

Growth pillar: Highlights in 2022

5. EARN OUR LICENCE TO OPERATE

Donated over US\$20 million

to support our people and communities in Ukraine in partnership with The Coca-Cola Foundation and the global Coca-Cola System.

15% reduction in emissions

across scope 1, 2 and 3 compared with 2017 baseline, and 6% reduction compared to 2021*.

100% rPET transition

in Switzerland for locally produced portfolio. Austria and Italy** are moving their portfolios to 100% rPET.

* Recalculation of all emissions made due to conversion factors change.
** Excluding water.
*** As of December 2022.

Ranked as the world's most sustainable beverage company

according to Dow Jones Sustainability Index*** and maintained leading scores in several other top ESG benchmarks.

Continued progress in reusable packaging

with first "new generation" Compact Freestyle dispensing machines going live in four of our markets, and refillable packaging offerings expanded in Austria.

Supported the launch of two new Deposit Return Schemes

in Latvia and Slovakia and a new Packaging Recovery Organisation in Moldova.



Earn our licence to operate *continued*

KPIs

- Absolute greenhouse gas emissions Scope 1, 2, 3
- Water usage in water-risk areas
- # young people trained through #YouthEmpowered
- % primary packaging collected

Principal risks

- Cost and availability of sustainable packaging
- Ethics and compliance
- Managing our carbon footprint
- Suppliers and sustainable sourcing
- Water availability and usage

Stakeholders

- Our people
- Our consumers
- Governments
- Our communities
- NGOs
- The Coca-Cola Company
- Our shareholders
- Our suppliers

Continuing to deliver results for all our stakeholders

At Coca-Cola HBC, we are proud of our strong track record in sustainability, which is demonstrated by our leading scores in eight out of the ten most recognised external ESG benchmarks. These results show that we are committed to growing the right way, for the long term.

Throughout the year we remained focused on delivering our Mission 2025 and NetZeroby40 goals. The year culminated with the business ranking, for a sixth time, as world number one in the beverage industry by the Dow Jones Sustainability Index*. We are honoured that our score positioned us top among 7,822 companies across 61 industries, according to the recently issued S&P Global Sustainability Yearbook 2023. We were also recognised as an 'Industry Mover' as, with a seven-point increase, we were the most improved in the beverage industry since last year.

Our focus on sustainability is in the following key areas: communities, climate change, packaging, water stewardship, biodiversity, nutrition and sustainable sourcing. Underpinning all these priorities are partnerships with The Coca-Cola Company, The Coca-Cola Foundation, and external organisations such as universities and NGOs. Only by working together can we contribute more effectively to a better world.

Communities

Over the years, the Coca-Cola System has had a huge impact on local communities and the lives of vulnerable people. We are always there in time of need, and we remain committed to providing humanitarian support to those in crisis. This year, we have witnessed one of the worst crises in Europe with millions of Ukrainian families experiencing unimaginable suffering. We quickly mobilised our support for our people and those in need, and will carry on doing so.

* As of December 2022. All environmental and sustainability reporting excludes Egypt for 2022.

We continued to create value for all stakeholders by making significant contributions to the development of the societies in which we operate, while also finding ways to take care of our environment by integrating sustainability into our decision-making and actions.

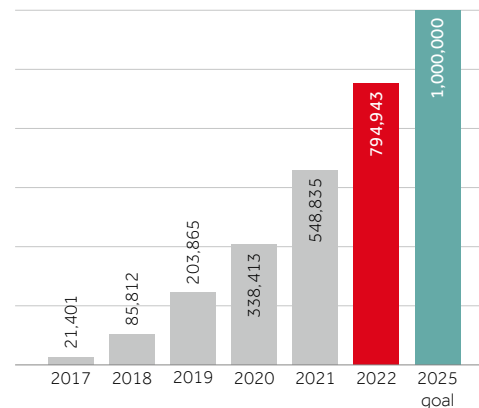
#YouthEmpowered

Our flagship community programme aims to prevent and combat youth unemployment and addresses educational inequalities by providing participants with a future-fit skillset. It offers in-person and online training as well as networking and mentoring sessions alongside Coca-Cola HBC senior managers.

We seek to train one million young people across all our markets by 2025, boosting their confidence and employability in a dynamic job market, and targeting those not in education, employment or training. By the end of 2022, #YouthEmpowered had reached over 790,000 young people since its launch in 2017.

Our focus in 2023 will be to drive a stronger impact for our broader value chain, connecting young people with future employers and partners.

Cumulative number of young people trained through #YouthEmpowered since 2017



#YouthEmpowered in action

Greece

#YouthEmpowered has become a holistic platform offering targeted upskilling and reskilling to youth, women and hotel, restaurant and café (HoReCa) workers in Greece. With more than 30,000 participants since inception, it has become a leading employability programme of the private sector. Seeking to bridge the gap between the skills young people have and those needed to get a job, or transition to a better job, the programme uses a curriculum which maps the skillsets needed for 40 sought-after careers, using the O*Net and ESCO international classification systems. The programme has grown thanks to over 30 partners, and with their contributions, the programme now offers:

- live sessions and e-learning on the most important skillsets
- high-impact interventions including scholarships, internship opportunities, individual and group mentoring and career consultations
- an app for on-the-go learning with more than 8,500 registered users in Greece



Earn our licence to operate *continued*

Supporting our communities

Product donations

c.2m litres

focused on supporting Ukraine and Ukrainian refugees

c.3.7m litres

to food banks and disaster relief

Volunteering

**c.2,800*
colleagues**

focused on supporting vulnerable communities, youth and the environment

Community investments*

c.€7.4m

- Long-term community initiatives
- Disaster relief (Bulgaria, Czech Republic, Nigeria, North Macedonia and Serbia)

* Including Bambi and Egypt.

Bridging social, environmental and economic needs for the benefit of communities

We always seek to positively impact people's lives in the communities where we operate, and to support communities in need with product donations, volunteering initiatives and disaster relief activities. Also Coca-Cola HBC has over the years expanded community investments from just standalone philanthropic initiatives to long-term programmes closely linked to our business priorities and material issues. We want to explore how we can deliver positive social outcomes through the way we do business and partner with our value chain.

We seek opportunities to contribute to communities by bridging social, environmental and economic needs, driving positive societal change while creating shared value.

The two programmes described here, one in Nigeria, one in Ireland, are examples of driving positive change with a holistic approach.



Investing in the birthplace of Coca-Cola HBC Nigeria

To mark the 70th anniversary of the business in Nigeria, the birthplace of Coca-Cola HBC, we donated €1 million to local communities. This funding, completed in 2022, targets programmes dedicated to increasing quality of life in the country through improvements to water and sanitation, packaging waste recycling and the empowerment of women and young people.

These initiatives demonstrate how our environmental sustainability investments can also support value creation in local communities, improving lives and livelihoods with cleaner environments and job opportunities.

Reducing food waste and tackling climate change Ireland

Three-year strategic partnerships with food redistribution services FoodCloud and FareShare have ensured that Coca-Cola HBC products reaching end-of-life can be efficiently redistributed to 870 frontline charities across the island of Ireland. Annually, this sees 750,000 of our beverages redirected to those in need.

Employees have also fundraised €20,000 towards the salary of one food redistribution driver for the charity, which in turn enabled the delivery of more than 1.1 million meals. To increase engagement further, we partnered with FoodCloud and Tesco Ireland to support those in need with their 'Win a Meal, Give a Meal' Christmas campaign, and supported employees to volunteer their time with the charity partners.

By 2025, the initiative will have achieved 2,571 tonnes of CO₂ avoidance¹, contributing to UN Sustainability Development Goal 12.3 and Ireland's [Climate Action Plan](#) to reduce food waste by 50% by 2030.



1. These figures have been provided by NGO partners and are not Verified Carbon Standard (VCS) – we will work with our NGO partners to explore VCS certification for approved carbon offset in the future.

Earn our licence to operate *continued*

Climate and net zero

#NetZeroby40 roadmap for Scopes 1, 2 and 3

Scope 1: direct emissions in direct operations

5.4%

Fuels used in manufacturing, by our own transportation fleet or in remote properties**

Scope 2: indirect emissions in direct operations

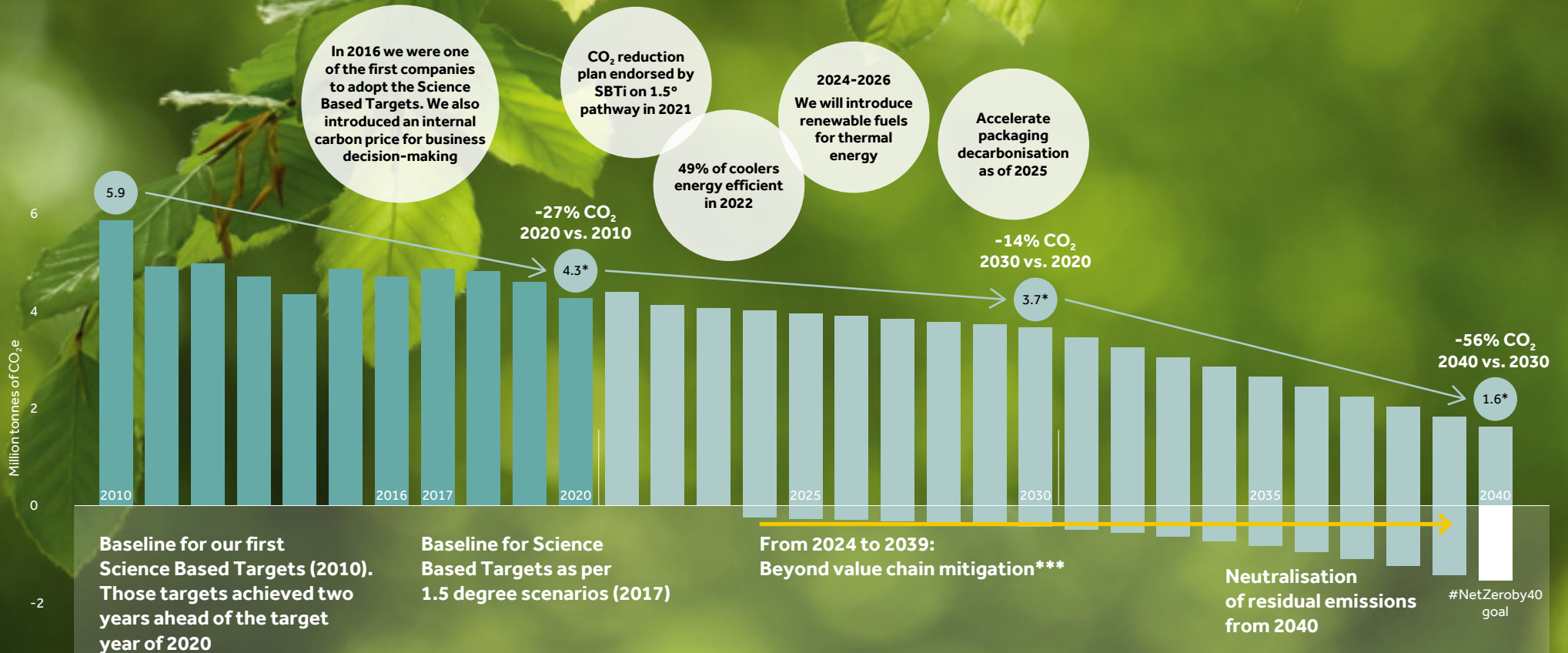
5.4%

Purchased energy: electricity, used heat, steam, Combined Heat and Power (CHP) output

Scope 3: indirect emissions up/downstream

89.2%

Packaging, ingredients, coolers, third-party transportation fleet



* Recalculation of all emissions made due to conversion factors change and according to the GHG Protocol Corporate Accounting and Reporting Standard.

** Remote properties – warehouses, distribution centres or offices where there are Coca-Cola HBC employees but there is no manufacturing site (plant).

*** As defined by SBTi.

Earn our licence to operate *continued*

Climate and net zero

In 2021, we committed to reduce emissions across our entire value chain to net zero by 2040. Over the past decade, we halved our direct emissions, and our greenhouse gas emissions reduction plan to 2030 is already endorsed and approved by the Science Based Targets initiative (SBTi) in line with the 1.5°C pathway. As 89% of our emissions are in Scope 3, we must therefore collaborate with our suppliers and customers to reduce them to an absolute minimum.

By 2030 we will reduce our value chain emissions in scopes 1, 2 and 3 by 25% vs 2017. In 2022, we continued our journey to reduce our emissions, reducing absolute emissions from our direct operations and production by 21% and total value chain emissions by 15% against our 2017 baseline*.

Scope 1: Reducing direct emissions in our own operations

Scope 1 includes activities that are under our operational control, primarily our on-site energy production and fleet. In 2022 scope 1 emissions reduced by 13% vs prior year. This reduction was supported by total investments of €13.7 million in projects aimed at improving the energy efficiency of the installations in our plants.

Green Fleet

We have accelerated the transition of our light fleet in 2022, introducing over a thousand green vehicles. 28% of our light fleet now consists of more environmentally friendly vehicle models – a four-fold increase vs the start of our transition, helping to deliver a reduction of 19,500 tonnes of CO₂ compared to our baseline, and approximately

20,000 tonnes of emissions reduction over the same period of time for our heavy fleet.

Scope 2: Reducing indirect emissions in our own operations

Our scope 2 emissions come mainly from purchased or acquired energy. In 2022, scope 2 emissions increased by 30% vs the prior year, heavily influenced by the current geopolitical situation in Europe and its impact on the energy supply market.

Renewable and clean energy

Our use of renewable and clean electricity in our EU and Swiss manufacturing facilities increased to 99.2% in 2022.

However, the impact of the current geopolitical situation drove a decline in our sourcing of renewable and clean electricity and energy from 53% in 2021 to 43% in 2022 in total, across the whole of Coca-Cola HBC.

Despite this decline, we delivered several projects that helped to progress reductions in scope 2 emissions of CO₂:

- Installation of additional rooftop solar panels in Nigeria, bringing total solar electricity generated across six production sites to 5.2 GWh in 2022 (2.7% of total consumed electricity in Nigerian plants), with an estimated emission reduction of 2,170 tonnes.
- Switching our grid electricity in Nigeria to renewable, reducing emissions by 5,600 tonnes.
- Increase in renewable energy supply in total energy mix in Romania, from 24% in 2021 to 31% in 2022, saving 1,950 tonnes of emissions.

Scope 3: Reducing indirect emissions across our value chain

In 2022, we made significant progress in reducing our scope 3 emissions**, with a 7% reduction vs the prior year.

A key driver of this performance was our increased share in energy efficient cold drink equipment placed in our customers' outlets (49% vs 42% in 2021). Additionally, we made significant progress in defining supplier-specific emissions factors, which are critical for future emissions reduction.

Reducing electricity consumption in our coolers

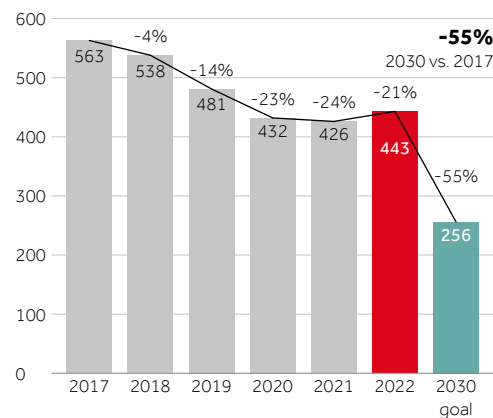
To achieve our net zero goal, we are accelerating the replacement of existing coolers with new, energy-efficient ones. Our goal is that 50% of our coolers will be energy-efficient or eco-friendly by 2025. At the end of 2022, 49% of all coolers in our markets were energy-efficient or eco-friendly. This €90 million of investments delivered a total reduction of approximately 120,000 tonnes of greenhouse gas emissions in 2022 vs 2017 baseline.

Together with our suppliers, we are exploring cooling solution innovations. In Greece and Italy, for example, we are currently trialling prototypes using static cooling technology, which does not use fans or motors.

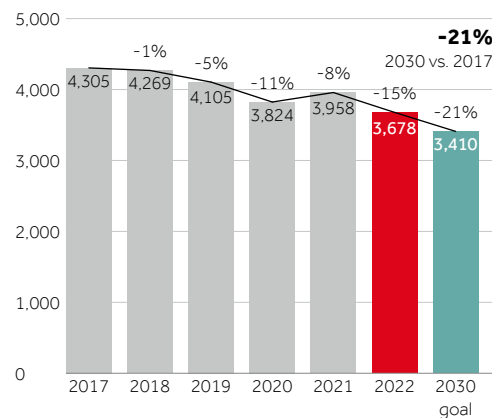
Improving the carbon footprint of our ingredients

Since 2015, our emphasis on low- and no-sugar drinks has decreased calories in our sparkling drinks by 17% per 100ml, contributing to a saving of approximately 75,000 tonnes of emissions.

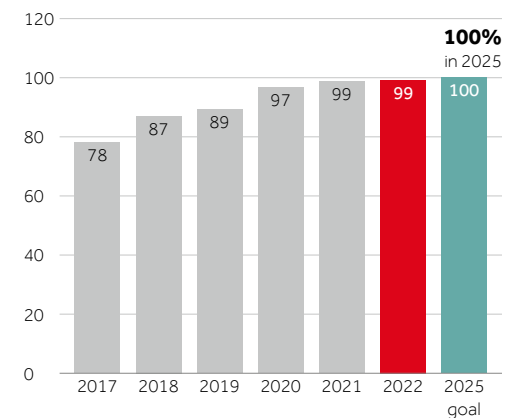
Absolute Scope 1 and 2 CO₂ eq emissions ('000 tonnes)



Absolute Scope 3 CO₂ eq emissions* ('000 tonnes)



Renewable and clean* electricity in operations in the European Union and Switzerland (%)



* All the numbers on this page refer to total CCHBC excluding Egypt unless otherwise stated.

** Recalculation of the baseline emissions (2017) made due to conversion factors change in 2022.

* Recalculation of all emissions made due to conversion factors change.

* Clean source means CHP using natural gas.

Earn our licence to operate *continued*

Progress towards sustainable packaging

Circular-by-design packaging

We believe every package has value and life beyond its initial use and that it should be collected and recycled into a new package or re-used. We also seek to minimise the overall amount of packaging that we use. Together with our suppliers and partners, we are working to design more sustainable packaging and take action to ensure that our packaging doesn't end up as waste.

Our Mission 2025 sustainable packaging commitments

- Recover 75% of our primary packaging for recycling or reuse by 2025
- Make 100% of our primary packaging fully recyclable by 2025
- Increase the percentage of rPET in our bottles to 35% by 2025. In our EU countries and Switzerland, we plan to reach 50% rPET by 2025

2022 achievements

48%

of our total primary packaging was collected in 2022 for recycling or reuse

100%

of our primary packaging is recyclable by design

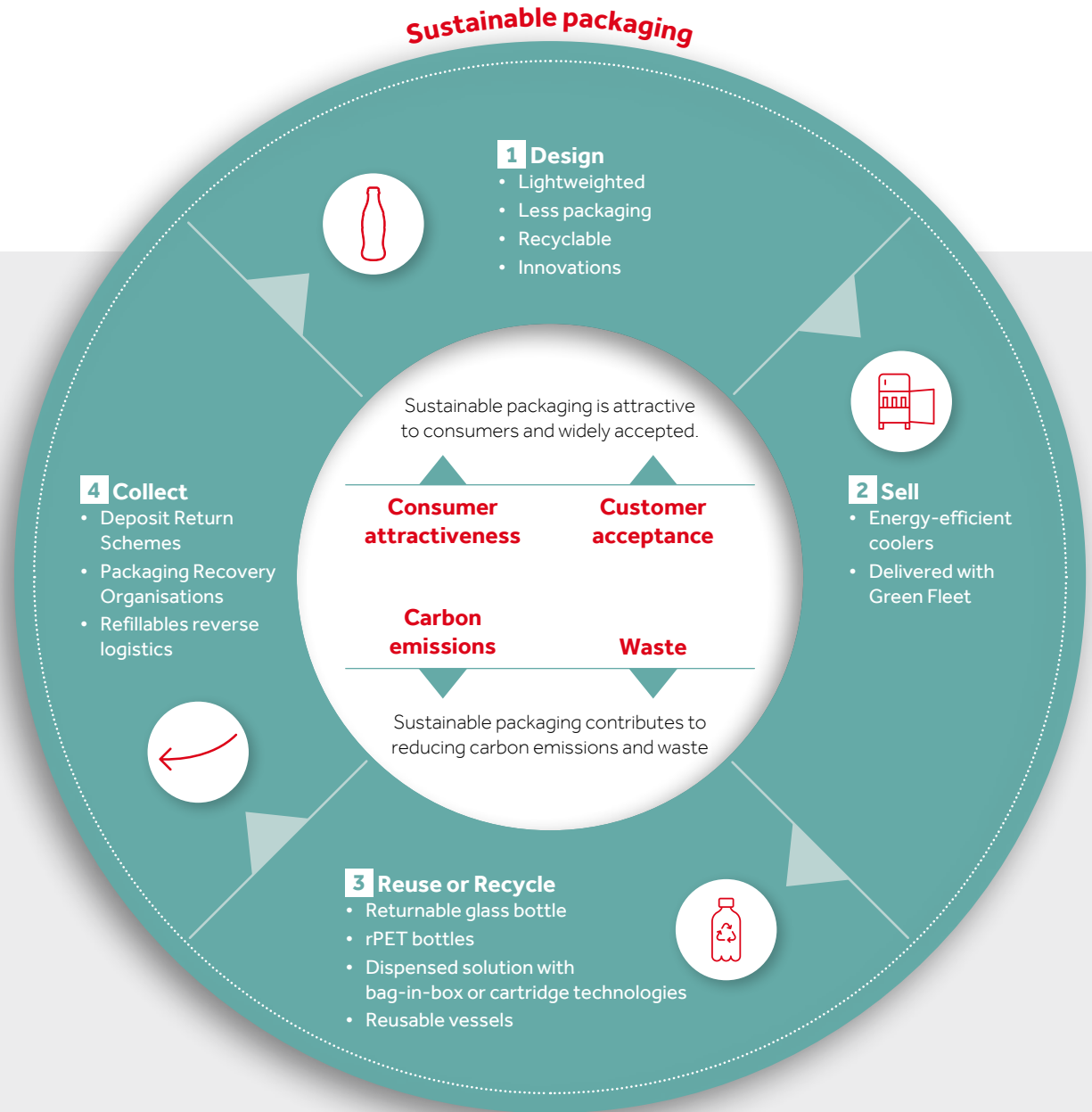
rPET:

10.5%

of the PET that we used across total Coca-Cola HBC markets was rPET

22.3%

of the PET that we used in Coca-Cola HBC EU and Switzerland markets was rPET



Earn our licence to operate *continued*

Investing in in-house rPET production

Italy

In 2022 we converted an old factory in Gaglianico into an innovative hub, which transforms up to 30,000 tonnes of PET per year into new 100% recycled PET preforms, enough to meet our beverage bottling needs in the country. The site is fully powered by electricity from 100% renewable sources leading to a reduction in the CO₂ emissions of producing a preform by up to 70% compared with virgin plastic. The site employs around 40 people and uses advanced recycling technologies. It is able to produce nine types of preforms, performing 4,700 quality checks per day in order to ensure that our high quality standards are met. This is enabling our Italian operation to shift its entire portfolio* to 100% rPET.



Designing in circularity

We use the concept of circular-by-design packaging with objectives of reducing waste and carbon footprint, while maximising commercial value.

- We introduced the first label-free branded water packaging in Switzerland, launching three label-free variants of Valser. The distinctive look differentiates our products while improving the ease of package recycling.
- Our KeelClip™ innovation has allowed us to eliminate plastic packaging from our can multipacks in 22 countries so far, helping us to reduce our plastic packaging footprint.
- Tethered caps: In 2022, we moved to tethered caps in 3 countries (Hungary, Italy and Bulgaria), across various portfolios, including sparkling soft drinks, water and aseptic PET. In 2023, we will continue with this roll-out to ensure full compliance in all EU countries by the Single-Use Plastics Directive (SUPD) deadline.

Shifting to recycled PET

100% of our primary packaging is recyclable by design and we are committed to increasing the use of rPET in our bottles across the Group.

- By 2025 at least 35% of the PET we use to make our bottles across our Group and 50% in EU countries and Switzerland will be recycled plastic.
- In 2022, Switzerland moved all its locally produced portfolio in plastic bottles to 100% rPET.
- Italy and Austria also began transitioning their locally produced PET portfolios* to 100% rPET in Q4 2022.

* Excluding water in Italy.

To help us reach our rPET goals, we are investing in in-house rPET facilities.

We have introduced in-house rPET production technology at plants in Italy*, Poland and Romania.

Our total investment in these technologies will be almost €50 million in 2023.

Supporting reusable beverage systems

We support increasing reusable beverage systems as part of a suite of measures to improve circularity for packaging and to reduce total emissions. We are implementing solutions such as refillable bottles and packageless dispensers, where reusable vessels may be used.

- 12% of total transactions (or packaging units) sold across Coca-Cola HBC markets in 2022 were in refillable containers. Nigeria and North Macedonia have the highest proportion of refillable packaging within their portfolios, both at 35%, while Bulgaria and Croatia have 27% and 29% refillable containers, respectively. Austria is one of the fastest growing refillable markets, from 12% in 2021 to 16% in 2022. We expect this trend to continue in 2023, driven by continued investment and marketing support.
- We continue to innovate with bag-in-box and cartridge technologies. The first Compact Freestyle machines are going live in four of our business units – Switzerland, Austria, the island of Ireland and Italy.
- Moving forward we plan to introduce more initiatives to implement reusable vessels for our packageless solutions, in partnership with our customers.

Improving collection schemes

Our goal is to recover 75% of our primary packaging for recycling or reuse by 2025, and we strive to collect a bottle or can for every one that we sell by 2030. To achieve this, we are investing in circular systems that support high rates of packaging collection, effective recycling and use of recycled materials.

- Deposit Return Schemes (DRS): In 2022, we supported the launch of two new DRS in Slovakia and Latvia, bringing the total number of DRS in Coca-Cola HBC territories to five, including Croatia, Estonia and Lithuania.
- Packaging Recovery Organisations (PROs): Following a successful pilot programme in Moldova, we played an active role in the launch of a new PRO there in late 2022. We look forward to increasing collection rates further in Moldova as a result of this launch, and supporting a similar PRO launch in Ukraine in 2023, subject to developments.

Earn our licence to operate *continued*

Water stewardship

Water is the main component of our beverage production and is essential to our manufacturing processes. We are committed to protect this valuable resource and to reduce the amount of water we use in all our activities. To achieve our Mission 2025 objectives, we are working to minimise water use by 20% in plants that are located in water risk zones. Together with our stakeholders and local communities, we also want to make sure that people in water risk zones where we operate have access to safe, clean water.

All our plants, except the recently acquired Lurisia plant in Italy, Teplice in Czech Republic, Natura in Serbia and Egypt plants are certified by Alliance for Water Stewardship (AWS) which confirms that the plants meet the global benchmark for responsible water stewardship. This certification covers 95% of the plants and 99.6% of the production volume (excluding Egypt plants, Bambi and Tsakiris), and 87% of the plants and 88.8% of the production volume (excluding Bambi and Tsakiris).

The water usage ratio of our priority locations increased slightly in 2022 due to changes in production patterns at several big volume plants. Despite the overall increase, we achieved significant reductions in water consumption at a number of plants. Water use ratio fell by 17% in Heraklion (Greece), 16% in Yerevan (Armenia), 8% in Asejire (Nigeria), and 2% in Rionero (Italy).

Going forward, we continue to implement water reduction plans at priority locations in water risk zones. In addition to upgrading our production facilities with equipment and technologies requiring less water consumption, we are seizing opportunities to reuse water in production facilities, designing full-plant water reuse systems.

Water stewardship program in Nicosia

In 2022 we started, in collaboration with Global Water Partnership – Mediterranean (GWP-Med) and with the support of The Coca-Cola Foundation, a new water stewardship project in Nicosia, in Cyprus, which is one of our water priority locations. The project is designed for Non-Conventional Water Resources (NCWR) technical solutions in a smart-city context. Its scope includes greywater reuse, rainwater harvesting, information & communication technologies for smart watering, water efficiency applications and awareness building. The expected benefit of the project will be around five million litres of saved water annually.

'Zero Drop'

In the community of Profitis Ilias in Heraklion (Greece) we launched 'Zero Drop' programme in partnership with the Global Water Partnership – Mediterranean (GWP-Med) and The Coca-Cola Foundation. A new water piping network will replace the old existing pipes and as a result the treated wastewater will be used for irrigation of adjacent agricultural areas. The estimated current annual losses with the existing piping network are around 10 million litres of treated wastewater which will be saved within the 'Zero Drop' programme.

Mission 2025 target

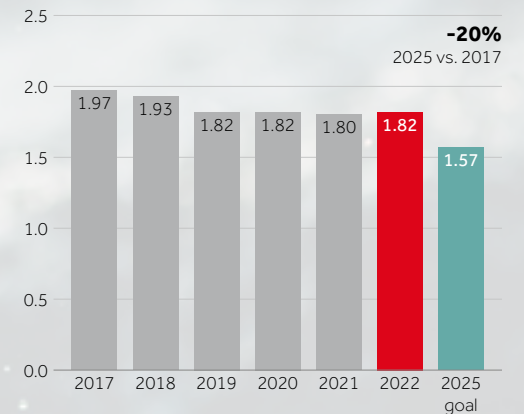
20%

reduction in water use in water risk zones

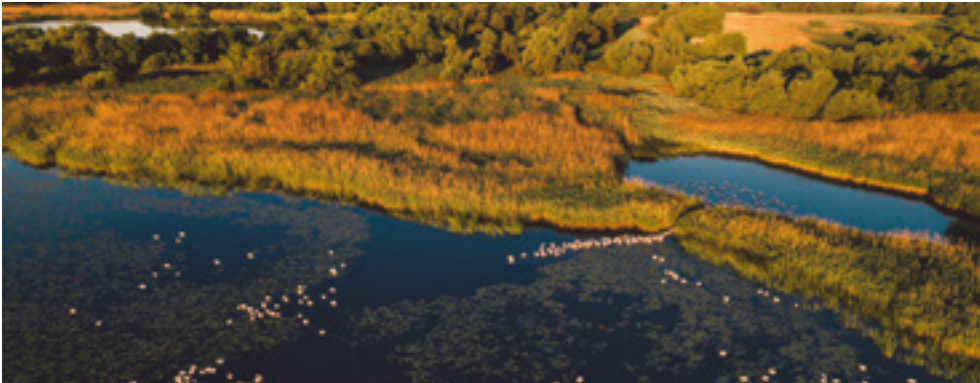
Help secure

water availability for all our communities in water risk areas

Water use ratio in water priority plants (litre/litre of produced beverage)



Earn our licence to operate *continued*



Biodiversity

In 2022, we committed to achieve a net positive impact on biodiversity in critical areas of our operations and supply chain by 2040. We also want to eliminate deforestation in our supply chain by 2030.

We will do this by reducing emissions and water use, preserving and reinstating water priority areas and sourcing agricultural ingredients sustainably. In so doing, we will build adaptation and resilience into our sourcing and operations.

We are working to establish baselines so we can pursue our goal through a science-based

approach. Our efforts will begin with a mapping and materiality assessment on biodiversity across our value chain to help us measure our progress. We are also engaging with partners and collaborating with The Coca-Cola Company to determine priorities, target dates and implementation plans, and will communicate these over time.

In June 2022, we joined the Science Based Targets Network (SBTN) Corporate Engagement Programme. We will work to implement the SBTN's guidance, which provides a framework and tools to focus efforts so both nature and business can thrive.

Partnerships

Only by working together we can build a better, more sustainable and inclusive future. Our success today is only possible due to our strong and professional partners. Notable examples of our partnerships are in the area of sustainable packaging.

We were excited to embark on a new collaboration in 2022 with the [Centre for Enzyme Innovation at the University of Portsmouth](#) in the UK to scale innovations in PET recycling using enzymes.

Professor Andy Pickford, Operations Director at the Centre for Enzyme Innovation said: "There are many benefits to using enzymes to recycle PET, since the process has the potential to deliver infinitely recyclable rPET with virgin-like properties, thus reducing the environmental impact of plastic waste. We are eager to work with Coca-Cola HBC to explore how the process could be translated from the laboratory to commercial scale."

We are already reducing our water consumption and contributing to water security through water replenishment activities, wetland restoration and WASH (water, sanitation and hygiene) projects. We also ensure that 100% of all wastewater from our bottling plants is treated to the levels supporting aquatic life before it is returned to watersheds and nature. These actions protect and reinstate watersheds that foster biodiversity.

Sustainable sourcing

We are committed to sourcing 100% of our key ingredients in line with the Principles for Sustainable Agriculture as set out by The Coca-Cola Company. Of specific importance to achieving our biodiversity goal are the principles on conservation of forests, conservation of natural habitats, biodiversity and ecosystems, soil management and agrochemical management.

Overall, the principles protect and support biodiversity and ecosystems, uphold human and workplace rights, ensure animal health and welfare and help build thriving communities. They apply to farm-level production and form the basis for our continued engagement with Tier 1 suppliers to ensure sustainable long-term supply with lower environmental impact.

We are continuously seeking innovative solutions to make our packaging more sustainable and we understand that science is key to unlocking solutions. For this reason in 2022 we also invited start-up companies to bid for €100k to develop their innovative solutions contributing to circularity.

Our partnership plans for 2023 include increasing the scope of existing partnerships in water and waste reduction and entering new partnerships in support of biodiversity and carbon removal.

Priorities in 2023

- Continue reducing emissions in alignment with our NetZeroBy40 roadmap
- Accelerate decarbonisation of our packaging while connecting these changes with revenue growth
- Support further roll-out of Deposit Return Schemes in CCHBC countries, with a focus on our EU markets. Promote EPR policies and the launch of new packaging collection systems in priority markets, including Ukraine, Egypt and Nigeria
- Complete biodiversity impact study and start designing our action plan
- Expand our partnerships in water and waste reduction, while exploring new areas of partnerships: biodiversity and carbon removal
- Continue focus on #YouthEmpowered as our flagship community programme
- On-going support to communities in need

UN Sustainable Development Goals

Our initiatives in communities help advance the global objectives of good health and wellbeing, and sustainable cities and communities. Our initiatives to empower youth and women contribute to the goals for quality education, decent work and economic growth, sustainable cities and communities, and partnerships. Our initiatives regarding water stewardship, CO₂ emissions reduction and waste reduction aid global progress towards the SDGs for clean water and sanitation, and climate action.

