with local suppliers to increase the proportion of

local beet sugar used and to reduce its environmental impacts. At a global level, The Coca-Cola Company works on behalf of our business system to address sustainability in cane sugar production.

In Europe, we are founding members of the European Water Footprint Sustainability Assessment Sounding Board for Sugar. Set up in 2010, this new body has brought together our business system with leading European sugar companies, academia, NGOs, and the Water Footprint Network for the first time to collaboratively work on understanding the impacts of water use. The Board has already analysed the water footprint of the sugar produced in several European countries. We have also begun collaboration to evaluate the sustainability of this water use in its local context.

Developing Low-Carbon Technologies

The greatest part of our carbon footprint lies in our value chain – mainly in the use of coolers and the manufacture of packaging. We therefore challenge these suppliers to develop new technologies that are increasingly efficient in terms of energy and resources. By supporting our suppliers, we help to make these technologies a commercial reality.

Climate-Friendly Refrigeration

By partnering with suppliers in recent years, Coca-Cola Hellenic has helped bring about a step-change in cold drink equipment. This includes developing a complete range of coolers that are free of hydrofluorocarbons (HFCs) and use natural refrigerant gases, which have a significantly lower global warming potential. We believe that we own one of the largest fleet of HFC-free equipment in the marketplace and we are on track to meet our goal that by 2015 all new equipment will be HFC-free.

Equally and importantly, this new equipment is now more energy-efficient, has better insulation and uses LED lighting. We also worked with suppliers to develop an energy management device, the Eco Box, which improves the energy-efficiency of coolers by around one-third. As a result of all these developments, new coolers are now up to 63% more energy-efficient than in 2004.

Quad-Generation CHP Technology

Working with ContourGlobal, we have pioneered quad-generation technology in a programme to build Combined Heat and Power (CHP) units across our business. Not only do these on-site CHP units provide our bottling plants with



By recovering heat energy, CHP units provide power, heating and cooling. Innovative quad-generation technology also allows recovery of CO₂ for commercial use. As a result, the CHP units are more than 60% less CO₂ intensive than traditional power plants.

power, heating and cooling, but we also purify CO₂ emissions to the highest food-grade so that they can be used in carbonation. By using this quad-generation technology, our CHP units are more than 60% less CO₂ intensive than traditional power plants.

The CHP units produce excess electricity which is provided to the national grid in each country. In addition, CHP units in Romania, Ireland and Italy also produce surplus CO₂. In Ireland, we now supply our former supplier – meeting the needs of their Irish customers.

Packaging – Closing the Recycling Loop

Packaging accounts for 40% of our carbon footprint and we work with suppliers to lessen these impacts. We reduce material used in packages, increase the proportion of recycled and renewable content and help to increase recycling rates in the marketplace. Since closing the recycling loop is our end-goal, we also work to increase the recyclate available to our packaging suppliers (see Packaging and Recycling).

Upholding Workplace Rights

Coca-Cola Hellenic requires suppliers to comply with its Supplier Guiding Principles (SGPs). These principles make clear our system's basic requirements with regard to human rights, labour rights and ethical business in supplier workplaces. In particular, the SGPs explicitly prohibit child labour and forced labour.

Supplier Engagement



More than half of the sugar we use is from local beet and we work with suppliers to increase this while reducing its environmental impacts.

We assess how our suppliers meet these expectations, commissioning independent audits as part of a joint programme with The Coca-Cola Company. In 2010, a further 61 sites in our territories were assessed. Since the programme began in 2007, 121 sites have been audited, including major suppliers of sugar, primary packaging and equipment. Other suppliers have been screened by different programmes. Higher-risk items (such as promotional and marketing materials) and higher risk markets (such as China or India) have been subject to a separate audit programme by The Coca-Cola Company. In addition, our business system has begun to accept audits conducted on behalf of other AIM-PROGRESS members (see below).

Thirty-five of the 61 sites assessed in 2010 were fully compliant; there were minor non-compliance issues at 13 sites and moderate issues at a further 13 sites. Findings mostly involved relatively minor health and safety issues, such as first aid kits. There were also four instances of excess overtime and working hours. We will work with these sites on corrective action and follow-up audits will take place for the higher-risk sites. In 2010, re-audits took place at two sites – a sugar supplier and a manufacturer

of plastic closures. Following corrective action, both sites achieved full compliance. No critical non-compliance issues were found in supplier audits during 2010.

An Industry Platform

Since the underlying goal of our SGP programme is to achieve meaningful progress in overall supply chain performance, we believe that industry-wide standards are the most effective way to do so.

On behalf of our system, The Coca-Cola Company actively supports AIM-PROGRESS, an industry forum to promote responsible and sustainable sourcing. As a first step towards industry standards, member companies agreed to accept supplier assessments undertaken on behalf of other members. As part of this process, the Coca-Cola business system accepted 175 audits of suppliers undertaken on behalf of AIM-PROGRESS members during 2010.

Bringing Economic Benefit

Coca-Cola Hellenic aims to source as close to the Company's bottling plants as possible. This is not only most cost-efficient for our business, but also brings economic benefit to local communities and reduces the environmental impacts of transportation. As a result, almost 90% of supplier payments remain within our territories.

Throughout the recession, we have supported suppliers. We actively develop new suppliers, and support investment in our territories by international suppliers.

In 2010, our operations in Bosnia signed a supplier agreement with the new STUDEN-AGRANA sugar refinery, the first in the country. Technical support from The Coca-Cola Company and STUDEN-AGRANA helped the supplier reach our system's quality standards. As the country's largest industrial user of sugar, we purchased 3,000 tonnes of sugar from the refinery during its first year and have agreed terms for future purchases. The new refinery employs 150 people and represents an investment of approximately €45 million, one of the largest food industry projects in Bosnia in recent years.

In 2010, our packaging supplier Crown opened the first beverage can manufacturing plant in Slovakia. With a second line installed in 2011, the plant will have an annual capacity of 1.6 billion beverage cans. We have signed a long-term contract with the new plant and expect to purchase at least 50% of their total capacity.

In Russia, we continue to work with the growing sugar industry to maximise our use of local beet sugar (see opposite).



Our Bosnian operations have signed a supplier agreement with the new STUDEN-AGRANA sugar refinery, the first in the country.

Supporting the Russian Beet Sugar Industry

We are working with the Russian beet sugar industry to replace as much imported cane sugar with local beet sugar as possible. Local production has grown in recent years, but still accounts for only about half of the country's annual demand. As a result, Russia is the largest sugar importer in the world.

In early 2011 we signed an agreement to progressively increase the proportion of local beet sugar. Whether our suppliers are able to provide the quantities we intend to purchase remains to be seen, especially after a drought led to a drop in beet production in 2010.



[COCA-COLA HELLENIC SUPPLIER GUIDING PRINCIPLES](#)
[TCCC'S SUPPLIER GUIDING PRINCIPLES](#)





COMMUNITY INVOLVEMENT

Improving the quality of life in communities is enshrined in our corporate mission. Coca-Cola Hellenic is dependent on the development and sustainability of communities. By supporting them we ensure the future of our own business, too.

Invested **€9.5** million in
community projects or **1.4%**
pre-tax profit

.....

More than **1.2** million participants
in our sports and fitness activities

.....

6,000 employee volunteers
supported Company projects

Coca-Cola Hellenic operates in many developing and emerging markets, and has the opportunity – and responsibility – to contribute to their sustainable development.

Our Approach

Coca-Cola Hellenic aims to support local communities through both core business activities and community investment programmes. We:

- Leverage core business activities that generate local economic benefit
- Develop community programmes that tackle locally relevant issues
- Work in long-term partnerships that deliver measurable results
- Encourage the participation of employees, communities and others

Creating Economic Benefit

Our business model delivers local economic benefit. Across 28 countries, our operations employ 43,189 people. In addition to manufacturing locally, the vast majority of our supplier spend is local. During 2010, we supported the establishment of the first sugar refinery in Bosnia and a can manufacturer in Slovakia (see Supplier Engagement).

In addition to the significant tax payments we make, our business promotes the transfer of technology, skills and knowledge which are especially important in developing and emerging markets.

Supporting Our Value Chain

Our business supports employment in the value chain for up to 10 times¹, the number of our direct employees. In a number of countries, we have launched projects that boost this indirect economic benefit while delivering innovative solutions for our business.

In Nigeria, we have set up 381 small businesses to distribute products in communities less easily reached by traditional distribution. More than 85% of these business owners are women. In just two years, this innovative route to market has led to a 300% increase in daily sales in this channel.

We also provide support to independent stores and kiosks since they typically lack the business and marketing expertise of international chains. In Poland, 2,228 stores and outlets have participated in our business skills development programme. In

the Czech Republic and Slovakia, the Model Store Programme has helped 1,023 customers remodel their premises and become more profitable.

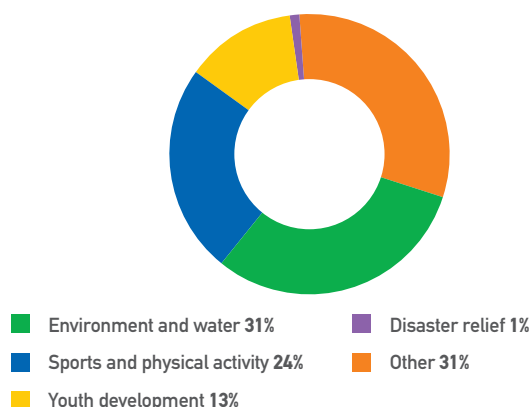
Community Investment Programmes

We invest in community projects in every country of operation. Although each programme responds to local needs, there are four priority areas of focus:

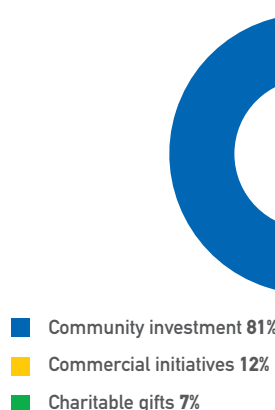
- Water and environmental protection
- Sports and physical activity
- Youth development
- Emergency relief

The bulk (69%) of our investment is channelled into these four areas, but our operations also support programmes that address important local needs.

Focus of Community Investment



Type of Contribution



1. According to previous economic impact studies.

Community Involvement

Programmes	National Partners
Watershed protection	ICPDR, UNESCO, UNDP, WWF, local NGOs, environment ministries
Youth development	AIESEC ² , Junior Achievement, SOS Kinderdorf, local NGOs
Sports and fitness	Sports associations, education ministries
Disaster relief	Red Cross, emergency services

Working in Partnership

We work in public-private partnerships with leading NGOs, government agencies and others to ensure our community investment is most effective. Our focus is on creating long-term relationships and programmes that deliver measurable benefit. Since 2005, our partnership with the International Commission for the Protection of the Danube River (ICPDR) has led to significant projects to create awareness about the value of water, build educational initiatives that have reached millions of people (see Water Stewardship) and restore and conserve the Danube watershed.

We are stepping up collaboration with the International Federation of Red Cross and Red Crescent Societies (IFRC), the world's largest humanitarian organisation. During 2010, we collaborated on projects in nine countries. In addition to disaster relief in Eastern Europe, we launched a new joint programme in Greece (see opposite) to provide preventative healthcare and health education to remote communities. We also signed a three-year partnership with the Austrian Red Cross and are a long-time supporter of the campaign to rid Bosnia of landmines by 2019.

These efforts are supported by a new global partnership between The Coca-Cola Company and the IFRC to enhance collaboration on disaster preparedness and response around



Our Nigerian operations have renovated two schools in Lagos and plan to help schools in other areas, too. They were awarded the Lagos State Government CSR award in 2010.

the world. The partnership aims to use the capabilities and expertise of bottlers, such as Coca-Cola Hellenic, to maximise the speed and effectiveness of disaster response while raising awareness of disaster prevention and preparedness and activities of the Red Cross Red Crescent.



Maintaining Support

During 2010, we contributed more than €9.5 million to our community programmes. This investment is calculated using the widely recognised 'London Benchmarking Group (LBG) model'. Although less than the previous year, investment represented 1.4% of pre-tax profits in 2010 and is in line with other leading LBG members.

In addition to financial support, we contribute other resources. Using our marketing skills, we raise awareness of issues and encourage involvement.

Promoting employee volunteerism is another way that we engage and support communities. We have set up volunteering schemes in 22 countries and more than 6,000 employees took part in 2010. Activities ranged from regular engagement with children's homes to environmental clean-ups and emergency relief.

Water and the Environment

Coca-Cola Hellenic supports community water projects in 26 countries. These range from conserving watersheds and improving access to water and sanitation to awareness raising and education (see Water Stewardship).

Youth Development

From encouraging the development of future leaders to supporting at-risk young people, we help young people achieve their potential and contribute to society.

In Nigeria, we support local government initiatives to strengthen the educational infrastructure. In 2010, we helped renovate two schools close to our plants in Lagos and aim to extend this activity in other areas. We help refurbish schools in five other countries, too.

By partnering with leading youth organisations, we foster leadership, entrepreneurship and advocacy. We work with Junior Achievement, SIFE and AIESEC in 13 countries. In Serbia, we received special recognition from AIESEC in 2010 for our contribution to their platform 'Responsible young people - a sustainable future'.

Given the high number of children in care in our territories, we support children's homes in 17 countries. In the Czech Re-

2. Association Internationale des Étudiants en Sciences Économiques et Commerciales.

public alone, we support 10 care homes. We also support the growth of SOS Children's Villages, the world's largest orphan and abandoned children's charity, which offers children a family-centred upbringing.

In Russia, we have promoted awareness of adoption. In 2010, we supported Gallery of Hearts, a photographic exhibition in six cities which was visited by more than 700,000 people. This led to increased interest in adoption in all cities visited. Almost 10% of children whose portraits featured have since been adopted.

We offer career guidance, that support at-risk children's transition to independence. In Bulgaria, we extended our long-term involvement with children in a local care home to help high school leavers. Similarly, in the Republic of Ireland, we support the Schools Business Partnership, helping underprivileged students prepare for work. Our employees give advice on job applications and hold mock interviews.

Sports and Physical Activity

During 2010, more than 1.2 million people participated in our sports and fitness programmes which encourage people of all ages and abilities to become more active. From fun family events to competitive races and tournaments, we support football, running, swimming, cycling or other sports.

In Hungary, the 'Wake Your Body' programme celebrated its fifth anniversary in 2010. Over five years, the programme has involved 2.1 million people in 50 different sports. More than 500 fitness events have been held in 500 locations.

In Ireland, the 'Be Active' programme was awarded the Business in the Community Big Tick award for healthy communities for the third consecutive year. During 2010, 106,000 people took part in our sports events across the country.

We also support healthy lifestyle programmes in schools.

Working with government agencies and technical experts, these projects promote physical activity and disseminate nutrition education. In Greece, our 'Moderation-Balance-Diversity' programme provides 32 hours of interactive lessons during the school year. In Poland, the pan-industry campaign 'Keep Fit' has reached almost three million students since it began in 2006.

Children also need a safe place to exercise and play. In Russia, Ukraine, Belarus and Bulgaria, we have donated 116 playgrounds to local communities.

Emergency Relief

As extreme weather events become more frequent due to climate disruption, Coca-Cola Hellenic has committed to provide swift emergency relief to local communities. We help to deliver safe drinking water, one of the most critical needs, as well as mobilising our delivery fleet and employee volunteers if needed.

During 2010, seven of our central and eastern European territories experienced severe floods. In these countries, we worked with local authorities, the Red Cross and others to deliver more than 300,000 litres of safe drinking water. We also provided emergency relief in Russia, after several hundred wildfires brought death and destruction. This marked our first collaboration with the Red Cross in Russia.

Coca-Cola Hellenic supports longer-term rehabilitation efforts, too. In Greece, our campaign 'Some Forests have their own Aura' is restoring forests following the devastating wildfires of 2007. Guided by a local NGO, we have adopted five forested areas and planted 22,140 trees, pledging to maintain them over three years. Working with the Ministry of Education, we developed schools resources and seminars on preventing forest fires. At the 2010 Global Bottled Water Congress, the programme was named 'Best Environmental Sustainability Initiative'.

Healthcare for Remote Greek Communities

In Greece, we stepped up our collaboration with the Hellenic Red Cross in 2010, launching an eight-month preventative healthcare programme with the Ministry of Education and the Ministry of Health and Social Welfare. 'I Care for My Health' targeted communities on the Dodecanese islands and the remote northern mainland. Awareness of the importance of preventative health is lower there, leading to higher mortality rates. A team of Hellenic Red Cross paediatricians, dentists and ophthalmologists visited schools while a fully equipped mobile health unit offered free medical examinations to local residents. More than 1,300 children and 700 adults were examined while 800 parents and teachers attended seminars on healthy lifestyles and first aid.



Supporting the UN Global Compact

As the world's largest corporate citizenship and sustainability initiative, the UN Global Compact has unparalleled importance. Now in its tenth year, the Compact now has more than 8,000 participants in 130 countries.

Actively support **14** local networks

.....
Leadership role in **2** of the top **3** local networks

.....
Notable Reporter since **2006**

Our Approach

Coca-Cola Hellenic has participated in the Global Compact since 2005. We meet our commitments by:

- Integrating the principles into our business
- Addressing the sustainability of our supply chain
- Helping to develop local networks
- Supporting the Compact's global platforms
- Contributing to broader UN goals
- Reporting transparently

Throughout this report, we demonstrate how we implement the principles of the Global Compact (summarised opposite). Below, we discuss how we promote the UN Global Compact and broader UN goals.



Promoting Local Networks

As the Global Compact expands, its Local Networks play an increasingly important role, rooting the initiative in different national and cultural contexts.

Coca-Cola Hellenic is an active member of these networks in 14 countries¹, having joined the Lithuanian network in 2010. In each country, we help to advance the Global Compact and responsible business practices through advocacy and outreach.

Supporting Global Platforms

As founding signatories of the CEO Water Mandate and Caring for Climate, we committed to address water conservation and CO₂ emissions in our operations and our supply chain. These two leadership platforms also work collaboratively with governments, NGOs and businesses to achieve broader understanding and change. A self-assessment of our progress against both initiatives can be found on our website.

Supporting Broader UN Goals and Issues

Coca-Cola Hellenic also partners directly with UN agencies – including the UNDP, UNEP and UNESCO – to address sustainability challenges. These projects promote access to water and watershed conservation; youth development and education; entrepreneurship and job creation; disaster relief and rehabilitation. Directly or indirectly, such projects contribute to the Millennium Development Goals.

In Nigeria, for example, we are renovating primary schools; improving access to potable water and sanitation; and supporting efforts to tackle HIV/AIDS and malaria. We have also helped to set up 381 entrepreneurs as small-scale distributors for our business.

Reporting Transparently

A longstanding Notable Reporter, we were further commended in 2010 by a coalition of global investors for producing a “*high-quality sustainability report deemed useful for investors*”. The group members, who manage more than US\$2.1 trillion of assets, are all signatories to the Principles for Responsible Investment, which support the goals of the Global Compact.

We seek third-party feedback on how we can improve our sustainability reporting. Each year, the Fondation Guilé assesses how we implement our commitments to the UN Global Compact and report our progress.

Supporting the Top-Performing Local Networks

At the 2010 Annual Local Network Forum in New York, the Serbian and Ukrainian networks were named among the three best-performing in the world. Together with the Japanese network, they received awards for ‘*outstanding efforts made to share knowledge and experiences in advancing the Global Compact locally*’. Coca-Cola Hellenic is proud to have actively supported both networks since their early days. In Serbia, we lead both the Environmental Working Group and the CSR Working Group, while serving on the Steering Committee and other working groups.

UN GLOBAL COMPACT
SUPPORTING THE UNGC

1. Armenia, Belarus, Bulgaria, Croatia, Greece, Hungary, Italy, Lithuania, Poland, Russia, Serbia, Slovenia, Switzerland and Ukraine.

How Coca-Cola Hellenic Promotes the Ten Principles

The 10 Principles	In Operations	In the Supply Chain	In Communities
Human Rights			
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; Principle 2: Make sure that they are not complicit in human rights abuses.	Policies: Human Rights; Equal Opportunity; Occupational Health and Safety Part of management system and training Third-party audits	Supplier Guiding Principles Third-party audits Industry initiatives, e.g. AIM-PROGRESS	Support education and entrepreneurship Projects to improve access to safe water and sanitation in Nigeria, Hungary, Romania
Labour Rights			
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: The elimination of all forms of forced and compulsory labour; Principle 5: The effective abolition of child labour; Principle 6: The elimination of discrimination in respect of employment and occupation.	Human Rights Policy Part of management system and training Unions and/or works councils in 23 countries Formal communications protocol in 23 countries Third-party audits Salary parity Pay for entry-level positions exceeds minimum wage New gender diversity initiatives	Supplier Guiding Principles Third-party audits Industry initiatives, e.g. AIM-PROGRESS	Support broader initiatives, e.g. World Day against Child Labour in Ukraine Support diversity initiatives, e.g. by local networks in Greece and Serbia
Environment			
Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: Undertake initiatives to promote greater environmental responsibility; Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	70 plants are ISO 14001 -certified Policies on water stewardship, climate change, packaging Since 2002, annual targets for water, energy, packaging Building 20 CHP plants; solar power also being installed Own 43 wastewater treatment plants; 97% of wastewater treated in 2010 Founding signatory of CEO Water Mandate and Caring for Climate	Partnering to analyse water use in sugar production Developed climate-friendly refrigeration with suppliers Developed quad-generation technology with suppliers Green purchasing criteria for raw materials and equipment (vehicles, coolers, IT equipment)	Set up 19 national recovery organisations Recycling education programmes Community water programmes in 26 countries Mobilise volunteers from workforce, communities, other businesses Host visits to our wastewater treatment facilities Promote low-carbon technologies, e.g. at launch of each CHP unit or at CSR Europe marketplace
Anti-Corruption			
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Code of Business Conduct; additional Codes for Directors Mandatory training and certification Confidential reporting mechanisms Whistle-blower protection Regular risk assessment by Internal Audit Reporting to Audit Committee	Supplier Guiding Principles Third-party audits	Support anti-corruption initiatives e.g., the new Anti-Corruption Declaration of the Serbian Local Network

Environmental Data Table

	GRI Indicator	Total Amount 2010	Relative Amount 2010	Relative Amount 2009
Production		million litres		
Total beverage production		11,875		
MATERIALS		tonnes	g/lpb	g/lpb
Materials used	EN1			
Sugar and fructose syrup		850,616	71.6	72.3
Concentrate		78,870	6.6	6.0
PET (bottles)		288,181	24.3	24.4
Plastic (closures)		26,999	2.3	2.2
Metal (crowns)		23,290	2.0	2.2
PE (labels and stretch / shrink film)		42,157	3.5	3.9
Glass (bottles)		113,240	9.5	11.3
Aluminium (cans)		38,248	3.2	3.0
Paper (labels)		1,412	0.1	0.1
Cardboard		40,791	3.4	4.2
Wood (palettes)		150,152	12.6	7.1
Percentage of materials from recycled sources	EN2	30-60%		
ENERGY		million MJ	MJ/lpb	MJ/lpb
Direct energy use (plants and fleet)	EN3	10,585	0.89	0.91
Electricity		2,749	0.23	0.24
Light heating oil		1,133	0.10	0.09
Heavy heating oil		135	0.01	0.01
Natural gas		2,130	0.18	0.18
LPG		181	0.02	0.02
Others in plants (steam, district heating, own power)		421	0.04	0.03
Diesel		1,889	0.16	0.14
Petrol		1,162	0.10	0.08
Estimated diesel in 3rd-party fleet		1,646	0.14	0.12
Primary energy use	EN4			
Electricity		7,980	0.67	0.68
Fossil fuels		1,527	0.13	0.13
Energy use of Cold Drink Equipment				
Total cooling equipment electricity consumption		16,539		
• Coolers		15,725		
• Venders		369		
• Fountains		445		
Energy saved in bottling plants (vs. baseline 2004)	EN5	2,513	-27.1%	-27.6%
Initiatives for energy efficiency and renewable energies	EN6	see pp. 25-29		
Initiatives to reduce indirect energy consumption	EN7	see pp. 25-29		
WATER			litres/lpb	litres/lpb
Total water received	EN8	27,296 million l.	2.30	2.40
Water used		26,597 million l.	2.24	2.32
Water unused (discharged unaltered)		700 million l.	0.06	0.08
Water withdrawal by source (% from municipal sources)		33%		
Water habitats affected by withdrawal of water	EN9	none		
Total recycling and reuse of water	EN10	1,244 million l.	0.1	0.1
BIODIVERSITY				
Total amount of land owned	-	878 ha		
Land owned in protected habitats	EN11	none		
Major Impacts on biodiversity	EN12	none		
Changes to natural habitats resulting from operations	EN14	none		
Programmes to protect habitats	EN13	see pp. 20-23		
Red List species with habitats affected by operations	EN15	none		



	GRI Indicator	Total Amount 2010	Relative Amount 2010	Relative Amount 2009
EMISSIONS, EFFLUENTS AND WASTE				
		tonnes	g/lpb	g/lpb
Greenhouse gas emissions from operations				
CO ₂ from energy used in plants (scope 1)	EN16	222,194	18.7	19.0
CO ₂ from electricity used in plants (scope 2)	EN17	337,951	28.5	29.3
CO ₂ from fuel used in company vehicles	EN16	221,280	18.6	16.5
Coolant emissions from Cold Drink Equipment (CO ₂ eq)	EN16	23,500	2.0	2.2
CO ₂ for product carbonation (CO ₂ losses)	EN16	33,808	2.8	4.2
CO ₂ from supplied heating and cooling (scope 2)	EN17	10,988	0.9	0.0
Total emissions (scope 1 and 2)		849,719	71.6	71.2
Indirect greenhouse gas emissions				
CO ₂ from electricity use of Cold Drink Equipment	EN17	2,082,590	175.4	174.9
CO ₂ embedded in packaging	EN17	1,604,467	135.1	137.0
CO ₂ from sugar		391,530	33.0	33.3
CO ₂ from 3rd-party transport		121,796	10.3	8.8
CO ₂ from head office flights	EN17	2,105	0.2	0.1
CO ₂ from product carbonation		77,925	6.6	6.3
Programmes to reduce greenhouse gas emissions	EN18	see pp. 20-23		
Ozone-depleting substance emissions				
CFCs and HCFCs	EN19	0.148	<0.001	<0.001
Other significant air emissions				
	EN20			
NO _x		4,561	0.38	0.39
SO ₂		3,194	0.27	0.27
Particulate Matter		504	0.04	0.04
WASTE				
		tonnes	g/lpb	g/lpb
Amount of solid waste				
	EN22			
Total amount		120,493	10.1 g/lpb	11.2 g/lpb
Recycling and energy recovery		102,907	85%	83%
Hazardous waste				
Hazardous waste generated	EN24	779	0.1 g/lpb	0.1 g/lpb
EFFLUENTS				
Discharges to water				
Quantity of wastewater discharge	EN21	14,380 million l.	1.2 l/lpb	1.4 l/lpb
Total COD (Chemical Oxygen Demand) produced	EN21	5,750 t O ₂	484 mg O ₂ /lpb	495 mg O ₂ /lpb
Total COD reaching the environment	EN21	1,044 t O ₂	88 mg O ₂ /l	113 mg O ₂ /l
Water habitats affected by water discharges	EN25	0		
Spills of chemicals, oils, fuels				
	EN23	164 t	0.014 g/lpb	0.004 g/lpb
PRODUCTS AND SERVICES				
Significant environmental impacts	EN26	CFCs and HCFCs		
Percentage reclaimable products	EN27	3rd party carriers		
Rate of returnable packaging		11%		12%
Possible rate of packaging recycling		see pp. 32-33		
Achieved rate of packaging recycling		see pp. 32-33		
COMPLIANCE				
Incidents and fines				
	EN28	6 minor incidents, no significant fine		
TRANSPORT				
			ml/lpb	ml/lpb
Environmental impacts of transport	EN29	3rd party carriers		
Number of vehicles		21,257		
Fuel consumption (litres)		85,174,774 l.	7.2	6.3
EXPENDITURES				
Total environmental expenditures	EN 30	not public		

Note: Core GRI indicators are indicated in bold typeface. Additional GRI indicators are indicated in normal typeface.

Social and Economic Data Table

GRI	TOPIC	2009	2010
EMPLOYEE DEVELOPMENT			
LA1	Total workforce (no. of employees)	44,801	43,189
	Full Time Equivalents (FTEs)	44,231	43,570
	Permanent employees	>95%	>95%
Training and Development			
LA10	Average training hours per employee	20	21
Human Rights			
HR4-7	No. of workplace accountability audits	13	2
HR4-7	No. of human rights violations resulting in litigation against the Company	0	0
Equality and Diversity			
LA13	Women in management	26.6%	24%
LA14	Male-to-female salary equality	1%	2%
EC7	Managers of local origin	88.0%	91%
HR4	Breaches of equality legislation	0	0
Labour Rights			
LA4	Employees covered by collective bargaining	46%	48%
LA4	Employees belonging to independent trade unions	24%	27%
Health and Safety			
LA7	Fatalities (includes contractors)	5	9
LA	Accident incidence (accidents with >1 day absence per 100 employees)	1.4	1.1
LA7	Sickness absence (days absent)	262,537	233,898
LA7	Average Sickness Days per FTE	5.76%	5.36%
	No. of plants with OHSAS 18001 certification	53	65
	% of production volume covered	76%	93%
CONSUMER HEALTH			
	No. of new product launches	100	100
	Percentage of still beverages (juices, waters, etc.)	37%	36%
	Average calorie content (per 100ml)	30.3	30
PR3	Rollout of GDA labels in EU territories	All sparkling beverages, most others	100%
PR5	Consumer complaints (per million containers sold)	0.33	0.28
	No. of plants with ISO 9001 certification	75 plants (99% of volume)	75 plants (99.6% of volume)
	No. of plants with ISO 22000 certification	58 plants (82% of volume)	60 plants (78% of volume)
SUPPLIER ENGAGEMENT			
HR2	No of independent SGP audits	35	61
EC1	Total supplier spend	€3,955 million	€4,030 million
EC6	Spending within local territories (includes EU)	90%	90%
COMMUNITY			
EC1	Economic benefits		
	Income taxes	€142 million	€137 million
	Salaries & benefits	€1,129 million	€1.163 million
	Supplier spend	€3,955 million	€4,030 million
EC1	Investment in community projects	€12 million (1.9% pre-tax profit)	€9.5 million (1.4% pre-tax profit)
	Employee volunteers	7,500	6,000
	Political contributions	0	0

GRI Index

The index below lists the disclosures and performance indicators covered in this report and in our Annual Report (AR). Text in italics refers to additional indicators. Disclosures on Management Approach can be found on the Coca-Cola Hellenic website, as well as further information on programmes.

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EN29	27, 59
EN30	Not reported publicly
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HR1	N/A ¹
HR2	50
HR4	None
HR5	None
HR6	None
HR7	None
HR8	N/A
HR9	N/A
Labour Practices & Decent Work	
LA1	41
LA2	16%
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PR4	N/A
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EC9	53

1. The Company has made no significant investment agreement in 2010.

2. The Company's health and safety programmes are separate from union agreements.

Awards and Recognition

Below are the most significant awards and recognitions for our sustainability programmes in 2010.

Overall

- **Bosnia** – Socially Responsible Company of the Year Award, DOBRO '10
- **Estonia** – Most Socially Responsible Company in Estonia, Responsible Business Forum
- **Greece** – Gold (highest category), 2nd Hellenic Corporate Responsibility Index
- **Greece** – Best Stakeholder Inclusiveness, Bravo CSR Award, Quality Net Foundation
- **Lithuania** – Environmental Company of the Year, UNDP and Ministry of Environment
- **Poland** – Responsibility Laurel, Polish Confederation of Private Employers Lewiatan; NSZZ Solidarnosc Trade Union and Deloitte

Water Stewardship

- **Group** – Special Commendation for 'Outstanding and sustainable contribution to international water stewardship', 2010 Water Innovation Awards
- **Greece** – Best Environmental Sustainability Initiative, 2010 Water Innovation Awards
- **Greece** – European Excellence Award (Mission Water)
- **Greece** – CSR Award, Greek Association of Advertising (distinction for water resources)
- **Belarus** – Commendation, Ministry of Natural Resources & Environmental Protection
- **Hungary** – CSR Best Practice, Hungarian PR Association
- **Italy** – Confimprese award (water-saving and eco-sustainability)
- **Romania** – Distinguished Honoree Medal (Adopt a river), International Business Awards (Stevie Award)



Following the wildfires that ravaged parts of Greece in 2007, our campaign 'Some Forests have their own Aura' is helping to rehabilitate forests. We have adopted five forested areas and planted 22,140 trees, pledging to maintain them over three years. The programme was named 'Best Environmental Sustainability Initiative' at the 2010 Global Bottled Water Congress.

Energy and Climate Change

- **Romania** – Business with the most reduced impact on the environment in Romania, Business Review Investment Awards Gala
- **Ireland** – Energy Efficiency Award, Sustainable Ireland
- **Group** – Platts Energy Industry Award (finalist)
- **Group** – International Green Fleet of the Year (3rd place), Fleet Europe

Packaging and Recycling

- **Slovakia** – ECO TOP award for ULTRA glass, Slopak & Slovenian Chamber of Commerce
- **Bulgaria** – Investor in Environment (My Green City), Responsible Business Awards, Bulgarian Business Leaders Forum
- **Romania** – Environment Protection (2nd place - I Recycle, thus I Live), Civil Society Gala Awards
- **Romania** – Communication Campaign of the Year (Separate Collection Programme), International Business Awards (Stevie Award)
- **Romania** – Gold Award, Community Relations (Separate Collection Programme), League of American Communications Professionals

Consumer Health

- **Greece** – 2010 Hellenic CSR Excellence Awards
- **Ireland** – Big Tick Healthy Communities, Business in the Community
- **Serbia** – Quality Champion (fruit juice category) & four gold medals for quality, International Agriculture fair in Novi Sad



For a third consecutive year, our Be Active programme on the island of Ireland was awarded the prestigious Big Tick Healthy Communities award from Business in the Community. Working with sporting bodies and councils, the programme engaged 106,000 participants in a wide variety of sports.

- **Bulgaria** – National Competition for Innovations in Soft Beverages Industry 2010 (first all-natural sparkling soft drinks)

Employee Development

- **Greece** – Best Workplaces Hellas 2010 (1st Place) and Best Workplaces in Europe (6th place)
- **Ukraine** – Best Employer in Ukraine and Best Employer in Central & Eastern Europe 2009/2010 (2nd place), Hewitt Associates
- **Ukraine** – Best Employer for Students 2010, Ernst & Young survey of students
- **Croatia** – Employer Partner Certificate, Selectio & Moj-Posao
- **Czech Republic** – Most Desired Company, AIESEC
- **Belarus** – Best Employer 2010, SATIO Centre of System Business Technologies
- **Bosnia** – Employer Partner Certificate, Selectio
- **Hungary** – Best Employers Award, Hewitt Associates
- **Italy** – No.1 Employer of Choice in Sales, Survey of Business Students, University of Rome
- **Lithuania** – Most Desirable Employer (3rd place), Business News
- **Moldova** – Best Employer 2010, AXA Management Consultants
- **Poland** – Top 100 Ideal Employers (7th place), UNIVERSUM
- **Romania** – Employer of Choice for Young Talents 2010, Catalyst Recruitment Solutions
- **Russia** – Attractive Employer Diploma & 14th place in Top 50 Dream Employers and Best Employer among FMCG Companies, Superjob and Headhunter job portals



In 2010, our efforts to improve the safety performance of our fleet while reducing its environmental impacts were recognised with Fleet Europe awards for fleet safety, environmental performance and fleet management. This was the first time a company had gained recognition in three categories at the same time.

- **Slovenia** – Most Respected Employer, career web portal Moje Delo
- **Serbia** – Most Desirable Employer (2nd place), AIESEC
- **Group** – International Fleet Safety Award, Fleet Europe

Community Investment

- **Belarus** – Belarusian Children's Fund - Commendation for long-term partnership in social programmes
- **Estonia** – Melissa F Wells Award for Corporate Citizenship; Most Responsible Company in Tallinn
- **Latvia** – Socially responsible partner, Junior Achievement – Young Enterprise Latvia
- **Nigeria** – Lagos State Government CSR Award for 2010
- **Poland** – Pearl of Wielicki Poviast award
- **Russia** – Most Responsible Company in Krasnoyarsk; Most Responsible Company in Buriyat Republic; Volunteer of the Year (Moscow)
- **Serbia** – AIESEC special award for contribution to Responsible Youth-Sustainable Future
- **Ukraine** – Diploma for contribution to social-economic and cultural development of Brovary District

AWARDS



In Romania, we gained the Employer of Choice for Young Talents award, one of 16 employer awards we gained during 2010.

Validation Statement

Independent Assurance Report on the Reporting for 2010

To the management and the stakeholders of Coca-Cola Hellenic Bottling Company S.A.

denkstatt GmbH has been commissioned by the Coca-Cola Hellenic Bottling Company S.A. (hereafter, "the Company") to carry out an independent third party assurance engagement in accordance with the AA1000 AS 2008 Assurance Standard (AA1000 AS (2008)) on the Company's 2010 Corporate Social Responsibility (CSR) Report (hereafter, "the Report") in its printed and downloadable pdf formats. We have reviewed the Report of the Company for the financial year 2010, which comprises the contents of the Report as well as the data. The assurance engagement has covered the nature and extent of the Company's incorporation of the AA1000 Accountability Principles Standard (AA1000APS (2008)) principles (inclusivity, materiality and responsiveness) with respect to stakeholder dialogue. Furthermore, the application level of the Guidelines of the Global Reporting Initiative (GRI G3 1.0) has been checked.

Management's Responsibility

The Company's Management is responsible for preparing the Report and related web-text, and the information and statements within it. They are responsible for identification of stakeholders and material issues, for defining commitments with respect to corporate responsibility performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived. Furthermore, establishing data collection and registration, internal control systems to ensure reliable reporting, specifying acceptable reporting criteria and choosing data to be collected for intended users of the Report, as well as preparing the Report in accordance with the Reporting Guidelines of GRI is the responsibility of the Company's Management.

Assurance Provider's Responsibility

On the basis of our work, our responsibility is:

- To express a conclusion on as well as to make recommendations for the nature and extent of the Company's adherence to the AA1000APS (2008) principles.
- To express a conclusion on the reliability of the information in the Report, whether it is in accordance with the criteria of the GRIGuidelines.

Our team of experts is competent and experienced in assurance engagements related to nonfinancial information. In addition, our team is competent and experienced in assessing nonfinancial information and sustainability management, thus qualified to conduct this independent assurance engagement. During 2010 we have not performed any tasks or services for the Company or other clients which would lead to a conflict of interest, nor have we been responsible for the preparation of any part of the Report.

Scope, Standards and Criteria Used

We have performed our work to obtain moderate assurance that the information in the Report is free of material misstatements. Furthermore, we planned and performed our work based on the GRI G3 and in accordance with the AA1000 AS (2008). We used the criteria in the AA1000APS to perform a Type 2 engagement and to obtain a moderate level of assurance regarding the nature and extent of the Company's adherence to the principles of inclusivity, materiality and responsiveness.

Methodology, Approach, Limitation and Scope of Work

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary in relation to the above scope. Our work included the following procedures using a range of evidence gathering activities which are further explained below:

- Inquiries and interviews with members of Executive Management, staff from the sustainability department, the reporting department, as well as Management representing different functions in the Group, regarding the Company's adherence to the principles of inclusivity, materiality and responsiveness. This includes Management's commitment to the principles, the existence of systems and procedures to support adherence to the principles and the embedding of the principles at the corporate level.
- Understanding of relevant documentation.
- Site visits to 10 bottling plants, with a focus on developing and emerging markets: Sarajevo (BosniaHerzegovina), Kostinbrod (Bulgaria), Abuja, Apapa (both Nigeria), Staniatki (Poland), Ploiesti (Romania), Moscow, Davydovskoye, Yekaterinburg (all three Russia), and Kiev (Ukraine).
- Inquiries and spot tests regarding evidence of implemented procedures and processes, as well as the Company's policies (plant and corporate level).
- Requests and spot tests regarding selected evidence documentation, to assess the existing systems for data collection and registration, and procedures to ensure reliable and consistent reporting from the plants to the corporate level.
- Checking the GRI index in the Report, to ensure consistency with the GRI application level requirements of A+.

The assurance scope covered the whole Report and focussed on systems and activities of the Company during the reporting period, with the following exceptions:

- The scope of work did not involve verification of financial data (p. 2+3) and the sustainability milestones (p. 4+5).
- The New Water Stewardship Policy is under development and has not been considered during the validation.

Findings and Conclusions

Regarding inclusivity:

- The Company's Management has a strong commitment to inclusivity and stakeholder engagement. Also, the Company has effective systems in place for stakeholders to participate in the development of the organisation's response to sustainable development issues, particularly through the stakeholder panel at the corporate level.
- However, processes at some bottling plants could be strengthened to ensure the full range of stakeholders is identified and appropriately engaged. The role and selection criteria for the Company's departments at the national level could be clearer to ensure balanced representation and focused feedback.

Regarding materiality:

- The Company has a process in place to determine material issues at the management level. Also, the Company has in place a number of relevant senior management level governance bodies to discuss, evaluate and determine the materiality of sustainability issues on ongoing basis (CSR committee and CSR council).
- However, the criteria for assessing materiality are more informal, which could lead to inconsistent assessments across the operating companies. Emerging issues could also be better addressed within the materiality assessment.

Regarding responsiveness:

- The Company is committed to being responsive to stakeholders as is evident from the wide range of media, forums and communication channels used by the Company to communicate on sustainability issues.
- The Company was found to be responsive especially to external stakeholder concerns and expectations. This was achieved through the Company's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms regularly used. The responsiveness to internal stakeholder concerns is less structured and shows room for improvement.
- The Company's group policies and guidance on management of material issues are comprehensive; therefore most issues are well managed across the business.

Regarding performance information:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information. Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data. The majority of data and information presented were found to be accurate. Some data inaccuracies identified were found to be attributable to interpretation and aggregation errors.
- Data management within the group is on a high level of reliability. Furthermore, the Company shows perfect calculation of

indirect environmental impacts (such as CO₂ emissions of cold drink equipment) and community involvement projects (London Benchmark Group).

- The Company shows very good processes of sustainability management with long term goals for water and energy. The Company undertakes many efforts to work toward a low carbon industry (climatefriendly refrigeration, QuadGeneration, CHP Technology).

Based on our review, nothing has come to our attention which causes us not to believe that the information presented in the Report of the Company is free of material misstatements and has been stated in accordance with the criteria mentioned. Furthermore, nothing has come to our attention causing us to believe that the Company does not adhere to the AA1000APS (2008) principles or with the GRI G3 guidelines application level requirements of A+.

Recommendations

The following is an excerpt from the observations and opportunities reported back to the Management of the Company to encourage continual improvement. However, these do not affect our conclusions on the Report.

Regarding inclusivity:

- We recommend the Company to develop a more structured approach to stakeholder engagement at the local site level and consider implementing a formalised materiality assessment process that would assist in informing the content and prioritisation of information reported.

Regarding materiality:

- We recommend that the process and criteria applied to assess materiality of nonfinancial issues is formalised and documented to ensure a consistent process.

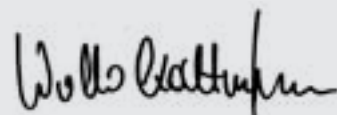
Regarding responsiveness:

- We recommend improving the inclusion of internal stakeholder concerns through the involvement of local unions and working councils in the stakeholder panel and within CSR activities.
- The amount of information on some relevant issues should be increased, for example, the responsible sale and marketing outside the European Union, as well as corruption prevention, especially in emerging and developing markets.

Additional recommendations:

- Implementation of long term goals for packaging, consumer health, employee development, supplier engagement, and community involvement.
- Establishment of a formal process on the calculation of data to ensure reliability throughout the Company, especially for waste ratio and the waste recycling ratio, as well as for the data on corporate volunteering.

Vienna, 6 April, 2011
denkstatt GmbH



Willibald Kaltenbrunner
Lead Auditor, Managing Director denkstatt



AA1000
Licensed Assurance Provider
000-86



Stakeholder Review Statement

Coca-Cola Hellenic invited a panel of external stakeholders to assess the content and quality of its sustainability reporting for the first time. The statement below represents the panel's assessment of the company's 2010 Social Responsibility Report. We express our views as individuals, not on behalf of our organisations.



Relevance of Reported Topics

The Social Responsibility Report 2010 addresses all major sustainability issues relevant to Coca-Cola Hellenic. We welcome the introduction of a section on sustainable agriculture and water use in the chapter 'Supplier Engagement'. The more detailed discussion on the challenges of consumer health and obesity is positively noted. We also found more information on compliance and diversity issues than in previous reports.

We think, however, that the materiality analysis that defined the company's seven key focus areas should be explained more clearly. How are priorities identified and how do they drive the overall corporate agenda?

Processes and Achievements

The report describes all the principal processes by which Coca-Cola Hellenic's operations impact on its stakeholders and the environment. It adequately and quantitatively assesses the magnitude of immediate impacts. The chapter on packaging reports according to all standard environmental parameters, including source reduction, recycling, recycled content and sustainable material sourcing. Nevertheless, the importance of packaging optimisation is not clearly communicated: using the right type and

amount of packaging to meet the needs of all stakeholders in the value chain, including consumers.

In our view, water is the most difficult issue to analyse. While Coca-Cola Hellenic's reporting on water stewardship is good, it would be interesting to learn in future reports about the company's role in defining standards for corporate behaviour and performance related to water.

On social aspects, Coca-Cola Hellenic could adopt and showcase a more pro-active attitude not only towards current sustainability issues but also to major upcoming trends, such as demographic changes. Such changes as the ageing population impact the company not only internally in terms of workforce, but also externally in terms of consumers.

Quality of Reporting

The 2010 report is very clear and accessible to a wide range of readers. It is well structured – each chapter contains challenges, key achievements and current efforts. In addition, the UN Global Compact and GRI indices allow for easy navigation. The use of plain language, clear charts and graphs, a visually comfortable presentation style and well-chosen illustrations and photography all combine to deliver a comprehensive and positive report. More specific case study boxes could illustrate and highlight achievements or best practices.

We particularly like the consistent presentation of targets and progress, even though in some instances these could be more concrete, such as supplier engagement. We applaud the decision to reintroduce independent verification. With so much information in one report, this helps to address the reader's need for assurance that there is transparency and clarity in reporting results. Since the report contains mainly positive information, however, addressing more challenges or non-achievements would add to the credibility of the report.

In future, sustainability reporting is likely to face the challenge of meeting diverging information needs of investors, consumers, academia and NGOs. We think that in its current form, Coca-Cola Hellenic's report will not meet these expectations. For example, water experts may be interested in a water balance map for each hydrological

system from which the company and its suppliers take water, understanding how this is balanced against industrial and domestic water use and how this affects the vulnerability of individual catchments. We look forward to discussing innovative ways to further evolve the company's reporting.

Conclusion

Coca-Cola Hellenic's 2010 report includes the most material sustainability issues faced by the company. We believe that the scope, depth, and achievement levels reported

are outstanding. Nevertheless, we encourage Coca-Cola Hellenic to build on its strong reporting and to consider these recommendations in preparing future reports.

The aspiration for a sustainable global society depends greatly on the responsibility and creativity of private industry. If the potential of private industry is to be realized, powerful leadership will be required from major companies. We urge the company to continue its efforts in influencing, by example and persuasion, other major companies and their supply chains to develop their strategies for sustainability.

Participants and Process

In November 2010, the Stakeholder Panel met to discuss Coca-Cola Hellenic's sustainability programmes in advance of the 2010 report's development. The panel then assessed the report in a two-stage process. Stage one was an analysis of the initial draft, designed to identify errors or omissions and to suggest how the report could be improved. Stage two was a formal assessment of the report that included a telephone conference in March 2011. An honorarium was offered for our contribution to the review statement.

The Stakeholder Panel includes the following individuals:

- | | |
|---|--|
| • Alain Beaumont, UNESDA | • Oliver Johner, Fondation Guilé (Chair) |
| • Professor Geoffrey Boulton, University of Edinburgh | • Stuart Orr, WWF International |
| • Julian Carroll, EUROPEN (European Organisation for Packaging and the Environment) | • Stephan Savic, AGRANA Beteiligungs-AG |
| • Sarah Dekkiche, CSR Europe | • Philip Weller, ICPDR Secretariat |
| • Dr. Aileen Ionescu-Somers, IMD's Centre for Corporate Sustainability Management | • Venia Zafolia, Frigoglass |
-

Glossary of Terms

AIESEC: the world's largest student-run organisation that focuses on providing a platform for youth leadership development.

Bottlers: Business entities that sell, manufacture, and distribute beverages of The Coca-Cola Company under a franchise agreement

Bottling Plant: A beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations

Caring for Climate: This framework allows UN Global Compact participants to advance practical solutions to climate change and help shape public policy and public attitudes

CEO Water Mandate: Launched by the UN Global Compact, this is a call to action and a strategic framework for companies to address water sustainability in their operations and supply chains

Coca-Cola Hellenic: Coca-Cola Hellenic Bottling Company S.A. and, as the context may require, its subsidiaries and joint ventures. Also referred to as "the Company" or "the Group"

Coca-Cola System: The business system comprising The Coca-Cola Company and its bottling partners

Cold Drink Equipment (CDE): Coolers, vending machines and fountains in the marketplace that cool beverages for immediate consumption

Combined Heat and Power (CHP): A power generation system that can produce power, heat, cooling and in some cases CO₂ in a combined process

Consumer: Person who drinks Coca-Cola Hellenic's beverages

Customer: Retail outlet, restaurant or any other business that sells or serves Coca-Cola Hellenic products to consumers

CSR: Corporate Social Responsibility

Distribution: Getting the product from bottling plant to marketplace; includes sales, delivery, merchandising and local account management

Energy Use Ratio: The KPI used by Coca-Cola Hellenic to measure energy consumption in the bottling plants, expressed in megajoules of energy consumed per litre of produced beverage (MJ/lpb)

EU Platform for Action on Diet, Physical Activity and Health: A multi-stakeholder initiative to combat overweight and promote physical activity

GDA: Guideline Daily Amount

Global Reporting Initiative (GRI): The GRI sustainability reporting guidelines are the most widely used framework for reporting CSR performance

Greenhouse Gas (GHG) Protocol: This widely used international accounting tool allows organisations to quantify and manage greenhouse gas emissions

Hydrofluorocarbon (HFC): Chemical compound used in cooling equipment, which contributes to global warming

ICPDR: The International Commission for the Protection of the Danube River is our partner in the Green Danube programme

ISO: International Standards Organisation

KPI: Key Performance Indicator

Landfilled Waste: Waste from bottling operations which is not recycled, re-used or incinerated with heat recovery, but which is sent to landfill for disposal

LBG (London Benchmarking Group) Model: This tool is used by leading businesses to measure corporate community involvement

Lightweighting: Reducing the amount of raw materials used to produce lighter packaging

Litres of Produced Beverages (lpb): Unit of reference for environmental indicators

Operations: manufacturing activities (bottling plants) and distribution activities (vehicles) under our operational control

PET (Polyethylene Terephthalate): A form of polyester used to make lightweight, shatter-resistant bottles for beverages, food and non-food. PET can be recycled into new containers, clothing, carpeting, automotive parts and industrial materials

PET-to-PET or Bottle-to-Bottle: A recycling system for post-consumer PET bottles. Used bottles are collected, sorted, cleaned, ground and transformed into new material for manufacture in PET bottle preforms

Plant: Also referred to as bottling plant, a beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations

Supplier Guiding Principles (SGPs): Coca-Cola Hellenic's social and environmental requirements for suppliers

SIFE: An international non-profit organisation that works with business and higher education to help students become socially responsible business leaders

The Coca-Cola Company (TCCC): The world's leading producer of non-alcoholic concentrates and syrups used to produce nearly 400 beverage types under licence agreements

UNESDA: The Union of European Beverages Associations is the European trade association representing the non-alcoholic beverages industry

UN Global Compact (UNGC): The world's largest corporate citizenship initiative provides a framework for businesses to align strategies with its ten principles promoting labour rights, human rights, environmental protection and anti-corruption

Waste Ratio: The KPI used by Coca-Cola Hellenic to measure waste generation in the bottling plant, expressed in grammes of waste generated per litre of produced beverage (g/lpb)

Waste Recycling: The KPI used by Coca-Cola Hellenic to measure the percentage of production waste at bottling plants that is recycled or recovered

Water Use Ratio: The KPI used by Coca-Cola Hellenic to measure water use in the bottling plant, expressed in litres of water used per litre of produced beverage (l/lpb)

2010 CSR Fact Sheet



Overview

With annual sales of more than two billion unit cases, Coca-Cola Hellenic is one of the largest bottlers of products of The Coca-Cola Company. Operating in 28 countries, the Company serves a diverse population of approximately 560 million people.

Mission

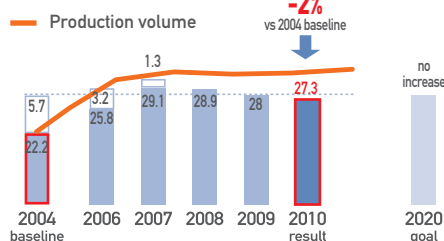
Developing our business in a sustainable manner is part of the corporate mission of Coca-Cola Hellenic. We must not only refresh consumers, partner with customers and reward shareholders, but do so while protecting the environment and enriching the lives of our communities.

Sustainability Milestones

- Signed Consumer Goods Forum resolutions on deforestation and refrigeration
- Launched solar energy programme
- 3rd year of absolute water reduction
- Launched carbon-efficient commercial coolers
- Anti-corruption training rolled-out
- Employer of choice awards in 16 countries
- 13-point rise in employee engagement
- Founding member of European Water Footprint Sustainability Assessment Sounding Board for Sugar
- First Stakeholder review of CSR report
- 99% of volume produced by ISO 9001 certified plants

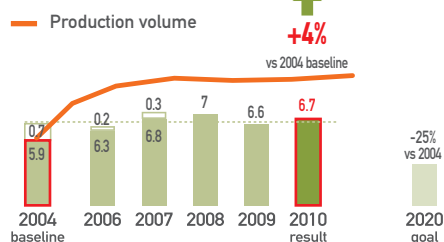
Total Water Use

(billion litres)



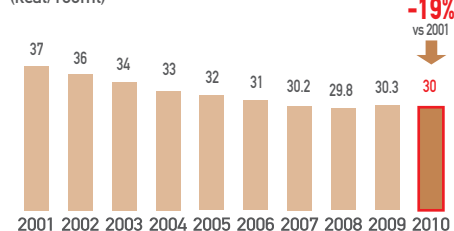
Total Energy Use

(billion MJ)



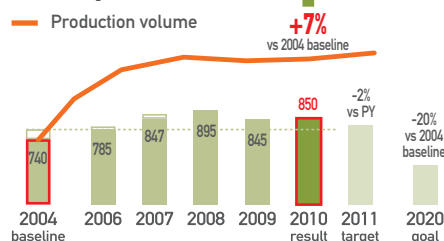
Average Calorie Content

(kcal/100ml)



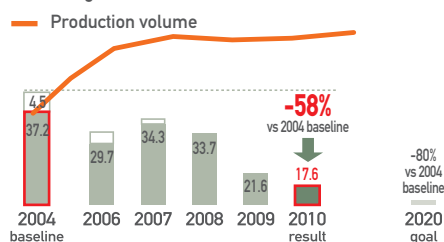
Direct CO₂ Emissions

(tonnes CO₂)



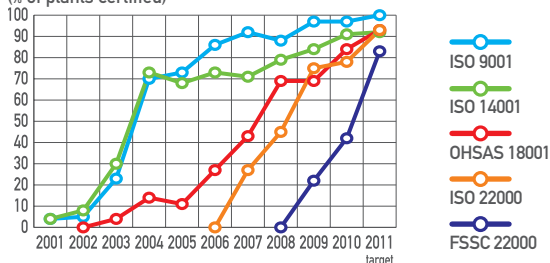
Total Landfilled Waste

(million kg)



Certifications of Bottling Plants

(% of plants certified)



2010 CSR Fact Sheet



Water Stewardship



We work to ensure the sustainability of our water extraction. Each bottling plant conducts risk assessments of water resources. Water efficiency has improved by 19% since 2004 and absolute water use has dropped despite increased production volume. We work with suppliers, NGOs and others to address indirect water use. Working in partnerships, we protect watersheds and, raise local awareness. By the end of 2010, 99% of all wastewater was treated.

Energy and Climate



Our key strategy is the construction of up to 20 on-site combined heat and power (CHP) units. Together with other energy-savings initiatives in plants and fleet, this programme has improved plant energy efficiency by 23% since 2004; absolute energy use has essentially stabilised. We launched a solar energy programme, installing photovoltaic panels on plant rooftops in Italy. By 2015, we will reduce CO₂ emissions by 25%, compared to 2004. We work with others to reduce our indirect emissions, developing and promoting low-carbon technologies such as climate-friendly refrigeration. Through water stewardship, we support adaptation to climate change.

Packaging and Recycling



We have significantly reduced the material content of all packages; our PET bottles are now 16% lighter than 2004. We also use recycled content and in 2011 will trial PlantBottle which has 30% renewable content. Our end-goal is to close the recycling loop, converting used packages into new. Working with others, we have set up 19 national recovery organisations. In these countries, an average of two-thirds of packaging is collected. We continue work to set up systems elsewhere. In our plants, we recycle 85% of production waste and since 2004 we have halved waste sent to landfill.

Consumer Health



To help consumers enjoy beverages while maintaining a healthy weight and lifestyle, we are expanding our product range, especially reduced-calorie, nutritionally enhanced or all-natural beverages. The average calorie content of our beverages has fallen 19% since 2001. We are making nutritional information highly visible with front-of-pack information about calorie content. We have implemented industry codes on responsible marketing. Working with others, we promote physical activity. In 2010, over 1.2 million people participated in sports and fitness programmes. In Hungary, our Wake Your Body programme has involved more than two million people in fitness activities over the past five years.

Employee Development



We aim to help employees achieve their potential, engage openly with them and safeguard and promote health and well-being in the workplace. We increase access to training, coaching and career development opportunities. As a result, 91% of our leaders are of local origin. Since women account for only a quarter of leaders, we launched new gender diversity initiatives. Our safety programme continues, with serious accidents down again. Nevertheless, road traffic incidents still claim lives, making road safety a particular focus. We have launched new health and wellness programmes. Engagement levels have risen significantly since 2007. 16 countries received good employer awards.

Supplier Engagement



The bulk of our social, environmental and economic impacts lie in the supply chain. We now work with suppliers to tackle indirect emissions from our cold drink equipment and packaging, developing low-carbon, resource-efficient technologies. Together with sugar producers and others, we are studying our indirect water use. In addition, we aim to improve economic and social conditions in our supply chain. To date, we have assessed workplace practices at 121 sites.

Community Investment



We support local communities through core business activities. We develop community investment programmes that tackle locally relevant issues in partnership with NGOs, UN and government agencies. In 2010, we invested €9.5 million in community projects, or 1.4% of pre-tax profit. Strategic focus areas include: water and environmental protection; youth development; sports and fitness; and emergency relief. In 2010, we provided emergency relief in many countries, supporting national Red Cross organisations and local authorities as they responded floods to droughts and wildfires. As active members of local networks of the UN Global Compact, we help promote corporate responsibility and sustainability, mobilising local businesses.



Dow Jones
Sustainability Indexes
Member 2010/11



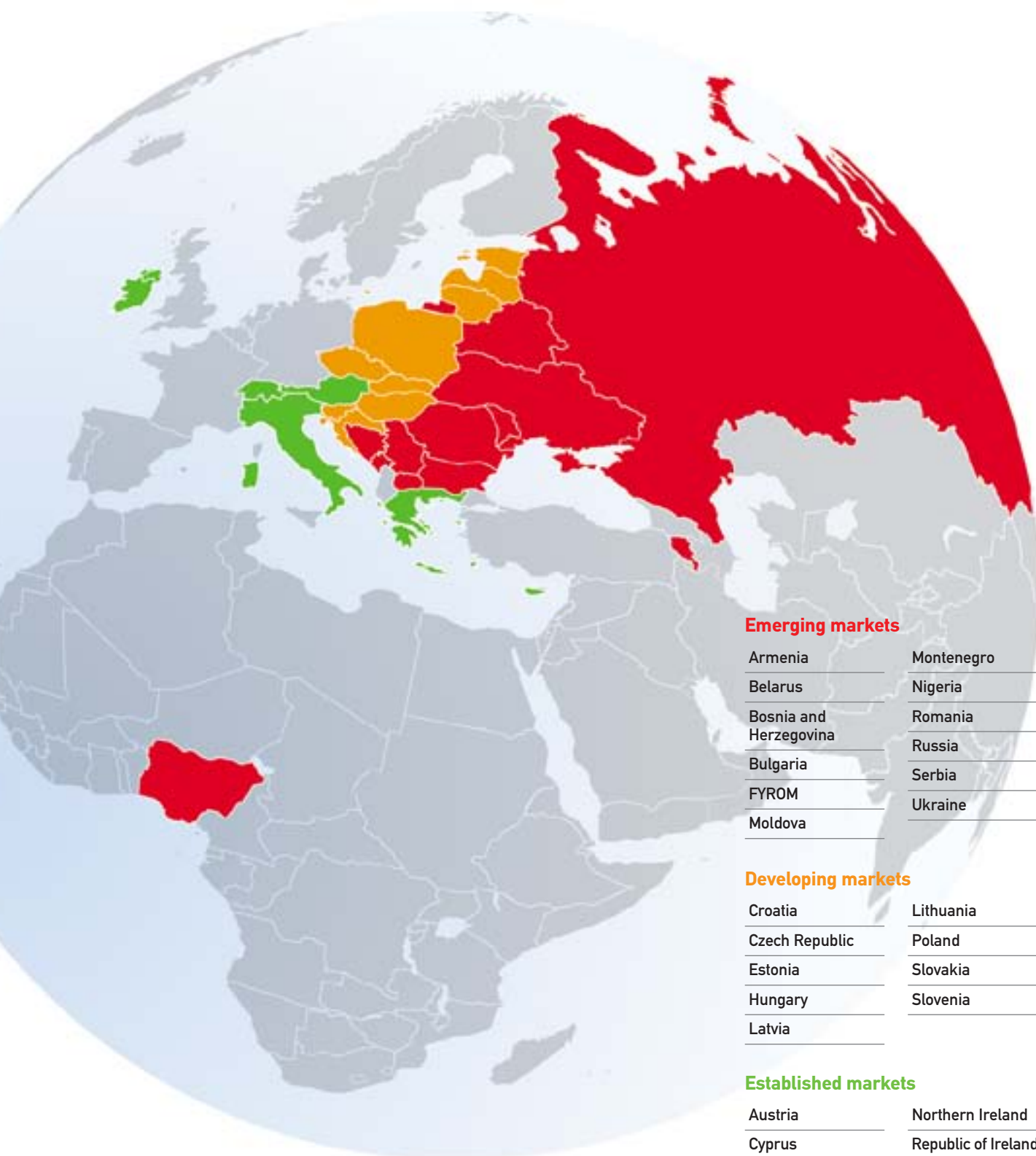
International Federation
of Red Cross and Red Crescent Societies

Design and production: Peak advertising. Photography: Mark Fallander. Consultant: Katie Meech. Printing: Baxas S.A.
Paper: Greencoat Plus Velvet contains 60% recycled fibre and 40% fibre from FSC forests.



Mixed Sources
Product group from well-managed
forests and recycled wood or fiber
www.fsc.org Cert no. SGS-COC-0620
© 1996 Forest Stewardship Council





Emerging markets

Armenia	Montenegro
Belarus	Nigeria
Bosnia and Herzegovina	Romania
Bulgaria	Russia
FYROM	Serbia
Moldova	Ukraine

Developing markets

Croatia	Lithuania
Czech Republic	Poland
Estonia	Slovakia
Hungary	Slovenia
Latvia	

Established markets

Austria	Northern Ireland
Cyprus	Republic of Ireland
Greece	Switzerland
Italy	



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