



4

GROWTH PILLAR

CULTIVATE THE POTENTIAL OF OUR PEOPLE

KPIs	
• Employee engagement	
• Percentage of managers that are women	
• Lost time accident rate	
Stakeholders	
 Our people	
Risks	
• People	
• Geopolitical and macroeconomic	
• Health and safety	

Highlights in 2019

- Evolved approach to values and culture to better support agility, learning and transformation, ensuring we are fit for the future
- Improvement of employee engagement score by 2pp to 90%, compared to 2018
- Established an Agility Centre of Excellence to support improvements in speed to market, productivity and cultural evolution
- Transitioned our robust yet traditional performance management to an employee-driven continuous process, focused on results, behaviours and mindset
- Improved our social media presence to engage and attract the best talent
- The Board appointed Charlotte Boyle as the designated non-Executive Director for workforce engagement

Priorities in 2020

- Inspiring and activating our people to live our culture
- Investment in transformational leadership and the personal growth of our people
- Accelerating the development of our six prioritised organisational growth capabilities
- A step change to the digital and personal ambassadorship of our leaders in order to attract the best talent
- Fostering agile ways of working to improve the productivity of our empowered and motivated teams



Cultivating the potential of our people is one of the five pillars of our growth strategy. We know that to achieve our vision and our growth objectives, we need to develop our people, our culture and our critical organisational capabilities with even greater speed and effectiveness. We also understand that in this dynamic talent market the relationship between organisations and their people is changing.

We aim to make our Company an irresistible place to work, where employees feel heard, valued, supported and motivated to realise their full potential. To attract and retain the capable, committed people our business requires, we strive to provide a workplace where:

- Talented people have the opportunity for unique, personalised experiences and personal and professional growth;
- Our talent pipeline is a source of adaptive and disruptive leaders who are fully fit for the future;
- High achievers and curious learners are empowered to make decisions and take smart risks; and
- Learning is deeply embedded while diversity is leveraged as a source of energy and innovation.

An inclusive culture to empower people

One of our greatest strengths is our values-based culture which is built on six Growth Mindset Values. As our Company evolves in the face of changes in our operating environment, we advanced our enduring values in 2019.

Next to the timeless values of excellence and customer-centricity, we are increasing focus on the continual learning and smart risk-taking necessary to manage fast-paced change.

We know that introducing new values is not enough; culture must be embedded throughout the organisation and progress measured. We use employee engagement surveys, evidence-based feedback from direct reports, peers and customers and quarterly reflection on how employees demonstrate growth mindset behaviours to understand how our culture evolves.

To bring our culture to life, we fostered internal discussions about our behaviours and mindset at Culture Lab workshops held across the Company in 2019. As we move forward, our focus is on embedding our culture into ways of working, structures and processes across our markets. We also aligned our employee engagement survey with our new values, sharpened its focus and increased the survey frequency from once to twice a year.

We know that committed employees provide the best experience for our customers, and we therefore listen to their voice carefully and act on what we hear.

In 2019, our Employee Engagement Index score improved by two percentage points from 2018, to 90%. We kept participation quite high, at 87% of our people, despite keeping the survey open for only three days.

By partnering with Willis Towers Watson, we are able to benchmark our performance against other companies in our industry and in the Coca-Cola System, as well as other high-performing companies. Our 2019 results strengthened our leading position in our industry and among the Coca-Cola System companies. Our score is 1% above the Willis Towers Watson's high-performing norm and considerably higher than the 81% average for FTSE 100 companies participating in the Willis Towers Watson benchmarking pool.

Engagement survey respondents reported that they are proud to be part of the company and, compared with 2018, were 2% more likely to recommend Coca-Cola HBC as a good place to work. Respondents also expressed an interest in more clarity about the Company's strategy.

Our six Growth Mindset Values are:

WINNING WITH CUSTOMERS

We are the selling organisation devoted to providing innovative solutions to create shared value.

NURTURING OUR PEOPLE

We believe in our people, and have a passion to develop ourselves and others.

EXCELLENCE

We strive for unparalleled performance by amazing customers with our passion and speed.

INTEGRITY

We always do what is right, not just what is easy, and are accountable for the results.

LEARNING

We listen, have a natural curiosity to learn and are empowered to take smart risks.

PERFORMING AS ONE

We collaborate with agility to unlock the unique strength of our diverse teams.

Cultivate the potential of our people continued

Managing performance for growth

We made a very bold change in our performance management approach in 2019, moving from manager-led performance to continuous conversations focused on results, behaviours and mindset with mutual accountability. These feedback loops are a critical part of evolving our culture and supporting continuous learning and agility.

We are especially proud of the high participation rates in evidence-based feedback sessions where our people and teams provide continuous feedback and learn from each other. In the last quarter of 2019, more than 80% of our people provided feedback to their teams.

We also simplified our leadership model during 2019, introducing new leadership standards with six prioritised leadership capabilities. These are: empowers, thinks customers, fosters agility, collaborates, builds talent and drives impact. These six capabilities focus on both results and behaviours to ensure that our people balance short- and long-term objectives and demonstrate desired growth behaviours.

In our effort to foster agility, we established a centre of expertise for agile working in 2019 with a multi-year plan to introduce the agile methodology, run projects and introduce elements of agility into our culture and organisation. Through this effort, we conducted eight major projects and trained 195 employees in our selected framework for fostering agility. Our aim is to use agility to deliver high quality results for customers faster and to prioritise, simplify, and improve the productivity of our teams.

In 2019, we further digitalised our workplace and introduced cloud-based applications for ongoing feedback and performance management as part of our HELO (hiring, empowering and learning online) platform. We also upgraded technologies for personalised learning as well as for talent identification and selection. The video interviewing and the new selection applications improve candidate experience, provide additional insights for selection decisions and improve hiring speed. HELO is available to all our online employees, democratising learning, accelerating development and helping our people fulfil their potential.

Invest in building the best teams in the industry

In addition to introducing six prioritised leadership capabilities for our people, as a Company we are focusing on six organisational capabilities that can accelerate our growth and performance.

Our investments in attracting talent, training, technology and process improvements are driven by these priorities: big data and advanced analytics, revenue growth management, route to market, key account management, disciplined innovation and talent development.

Through our ongoing Innovation for Growth initiative, 6,600 participating employees generated 4,700 new ideas in 2019, twice the amount generated in 2018. In 2020, we will step up our focus and investment in this programme and we will launch an upgraded platform that will support faster realisation of new ideas.

To engage people and maximise learning from critical work experiences, development programmes use a mix of in-person and online training. 95% of online employees completed digital learning programmes in 2019.

Our use of digital learning further increased in 2019, reaching 70% of all programmes completed. Learning through conversations and knowledge sharing complements formal learning. In 2019, 286 employees participated in mentoring and 568 in formal leadership coaching programmes.

Leadership acceleration centres have been established to support unlocking the potential of our talents and the development of future leaders. This helps our people understand their strengths and the areas of opportunity for development in their current and future roles. We also use functional development centres to accelerate functional expertise in our six prioritised organisational capabilities.

To accelerate the development of more than 600 people with leadership potential, we further improved experiential learning through our Fast Forward programmes. This programme received the 2019 Excellence in Practice Award from the Association for Talent Development. Within 12 months of graduating from this high-potential programme, 81% of the graduates were promoted. Promotion rates among the graduates of our management trainee programme improved as well due to our efforts to create a more effective entry point for our leadership pipeline.

Attracting and developing talent

To support our efforts to recruit the best teams, we refreshed our employer value proposition and improved our social media presence. Investments in recruiting help us retain nine out of ten new hires.

We are particularly proud of the 60 recognitions we received across our 28 countries, reflecting different measurements of employer attractiveness.

The number of people following Coca-Cola HBC as an employer on social media also increased by more than 50%, exceeding 300,000 followers by the end of 2019.

Our ability to develop leaders internally is an important competitive advantage, ensuring cultural continuity. Career progression depends on long-term performance and potential, as well as alignment with our values. In 2019, we simplified our talent review approach, making the career outlook for our people more understandable and eliminating unnecessary complexity. Our focus on succession for business unit function heads also paid off as we increased our successor pool for this critical workforce segment in 2019.

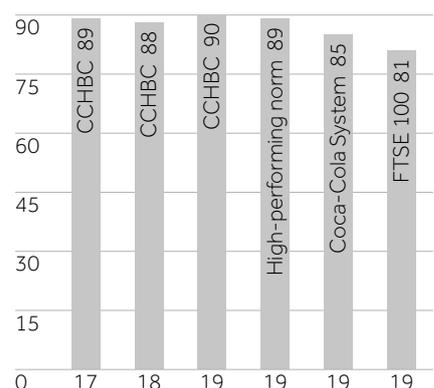
Our leadership plays an essential role in ensuring that we have the best teams, with every leader accountable for attracting, developing, retaining and engaging the right talent, and then empowering them to execute our strategy. We remain committed to enhancing talent development as our lighthouse organisational capability.

Championing diversity, inclusion and human rights

Respect for individuals is at the core of our values and we foster behaviours that create an inclusive culture. These behaviours can be found in our formal Inclusion and Diversity Policy, our Code of Business Conduct and our Human Rights Policy which can be found online at <https://coca-colahellenic.com/en/about-us/policies>.

One of our 2025 sustainability commitments is to achieve full gender balance in managerial positions. Our CEO also formalised our commitment to diversity and inclusion in 2019 by signing the CEO pledge of the LEAD Network Europe, which aims to accelerate gender parity and drive inclusion. In support of gender balance, we are building a strong pipeline of female leaders and a support network to help women in our business.

Employee engagement: outperforming peer companies (%)



We increased the percentage of management roles held by women by 1pp in 2019, to 38% compared with 37% in 2018. At the end of 2019, women made up 29% of our total workforce. Our newly established Diversity and Inclusion Council closely monitors our progress.

We foster diversity in our talent pipeline by recruiting a balanced number of male and female management trainees. In keeping with this approach, 62% of the management trainees we hired in 2019 were women.

To promote awareness and understanding of the importance of diversity and inclusion for our business, we launched a diversity and inclusion communication campaign. Also in 2019, leadership modules to develop ambassadors of inclusion were launched in five languages.

Our Human Rights Policy covers diversity, collective bargaining and workplace security and is guided by international human rights principles, such as the International Labour Organization’s international labour standards and the UN Guiding Principles on Business and Human Rights (also known as the Ruggie Framework). Given that we also expect our partners to respect these workplace values, our Supplier Guiding Principles are aligned with our Human Rights Policy.



UN Sustainable Development Goals

Efforts to foster an engaging workplace, nurture and develop the capabilities of our people, increase gender balance in our management ranks and reduce stress and support employee wellbeing all contribute toward global goals for development. The specific Sustainable Development Goals supported are those for: good health and wellbeing; gender equality; decent work and economic growth; reducing inequalities; and peace, justice and strong institutions.

We regularly review our policies and internal standards to ensure we adhere to all applicable laws and regulations. In line with that, in 2019 we updated our Code of Business Conduct. To ensure awareness and understanding across our entire workforce, our Code of Business Conduct is acknowledged by all employees.

To ensure we continue to drive improvement in this area, in 2019 we held a cross-functional workshop on human rights with external guests to challenge our thinking.

In addition, we have a well-publicised whistleblower system, and we investigate all reported issues and incidents.

Health and safety

The health and safety of our people and contractors is managed as a principal risk, emphasising the critical importance of ensuring the wellbeing of everyone in our workplaces.

While the number of employee workplace accidents fell for the tenth consecutive year in 2019, regrettably, nine contractors died in road accidents. There were no employee fatalities. The Lost Time Accident Rate (LTAR) was 0.33, compared with 0.39 in 2018. All contractors are invited to attend a safety induction course and other ongoing training.

Our fleet safety training programmes aim to improve safety for all drivers within the Group. The blend of online, classroom and on-the-road training elements is adjusted for different groups, reflecting their relative risk classification. Overall, 5,407 participants completed these programmes in 2019, with an average 7% safety knowledge improvement.

To reduce the number of road accidents, we continued installing collision avoidance technology in fleet vehicles. OEM or MobilEye driver warning systems have now been installed in 71.7% of the Group’s light fleet vehicles.

As a result of these efforts, the number of accidents per million kilometres travelled fell to 2.63, compared with 3.67 in 2018. This was our seventh consecutive year of improvement, resulting in a cumulative reduction of 71%.

While we have made much progress in ensuring safety, we are determined to do more. In 2019, we extended our behaviour-based safety programme to 53 manufacturing plants, 51 warehouses and commercial teams in five countries. Of the barriers to safety identified under this programme in 2019, 76% have been eliminated.

Support for wellbeing

At Coca-Cola HBC, all of our employees have access to a range of health and wellbeing programmes. Our approach to employee wellbeing exemplifies our values and enhances engagement and productivity.

To help employees financially, we offer benefits such as pensions, a savings scheme and life insurance, and assistance with financial planning and literacy. Emotional wellbeing is addressed through on-site counselling, relaxation techniques, and energy balance programmes. To support social wellbeing, we host events for families and employee bonding and team building.

We have developed a Health and Dependent Care Framework designed to address the wellbeing needs of our employees. In each of our countries, employees are offered at least one programme option for both health and dependent care. Healthcare initiatives include medical and health insurance benefits, preventative measures such as medical check-ups, subsidised gym memberships and nutrition information. We also offer our people a range of dependent care initiatives, including dependent care leave, subsidies for school activities and supplies, internships and career days.

Across the Company, we promote the use of flexible working. Under our flexible working framework, over a quarter of our total workforce now has options for flex-time, remote working, job sharing, part-time work and compressed working arrangements. Flexible working arrangements involve a partnership between managers and employees that supports wellness and productivity.

Lost Time Accident Rate trend
(# LTA per 100 FTE)

