



Coca-Cola
Hellenic Bottling Company

UN Global Compact Communication on Progress

UN Global Compact - Communicating our Progress

This section provides more detail to internal and external stakeholders on Coca-Cola HBC's sustainability-related policies, programmes and performance. In addition, it complements our 2017 Integrated Annual Report, which combined with the 2017 Global Reporting Initiative (GRI) Standards Index, serves as our Communication on Progress (COP) to the United Nations Global Compact.

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

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

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

1.1 GC Advanced Level

Our Integrated Annual Report, in conjunction with the 2017 GRI Index and this document, serves as our Communication on Progress (COP) to the Global Compact. To achieve Advanced Level status, we must meet the 21 criteria of the COP differentiation programme. Below is a summary of these criteria and how we meet each one.

1.1.1 Mainstreaming into corporate functions and business units

We have integrated sustainability into the way we run our business. We identified material issues to our business with our stakeholders and developed ambitious strategies, demanding targets, rigorous governance and integrated reporting. We have also implemented internationally recognised management systems. Almost all (99.8%) of our production volume now comes from plants that are certified for quality (ISO 9000), environment (ISO 14001), health and safety (OHSAS 18001) and food safety (ISO 22000 and FSSC 22000).

1.1.2 Value chain implementation

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

Robust Human Rights Management Policies & Procedures

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

- Relevant policies include: an updated Human Rights Policy, including explicit reference to the UN Framework and Guiding Principles on Business and Human Rights (the Ruggie Framework) and the ILO International Labour Standards; Equal Opportunities Policy; Supplier Guiding Principles; Occupational Health and Safety Policy; and HIV-AIDS Policy.
- In 2017, in Northern Ireland, we continued a programme for high-potential women focused on developing their business knowledge, confidence and leadership skills. The programme, called Elevating Women in Management, provides personal development planning and coaching support and has been given positive reviews by participating women associates
- We continue to support the 5by20 programme of The Coca-Cola Company to empower five million women entrepreneurs by 2020.

1.1.4 Effective management systems to integrate the human rights principles

- Our commitments are integrated into management systems and training.
- During 2017, 56 bottling plants were operational, 54 of which were certified to OHSAS 18001, corresponding to 99.6% of production volume.
- High-profile health and safety campaigns and gender diversity initiatives are among the programmes which bring our commitments to life.

1.1.5 Effective monitoring and evaluation mechanisms of human rights integration

- Regular reviews ensure that we adhere to all applicable laws and regulations, our Code of Business Conduct and internal standards.
- Certification on a regular basis confirms that we are in legal compliance, processes are well implemented, targets are set and reached and reporting is timely and accurate.
- Both suppliers and Company-owned operations are subject to independent assessments of workplace conditions.
- We have a well-publicly communicated whistleblower system, with all concerns investigated.
- Coca-Cola HBC received no fines for non-compliance with human rights-related laws and regulations in 2017.

Robust Labour Management Policies & Procedures

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

- Relevant policies include our Human Rights Policy and Supplier Guiding Principles (SGPs), available on our website.
- Our Supplier Guiding Principles ("SGPs"), are the principal tools to monitor the actual performance of our suppliers in terms of human rights and labour practices. In 2015, our SGPs were updated to include explicit reference to the obligation of suppliers to be able to demonstrate, as a minimum, their compliance with our SGPs and with the eight Core Conventions of the International Labour Organisation if these set higher standards than local law.
- Suppliers contractually confirm adherence to our SGPs. Moreover, the SGPs are part of all issued tenders and purchase orders sent to suppliers. As of 2015, all new suppliers have agreed to adhere to our SGPs.
- In 2017, we introduced Ecovadis, a third-party, established CSR platform, to assess the sustainability performance of our Group's critical and Country strategic suppliers. Their assessment is based on 21 criteria grouped in 4 themes - Environment, Social, Ethics, Suppliers/Supply Chain. Social and Ethics themes cover criteria such as Working Conditions, Child & Forced Labour, Discrimination Fundamental, Human Rights, Corruption & Bribery, Responsible Information Management, among others.
- We also have a commitment to engage in social dialogue in the communities where we live and work. Various community development and investment initiatives that serve the needs of the communities in the countries where we operate are included in this report, in the Community trust section.

1.1.7 Effective management systems to integrate the labour principles

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

1.1.8 Effective monitoring and evaluation mechanisms of labour principles integration –

- Regular reviews ensure that we adhere to all applicable labour laws and regulations and internal standards.
- Independent audits are undertaken of both Company and supplier workplaces.
- We have a well-publicised whistleblower system, with all contacts investigated.
- Coca-Cola HBC received no significant fines for non-compliance with labour laws and regulations in 2017.

Robust Environmental Management Policies & Procedures

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

- We have publicly available policies on water stewardship, climate change, packaging and recycling.
- All of our suppliers are required to adhere to our Supplier Guiding Principles.
- 2020 Environmental targets and progress made, are publicly reported.
- Since 2011, 100% of wastewater is treated to a level that supports aquatic life.
- We develop energy-efficient HFC-free refrigeration with suppliers - up to 57% more energy-efficient than 2004 models. You can find more details in the GRI Index
- We have built 11 CHP plants to date, reducing emissions at each bottling plant by at least 40%.
- Since 2015, we have committed to four initiatives of the 'We Mean Business' coalition prior to the COP21 in Paris.
- We were among the first 12 companies globally with approved science-based carbon reduction targets in both direct operations and the value chain, to address the 2-degree scenario on climate change.
- We have made public Environmental commitments since 2006 with a baseline year of 2004, with a periodic review and renewal.
- New Sustainability commitments published in 2016, in addition to the ones published in 2015 (for carbon/energy/water reduction, renewable energy, sustainable packaging, sustainable agriculture).
- Cross-functional team in place which works together with our partners from The Coca-Cola Company for building and executing a Packaging strategy towards the "World Without Waste" System initiative.

1.1.10 Effective management systems to integrate the environmental principles

- During 2017, 56 bottling plants were operational, 54 of which had achieved ISO 14001 certification, accounting for 99.6% of our production volume (the only 2 not certified plants are the newly acquired mineral water plant in Lithuania (planned to be certified in 2018) and Maiduguri plant in Nigeria due to security reasons. Our plant in Prague (Czech Republic) has certification in energy management ISO 50001.
- In the 2013-17 period, we have achieved 26 Gold certificates by the European Water Stewardship Standard (EWS) in 15 of our countries with manufacturing sites (Austria, Bosnia&Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, FYROM, Greece, Hungary, Italy, Poland, Romania, Serbia, Switzerland and Ukraine) and we have committed to certify 100% of our plants by 2020 to the European Water Stewardship Standard (EWS) or the Alliance for Water Stewardship (AWS).
- In each of our countries, we have a Carbon and Water Champion who works with the Group Carbon and Water team to plan, investigate, track and implement carbon and water reduction initiatives.
- Since 2016, each country is working with their appointed Packaging Champion on the development & execution of packaging roadmaps to achieve our sustainable packaging commitments.
- Our environmental priorities (Carbon & Water reduction, Packaging & Waste reduction, Renewable energy purchases and use of recycled packaging) are part of each country's Business Plan process.
- Environmental KPIs are part of our integrated software for Performance review: BPMS (Business Performance Management System) and all data, progress and actions are available monthly.

1.1.11 Effective monitoring and evaluation mechanisms for environmental stewardship

- Regular reviews conducted to confirm compliance to all applicable environmental laws, regulations & internal standards.
- Environmental management systems and data at all bottling plants are audited annually by independent parties.
- Customised software in place for collecting, reporting, tracking and conducting trend analysis of all Environmental data per plant/country/segment/company.
- Regular internal audits assure that all plants meet environmental requirements (both legal and internal).
- Regular performance review meetings held at plant, country and Group level (at least monthly) for main environmental KPIs.
- Carbon and Water team at Group level and Country Carbon & Water Champions in place, reporting progress on carbon/water/energy/packaging reduction quarterly to Senior Management.
- Regular meetings (webinars) held, at which people responsible for environmental issues at corporate and country level discuss performance and share best practices.
- Intranet-based system in place, for sharing successful practices from all countries and tracking replication in other countries. Within the successful practices database, there are several environmental categories such as water reduction, energy optimisation, waste management, recycled waste, wastewater treatment etc.
- Compliance and continuous improvement are integral to our management systems. Annual targets are set and progress is monitored by the Board of Directors (via its Social Responsibility Committee), and reported publicly.
- Process in place for the last four years to reward the country with the best annual environmental performance results.
- A special Group annual award for the 3 individuals with the best idea related to Environment in place.

Robust Anti-Corruption Management Policies & Procedures

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

- Coca-Cola HBC's zero-tolerance approach to corruption is clearly defined in our Anti-Corruption Policy and Compliance Handbook, which prohibits bribery both in commercial dealings with our customers and suppliers, and in contacts with government authorities and government officials.
- Our Code of Business Conduct emphasizes that compliance is the Coca-Cola HBC way of doing business with integrity.
- All new employees receive Code of Business Conduct and anti-corruption training, which is refreshed every two years, underlining our zero-tolerance approach to corruption.
- We expect our suppliers to adhere to and audit them against our Supplier Guiding Principles that require, among other things, compliance with all applicable anti-corruption laws.
- We have worked with Global Compact local networks and others to conduct anti-corruption initiatives.
- We publicly report on Code of Business Conduct violations by type and relevant actions/learnings undertaken as a result.

1.1.13 Effective management systems to integrate the anti-corruption principle

- All employees undergo mandatory training and certification in the Code of Business Conduct and the Anti-Bribery Policy and Compliance Handbook.
- We require employees to obtain prior legal approvals before extending anything of value to government officials or hiring any third party to represent us with government officials. We require employees to accurately record expenses related to dealings with government officials and commercial parties.
- We routinely conduct third-party due diligence to ensure that third parties interacting on our behalf with government officials are carefully chosen against our anti-corruption criteria and agree to abide by our Anti-Bribery Policy.
- We offer annual risk tailored in-class workshops on anti-corruption to our 'risk-zone' employees.
- To foster an integrity culture, we run Group-wide Ethics and Compliance Week setting tone from the top and the middle management, and offering employees engaging business ethics and anti-corruption communication.
- Employees can raise concerns about conduct and compliance in various ways, including our confidential whistleblower hotline and email system. We also have an open door policy.
- We commit to protecting from retaliation those who raise concerns in good faith.

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

- We internally audit our third-party due diligence programme and monitor employee anti-corruption training.
- All contacts are investigated and any material issues are reported to the Audit and Risk Committee.
- All violations of our Code result in disciplinary action, even dismissal.
- Our whistleblower system is independently audited by Denkstatt each year.
- Independent audits of supplier sites are conducted. In 2017 n. 74 audits took place.
- We introduced Ecovadis platform in 2017 and assessed 136 of our group critical suppliers. The assessment is based on 21 criteria grouped in 4 themes - Environment, Social, Ethics, Suppliers/Supply Chain. Under Ethics EcoVadis uses 3 Criteria - Corruption and Bribery, Anticompetitive Practices, Responsible Information Management.

Action in Support of Broader UN Goals and Issues

1.1.15 Core business contributions to UN goals and issues

- Coca-Cola HBC's primary contribution is through its core business activities. Direct and indirect employment, salaries, supplier payments, community investments and government taxes are among the ways that we generate local economic benefit.
- Our business also brings indirect benefits, such as technical expertise or inward investment – particularly important in developing or transitional economies.
- As a founding member of the CEO Water Mandate and Caring for Climate initiatives, Coca-Cola HBC has committed to address water conservation and CO₂ emissions in our operations, supply chain and beyond.
- We also support entrepreneurs in our value chain. In Nigeria, we are helping women micro-distributors as part of the global 5by20 programme of The Coca-Cola Company to empower five million female entrepreneurs by 2020.

1.1.16 Strategic social investments and philanthropy

- Our four strategic focus areas are: youth development/education, community wellbeing, water stewardship/environment protection and emergency relief. Most of our community funding was channelled into these four areas in 2017. For more information, please see the Community Trust section of the 2017 Integrated Annual Report (IAR).
- We engage with UNDP, UNEP, UNESCO and other agencies to address broader UN goals. Partnerships focus on such issues as: access to sanitation, safe drinking water and watershed conservation; youth development and education; entrepreneurship and job creation; HIV/AIDS and malaria and emergency relief and rehabilitation.
- In 2017 we channelled more than €7.4 million - approximately 1.3% of our annual reported pre-tax profit - into community investment programmes. We submit this data to the London Benchmarking Group (LBG) for verification.

1.1.17 Advocacy and public policy engagement

- We work with industry associations to inform public policy on sustainability challenges, sharing our experience and advancing practical solutions. Since 2005, our Green Danube partnership has conducted advocacy in 11 countries.
- We aim to be transparent about our positions – calling for urgent action on climate change, for example. We offer consumers healthy products and choice in all markets and we oppose measures that single out products or industries, such as soft drink taxes.
- We also challenge proposals that focus more on short-term financial gain than long-term sustainability.

1.1.18 Partnerships and collective action

- Multi-stakeholder partnerships are critical to solving many sustainability challenges. We participate in many such initiatives, even setting them up where none exist.
- In 2016, we have initiated a packaging waste recovery project in Russia, called “Razdelyai s nami” with objectives to build packaging waste collection infrastructure and to increase public awareness through multi-stakeholder partnership platform. In 2017 this project recovered approximately 24,000 tons of packaging material. We started also a collection project in the Ukraine in 2017, as a pilot, with 100 separate containers installed, covering almost 28000 people, with plans to expand this and become a nationwide system by 2020. In Nigeria, our Wecyclers collective is deployed in our Key Customers with filled bins having a capacity of 1,800 bottles each.
- We have supported the development of Local Networks and in 2017 were actively involved in five UN Global Compact networks.
- At the end of 2016, our operations in Armenia joined forces with the United States Agency for International Development (USAID) at the Advanced Science and Partnerships for Integrated Resource Development Project (ASPIRED) - a 5-year initiative that aims at supporting sustainable water resource management and practices of water users, focused on reducing the rate of groundwater extraction in Ararat Valley to sustainable levels. Within this framework, nearly 40 hectares of land, left idle for more than a decade, have finally been cultivated. This benefited 120 households in the Hayanist community, by creating farming opportunities and preventing workforce migration. Further, we supported the establishment of contractual relations between the community and fish-farms as well as community and land owners. Farmers were trained on crop cultivation, high-value crops and use of safe fertilizers. Balabek Sarkisyan, the head of the Hayanist community, emphasized that thanks to the Project migration decreased for 50-60%, while the Hayanist finally had the opportunity to cultivate their lands and earn their living.
- In 2017, due to the Hayanist irrigation project, 11 million of cubic metres of water was saved, which is 11 times higher than the annual water used in our manufacturing site at CCHBC Armenia.
- In total, we conduct community water and environmental protection partnerships in 23 countries.
- Underpinned by a global agreement between the Coca-Cola System and the International Federation of Red Cross and Red Crescent societies, we work with national Red Cross societies on emergency relief and other locally relevant issues.
- We have led the set-up of recovery organisations in 19 countries, which collect, recycle or recover beverage packaging. We also supported the establishment in Austria of the first PET-to-PET recycling plant, closing the recycling loop.
- Business cases developed for Armenia and Belarus for setting up recovery organizations, work is still in progress. This is also the case in Hungary where we are in the process of doing a business case to change current system from state owned EPR into an industry owned collection system
- Youth development is a key area where we work with NGOs, government agencies and other technical experts. In 2017 we have launched our flagship community program #YouthEmpowered. For more information please see section 5 below- Community engagement and the relevant section at our 2017 IAR, pp. 34-37
- In 2017 we have partnered in total with more than 300 NGO or external partners in our community initiatives.

Corporate Sustainability Governance and Leadership

1.1.19 CEO commitment and leadership

- The CEO and Management of Coca-Cola HBC support the UN Global Compact and oversee our work in the areas of human rights, labour rights, the environment and anti-corruption, and through these also contribute to the UN's Sustainable Development Goals, as highlighted in his statement at the 2017 Integrated Annual Report.
- The CEO has incentivised targets related to sustainable development in his performance plan, as do all other OPCO members.
- The CEO is actively involved in our sustainability agenda and regularly attends quarterly meetings of the Board's Social Responsibility Committee.
- The CEO also participates in 'top-to-top' meetings with partners such as The Coca-Cola Company and other bottlers to ensure alignment of priorities including sustainability issues, strategies and targets.

1.1.20 Board adoption and oversight

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

1.1.21 Stakeholder engagement

- Proactively engaging with our key stakeholders is an important part of defining the issues that are material to our business, current and potential.
- We engage with a wide range of stakeholders on our sustainability pillars including employees, consumers, customers and suppliers, as well as non-governmental organisations (NGOs), regulatory bodies, industry associations and authorities, both local and national, and the communities which are part of.
- Our annual Stakeholder Forum brings together academics, government, industry, suppliers and other participants in our value chain. Please see more about this in the materiality section of our 2017 Integrated Annual Report.
- Our 2017 Annual Stakeholder Forum took place in Vienna on November 24, with the participation of 25 high-level stakeholders. Discussions centred around two of our material issues: Health and nutrition and employee engagement and wellbeing.
- We also participate in multi-stakeholder partnerships to address issues that are material to our business and our communities.

Progress against the UNGC CEO Water Mandate

Coca-Cola HBC is a founder signatory of the UN Global Compact's CEO Water Mandate. An in-depth discussion of our water stewardship strategy and progress can be found in our 2017 Integrated Annual Report, which together with the 2017 GRI Content Index and this section serve as our CoP. Below is a summary of our progress in the six focus areas of the Water Mandate.

CEO Water Mandate	Coca-Cola HBC's progress
1. Direct Operations	
<ul style="list-style-type: none"> - Conduct a comprehensive water-use assessment to understand Company's water use in direct production. - Set targets for operations for water conservation and wastewater treatment, framed in a corporate cleaner production and consumption strategy. - Invest in and use new technologies to achieve these goals. - Raise awareness in corporate culture. - Include water sustainability in business decision-making. 	<ul style="list-style-type: none"> - Awarded new European Water Stewardship Gold Level certification at 4 facilities in 2017, and a total of 26 since 2013. Now, EWS certifications are achieved in 15 of our countries with manufacturing sites. - 65.7% reduction in direct water footprint since 2004, with a target of 75% reduction by 2020. - In 2015 we set a new target: 30% improvement in water use ratio by 2020 vs. 2010. In 2017, the water use ratio decreased by 20.9% vs. 2010. - 100% of wastewater treated since 2011 through intensive investment in own waste water treatment plants. - All bottling plants undertake the following reviews: annual water footprint assessment; bi-annual risk assessments; source vulnerability assessments; source water protection programmes. All are subject to internal audit. - Using the Global Water tool for water stress projection per plant per river basin, with a 2025 horizon. - Thorough environmental due diligence process, including water availability/quality prior to any acquisition, merger, divestment/investment. - During 2017, 56 plants were in operation, out of which 54 were ISO 14001-certified, accounting for 99.6% of annual production volume. - Working with equipment suppliers to develop and implement water-saving technologies and more water-efficient cleaning methods. - Work with UNIDO (United Nations Industrial Development Organization) to introduce a chemical leasing project (paying not for kilogrammes of chemical used but for cleaning effectiveness which reduces water and chemicals in the plant) in Serbia, Poland, Romania, Bosnia and Herzegovina, Croatia, Northern Ireland, Switzerland, Greece, Bulgaria. - Mandatory "Top 10 Water Savers" initiative, which helps plants across our operations identify water-saving opportunities (72.3% implementation rate in 2017). - Additionally implemented 111 different water saving initiatives in our plants during 2017. - Invested €3.1 million in water reduction initiatives in 2017. Future outlook: we will continue to make similar or higher level of investments to ensure the achievement of our 2020 water commitment. - Voluntary employee participation is encouraged in watershed protection initiatives. - Our 'Near Loss-leading' KPI encourages our employees to report water-saving ideas and opportunities. - Since 2015, we use a 'true cost of water and water stress multiplier' for each plant to support decision-making process for investment projects.

2 Supply Chain and Watershed Management

- Encourage suppliers to improve water conservation, quality monitoring, wastewater treatment, recycling.
- Encourage suppliers to assess their water usage and impacts.
- Share water sustainability practices – established and emerging – with suppliers.
- Encourage major suppliers to regularly report progress against goals.
- Build capacities to analyse and respond to watershed risk.
- Commitment to certify over 95% of our key agricultural ingredients against our Sustainable Agriculture Guiding Principles.
- We recognise supplier certifications as per international standards including ISO 9001, 14001, 50001, FSSC 2200 and OHSAS 18001. For agricultural commodities, we align with the wider industry to recognise the Rain Forest Alliance, Fair Trade, Bon Sucro and the Sustainable Agriculture Initiative Platform (SAI Platform).
- EcoVadis CSR Platform is used to assess the sustainability performance of our suppliers (Energy & GHG, Water, Biodiversity part of the criteria covered for Environmental area). Progress per supplier is monitored.
- Sustainable agriculture programme.
- Supplier Guiding Principles.
- Supplier risk assessment for critical suppliers includes water stress risk and is updated annually.
- WWF Water Risk Filter is used for identifying water and overall environmental risk for all critical suppliers.
- Water footprint measures are used in supply chain.
- Bi-annual risk assessments study local context for bottling plants.
- Source vulnerability assessments at all plants.
- Source water protection programmes at all plants.
- Commitment to achieve 100% certification of all plants by 2020 by the European Water Stewardship or Alliance for Water Stewardship.
- Environmental and watershed protection partnerships in 23 countries.

3. Collective Action

- Build ties with civil society organisations, especially regional and local.
 - Work with national, regional and local governments and authorities to address water sustainability issues and policies, as well as with relevant international bodies.
 - Encourage development and use of technologies, including efficient irrigation methods, new plant varieties, drought resistance, water efficiency and salt tolerance.
 - Actively support Country Networks of the UN Global Compact.
 - Support water initiatives and collaborate with UN bodies and IGOs.
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 - Support water initiatives and collaborate with UN bodies and IGOs.
 - Community watershed partnerships involve government agencies, NGOs and communities in 23 countries.
 - Work with UN bodies, IGOs and NGOs on water initiatives, including UNDP, UNICEF, GWP, WWF and many local community NGOs in various countries.
 - At the end of 2016, our operations in Armenia joined forces with the United States Agency for International Development (USAID) at the Advanced Science and Partnerships for Integrated Resource Development Project (ASPIRED) - a 5-year initiative that aims at supporting sustainable water resource management and practices of water users, focused on reducing the rate of groundwater extraction in Ararat Valley to sustainable levels. Within this framework, nearly 40 hectares of land, left idle for more than a decade, have finally been cultivated. This benefited 120 households in the Hayanist community, by creating farming opportunities and preventing workforce migration. Further, we supported the establishment of contractual relations between the community and fish-farms as well as community and land owners. Farmers were trained on crop cultivation, high-value crops and use of safe fertilizers. Balabek Sarkisyan, the head of the Hayanist community, emphasized that thanks to the Project migration decreased for 50-60%, while the Hayanist finally had the opportunity to cultivate their lands and earn their living.
 - In 2017, due to the Hayanist irrigation project, 11 million of cubic metres of water was saved, which is 11 times higher than the annual water used in our manufacturing site at CCHBC Armenia.
 - Projects include promoting rainwater harvesting in water-scarce areas in Greece, borehole projects for communities around our Nigerian plants in water-scarce areas to ensure safe drinking water for communities in need, the honouring of World Water Day to raise employee awareness in various markets of operations, Water Ambassadorship projects in
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Africa, and cleaning of watershed areas and river banks in many countries in Europe.

- We were active members of Country Networks of the Global Compact in five countries in 2017.

4. Public Policy

- Contribute to government regulation and creation of market mechanisms to drive water sustainability agenda.
- Advocate water sustainability in global and local policy discussions, presenting the role and responsibility of the private sector in supporting integrated water resource management.
- Partner with government, business, civil society and others to advance knowledge, intelligence and tools.
- Support policy-oriented bodies and frameworks.
- Green Danube partnership since 2005 actively engages in public policy.
- Support development of national policy and regulatory frameworks for integrated water resources management. More on this on our website and at www.icpdr.org.
- Founding member of the Water Footprint Network.
- Founder signatory of the CEO Water Mandate.

5. Community Engagement

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

6. Transparency

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

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

Caring for Climate

Taking practical actions now to increase the efficiency of energy usage and to reduce the carbon burden of our products, services and processes, to set voluntary targets for doing so, and to report publicly on the achievement of those targets annually in our COP for climate.

Coca-Cola HBC's progress

- Improved energy efficiency (per litre of produced beverage) by 26.5% in 2017 vs. 2010; versus 2004 the rate of improvement is 42.8%.
- Reduced total absolute energy usage in 2017 by 23% vs. 2004, despite a 37% increase in production volume since 2004.
- Reduced absolute emissions from operations (Scope 1 & 2) by 34.2% and emissions intensity (Scope 1 & 2 per litre of beverage) by 52% since 2004.
- Committed to reduce direct emissions by 20% by 2020 vs. 2004 and as we are set to reach this target earlier, in 2015 we set a new commitment: to reduce carbon emissions intensity from our operations by 50% by 2020 vs. 2010: in 2017 the reduction was 41.6% vs. 2010.
- Committed to reduce carbon intensity across the whole value chain by 25% by 2020 vs. 2010: in 2017 the achievement is 23.2% reduction vs. 2010.
- The aforementioned commitments, are science-based targets approved by the World Resources Institute (WRI) and address 2-degree scenario.
- Constructed 11 on-site CHP plants. Each reduces plant emissions by at least 40%, with food-grade CO₂ recovery further boosting this figure.
- Renewable energy projects on-site include Photo Voltaic panels in Italy and Switzerland, heat pumps in Hungary and using of biogas from own Waste Water treatment plants in Russia.
- Business cases developed for on-site Solar and Biogas production.
- In 2016, a new target was set for renewable and clean (CHP) energy: by 2020 we will use 40% of our total energy by renewable and clean (CHP) source. In 2017 we reached 34.1% of total.
- Programmes include: 'Top 18 Energy Saves and 10 Most Basic Energy Savers' in all plants.
- Capital investment of €4.1 million in energy-saving projects in our plants resulted in savings of €1.6 million during 2017. Future outlook: We will continue making similar or higher level of investments to ensure the achievement of our 2020 energy & carbon commitments.
- Developed energy-efficient and HFC-free refrigeration up to 63% more efficient than 2004 models.
- New commitments set in 2017 related to sustainable packaging which will support reduction of CO₂ emissions related to our packaging materials by 2020: Recover for recycling an average of 40% of total packaging we introduce to our markets; Source 20% of the total PET we use from recycled PET and/or PET from renewable material; Reduce packaging by 25% per litre of beverage produced. Packaging reduction is calculated by using the difference between the weight of all primary packaging materials (PET, cans and glass) in 2017 vs. 2010, for 2017 production mix, and the quantity of the material reduced is divided by the total primary packaging material weight in 2017.
- Set up organisations in 19 countries that collect, recycle or recover the equivalent of 59% of our packaging in these countries in 2017
- During 2017 we have recovered for recycling 41% of our total packaging across our 28 markets.
- During 2017, 56 plants were operational, 54 of which were ISO 14001-certified, accounting for 99.6% of annual production volume
- One plant is certified to ISO 50001 (energy management)

Building significant capacity within Coca-Cola HBC to understand fully the implications of climate change for our business and to develop a coherent business strategy for minimising risks and identifying opportunities.

- Have calculated and reported on total carbon footprint annually since 2006.
- The Social Responsibility committee of the Board is overseeing and approving strategy for all Sustainability related topics, including Climate change.
- The Sustainability Steering Committee deals at operational level and the Group's Operating Committee approves at operational level all Sustainability related actions, including Climate change.
- Environmental performance responsibility in place in each country and in each plant.
- Describe and report risks and opportunities to the Carbon Disclosure Project.
- Risks related to climate change are described in the 2017 Integrated Annual Report.
- Climate change risks are embedded in the overall Enterprise Risk management process.
- Climate change opportunities: reduced operational cost from energy efficiency projects, future carbon tax avoidance based on our science-based carbon reduction targets and internal carbon price, guaranteed licences to operate due to our comprehensive water stewardship programmes, competitive advantage due to our energy efficient and HFC-free coolers we provide to our customers.
- Climate change/Water stewardship/Sustainable Packaging and Sustainable sourcing are part of our main materiality issues with the respective process in place (strategy/programmes/actions/progress monitoring etc.).
- Water stewardship is our main mitigation strategy.
- Emergency relief is part of the Community pillars.
- Carbon and water reduction initiatives fully embedded in each country's business plan.
- Carbon and water Champion in each country and at Group level.
- Climate change-related information in our Integrated Annual Report is based on CDSB CCRF (the Climate Disclosure Standards Board Climate Change Reporting Framework).

Engaging fully and positively with our national governments, inter-governmental organisations and civil society organisations to develop policies and measures that provide an enabling framework for the business sector to contribute effectively to building a low-carbon and climate-resilient economy.

- Prior to COP21 in Paris in 2015, we committed to 4 of the initiatives of the 'We Mean Business' coalition.
- Previously participated actively at COP15; signed Copenhagen, Bali and 2 degrees communiqués.
- Liberty Island, Hungary - five-year restoration programme with WWF, supported by EU LIFE+ Nature Conservation Fund.
- The European Commission named our Combined Heat and Power (CHP) programme an Official Partner of the Sustainable Energy Europe campaign.

Working collaboratively with other enterprises nationally and sectorally, and along our value chains, by setting standards and taking joint initiatives aimed at reducing climate risks, assisting with adaptation to climate change and enhancing climate-related opportunities.

- Use of WWF Water Risk Filter for all critical suppliers to evaluate water and overall company Environmental risk.
 - Introduced an Environment, Social Governance (ESG) Self-assessment tool for our suppliers as part of Sourcing Strategy and Selection factors. The objective of the tool is to screen suppliers during the selection process in 6 areas, including Environment, Quality and Agriculture conditions.
 - Develop with suppliers HFC-free, energy-efficient refrigeration that is up to 57% more efficient than 2004
 - Work with suppliers to light-weight packaging and increase recycled PET content - in 2017 we used 1,100 tonnes less PET material which saved 2,700 tonnes of CO₂ and rPET quantity used was 13,100 tonnes which contributed to 26'200 tonnes of CO₂ saving.
 - Launched PlantBottle™, made from up to 30% renewable plant-based sources, in 11 countries.
 - In 2017, we used 11,050 tonnes of PlantPET material, which saved 7,180 tonnes of CO₂.
 - Developed with suppliers the lightest can in Europe (B-can and Sleek can)
 - Led set-up of 19 recovery organisations; equivalent of 59% of our packaging is recovered or recycled in these countries
 - In 2016, we have initiated a packaging waste recovery project in Russia, called "Razdelyai s nami" with objectives to build packaging waste collection infrastructure and to increase public awareness through multi-stakeholder partnership
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platform. In 2017 this project recovered 24,000 tons of packaging material. We started also a collection project in the Ukraine in 2017, as a pilot, with 100 separate containers installed, covering almost 28,000 people, with plans to expand this and become a nationwide system by 2020. In Nigeria, our Wecyclers collective is deployed in our Key Customers with filled bins having a capacity of 1,800 bottles each.

- Sustainable agriculture programme, with a commitment to certify over 95% of our key agricultural ingredients against the Coca-Cola System's Sustainable Agricultural Guiding Principles by 2020.

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

- Through the 19 recovery organisations we have helped set up, we provide infrastructure and education to encourage consumers to recycle.
 - Provide support to WWF's Earth Hour campaign in several of our countries of operation.
 - World Water Day campaign in several countries.
 - Best Environmental performance - annual country award.
 - Every year we award the 3 employees who have developed the best idea related to Environment.
 - Training programmes for employees: local training; central environmental training for people from production, engineering, quality, sustainability (more than 320 people from 25 countries trained in recent years); training in Super Ambassador programme for Key Account Managers within the commercial function.
 - Work with suppliers on development of a range of packaging optimisation and light-weighting initiatives, and on developing eco-friendly coolers.
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