



**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 2019 Integrated Annual Report, which combined with the 2019 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 2019 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 (99.6%) of our production volume now comes from plants that are certified for quality (ISO 9001), environment (ISO 14001), health and safety (OHSAS 18001 and ISO 45000) and food safety (ISO 22000 and FSSC 22000).

#### 1.1.2 Value chain implementation

Our supply chain is the biggest contributor to our impacts, particularly from an environmental perspective. To address this, we work with our suppliers, NGOs 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 CO<sub>2</sub> 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: a Human Rights Policy, including explicit reference to the UN Framework and Guiding Principles on Business and Human Rights (the Ruggie Framework) and the ILO International Labour Standards; Supplier Guiding Principles; Slavery and Human Trafficking Statement; Inclusion and Diversity Policy; Occupational Health and Safety Policy; and HIV-AIDS Policy.
- Building on our 2018 announcement of 50% women managers by 2025 as one of our Mission 2025 sustainability commitments, we have run diversity and inclusion campaigns to raise awareness and understanding, as well as launched Inclusive Leadership modules to drive the behaviours needed for an inclusive environment. A Diversity and Inclusion Council was also established to help guide work across CCHBC; and the CEO has signed up to the CEO pledge of the LEAD Europe Network to accelerate gender equality and inclusion.
- 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 2019, 53\* bottling plants were operational, 52 of which were certified to OHSAS 18001/ISO 4500, 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.

(\*): In 2019 we acquired three plants however their integration is still on-going, and we have had operational control over 53 bottling plants in total in 2019.

#### **1.1.5 Effective monitoring and evaluation mechanisms of human rights integration**

- Regular reviews ensure that we adhere to all applicable laws and regulations, our Code of Business Conduct and internal standards.
- Certification on a regular basis confirms that we are in legal compliance, processes are well implemented, targets are set and reached, and reporting is timely and accurate.
- Both suppliers and Company-owned operations are subject to independent assessments of workplace conditions.
- We have a well-publicly communicated whistle-blower system, with all concerns investigated.
- Coca-Cola HBC received no fines for non-compliance with human rights-related laws and regulations in 2019.

### **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"), is the principal tool to reinforce 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 confirm adherence to our SGPs. Moreover, the SGPs are part of all issued tenders and referenced in the purchase orders sent to suppliers. As of 2015, all new suppliers acknowledge to adhere to our SGPs.
- We maintain transparency throughout our supply base through The Coca-Cola Company's Supplier Guiding Principles compliance audits for raw & primary packaging materials and our membership in EcoVadis from 2017 onwards. Ecovadis 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 recognise supplier certifications as per international standards including ISO 9001, 14001, 50001, FSSC 2200 and OHSAS 18001. For agricultural commodities, we are aligning with the wider industry to recognise the Rain Forest Alliance, Fair Trade, Bon Sucro and the Sustainable Agriculture Initiative Platform (SAI Platform). Through our Workplace accountability audits within 3-years audit cycle, all of the long-term contractors and contracted services on-site are assessed in human rights.
- We also have a commitment to engage in social dialogue in the communities where we live and work. Various community development and investment initiatives that serve the needs of the communities in the countries where we operate are included in our 2019 Integrated Annual Report, in the section "Earn our license to operate".

#### **1.1.7 Effective management systems to integrate the labour principles**

- We have independent 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 2019 GRI Index.
- We work to improve working conditions in informal packaging collection systems.
- We participate in industry initiatives, e.g. SAI Platform, AIM-Progress, ECOVADIS, WWF Water Risk Filter through our Procurement function.

#### **1.1.8 Effective monitoring and evaluation mechanisms of labour principles integration**

- Regular reviews ensure that we adhere to all applicable labour laws and regulations and internal standards.
- Independent audits are undertaken of both Company and supplier workplaces.
- We have a well-publicised whistle-blower system, with all contacts investigated.
- Coca-Cola HBC received no significant fines for non-compliance with labour laws and regulations in 2019.

## **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 – having achieved some of them earlier on and with a great progress of the others, we have issued 17 new Sustainability commitments by 2025.
- Since 2011, 100% of wastewater is treated to a level that supports aquatic life.
- We develop energy-efficient HFC-free refrigerators (coolers) with suppliers - up to 57% more energy-efficient than 2004 models. Those helped to save up to 12% of electricity at our customers, despite increase of number of coolers.
- We have installed (10 in a partnership, 3 owned) 13 CHP plants in our production sites in Nigeria, Ukraine, Romania, Poland, Italy, Northern Ireland, reducing scope 1 and 2 emissions at each bottling plant by at least 51% vs 2010.
- In 2015, we have committed to four of the 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 value chain.
- Since 2006 we have made public Environmental commitments. Our recent sustainability commitments, called Mission 2025 include six pillars, among them carbon emissions, water stewardship, World Without Waste, sustainable sourcing.
- Cross-functional team in place which works together with our partners from The Coca-Cola Company for building and executing a Packaging strategy towards the "World Without Waste" System initiative.
- At the end of 2017, our CFO signed the support letter to TCFD (Task Force on Climate-related Financial Disclosure) and we are committed to implement TCFD recommendations. The Board continued to have oversight of climate-related risks and opportunity through the activities of the Social Responsibility Committee and the Audit and Risk Committee.

### **1.1.10 Effective management systems to integrate the environmental principles**

- During 2019, 53 bottling plants were operational, 52 of which had achieved ISO 14001 certification, accounting for 99.6% of volume (the only one not certified plant is Maiduguri plant in Nigeria due to security reasons).
- By the end of 2019, we have achieved 38 certificates in water stewardship (in compliance with either the European Water Stewardship Standard (EWS) or Alliance for Water Stewardship Standard (AWS)). 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 our countries, we have a Carbon and Water Champion who works with the Group Carbon and Water team to plan, investigate, track and implement carbon and water reduction initiatives.
- Since 2016, each country is working with their appointed Packaging Champion on the development & execution of packaging roadmaps to achieve our sustainable packaging commitments. We have a robust process on the Group level to monitor and drive the progress.
- Our environmental priorities (Carbon & Water reduction, Packaging & Waste reduction, Renewable energy purchases and use of recycled packaging) are part of each country's Business Plan process.
- Environmental KPIs are part of our integrated software for performance review - BPMS (Business Performance Management System) - and all data, progress and actions are available monthly.

### **1.1.11 Effective monitoring and evaluation mechanisms for environmental stewardship**

- Regular reviews conducted to confirm compliance to all applicable environmental laws, regulations & internal standards.
- Environmental management systems and data at all bottling plants are audited annually by independent parties.
- Customised software in place for collecting, reporting, tracking and conducting trend analysis of all Environmental data per plant/country/segment/company.
- Regular internal audits assure that all plants meet environmental requirements (both legal and internal).
- Regular performance review meetings held at plant, country and Group level (at least monthly) for main environmental KPIs.
- Sustainability team at Group level and Country Carbon & Water Champions in place, reporting progress on carbon/water/energy/packaging reduction quarterly to Senior Management.
- Regular meetings (webinars) held, at which people responsible for environmental issues at corporate and country level discuss performance and share best practices.

- Intranet-based system in place, for sharing successful practices from all countries and tracking replication in other countries. Within the 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.

## **Robust Anti-Corruption Management Policies & Procedures**

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

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

### **1.1.13 Effective management systems to integrate the anti-corruption principle**

- All employees undergo mandatory training and certification in the Code of Business Conduct and the Anti-Bribery Policy (2-year cycle).
- Additional training sessions are developed by the legal department for senior management, which includes risk zone employees, to target specific risks faced by each regional function.
- In our policy there is a threshold for which items need approvals and we require employees to obtain prior legal approvals before extending value to public officials or hiring any third party to represent us with public officials. We require employees to accurately record expenses related to dealings with public officials and commercial parties.
- We routinely conduct third-party due diligence to ensure that third parties interacting on our behalf with public officials are carefully chosen against our anti-corruption criteria and agree to abide by our Anti-Bribery Policy.
- To foster an integrity culture, we run an annual 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 a confidential and independently operated whistle-blower "Speak-Up!" line, available in all Coca-Cola HBC countries in local languages. We also have an open-door policy.
- The confidential whistle-blowing line is available also externally. Additionally, consumers can use the dedicated complaint lines, available in our countries.
- We commit to protecting from retaliation those who raise concerns in good faith.

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

- We audit compliance with Anti-Bribery Policy which includes conduct Anti-Bribery due diligence for third parties interacting on our behalf with Public Officials.
- All contacts are investigated, and any material issues are reported to the Audit and Risk Committee.
- All violations of our Code result in disciplinary action, even dismissal.
- Our whistle-blower system is 3rd party and it is audited by their external auditors. We have internal controls which are checked by Internal Corporate Audit team and the Internal Control team tests compliance with our responses to the reports received. As part of the assurance statement of our Integrated Annual Report, every year a 3<sup>rd</sup> party independent auditor (Denkstatt) verifies the evidences for the number of contacts we report.
- Independent audits of raw and primary packaging supplier sites are conducted in collaboration with the Coca-Cola Company (TCCC): 74 audits performed by TCCC in 2019.
- We introduced Ecovadis platform in 2017 and assessed > 500 suppliers. The average overall score for our suppliers is 50.0 and it is above the average score (42.4) of EcoVadis universe. 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 CO<sub>2</sub> 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 three strategic focus areas are: 1) youth development (youth empowered), 2) world without waste, 3) water stewardship. Additionally, all markets are encouraged to invest in local wellbeing, including emergency relief. Most of our community funding was channelled into the three strategic areas in 2019. For more information, please see the section "Earn our licence to operate" of the 2019 Integrated Annual Report (IAR), pages 42-45.
- In 2019 we invested more than €10.6 million into community programmes, which is 34% increase vs. last year.

### 1.1.17 Advocacy and public policy engagement

- At Coca-Cola HBC, we table our advocacy efforts mainly through trade associations, which represent companies, organisations, causes and industries. We may also engage in limited direct advocacy through paid agencies in circumstances where trade associations are either not active or cannot meet our requirements. The scope of our advocacy is wide, but we concentrate on the following areas: Product-specific policies, such as taxes, restrictions or regulations, environmental policy and Health & Nutrition. For more details please see our Public Policy Engagement document at: <https://coca-colahellenic.com/en/about-us/policies/public-policy-engagement/>
- 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.
- As part of our approach to waste, we have committed to engage in 20 Zero Waste partnerships either with cities or along coastlines. We piloted this approach under the brand Zero Waste City with the City of Thessaloniki, Greece in 2018. Based on the first results, we introduced guidelines in 2019 to facilitate more Zero Waste City partnerships in our markets and at the end of 2019 we have in total seven Zero Waste City (or coast) partnerships at local level in Russia, Czech Republic, Greece, Hungary, Ukraine and Austria.
- We support 19 packaging waste management schemes across our markets, and we have a Group-wide policy on packaging waste and recycling, which provides the framework within which our countries operate.
- Continuing our partnering in collection of packaging we place on the market. We are working with the industry and the governments in our markets where we do not have established recovery organizations. In Nigeria and Russia, we have established newly formed recovery organizations, expected to be operational within 2020 and we are also in discussions with key partners and stakeholders to do so in Ukraine, Armenia and Moldova.
- We also supported the establishment in Austria of the first PET-to-PET recycling plant, closing the recycling loop.
- We partner with local stakeholders and NGOs to deliver even more than our legal compliance. In Poland through extra projects we have managed to recover almost 3,000 tonnes of PET in addition to our recovery organization's efforts.
- We spearheaded initiatives to clean up coastlines. In Cyprus, through our local Zero Waste Beach project, we recovered more than 600kg of recyclables, 300 kg of which was glass.

- Through a partnership project with International Ocean Conservancy, more than 400 Coca-Cola HBC people collected more than 500 bags of litter, or three tonnes of waste, on Ireland's coast. We also partnered with Centra stores in the heart of coastal communities to encourage consumers to join the Big Beach Clean.
- The calculation methodology has been changed in 2019 compared to 2018, to align with the updated methodology outlined in 'The Coca-Cola Company Guidance & Guidelines for World Without Waste Metrics'. The updated methodology brings refillable packaging in scope, such as returnable glass bottles, by adding the refillable return rates. We have also converted the calculations from weight equivalent (e.g. tonnages placed on the market and recovered) to unit equivalent (e.g. number of bottles/cans). This step provides a more accurate picture for recovery by removing the bias that could be introduced by heavier packaging types, such as glass. Using this methodology, CCHBC markets altogether recovered for recycling the equivalent of 48% of primary packaging placed on the market in 2019, through legally required, voluntary or directly funded projects and/or initiatives
- Maintaining the long-term sustainability of the watersheds around our bottling plants is important to our business and to our relationships with local communities.
- Our approach to water stewardship begins with a focus on our own water use. We protect the water resources supplying our facilities, reduce the amount of water we use to produce our soft drinks and treat waste water to levels that support aquatic life. We also partner with suppliers to minimise our water footprint across the value chain.
- To replenish the water we use, and help water access through innovative sustainable technologies, we have a 2025 sustainability commitment to help secure water availability for all our communities in water-risk areas.
- Using indicators from the World Wide Fund for Nature's Water Risk Filter and Global Water Tool, we have identified 16 of our plants as operating in water-risk areas. This includes facilities in Nigeria, Russia, Greece, Cyprus and Armenia. Moving forward, we will focus on either water access initiatives or on replenishment activities. For all these, we will seek partnerships with the Coca-Cola System, other companies operating in the relevant watershed area and international organisations. In 2019 we reported four water stewardship projects: in Armenia, Cyprus and Nigeria as part of our Mission 2025 sustainability commitments.
- Youth development is a key area where we work with NGOs, government agencies and other technical experts. In 2019 we trained 118,053 young people through our flagship community program #YouthEmpowered. Cumulatively, since its start in 2017, the programme has helped 203,865 young people across our 28 markets. For more information, please see section "Earn our licence to operate" of our 2019 IAR, p. 42-45.
- In 2019 we have partnered in total with more than 570 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 the different sections of the 2019 Integrated Annual Report.
- The CEO has incentivised targets related to leadership position of our company at DJSI World which includes all 3 dimensions of Sustainability (Economic, Social and Environmental), as do other Operational Committee members.
- Sustainability commitments are part of each CEO's quarterly update to the employees.
- The CEO is actively involved in our sustainability agenda and regularly attends quarterly meetings of the Board's Social Responsibility Committee.
- The CEO also participates in 'top-to-top' meetings with partners such as The Coca-Cola Company and other bottlers to ensure alignment of priorities including sustainability issues, strategies and targets.

### **1.1.20 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, The Coca-Cola Company, and the communities which we are part of.

- Our annual Stakeholder Forum brings together academics, government, industry, suppliers, customers, NGOs and other participants in our value chain. Please see more about this in the materiality section of our 2019 Integrated Annual Report.
- The 2019 stakeholder forum was held in Athens, Greece, in a market where two of our three manufacturing facilities are facing some water risk. Together with The Coca-Cola Company, we welcomed 34 participants from 20 countries, including customers, industry associations, nongovernmental organisations, policy makers, investors and peer companies. Discussions covered three main areas: using water more efficiently in our operations and in value chain; establishing water stewardship initiatives with local communities (stakeholder partnerships); and helping to educate local households on more efficient use of water. 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 2019 Integrated Annual Report, which together with the 2019 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
<b>1. Direct Operations</b>	



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- 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.
- By the end of 2019, 38 of our manufacturing sites in 18 countries have achieved international certification in Water Stewardship (either European Water Stewardship Certification or Alliance for Water Stewardship certification).
  - 67% reduction in direct water footprint since 2004.
  - We have a commitment to reduce the water usage intensity in manufacturing sites by 30% by 2020 vs. 2010 and in 2019 we reached 24.2% reduction vs. 2010.
  - In 2018, as part of our Mission 2025 sustainability commitments, we set 2 new water-related commitments which focus in the areas of water risk: reduce water usage ratio in manufacturing plants with water risk by 20% by 2025 vs. 2017 and help secure water availability in all communities in water risk in which we operate.
  - 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 WWF Water Risk Filter to define the sites with water risk.
  - Thorough environmental due diligence process, including water availability/quality prior to any acquisition, merger, divestment/investment.
  - During 2019, 53 plants were in operation, out of which 52 were ISO 14001-certified, accounting for 99.6% of 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.
  - Customised water efficiency/optimization initiatives in each of the bottling plants.
  - Invested roughly €6 million in water reduction initiatives in 2019.
  - 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.
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## 2. Supply Chain and Watershed Management

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- Encourage suppliers to improve water conservation, quality monitoring, wastewater treatment, recycling.
- Encourage suppliers to assess their water usage and impacts.
- Share water sustainability practices – established and emerging – with suppliers.
- Encourage major suppliers to regularly report progress against goals.
- Build capacities to analyse and respond to watershed risk.
- Commitment to certify 100% by 2025 of our key agricultural ingredients against 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 critical suppliers (Energy & GHG, Water, Biodiversity part of the criteria covered for Environmental area). Progress per supplier is monitored.
- Sustainable agriculture programme.
- Supplier Guiding Principles.
- Critical Suppliers risk assessment includes water stress risk and it is updated annually.
- WWF Water Risk Filter is used for identifying water and overall environmental risk for all critical suppliers and is updated regularly.
- Water footprint measures are used in supply chain.
- Bi-annual risk assessments study of local context for bottling plants.
- Source vulnerability assessments at all plants.
- Source water protection programmes at all plants.
- Commitment to achieve 100% certification of all plants by 2020 by the European Water Stewardship or Alliance for Water Stewardship standard.
- Environmental and watershed protection partnerships in 23 countries.

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## 3. Collective Action

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- Build ties with civil society organisations, especially regional and local.
  - Work with national, regional and local governments and authorities to address water sustainability issues and policies, as well as with relevant international bodies.
  - Encourage development and use of technologies, including efficient irrigation methods, new plant varieties, drought resistance, water efficiency and salt tolerance.
  - Actively support Country Networks of the UN Global Compact.
  - Support water initiatives and collaborate with UN bodies and IGOs.
  - Actively support Country Networks of the UN Global Compact.
  - 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.
  - 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.
  - Our approach to water stewardship begins with a focus
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on our own water use. We protect the water resources supplying our facilities, reduce the amount of water we use to produce our soft drinks and treat waste water to levels that support aquatic life. We also partner with suppliers to minimise our water footprint across the value chain.

- To replenish the water we use and help water access through innovative sustainable technologies, we have a 2025 sustainability commitment to help secure water availability for all our communities in water-risk areas.
- Using indicators from the World Wide Fund for Nature's Water Risk Filter and Global Water Tool, we have identified 16 of our plants as operating in water-risk areas. For all these, we will seek partnerships with the Coca-Cola System, other companies operating in the relevant watershed area and international organisations.

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#### 4. Public Policy

- 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](http://www.icpdr.org).
- Founding member of the Water Footprint Network.
- Founder signatory of the CEO Water Mandate.
- See more at our Public Policy Engagement document at <https://coca-colahellenic.com/en/about-us/policies/public-policy-engagement>

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#### 5. Community Engagement

- 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, to ease the country's water shortage issue.
- Bi-annual risk assessments study on water and sanitation in local communities.

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## 6. Transparency

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- 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](http://www.coca-colahellenic.com)).
  - Use Global Water Tool and WWF Water risk filter for identification of production sites which are in the area of river basins with water stress, to plan and implement solid water use reduction actions.
  - Use WWF Water risk filter for identifying the water risk at supplier level.
  - Water stewardship sustainability pillar is part of the overall Sustainability section on our website.
  - All data validated by an external international organization through on-site audits and interviews, among 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](http://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	Coca-Cola HBC's progress
<p>Taking practical actions now to increase the efficiency of energy usage and to reduce the carbon burden of our products, services and processes, to set voluntary targets for doing so, and to report publicly on the achievement of those targets annually in our COP for climate.</p>	<ul style="list-style-type: none"> <li>- Improved energy efficiency (per litre of produced beverage) by 31% in 2019 vs. 2010.</li> <li>- Reduced total absolute energy usage in 2019 by 27% vs. 2010. In 2019, at the same time increasing production volume. We have invested €6 million into energy reduction projects at plants.</li> <li>- Reduced absolute emissions from operations (Scope 1 &amp; 2) by 48% and emissions intensity (Scope 1 &amp; 2 per litre of beverage) by 51% since 2010. This is better than our commitment (to reduce carbon emissions intensity from our operations by 50% by 2020 vs. 2010). In 2018 the reduction was 42% vs. 2010.</li> <li>- In 2018, two year ahead of the target year of 2020 we reached our science-based carbon reduction target approved in 2016 by the World Resources Institute (WRI), acc. to 2-degree pathway: we reached 25% CO2 intensity reduction in our value chain vs. 2010.</li> <li>- Further CO2 reduction goal: decrease carbon intensity across the whole value chain by 33% by 2020 vs. 2010: In 2019 we achieved 31% reduction vs 2010, reduced absolute emissions by 26% vs 2010.</li> <li>- Four new climate commitments set in 2018, with the baseline year of 2017 and target year of 2025: reduce carbon emissions intensity in direct operations by 30%; achieve 50% renewable&amp;clean energy out of total energy used in all manufacturing sites; use 100% renewable&amp;clean electricity in the manufacturing plants in EU &amp; Switzerland; 50% of all coolers we provide to our customers to be energy-efficient and eco-friendly.</li> <li>- Current amount (in 2019) of renewable&amp;clean energy used across all of our manufacturing plants is 42.4%.</li> <li>- Use 13 on-site CHP plants. Each reduces plant emissions by at least 40%, with food-grade CO2 recovery further boosting this figure.</li> <li>- Renewable energy projects on-site include Photo Voltaic panels in Italy, Austria and Switzerland, heat pumps in Hungary, Bosnia and using of biogas from own Waste water treatment plants in Russia.</li> <li>- In 2019 plant in Vals was certified as carbon neutral.</li> <li>- Programmes include: 'Top 18 Energy Saving projects and 10 Most Basic Energy Savers' in all plants and customised energy saving projects based on the plant's specific.</li> <li>- Capital investment of €6.1 million in energy-saving projects in our plants resulted in savings of 55 million kWh saved during 2019. Future outlook: We will continue making similar or higher level of investments to ensure the achievement of our 2025 energy &amp; carbon goals.</li> <li>- Developed energy-efficient and HFC-free refrigeration up to 57% more efficient than 2004 models.</li> <li>- As part of Mission 2025 sustainability commitments, set in 2018, we have four commitments related to</li> </ul>

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sustainable packaging, aligned with The Coca-Cola Company strategy World Without Waste, which will support further CO2 reduction by 2025: Help collect the equivalent of 75% of our primary packaging; Source 35% of the total PET we use from recycled PET and/or PET from renewable material; 100% of consumer packaging to be recyclable; Engage in 20 Zero Waste partnerships (city and/or coast).

- By 2019 we have reduced the weight of the PET packaging material by 25% vs. 2010 through design changes (calculation considers neutral package mix evolution vs. 2010).
- We support 19 packaging waste management schemes across our markets, and we have a Group-wide policy on packaging waste and recycling, which provides the framework within which our countries operate.
- During 2019 we have collected for recycling the equivalent of 48% of our primary packaging across our 28 markets.
- During 2019, 53 plants were operational, 52 of which were ISO 14001-certified, accounting for 99.6% of volume.

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

- Have calculated and reported on total carbon footprint annually since 2006.
- The Social Responsibility committee of the Board of Directors is overseeing and approving strategy for all Sustainability related topics, including Climate change.
- The Mission Sustainability Team deals at operational level and the Group's 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 CDP (former Carbon Disclosure Project).
- Risks related to climate change are described in the 2019 Integrated Annual Report.
- Climate change risks are embedded in the overall Enterprise Risk management process.
- Our CFO signed off the support letter to TCFD (Task Force on Climate-related Financial Disclosure) and we created a team to work in implementation of the TCFD requirements. In the Integrated Annual Report 2019, TCFD section is part of the overall "Risk and Materiality" section.
- Climate change opportunities: reduced operational cost from energy efficiency projects, future carbon tax avoidance based on our science-based carbon reduction targets and internal carbon price, guaranteed licences to operate due to our comprehensive water stewardship programmes, competitive advantage due to our energy efficient and HFC-free coolers we provide to our customers.
- Climate change, Water stewardship, Packaging recycling and waste management, and Sourcing, are part of our main materiality issues with the respective process in place (strategy/ programmes/ actions/ progress monitoring etc.).
- Emergency relief is part of the Community programmes in our markets.
- Carbon and water reduction initiatives fully embedded in

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each country's business plan.

- Carbon and Water Champion in each country and at Group level.

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

- Prior to COP21 in Paris in 2015, we committed to 4 of the initiatives of the 'We Mean Business' coalition.
- Previously participated actively at COP15; signed Copenhagen, Bali and 2 degrees communiqués.
- Liberty Island, Hungary - five-year restoration programme with WWF, supported by EU LIFE+ Nature Conservation Fund.
- In 2019, we co-operated with many non-governmental organisations and non-trade partners, among them: The World Wide Fund for Nature and the Global Water Partnership.
- As part of our approach to waste, we have committed to engage in 20 Zero Waste partnerships either with cities or along coastlines. We piloted this approach under the brand Zero Waste City with the City of Thessaloniki, Greece in 2018 and in 2019 we have already had 7 Zero Waste Cities programmes: in Russia, Ukraine, Greece, Czech Republic, Hungary and Austria.

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

- Annual Critical Suppliers Base Evaluation conducted annually for the overall company Environmental risk and the use of WWF Water Risk Filter updated on a 3-year cycle for all critical suppliers to evaluate water practices and risks
- Introduced Ecovadis as key assessment criterium for suppliers with significant spend as part of the Strategic tendering process. As an alternative, where Ecovadis or equivalent measure is not available, we have an Environment, Social Governance (ESG) Self-assessment tool as part of Sourcing Strategy and Selection factors. The objective of the tool is to screen suppliers during the selection process in 6 areas, including Environment, Quality and Agriculture conditions (as and where applicable).
- Develop with suppliers HFC-free, energy-efficient refrigeration that is up to 57% more efficient than 2004;
- To tackle the biggest part of our value chain carbon emissions, we are investing in a new generation of coolers which cut electricity use by more than half and use safe refrigerants which cause no harm to the atmosphere. In 2019, we invested €133 million in new coolers that helped our customers to save 184.15 million kWh of electricity in absolute numbers and 6% in relative numbers, thus reducing 92,793 tonnes of CO2 emissions compare to 2018.
- Work with suppliers to light-weight packaging and increase recycled PET content - in 2019 we reduced PET packaging materials by 25% vs. 2010 (considering neutral package mix evolution vs. 2010), eliminating 6,000 tonnes of PET plastic compare to 2018. The recycled and renewable (plant-based) content in our PET packaging in 2019 was 12%. All those initiatives helped to reduce carbon emissions by 99,237 tonnes vs. 2018.
- In 2019 we launched our first 100% recycled PET bottles

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for water brands in Austria, Switzerland, Ireland, Croatia and Romania and increased the recycled PET content of packaging for our sparkling brands in several markets.

- Led set-up of 19 recovery organisations; equivalent of 48% of our primary packaging is recovered for recycling in all of our 28 countries.
- In 2016, we have initiated a packaging waste recovery project in Russia, called " Separate with Us " with objectives to build packaging waste collection infrastructure and to increase public awareness through multi-stakeholder partnerships.
- Within 2018 a recovery scheme was established in Nigeria, which has been operational for the past two years. In Ukraine, contracted amounts and our pilot project helped achieve a recovery of 38% in 2019.
- Sustainable agriculture programme, with a commitment to certify 100% of our key agricultural ingredients against the Coca-Cola System's Sustainable Agricultural Guiding Principles by 2025.

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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. With additional directly funded projects, such as in Russia, Nigeria and Ukraine we also provide educational information to countries where a formal recovery system is not available.
  - Provide support to WWF's Earth Hour campaign in several of our countries of operation.
  - World Water Day campaign in several countries.
  - Energy and water saving and achieving the energy and water goals are part of the incentives to employees in production floor.
  - Training programmes for employees: local training; central environmental training for representatives from production, engineering, quality, sustainability (more than 337 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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