



Sustainability Report 2019

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1 Welcome statement¹

It is my great honor and pleasure to present to you the Coca-Cola HBC Croatia Sustainability Report for the second time since becoming the head of the company.

We presented our previous sustainability achievements as part of our 50 years in Croatia anniversary. We celebrated decades of successfully maintaining our leading position in the market, built on the solid foundations of adaptability in the face of change, dedication to our employees and customers, as well as our commitment to sustainability. Now in 2021, we present our latest Sustainability Report in much more challenging circumstances due to the COVID-19 pandemic, which shows no signs of slowing down. In times of crisis, the sustainability we have together woven into the very foundations of our business reveals its strategic relevance now more than ever before. These challenges have only strengthened our resolve and we can guarantee continued stability and reliability to our shareholders and the wider community.

Ever since publishing the first Sustainability Report in 2003, leading the way in non-financial reporting in the Croatian market, we have tracked our progress in accordance with the Global Reporting Initiative (GRI). We are supported by the Croatian Business Council for Sustainable Development (HR PSOR) and the United Nations Global Compact initiative in promoting good practices of sustainability.

We are part of the Coca-Cola HBC Group, the most successful beverage manufacturer in Europe and one of the most successful beverage manufacturers worldwide, according to the Dow Jones Sustainability Index. Our shared vision of sustainable growth until 2025 is reflected in the objectives at the Group level, which we are following closely, and in some cases even exceeding expectations. Our ability to continuously raise the bar of excellence in business comes from a place of dedicated care for our employees,

customers, partners, consumers and the community as key ingredients of our success. We provide an equal, inclusive and stimulating working environment, with numerous opportunities to realize the full potential of our employees. We have retained our status as one of the most desirable employers and continue to successfully draw talent that creates value for our company. We are continuously reducing the environmental impact of our business, as well as contributing to socially responsible projects aimed at solving key problems in our environment. Through our Youth Empowered project, two and a half thousand unemployed young people have strengthened the skills needed to successfully position themselves on the job market. In addition to focusing on young people, we are also focused on supporting our valuable partners in the HoReCa channel. Participants in our training and scholarship program Raise the Bar are offered the opportunity to learn and develop professionally, while employers in the hospitality and tourism industry can be sure the candidates are equipped with certified excellence in key hospitality and gastronomic skills. We know the only way to grow is by encouraging growth in the entire supply channel, dedicating ourselves to the development of our employees, inspiring our customers and partners to implement the best practices and enjoying the trust of our consumers by listening to their needs and providing safe and high-quality products. Thanks to our dedication to this approach, we have formed a solid partner relationship with our shareholders, uniting us in a shared vision of success and affording us the strength and confidence to lead in the face of adversity to a better future for everyone.

Ruža Tomić Fontana
General manager



² GRI 102-14



2 About The Report²

Organisation covered:

This report covers the company Coca-Cola HBC Croatia, which is a member of Coca-Cola HBC and a strategic partner to The Coca-Cola Company. The report covers only Coca-Cola HBC Croatia and no other group or unit members.

Period covered:

This report focuses primarily on activities in 2019. In some parts the report also includes past background information as well as data from Coca-Cola Croatia's Socioeconomic Study in 2018.

Last report:

Coca-Cola HBC Croatia reports about sustainability indicators every two years. The last report was published in September 2018.

Report preparation:

The report was prepared by the WISE Institute at IEDC Bled School of Management as an external consultant.

For further information on the report please contact the Public Affairs and Communications Department at
odnosisjavnoscu@cchellenic.com

Standards:

This report was prepared in accordance with GRI Standards (core option).



How to read the report?

References to GRI disclosures are stated as footnotes:
GRI 102-1, 102-2, 102-3, 102-6, 102-7.

GRI Index:

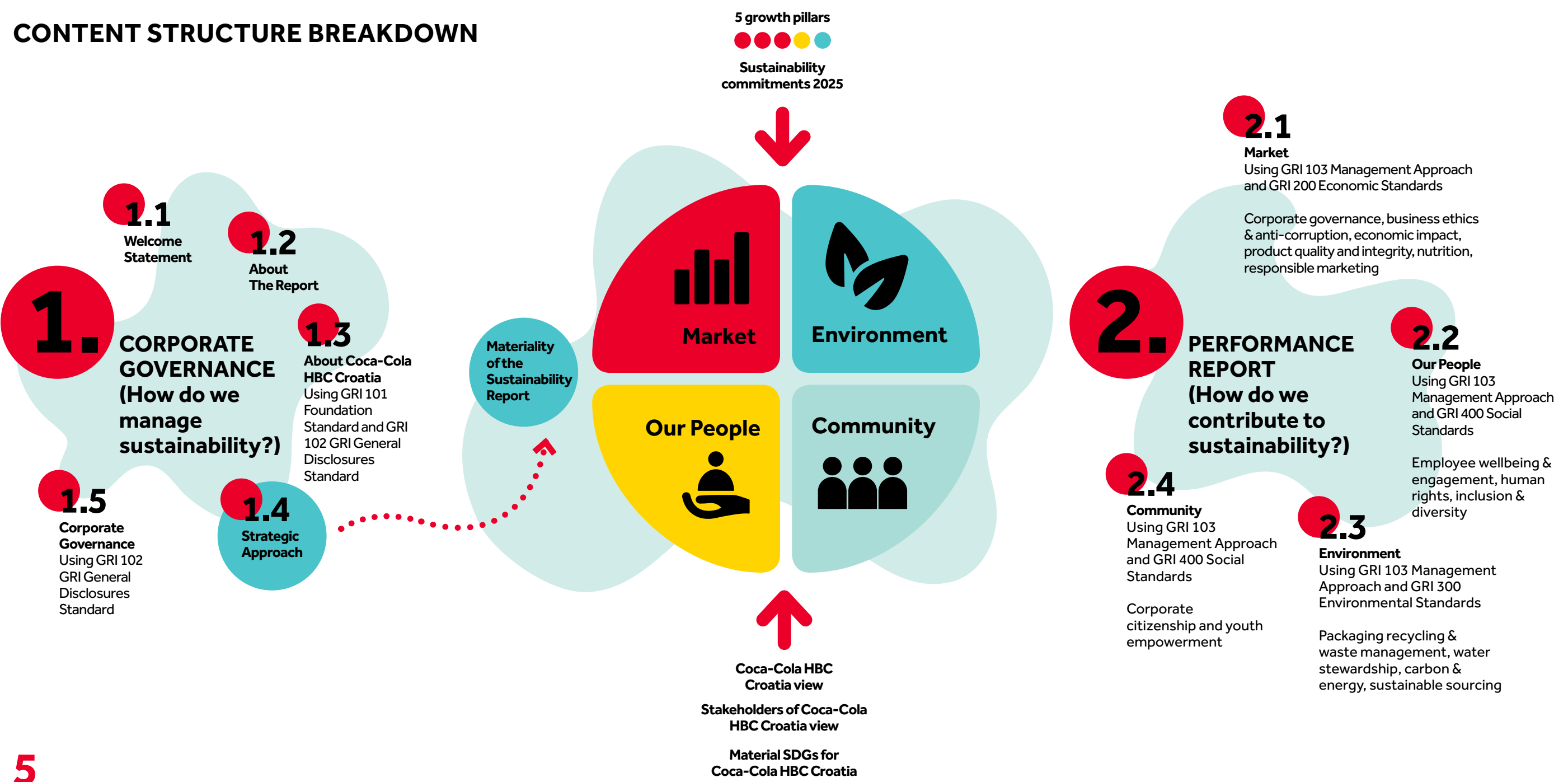
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² GRI 102-46, 102-50, 102-51, 102-52, 102-53, 102-54



CONTENT STRUCTURE BREAKDOWN



3 About Coca-Cola HBC Croatia³

WE ARE A MEMBER OF COCA-COLA HELLENIC BOTTLING COMPANY

Coca-Cola HBC Croatia d.o.o. Zagreb is a private limited liability company registered in the Republic of Croatia. It is wholly owned by Coca-Cola Beverages Holdings II B.V. from the Netherlands and a member of Coca-Cola Hellenic Bottling Company (CCHBC Group), one of the biggest bottlers of The Coca-Cola Company. Coca-Cola Hellenic Bottling Company operates across a broad geographic footprint of 28 countries on 3 continents. CCHBC Croatia is part of Region 2 and forms one single business unit together with Coca-Cola HBC Slovenia and Coca-Cola HBC B-H Sarajevo.

³ GRI 102-1; 102-2; 102-3, 102-4, 102-5, 102-12, 102-13

Coca-Cola HBC Croatia is a member of the American Chamber of Commerce in Croatia, where our General Manager Ruža Tomić Fontana currently holds the position of President of the Board of Governors. We are also members of the Croatian Employers Association (HUP), the Croatian Chamber of Economy (HGK), the Croatian Business Council for Sustainable Development (HRPSOR), the International Institute for Climate Action (IICA) and the Association for Packaging and Environmental Protection (GIUPAK). Through our HUP membership we are affiliated to the UN Global Compact Croatia (UNGC).

Contact information

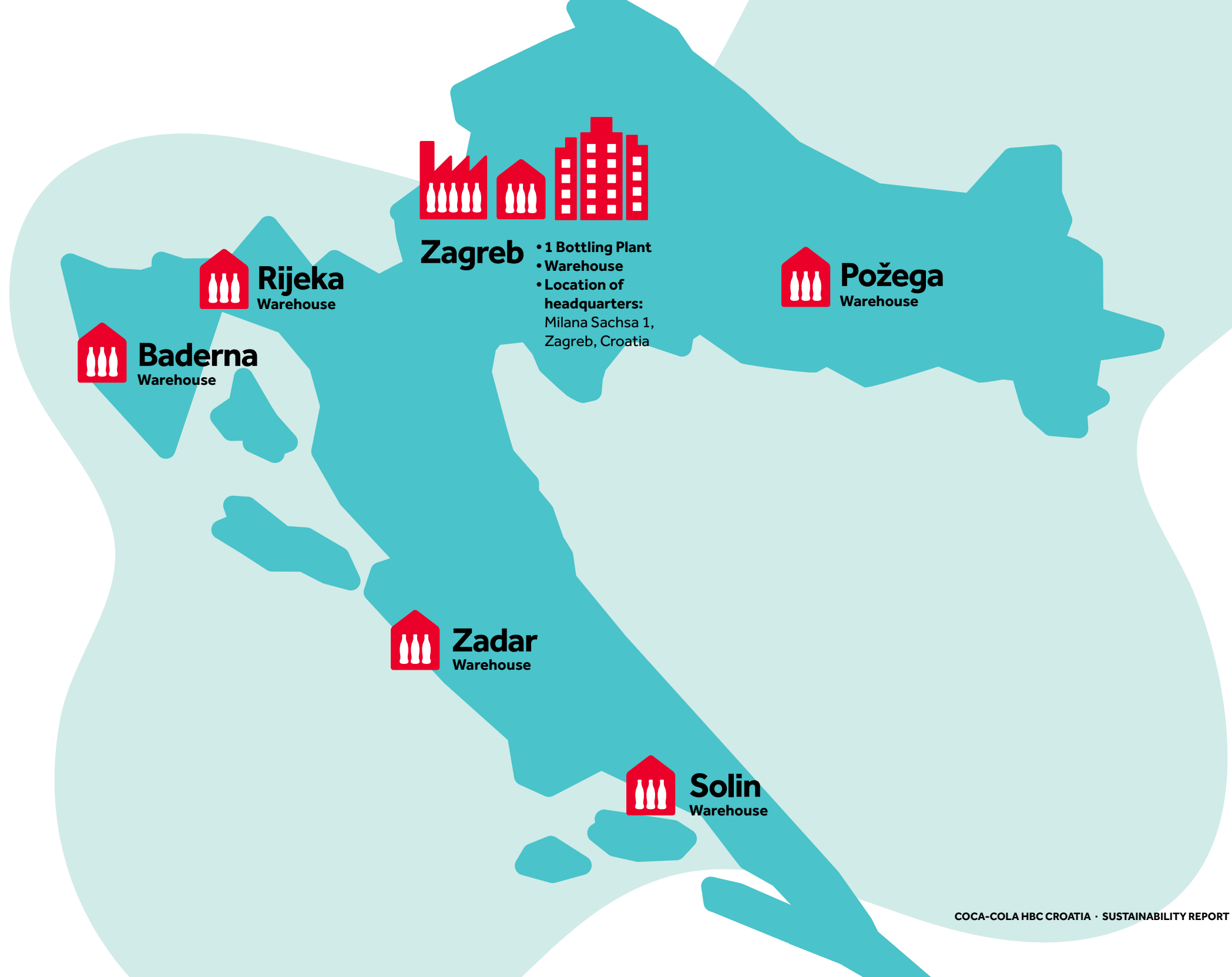
Name	Coca-Cola HBC Croatia d.o.o.
Address	Milana Sachsa 1, Zagreb, Croatia
Consumer contact	info.hr@cchellenic.com 0800 0455
Customer contact	customerservice.hr@cchellenic.com 0800 200 126
Media contact	odnosisjavnoscu@cchellenic.com +385 1 2480 222
Corporate responsibility questions	Speak up! line https://secure.ethicspoint.eu/domain/media/hr/gui/102336/index.html

Figure: Coca-Cola HBC Croatia in connection to The Coca-Cola Company



WHAT WE DO⁴

Coca-Cola HBC Croatia is the only licensed bottling company in Croatia which has been producing, bottling and distributing products of The Coca-Cola Company in Croatia for the past fifty years. The company's principal activity is the production, sale and distribution of non-alcoholic beverages under the "The Coca-Cola Company" trademark (including carbonated and non-carbonated beverages, plant-based milks, energy drinks, etc.) in the Republic of Croatia as well as the sale and distribution of alcoholic beverages under the trademarks of Brown Forman (Jack Daniel's, Finlandia, El Jimador and others), The Edrington Group (Famous Grouse, Brugal, the Macallan and others), Remy Cointreau (Remy Martin, The Botanist and others), Campari Group (Bulldog, Bickens) and MB Impex (Zlatni Pelin, Zlatna Rakija).



³ GRI 102-6, 102-7

Coca-Cola 54%

Coca-Cola Zero 8.3%

Fanta 10.3%

Schweppes-KO 8.2%

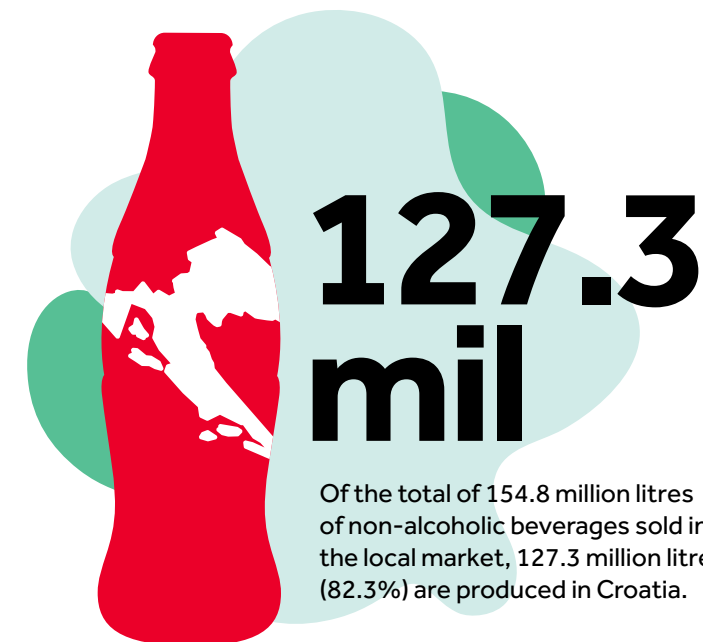
Römerquelle 7.4%

Sprite 3.9%

Fuze Tea 3.5%

**Others: Cappy, Monster KO,
CAPPY PULPY, Glaceau Smartwater,
Powerade, Burn, AdeZ 4.3%**

33,475
Customers



HOW WE DO IT

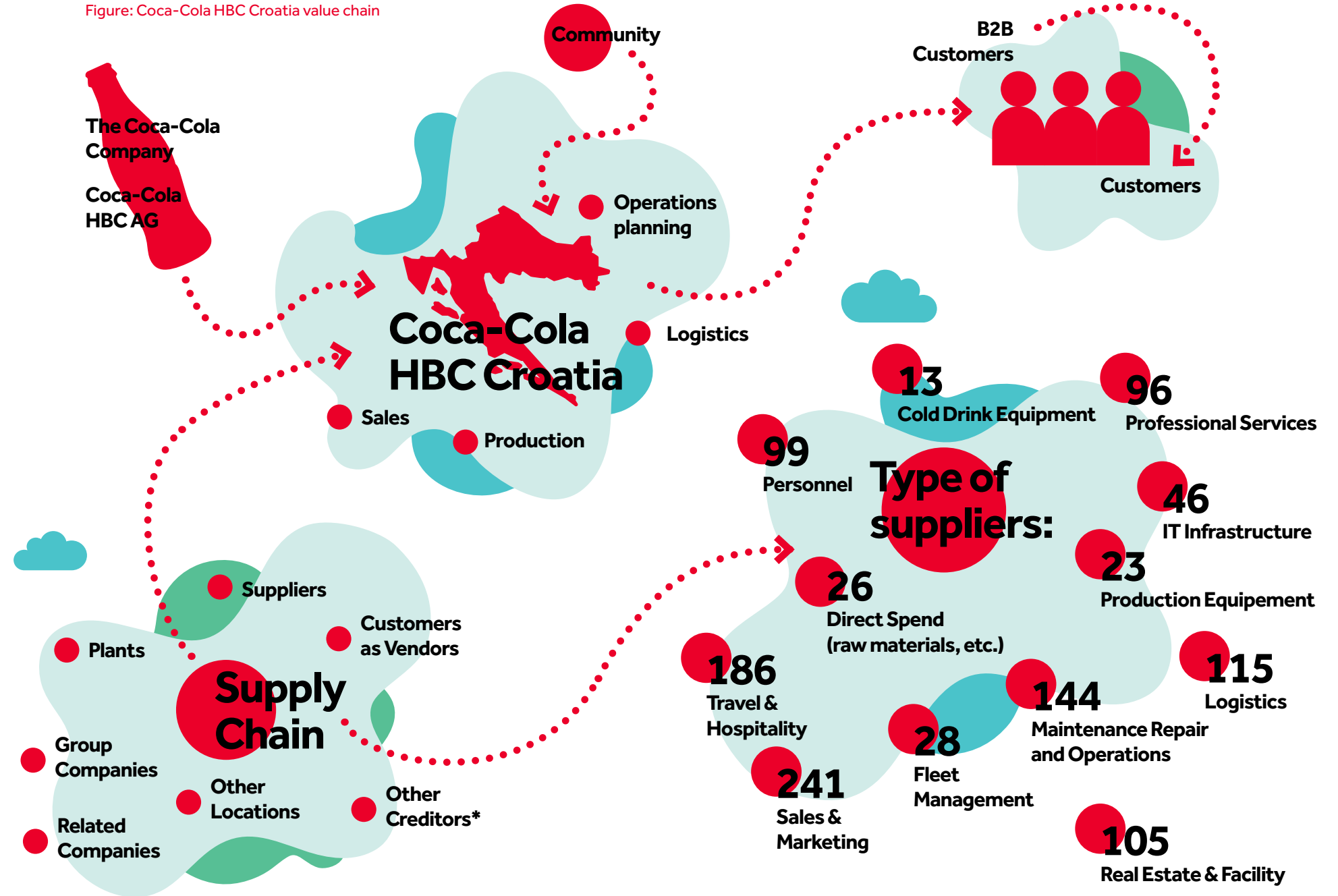
The value chain of Coca-Cola HBC Croatia⁵ comprises a set of activities performed by the organisation in order to deliver its products. It is a collection of various inputs, processes and outputs. As business cannot be done in isolation, Coca-Cola HBC Croatia looks for opportunities to collaborate with stakeholders to scale its positive impact in the entire value chain. We work with our suppliers to procure high-quality ingredients, sustainably sourced raw materials, equipment and services required to produce beverages. Producing beverages efficiently and sustainably using concentrates by The Coca-Cola Company along with other ingredients, we prepare, package and deliver products with optimized manufacturing, infrastructure and logistics network. While serving our consumers and communities and contributing to the Croatian economy, we grow together with our customers, suppliers and partners.

Coca-Cola HBC Croatia's supply chain contains different groups of suppliers classified by industry types. The Procurement Department cooperates closely with the Group's procurement team, so our supply chain contains both local and international suppliers. Most of our suppliers are from Croatia (86%), with others from Slovenia (4%), Germany (2%), Bosnia-Herzegovina, (1.9%), Serbia (1.9%) and other countries (4.2%).

⁵ GRI 102-7, 102-9, 102-42

* State tax authorities, health and pension insurance funds and other government bodies

Figure: Coca-Cola HBC Croatia value chain



UNDERSTANDING STAKEHOLDERS AND CREATING VALUE FOR THEM⁶

Engaging with our numerous and diverse stakeholders is a crucial part of our commitment to sustainability. They provide valuable insights into our business, so listening to them not only provides vital feedback, but also allows us to improve and make better informed decisions. Our key stakeholders, their importance and the ways how we address their concerns and work with them to create shared values for all are listed here.

MAIN STAKEHOLDERS	MAIN ISSUES	KEY MEANS OF DIALOGUE	VALUE FOR THE STAKEHOLDERS
THE COCA-COLA COMPANY AND COCA-COLA HBC GROUP	Profitable growth opportunities Value share in our markets Sustainable sourcing	Daily communication and co-operation, shared policy and strategy documents, joint projects, joint planning and strategic alignment	As a result of our Group strategy and vision, our business and sustainability achievements create value for our company and our strategic partners.
CONSUMERS	Continuously evolving our products to meet consumer needs regarding healthy hydration, quality, taste, innovation and convenience	Free consumer infoline, social media interactions, website, regular focus groups	We innovate to provide our consumers with beverages of the highest quality, ever more healthy choices and sustainable packaging.
BUSINESS PARTNERS (CUSTOMERS, SUPPLIERS, CONTRACTORS)	Identifying products, channels and other opportunities offering growth and value creation for us and our customers Minimizing the environmental impact	Regular consultations and visits, policy documents, joint initiatives, regular surveys and focus groups, round tables and forums, infoline and email	Our suppliers, customers and contractors are an integral part of our value chain. Our business activities generate revenues across our value chain. We are a customer-centric business aiming to provide value to our customers by growing their business and ensuring perfect execution in the marketplace. Coca-Cola HBC Croatia supports 9,900 jobs in its value chain, which is 0.6% of the total of jobs in Croatia.
EMPLOYEES	Building the best teams in the industry with an engagement score greater than the high performing norm	Regular dialogue and communication, Works Council, employee satisfaction surveys, individual development plans, training and education initiatives, employee hotlines	We employ 489 people across Croatia while fostering diversity and creating an inclusive work environment. We improve their functional capabilities and leadership capacities through different company programmes.
POLICYMAKERS IN GOVERNMENT AND REGULATORY AGENCIES	Industry and or product-specific policies such as taxes and regulations Environmental policies Consumer health and public health policies	Structured dialogue, advocacy (through business associations), project partnerships, best practice sharing	By strictly following policies and regulations that apply to our business, we help to strengthen public institutions. We are paying taxes that support government revenues. Our toal direct and indirect contribution through taxes, salaries and profits constitutes 0.6% of Croatia's GDP
CIVIL SOCIETY AND NON-GOVERNMENTAL ORGANISATIONS	Wide range of issues affecting our business, including energy and water use, packaging waste reduction to human rights and diversity	Regular dialogue, partnerships, consultation over matters of mutual concern, round tables and forums, membership and leadership	Civil societies contribute to social and environmental value creation in the community. We support their work and progress through partnerships, round-tables, forums and by responding to their demands.
COMMUNITIES	Water use and conservation Packaging waste Empowering young people and women Climate change	Plant visits, donations, grants, and sponsorships, partnerships, volunteering initiatives, community projects	We are an important contributor to Croatia's economy by means of direct contributions through employment and indirect contributions through the value chain. We also invest in the community to address key societal and environmental concerns and specific community needs. We also provide community support and relief in crisis situations and disasters.
BUSINESS ASSOCIATIONS	Wide range of business-specific issues that contribute to the creation of a favourable business environment	Membership and leadership, advocacy on key business priorities, sharing best practices, local and global networking	Through legitimate representatives of other companies, we advocate industry positions towards the government and policymakers to improve the business environment. We support the work of associations through direct participation in their work, by sharing best practice examples and supporting documents and other materials.

⁶ GRI 102-40, 102-42, 102-43, 102-44

4 Strategic Approach⁷

In 2018 we marked the 50th anniversary of the production of the first Coca-Cola bottle in Croatia and Coca-Cola's 132nd birthday. This is an opportunity to recall the many successes and achievements in our rich history and the right moment to look toward the future and to what lies ahead.

Faced with numerous challenges and rapid changes in all parts of life and the world we live in, we are looking for new ways to continue to successfully do business for years to come with a fit-for-purpose strategic approach that we share with the Group to achieve long-lasting success and to contribute to sustainable development.



⁷ GRI 102-16



Our purpose
We are committed to growing with every customer and to delighting each consumer 24/7 by educating passionate and empowered groups of people, while enriching our communities and caring for the environment.



Values that support our mission:
authenticity, excellence, learning, caring for our people, performing as one, winning with customers

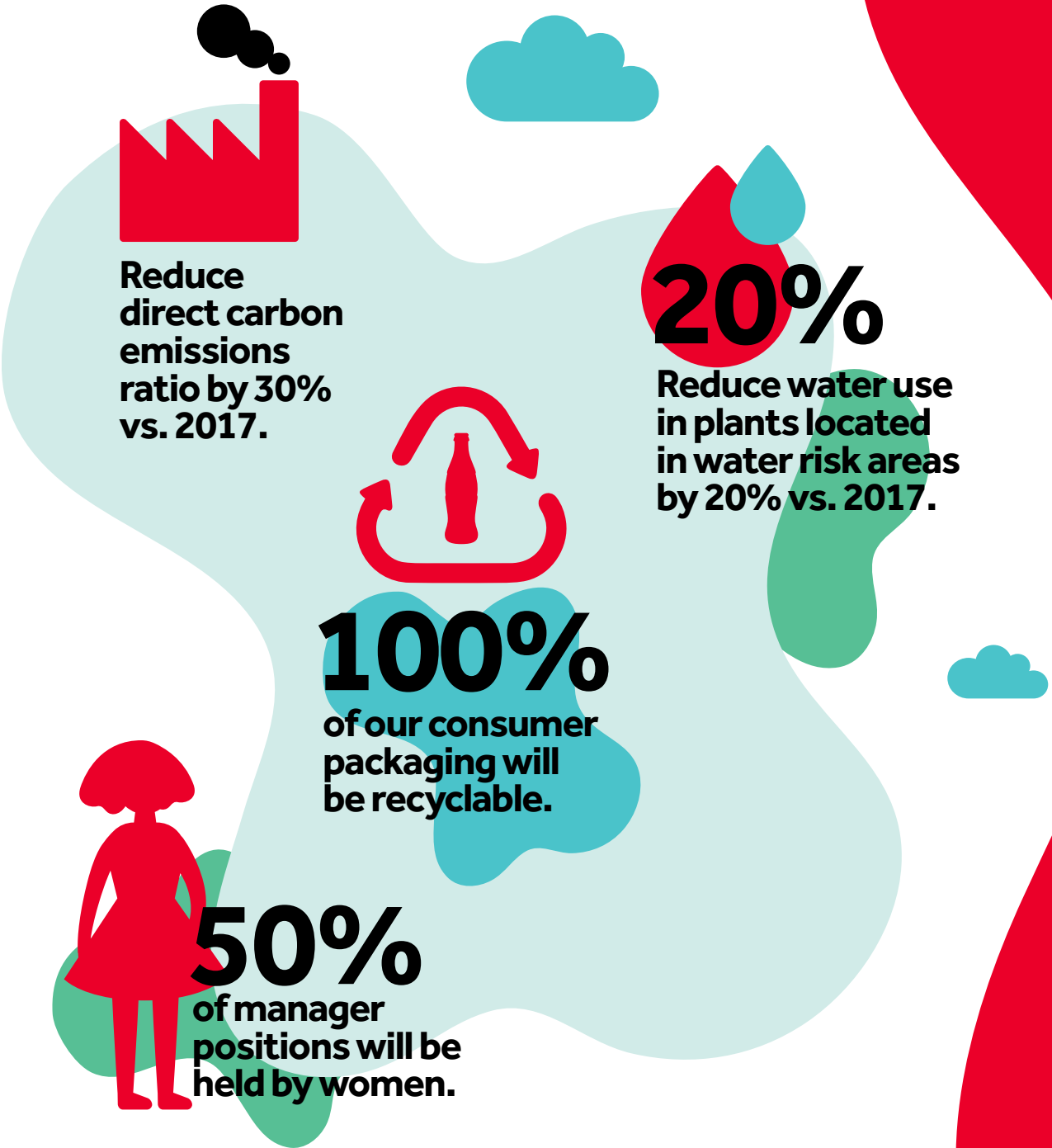


Growth story 2025
Built on five key growth pillars, each represents a core strength or competitive advantage. Our 2025 strategy is underpinned by new growth mindset values and guided by ambitious targets. However, as we grow our business, we also strive for long-term sustainability to preserve ecosystems for future generations.

OUR GROWTH PILLARS	
LEVERAGE OUR UNIQUE 24/7 PORTFOLIO	Be an environmental leader, engage our communities behind water and waste initiatives and empower youth with our partners.
WIN IN THE MARKETPLACE	Build unrivalled teams of true partnership for our customers, executing with excellence in every channel for prioritized drinking moments.
FUEL GROWTH THROUGH COMPETITIVENESS & INVESTMENT	Transform, innovate and digitalize our business to ensure that we are fit for the future.
CULTIVATE THE POTENTIAL OF OUR PEOPLE	Invest in building the best teams in the industry. Develop an inclusive culture of growth around our empowered people.
EARN OUR LICENCE TO OPERATE	Be an environmental leader, engage our communities behind water and waste initiatives and empower youth with our partners.

Mission 2025 Sustainability Commitments

Sustainability is integrated across every aspect of our business. It is fundamental to our business strategy, which aims to create and share value with all our stakeholders. To address key global challenges affecting our industry, communities and planet, we collaborate across all business functions with the aim of seeking solutions. In 2018 Coca-Cola HBC introduced its Mission 2025 Sustainability Commitments. The Mission focuses on 17 commitments in six key areas along our value chain: from reducing emissions to taking care of our communities. As a member of Coca-Cola HBC, we support the realization of these commitments. Here we list those commitments and report, where applicable, the progress on a country level



EMISSIONS REDUCTION	<div>1. Reduce direct carbon emissions ratio by 30% vs. 2017.</div> <div>2. 50% of our refrigerators in customer outlets will be energy-efficient.</div> <div>3. 50% of total energy used in our plants will be from renewable and clean sources.</div> <div>4. 100% of the total electricity used in our plants in the EU and Switzerland will be from renewable and clean sources.</div>
WATER REDUCTION AND STEWARDSHIP	<div>5. Reduce water use in plants located in water risk areas by 20% vs. 2017.</div> <div>6. 100% water security in water risk areas</div>
WORLD WITHOUT WASTE	<div>7. 100% of our consumer packaging will be recyclable.</div> <div>8. Source 35% of the total PET we use from recycled PET and/or PET from renewable material.</div> <div>9. Help collect the equivalent of 75% of our primary packaging.</div>
SOURCING	<div>10. Source 100% of key agricultural ingredients in line with sustainable agriculture principles.</div>
NUTRITION	<div>11. Reduce 25% of calories per 100ml of sparkling soft drinks vs. 2015.</div>
OUR PEOPLE	<div>12. Target zero fatalities and reduce (lost time) accident rate by 50%.</div> <div>13. 50% of manager positions will be held by women.</div>
COMMUNITIES	<div>14. 10% of community participants will join first-time manager development programmes.</div> <div>15. Train 1 million young people through Youth Empowered.</div> <div>16. Engage in 20 zero waste partnerships.</div> <div>17. 10% of employees will take part in volunteering initiatives.</div>

Coca-Cola HBC Croatia Achievement 2019

Since 2015 we have
reduced the calories
in 100 ml of sparkling
soft drinks by

10.1%

66.35%

of the total energy
used in our plant
in 2019 came from
renewable sources.

2,501

By 2019 we trained
2,501 young people
(1,280 in 2019).

EMISSIONS REDUCTION

1. By 2019 we decreased carbon emissions by 14%.
2. 49% of our refrigerators in customer outlets are energy-efficient.
3. 66.35% of the total energy used in our plant in 2019 came from renewable sources.
4. Our production plant has been using 100% electricity from renewable sources since 2015.

WATER REDUCTION AND STEWARDSHIP

5. & 6. Water commitments relate to plants in water risk areas. Based on CCHBC risk assessments, the Zagreb plant is not located in areas of high water risk. We nevertheless consider responsible behaviour regarding water use a priority and have reduced water use per litre of produced beverage by 6.3% vs 2017.

WORLD WITHOUT WASTE

7. All our beverage packaging is 100% recyclable.
8. The share of recycled PET material in soft drinks packaging was increased from 10% to 20% in 2019*.
9. Coca-Cola HBC Croatia collects its primary packaging placed on the market for recovery through a state-owned deposit refund system. According to latest officially published data, 82% of primary packaging (PET/Al-Fe/glass) is collected through the deposit system**.

SOURCING

10. This goal is calculated at Group level, which is why there are no country-specific results. The Group result is 74%.

NUTRITION

11. Since 2015 we have reduced the calories in 100 ml of sparkling soft drinks by 10.1%.

OUR PEOPLE

12. In 2019 we had no fatalities. We had one work-related lost time accident (LTA) and the lost-time accident rate (LTAR) per 100 FTE was 0.21***.
13. 48% of managerial positions were held by women in 2019.

COMMUNITIES

14. Progress on this commitment is calculated at Group level and country results are not tracked separately. The Group result is 4.5%.
15. By 2019 we trained 2,501 young people (1,280 in 2019).
16. In 2019 we did not have any zero waste partnerships. Work on this commitment started in 2020.
17. In 2019 three employees (0.6%) took part in volunteering initiatives. Over the next couple of years, our aim is to involve more employees in different volunteering initiatives to improve our achievement of this commitment.

* This achievement refers to the share of recycled PET content in bottles produced at the Zagreb plant.

**Source: Report on Packaging Waste Management in Croatia in 2017 (Izješće o gospodarenju otpadnom ambalažom u Republici Hrvatskoj u 2017. godini) published by the Ministry of Environmental Protection and Energy

***Only on-site work-related accidents are considered here. Other accidents such as traffic accidents on the way home/to work are regularly reported as work-related accidents and are mentioned in other parts of the report due to legal requirements.

MATERIALITY MATRIX OF COCA-COLA CROATIA⁸

To analyse the level of sustainability in our business, it is vital to define the crucial topics and issues of concern for our company and its stakeholders.

To identify materially important economic, social and environmental topics, we carried out a survey in September 2020, which included 23 internal and 25 external stakeholders. External stakeholders included: customers, buyer trading partners, partners, suppliers, economic and industrial associations, a representative of the public sector and NGOs selected based on their interest in our actual and potential social, environmental and/or economic impact. The selection of internal stakeholders included the collaboration of all CCHBC Croatia departments, considering appropriate representation across the organisation. External stakeholders were asked to rank twelve different aspects of our business from 1 (not at all important) to 10 (very important). The same topics were ranked in the same way by internal stakeholders in relation to their potential impacts on our business. By combining the average scores of both stakeholder groups, we were able to compile a materiality matrix (Figure 1).

⁸ GRI 102-46, 102-47

Figure: 4 steps to identifying material issues

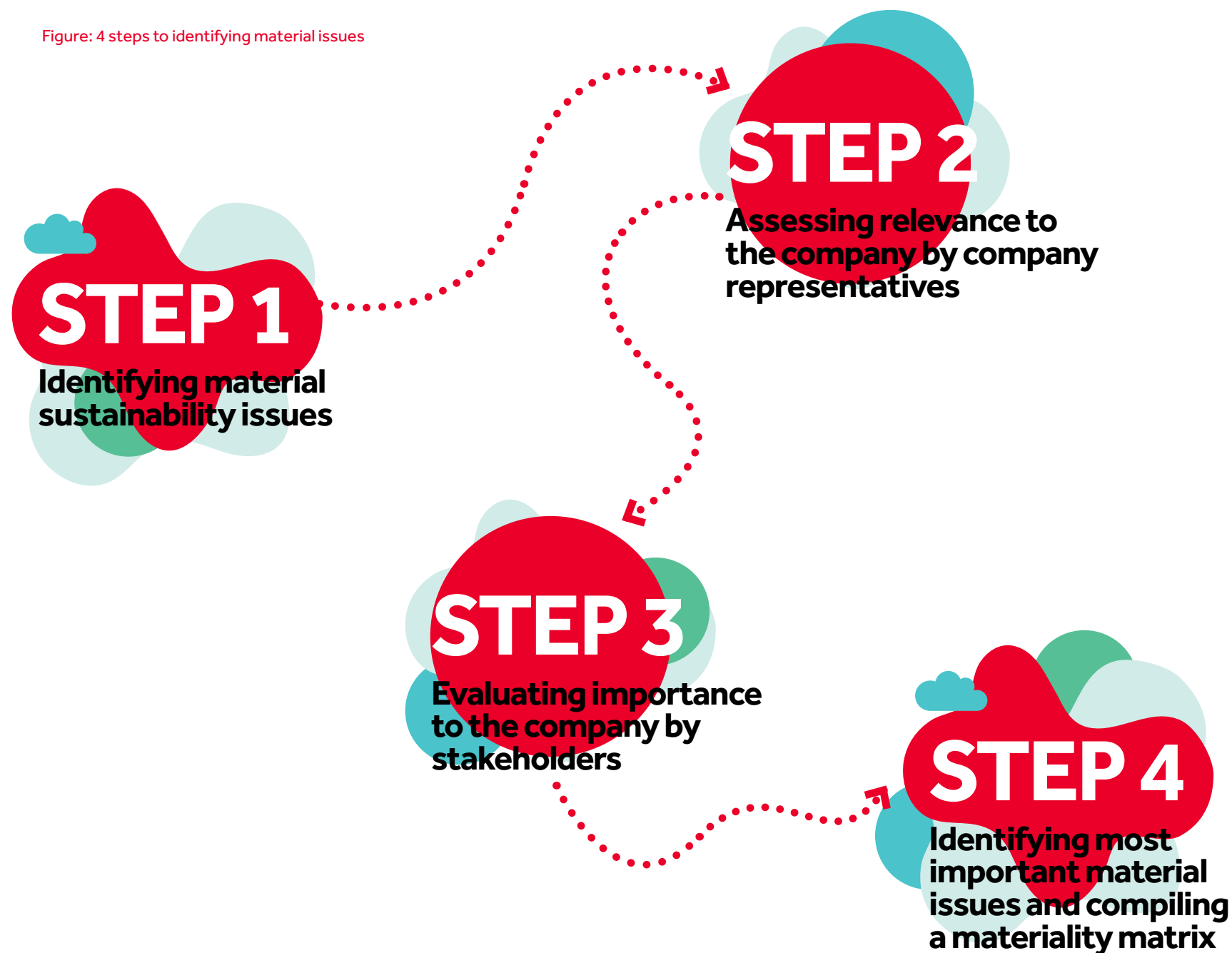


Figure 1: Coca-Cola HBC Croatia Materiality Matrix

All twelve topics were rated as important and having a significant impact, since almost all of them were ranked above 8.0 in both dimensions. However, four issues that are of very high importance both for the company and stakeholders because of their impact on sustainability can be clearly distinguished. Those issues relate to environmental impact, economic impact, corporate governance and business ethics.



IDENTIFIED MATERIAL ISSUES AS THE BASIS FOR OUR SUSTAINABILITY PERFORMANCE AND REPORTING⁹

Based on the Group's Growth Strategy and sustainability commitments on one hand and the Materiality Matrix of Coca-Cola HBC Croatia on the other, we decided to report on the four main topics market, environment, our people as our employees and community. Each topic is divided into chapters named after identified material issues.

⁹ GRI 102-47

*The 17 Sustainable Development Goals (SDGs) are an urgent call for action by all countries – developed and developing – in a global partnership. Each of the 17 goals have very specific targets. You can read more about the SDGs and these targets here: <https://sustainabledevelopment.un.org/sdgs>

Figure : Materiality of the report



5 Corporate Governance¹⁰

OUR CORPORATE GOVERNANCE

Coca-Cola HBC Croatia is part of one single business unit called BU Adria, which also includes Coca-Cola HBC Slovenia and Coca-Cola HBC B-H Sarajevo. The management structure presented on the right-hand side applies to the entire business unit.

Table: Management bodies of business unit Adria

SUPERVISORY BOARD		MANAGEMENT BOARD	ASSEMBLY
Serđo Popović Nikolas Kalaitzidakis Boris Bunkin	Spyros Mello Jan Sune Gustavsson	Ruža Tomić Fontana	CC BEVERAGES HOLDINGS II B.V. Netherlands
Four members of the Supervisory Board are appointed by the company (by the Group CEO, the Group Chief Legal Officer and 2 senior Group Legal Officers) and one by the employees.		Although there is no process to explicitly evaluate the General Manager's performance with respect to the governance of economic, social and environmental topics, it is one of the factors considered when appointing a General Manager and assessed by the Supervisory Board. When a General Manager is assessed on his/her performance, sustainability performance is also part of the overall assessment.	CC Beverages Holdings II B.V. Netherlands is our only founder.

- DEPARTMENTS**
- Finance
 - Integrated Competitive Supply Chain (ICSC)
 - Sales
 - Marketing
 - Commercial Excellence
 - Business Systems and Solutions (BSS)
 - Public Affairs and Communications (PA&C)
 - Legal
 - Human Resources
 - Premium Spirits, Coffee and HoReCa

RESPONSIBILITY FOR SUSTAINABILITY
Sustainability responsibility is distributed across all management structures and functions, but the lead responsibility is shared between the Public Affairs and Communications Department, which reports directly to the General Manager, and the Sustainability Service led by a Sustainability Manager reporting to the ICSC Manager. Lines of responsibility can be national, regional, global and, indeed, on an intermediate level through sub-regional structures.

⁷ GRI 102-18

COMPLIANCE ¹¹

Our **Code of Business Conduct** and Anti-Bribery Policy are at the heart of our values since our continued business success depends on the trust that our stakeholders place in us. We must do everything we can to earn that trust each and every day. We have zero tolerance towards any form of bribery or corruption. The Code of Business Conduct and the Anti-Bribery Policy were introduced by the Group and apply to everyone working for Coca-Cola HBC worldwide. Our suppliers, distributors, agents, consultants and contractors are also subject to many Code principles in accordance with our Supplier Guiding Principles.

¹¹ GRI 102-17, 103-1, 103-2, 103-3

The Group

**Preparation of policies,
internal controls, training,
awareness and enforcement**

Coca-Cola HBC Croatia

Implementation

Evaluation of ABP Programme

- **Responsible: Group Compliance Legal Director**
- **Takes place at least once every two years**
- **Proposes improvements**

How do we use the Code of Business Conduct?

1. Seeking guidance from ethics and compliance officers
2. Obtaining approval using the Code of Business Conduct (COBC)
3. Raising concerns
4. Non-retaliation
5. Related policies and legal requirements

Ethics and compliance mechanism: Ethics and compliance officers decide on all rules, questions or concerns regarding the Code of Business Conduct and Anti-Bribery Policy. Our ethics and compliance officers can provide guidance on all questions regarding Code rules and how they apply to real-life situations. The compliance mechanism includes (1) the receipt, retention and treatment of complaints, (2) anonymity and confidentiality provisions and (3) investigations and disciplinary actions.

What issues are covered by the Code of Business Conduct?

Integrity
Company assets
Confidentiality
Fair competition

Where can I access the Code of Business Conduct?

<https://hr.coca-colahellenic.com/en/about-us/policies>

OTHER POLICIES

We adhere to other policies on the Group level in order to do business with integrity. Our Anti-Bribery Policy covers our policy of zero tolerance for bribes in general and bribery in relation to government officials in particular. We also have a Gifts and Entertainment Policy, a “Whistleblower” Programme, an Anti-Corruption Policy and a Human Rights Policy. Respecting human rights is an essential part of our license to operate. Guided by international human rights principles, instruments and conventions, Coca-Cola HBC has a Human Rights Policy with ten components.

Table: Policies on ethics and integrity

GROUP POLICY ¹²	ANTI-BRIBERY POLICY (ABP)	GIFTS AND ENTERTAINMENT POLICY	“WHISTLEBLOWER” PROGRAMME	ANTI-CORRUPTION POLICY	HUMAN RIGHTS POLICY AND INCLUSION AND DIVERSITY POLICY
Responsibility on Group level	<ul style="list-style-type: none">• Group Chief Compliance Officer• Group Internal Controls Manager• Compliance Legal Director			The tone at the top communication is set by the country CEO, General Manager and Finance management team.	Group Labour Relations Director
Responsibility at Coca-Cola HBC Croatia	<ul style="list-style-type: none">• Country Legal Manager• Line managers• HR Department				
Coca-Cola HBC Croatia implementation	<ul style="list-style-type: none">• Group training and awareness programme• Targeted training based on Group training guidelines• Preparation and execution of additional local training, awareness initiatives as well as “train the trainers” sessions at country level• Providing advice to employees on matters related to our ABP• When providing or receiving gifts, meals and entertainments to/from customers, suppliers and public officials (as such term is defined in the ABP), the relevant Ethics and Compliance Officer gives approval.			<p>All employees and external partners (suppliers) are properly informed on how to report relevant complaints and concerns.</p> <ul style="list-style-type: none">• All of the ten Lead Team members have been informed about and received training regarding anti-corruption policies.• The tone at the top is translated into local languages by local PA&C teams and published on the company’s intranet, where it can be accessed by all employees.• All CC employees are required to receive COBC and ABP training upon hire and to renew COBC training every other year, while approx. 80 “risk zone employees” have to renew ABP training every year.• DUE DILIGENCE CHECK: Our Anti-Bribery Policy requires all 3rd parties who may interact with government officials on behalf of the company to sign a contract containing specific anti-bribery clauses. Suppliers regularly have to sign Supplier Guiding Principles (SGP) containing an anti-bribery clause in addition to a contract. Our Anti-Bribery Policy requires due diligence checks to be performed prior to engaging any 3rd party who may interact with government agencies/officials on behalf of the company. The BU Legal Director keeps a relevant “3rd Party Risk Register”, which currently contains 12 suppliers who have interactions with government agencies on behalf of the company.	<ul style="list-style-type: none">• Provides employees with training, guidelines and advice at country level• Our human rights, diversity and inclusion programmes are assessed at least once every two years, which includes proposals on how to improve our policies, internal controls, training, awareness and enforcement.• COMPLAINT MECHANISM: We have established a complaint mechanism for any human rights violations or other violations. Such concerns can be raised through our Speak up! Line, a compliance manager or employee that is responsible for dealing with such issues (based on local legislature).

¹² GRI 103-1, 103-2, 103-3, 205-1



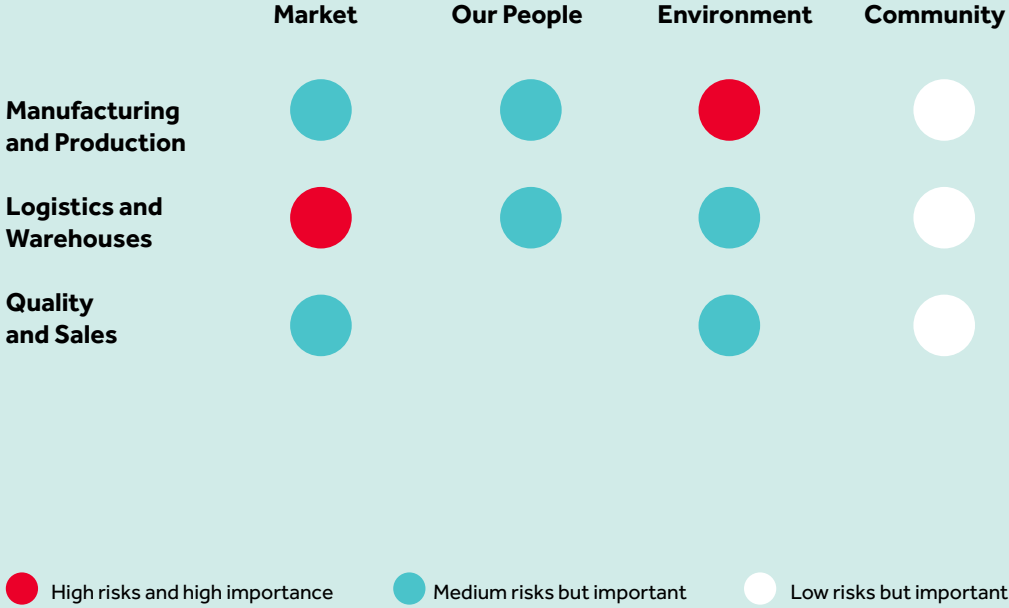
RISK MANAGEMENT ¹³

In the modern globalized world, sustainable business operations require a continuous commitment to assessing, analysing and mitigating risks, both real and potential. The context in which we operate is constantly changing, not always in predictable or expected ways. Understanding the likelihood of the occurrence of specific risks and the likely impacts on our operations and stakeholders as well as the environment is crucial. Below table presents risks in relation to the impact of our operations on different stakeholders and our business. The source used for the table was Coca-Cola HBC Croatia's 2019 Risk Assessment Document and the Sustainability Report of Coca-Cola HBC Croatia 2017. Risk assessment at Coca-Cola HBC Croatia is based on the identification, evaluation, control, implementation and monitoring of hazards.

Manufacturing and production: In manufacturing and production there are risks and opportunities that affect Coca-Cola HBC Croatia's business performance as well as market results. Risks and opportunities, for example, are related to maintenance, standards/ systems implementation, outsourced services, water supply, natural gas distribution, raw materials and packaging materials. Production, on the other hand, can affect consumers, employees, the environment and the community. Identified risks and opportunities are corporate governance, business ethics & anti-corruption, consumer health/health and nutrition, product quality and integrity, employee satisfaction, wellbeing and engagement, climate change and environmental footprint/carbon & energy, packaging recycling and waste management, sustainable sourcing and water stewardship.

Logistics and warehouses: The risks and opportunities associated with logistics and market impact are similar to the ten described above. Some risks have been identified as highly important such as the ones regarding warehouses, cost optimization, public road risks and environmental risks related to air pollution, emissions and noise.

Quality and sales: Risks and opportunities associated with new standards/systems implementation; labelling, efficiency, controls; audit(s) failures, customer and consumer complaints rate; risks and opportunities regarding customer satisfaction, people/staff problems; risks and opportunities regarding waste recycling as well as risks and opportunities regarding customer satisfaction.



¹³ GRI 102-11

6 Market

**What it takes
to deliver 24/7**



MANAGEMENT APPROACH ¹⁴

We have been present in Croatia for more than fifty years. Maintaining a leading position in the market, our revenues, reputation and trust depends on the quality and integrity of our products. We must continue to meet the changing demands and expectations of our consumers in a highly competitive and dynamic market. The brand value of our products depends on their availability, design, presentation, quality, taste and safety.

¹⁴ GRI 103-1, 103-2

MATERIAL ISSUES	STAKEHOLDERS	RISKS	Link to SDGs
Based on the strategy and materiality matrix we identified five material issues: <ul style="list-style-type: none">• Corporate governance, business ethics & anti-corruption (as reported in the previous chapters)• Economic impact• Product quality and integrity• Nutrition• Responsible marketing	<ul style="list-style-type: none">• The Coca-Cola Company and Coca-Cola HBC AG• Consumers, business partners (customers, suppliers, contractors)• Our employees• Policymakers in government• Civil society and communities (general)	<ul style="list-style-type: none">• Risks related to manufacturing, production, maintenance and logistics• Impact on consumers, employees, environment and community• Corporate governance, business ethics & anti-corruption	<ul style="list-style-type: none">• SDG 3: Good health and wellbeing• SDG 8: Decent work and economic growth <div><div></div><div></div></div>

Our Group 2025 commitments and Coca-Cola HBC Croatia contribution

GROUP 2025 COMMITMENTS

- NUTRITION**
Reduce 25% of the calories per 100ml of sparkling soft drinks
- COCA-COLA HBC CROATIA CONTRIBUTION**
Since 2015 we have reduced calories in 100 ml of sparkling soft drinks by 10.1%.

Scale of the organisation:

- REVENUE 2019**
1,076,572
in thousands of HRK
- 489
employees
- 9,900
jobs in the value chain
- 33,475
customers

ECONOMIC IMPACT ¹⁵

Through our operations in Croatia we create a positive socioeconomic contribution, improving the quality of life in our communities. We measure the impact in terms of the income we generate in the community, including the wages and salaries of our workforce, taxes paid, payments to suppliers and contractors and investments in community-based partnerships in support of social and environmental topics. We strive to adapt the most successful business practices and to apply them to the specific market context in which we operate.

Our economic performance:

Economic performance is of high importance for the company. It is regularly tracked at board meetings and once a year presented in an annual report. In terms of our economic bottom line, our revenues were steady in the reporting period and profit decreased slightly in 2019.

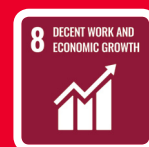
On December 31, 2018, Coca-Cola HBC Croatia's share capital consisted of one basic contribution of nominally HRK 233,429 wholly owned by Coca-Cola Beverages Holding II B.V. Netherlands. There was a share capital decrease of HRK 207,750 in 2019 due to a profit distribution to the owner.

Table: Generated Economic Value

(ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF HRK)	2018	2019
Revenue	1,068,718	1,076,572
Other operating income	21,546	23,038
Change in inventories of finished products	3,119	967
Cost of materials and energy	348,754	403,436
Cost of trade goods sold	185,815	137,157
Staff costs	115,818	106,046
Depreciation, amortization and impairment	32,229	30,463
Depreciation of right-of-use assets	-	7,277
Other operating expenses	274,973	301,148
Other losses/gains	885	1,593
Operating profit	128,671	114,709
Finance income	8,471	6,105
Finance costs	464	2,003
Finance income net	8,008	4,102
Profit before tax	136,679	118,811
Income tax	27,580	22,976
Net profit	109,099	95,835

Table: Share Capital Structure and Other Capital Formation

(ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF HRK)	BALANCE ON DECEMBER 31, 2018	BALANCE ON DECEMBER 31, 2019
Share capital	233,429	25,679
Share premium	3,132	3,132
Other reserves	634	425
Retained earnings	109,099	95,835
Total	346,294	125,071



We contribute to Goal 8, Target 8.1: Sustain per capita economic growth in accordance with national circumstances. How we contribute?

¹⁵ GRI 103-3, 201-1, 203-2

Economic impact:

In 2018 the company Steward Redqueen carried out a study on the socioeconomic impact of the Coca-Cola system on the Croatian economy in 2018, following a previous study that had been carried out in 2016. Using input-output models, the study led to several important findings concerning our socioeconomic impact.

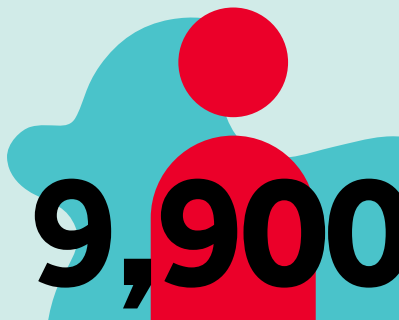


2.339
billion HRK

By manufacturing and distributing its products, Coca-Cola directly and indirectly contributes through taxes, salaries and profits with a total of 2.339 billion HRK, which is 0.6% of Croatian GDP

76%

Of every HRK spent on Coca-Cola products, 76% remains in the Croatian economy.



9,900

Coca-Cola supports 9,900 jobs in its value chain, which is 0.6% of the total number of jobs in Croatia. Each job at Coca-Cola supports another 20 jobs in Croatia's economy.



286
million HRK

Coca-Cola Croatia creates 286 million HRK of directly added value for the Croatian economy and indirectly 2.053 billion HRK.

PRODUCT QUALITY AND INTEGRITY, NUTRITION AND RESPONSIBLE MARKETING ¹⁶

Faced with numerous challenges and rapid changes in all parts of life and the world we live in, we are looking for new ways to continue to do business successfully for years to come. We want to continue strengthening our position and continue growing in the soft drinks segment, while at the same time being ready for the necessary changes, new strides and new Coca-Cola vision. We are also aware of changes in consumer habits, trends and tastes, and by listening to the wishes of our consumers, we adjust our long-term strategy to the new age.

We will help consumers to better control the amount of sugar they ingest consuming our products without having to give up the great flavours they know and love, while offering them at the same time a much wider selection of refreshing and delicious soft drinks in the future. We will expand the offer and supplement it with the vision of a company offering soft drinks which satisfy the needs of all consumers and allow them to choose according to their tastes, desires, habits and needs.

¹⁶ GRI 103-1, 103-2, 103-3, 416-1, 416-2, 417-1, 417-2



THE QUALITY AND INTEGRITY

of our products means that we can offer products of the highest quality and satisfy the needs of our customers and consumers at any moment. The trust of our consumers is based on our continuous investment in health, safety and product quality. The production process requires several steps to ensure the health and safety of all products by applying strict quality control criteria. The main stages of production include the preparation of water and syrup and the filling and packaging of products.

Each phase of the production process is carried out under strict supervision and with quality parameter testing in our internal control laboratory. All ingredients used in production are procured from authorized and approved suppliers. The ingredients as well as the finished products are tested daily in our internal laboratory, yearly in external accredited laboratories and in an international laboratory in Germany. We also ensure the quality of the products by randomly testing products from the market.

We contribute to Goal 3, Target 3.4:
By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing.



Incoming raw materials

Water, concentrate, fructose-glucose and carbon dioxide for the food industry

Semi-finished products

Syrup, water

Packaging material

PET bottles and preforms

The finished product

THE STANDARDS
that we implement in our
management system are even
stricter than Croatian legislation:

ISO 9001
Quality Management System

ISO 22000
Food Safety Management

FSSC 22000
Food Safety Management

ISO 14001
**Environmental
Management System**

ISO 45001
Occupational Health and Safety

EWS
**European Water and Water
Resources Management System**

COMPLIANCE

Coca-Cola HBC Croatia implements the Total Age Management (TAM) programme, which is a management system based on the regular monitoring of a product's age at all stages of its life cycle.

Audit procedure by Lloyd's Register Quality Assurance Limited (LRQA)

Compliance with regulations is controlled at all stages of the product life cycle.

Additional activities from preventive measures to monitoring (supervision) as well as internal and external controls

During the reporting period there were no product recalls related to consumer health and safety. There were also no compliance issues with regulations and voluntary codes related to product health and safety.

FEEDBACK from our customers and consumers

We receive feedback via our free infoline. All complaints are resolved in accordance with procedure. During the reporting period the number of complaints related to product quality was reduced by 27% compared to the previous year because of standard strictness and continuous procedure improvements.

RESPONSIBLE MARKETING

The advertising of our brands is truly one of the most important business activities across the entire Coca-Cola system. We follow the Marketing Policy of The Coca-Cola Company as well as Global School Beverage Guidelines. Our responsible marketing policies regulate the ways in which we engage in commercial activities and in particular how and where we advertise. In addition to our responsible internal marketing commitments, we are fully supporting the European Soft Drinks Association (UNESDA) pledge to remove all sugar-sweetened beverages from secondary schools as of 2019, continuing our efforts to help people of all ages make informed and responsible beverage choices.

NO ADVERTISING TARGETING CHILDREN UNDER 12 YEARS

We respect the role of parents and caregivers as the primary decision-makers with regard to the beverages their children consume and therefore we do not market our products directly to children under the age of 12. This also means that we will not design our marketing communications in a way that directly appeals to children under 12 and we will not offer our beverages for sale in primary schools.

We strive to provide accurate, clear and easily accessible information about our products, their composition and nutritional value. End users can find the most important product information on product labels and the company's website. All labels and the information stated on them are in accordance with legal regulations and state nutritional values (energy, carbohydrates and sugars, proteins and salt). During the reporting period no regulations or the voluntary code related to product information and labelling were violated.

EVOLVED NUTRITION LABELLING

Coca-Cola voluntarily started stating the nutritional value of products (so-called GDA) on its products as early as 2007 and has started to introduce Evolved Nutrition Labelling, thus providing clear and concise ingredient information using colors in a manner aligned at an EU-wide level. Coca-Cola was the first beverage manufacturer to introduce visible calorie values on products worldwide.

In accordance with our Quality Policy and Food Safety, we provide specifications on request regarding:

- the origin of ingredients (raw materials),
- the composition of products, including ingredients (raw materials) that may have an impact on the environment or people,
- safe product use,
- safe product storage,
- the impact of waste disposal on the environment or people.

All of our products contain instructions on responsible packaging disposal after use.

7 Our people

**Cultivating
the potential
of our people**



MANAGEMENT APPROACH ¹⁷

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 contribute to the development possibilities of our people, our culture and our critical organisational capabilities with even greater speed and effectiveness. One of our greatest strengths is our value-based culture, which is built on six growth mindset values. The Human Resources Department is responsible for caring for our employees and for compiling data for this report from an employee list generated from the system with all employee data as of December 31, 2019. Based on strategy, risk assessment and materiality matrix we identified the two most important material issues and linked them to the relevant SDGs:

¹⁷ GRI 102-8, 103-1, 103-2
¹⁸ Only work-related accidents are considered here. Other accidents such as traffic accidents on the way home/to work are regularly reported as no-work related accidents due to legal requirements and are mentioned in other parts of the report.

MATERIAL ISSUES	STAKEHOLDERS	RISKS	Link to SDGs
<ul style="list-style-type: none"> Employee wellbeing & engagement Human rights, inclusion & diversity 	Our employees	Employee satisfaction and engagement, wellbeing and injures	<ul style="list-style-type: none"> SDG 8: Decent work and economic growth SDG 5: Gender equality



GROUP 2025 COMMITMENTS	PROMOTING SAFETY FOR OUR WORKFORCE	FULL GENDER BALANCE
	Target zero fatalities and reduce (lost time) accident by 50%	50% of manager positions to be held by women
COCA-COLA HBC CROATIA CONTRIBUTION	We had no fatalities in 2019. We had one work-related lost time accident (LTA) and the lost time accident rate (LTAR) per 100 FTE was 0.21 ¹⁸ .	48% of managerial positions were held by women in 2019.

SCALE OF THE ORGANISATION			
489 EMPLOYEES	Permanent vs. Temporary		Female 108/19 Male 323/39
	Full-time vs. Part-time		Female 124/3 Male 361/1
	From	Zagreb South West East	340 59 53 37

EMPLOYEE WELLBEING & ENGAGEMENT ¹⁹

Employee wellbeing from recruitment until retirement:

The wellbeing of our employees is very important to us from the moment they join the company. Recruitment and selection procedures are based on rules and procedures relating to the employment, transfer and dismissal of workers. We offer remuneration packages that are fair, transparent and highly competitive. Employees contribute 20% of their salary to the pension fund. All employees are included in the first and second pillars of the pension system. Every year we conduct an engagement survey among our employees and in 2019 the score was 84%. The engagement report or pulse show us strengths & opportunities.

Wages:

We remunerate employees based on transparent pay scales, offering variable pay based on performance. A Collective Agreement is in place covering wages and benefits, including additional holiday allowances, vacation allowances and the like. The minimum base salary under the Collective Agreement is 3,588.89 HRK and is used to calculate remuneration rates for specific jobs based on the assessment of work complexity and working conditions. In 2019 the median annual gross salary across the company was 185,129 HRK, an increase of 2.7% compared to 2018. The median gross monthly salary is therefore around 15,427 HRK.

Benefits for our employees:

Standard benefits for full-time employees include disability coverage, parental leave and retirement provision. Employees entitled to parental leave are those employees that are covered by organisational policies, agreements or contracts containing parental leave entitlements. Parental leave is an important part of the care for our employees.

Minimum notice periods regarding operational changes:

We typically give four weeks notice to employees and elected employee representatives prior to the implementation of significant operational changes that could substantially affect them. Notice periods and provisions for consultation and negotiation are not specified in the Collective Agreement but agreed-on internally.

¹⁹ GRI 102-8, 103-1, 103-2, 103-3, 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9, 404-1, 404-2, 404-3

Table: Turnover rate

TOTAL NUMBER OF NEW EMPLOYEES DURING THE REPORTING PERIOD			48	TOTAL TURNOVER RATE	TOTAL NUMBER OF EMPLOYEES WHO LEFT THE COMPANY	31
GENDER	Male	30	5.63%		Male	19
	Female	18			Female	12
AGE GROUP	Under 30	36			Under 30	5
	30-50	12			30-50	22
	Over 50	0			Over 50	4

Table: Parental Leave

Total number of employees entitled to parental leave	Female	Male	23
Total number of employees on parental leave	Female	Male	13
			2
Total number of employees who returned to work in the reporting period after parental leave	Female	Male	3
			2

We contribute to Goal 8, Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



Training and education:

Depending on the needs of particular periods and business needs, all employees have the opportunity to undergo training. All employees covered by the People Development Forum (PDF) have a detailed individual development plan that sets out the trainings the employees plan in the current year and can be updated during the year. Training quality and offer (internal and external) are constantly evaluated and adjusted according to corporate quality standards and are based on the short- and long-term needs of employees. The company offers employees a diverse catalogue of training programmes. We have a yearly performance and talent management cycle called P4G (Performance 4 Growth) which enables us to help identify employee development needs.

Health and safety:

One of our top priorities is the health and safety of our employees, underpinned by a commitment to safety first principles at all times. We constantly work on raising awareness across our entire workforce, and external affiliates where applicable, on all matters relating to health and safety. Programmes implemented in relation to health and safety include: an annual campaign for health and safety at work, the Top 10 Fatality Programme, the Fall Prevention Programme, Occupational Safety Discussions, Safe Step, the Almost-an-Accident Programme, the Safe Driving Programme, Axonify, the Behaviour-Based Safety Programme, the CAPEX Programme and the Employee Reward Programme. More generally, there are robust internal and external controls, inspections and the constant monitoring of employees’ behaviour to ensure that prescribed safety procedures are respected. In accordance with internal procedures and statutory obligations, any incidents that occur must be reported to a line manager or person in charge of occupational safety. After that, management prepares during a joint meeting a Remedial Action Plan for each individual injury and periodically monitors progress in terms of the proposed actions. Information on injuries is sent to all relevant departments including senior management, relevant public authorities (Labour Inspectorate) as well as the CCHBC AG work safety manager. We also monitor injuries at work at our suppliers and contractors, who are obliged to report any accidents at work to the relevant health and safety manager. We work with contractors on prevention programmes, risk assessments and remedial measures after an accident has occurred. We had one accident among contractors in 2017, four in 2018 and three in 2019. The reasons for accidents were mainly manual handling as well as contact with machinery/tools/ equipment and exposure to hot or cold temperature.

Table: Training and Education

TRAINING HOURS	AVERAGE TRAINING HOURS	60% of employees received regular performance and career development reviews
Internal training hours: 3,136	Female 12.9	
External training hours: 1,496	Male 9.3	

All employees undergo some form of training during the year, while the company’s approach to employee development is to place the greatest emphasis on on-the-job learning

Table: Accidents at Coca-Cola HBC Croatia

	2017		2018		2019	
	M	F	M	F	M	F
Zagreb plant	0	0	0	0	1	0
CCHBC other	0	1	0	1	1	0
Total	0	1	0	1	2	0
Lost Time Accident Rate ²⁰	0.21		0.21		0.42	

The workplace injuries rate was already low and is declining. The 2017 Sustainability Report shows that in 2015 there were a total of six injuries, with a significant drop to one reported injury in 2017 and 2018. In terms of days lost through injuries at work per employee, the rate was drastically reduced from 0.572 in 2015 to 0.42 in 2019.

²⁰ Defined as the number of accidents resulting in one day or more away from work x 100 / average number of FTE



HUMAN RIGHTS, INCLUSION & DIVERSITY ²¹

Human rights are an essential part of our license to operate. Guided by international human rights principles, instruments and conventions, Coca-Cola HBC has a Human Rights Policy as well as an Inclusion and Diversity Policy in place. More about these policies can be found in the chapter on compliance.

Diversity and equal opportunity:

We established a cross-functional Diversity & Inclusion Council in 2020 to ensure that all our employees are treated with respect with regards to all their individual differences in terms of gender, age, culture, skin colour, disability, family or marital status, sexual orientation, religion, race, political affiliation or any other characteristic making them unique. We have developed the diversity & inclusion slogan Unique Together in order to respect our people's needs and differences and to foster an environment where each employee is respected and included.

In the reporting period we did not conduct a training for employees with a specific focus on human rights policies only. However, Coca-Cola HBC Croatia follows the mandatory company policy, under which each employee every two years participates in a training on Code of business conduct (COBC), which includes issues of human rights, diversity, and inclusion. Those trainings take place annually on an e-learning platform. In 2019 employees regularly participated in the training, therefore 100% of all Coca-Cola HBC Croatia employees participated in this training in the last two years.

²¹ GRI 102-12, 103-1, 103-2, 103-3, 405-1, 405-2, 412-1

External initiatives:

In 2017 Coca-Cola HBC Croatia signed the Diversity Charter, an initiative financed by the European Union and implemented in 26 EU member states. By signing the Diversity Charter, Coca-Cola HBC Croatia committed to promoting diversity and equal opportunities for its employees in addition to its Diversity and Inclusion Policy demonstrating its commitment to supporting, protecting and nurturing diversity across the organisation and value chain. In partnership with the Croatian Business Council for Sustainable Development (HR PSOR), Coca-Cola joined forces with five other companies in 2019 to launch the Alliance for Gender Equality, an initiative aimed at closing the gender gap in the workplace. The goal of this initiative is to involve companies to work together towards achieving a greater impact on the lives of women in companies and society at large.

We have a Code of Business Conduct in place and a Speak up! Line to report any cases of discrimination within our organisation. Employees can always contact a legal counsel in Croatia if they suspect discrimination. The Human Rights Policy is easily available on our Intranet. No cases of discrimination were reported in the reporting period.

Table: Manager Positions

LEAD TEAM		LEAD TEAM		ALL OTHER EMPLOYEES		ALL OTHER EMPLOYEES	
M	4	Under 30		M	358	Under 30	89
F	5	31-50	9	F	122	31-50	311
	9	Over 50	1		480	Over 50	80

Table: Basic Salary and Remuneration Ratio for Women/Men

MEDIAN ANNUAL GROSS SALARY		CCHBC STANDARD ENTRY LEVEL WAGE BY GENDER
F	188,675 HRK	73,213 HRK, ratio 1.63
M	168,657 HRK	55,987 HRK, ratio 1.2

We contribute to Goal 5, Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life and to Goal 8, target 8.5: By 2030, achieve full and productive employment and decent work for all women and men.



8 Environment

**Earning
our license
to operate**




MANAGEMENT APPROACH ²²

Environmental protection and the sustainable use of natural resources, improving environmental management and preventing environmental pollution are some of the more significant challenges on the path to sustainable business for all companies. Having in mind the most significant impacts of our business on a global and country level, we mostly focus on the following areas:

ENVIRONMENTAL POLICY:

In environmental management we apply the internationally recognized ISO 14001 system, the EWS (European Water and Water Resources Management System) as well as a number of internal procedural rules and policies: the Environmental Policy, Climate Change Policy, Packaging Waste Management Policy, Water Resources Protection and Conservation Policy and Fleet Safety Policy. Our business is also fully compliant with applicable laws and regulations on environmental protection, which was confirmed during a coordinated inspection at the Zagreb plant in April 2019, which included a total of seven inspections aimed at preventing and/or minimizing potential environmental risks as well as the prevention of accidents that could endanger human health or cause environmental pollution or damage to the environment. All inspections related to environmental protection were successfully carried out, without any negative findings.

²² GRI 103-1, 103-2
²³ This achievement refers to the share of recycled PET in bottles produced at the Zagreb plant.
²⁴ Source: Report on Packaging Waste Management in Croatia in 2017 (Izvešće o gospodarenju otpadnom ambalažom u Republici Hrvatskoj u 2017. godini) published by the Ministry of Environmental Protection and Energy

MATERIAL ISSUES	STAKEHOLDERS	RISKS	Link to SDGs	
<ul style="list-style-type: none">• Packaging recycling & waste management• Water stewardship• Carbon & energy• Sustainable sourcing	<ul style="list-style-type: none">• Our people• Society• Customers/consumers• Community	Manufacturing, production, logistics and sales lead to risks related to identified environmental aspects.	<ul style="list-style-type: none">• Goal 6: Clean water and sanitation• Goal 12: Sustainable consumption and production• Goal 13: Climate change	 

GROUP 2025 COMMITMENTS

Less emissions in our operations	Less emissions in customer outlets	More renewables	100% renewable and clean electricity	Less water consumption in water risk areas	100% water security in water risk areas	100% recyclable packaging	More recycled PET	More waste collection	Sourcing
Reduce direct carbon emissions ratio by 30%.	50% of our refrigerators in customer outlets will be energy-efficient.	50% of the total energy used in our plants will come from renewable and clean sources.	100% of the total electricity used in our plants will come from renewable and clean sources.	Reduce water use in plants located in water risk areas by 20%.	Help secure water availability for all our communities in water risk areas.	100% of our consumer packaging will be recyclable.	Source 35% of the total PET used from recycled PET and/or PET from renewable materials.	Help collect the equivalent of 75% of our primary packaging.	Source 100% of key agricultural ingredients in line with sustainable agricultural principles.

COCA-COLA HBC CROATIA CONTRIBUTION

By 2019 we decreased carbon emissions by 14%.	49% of our refrigerators in customer outlets are energy-efficient.	66.35% of the total energy used in our plant was from renewable sources in 2019.	Our production plant has been using 100% electricity from renewable sources since 2015.	Water commitments relate to plants in water risk areas. Based on CCHBC's risk assessment, the Zagreb plant is not located in an area with high water risk. We nevertheless consider responsible conduct with regard to water use a priority and have reduced the water use per litre of produced beverage by 6.3% vs 2017.	All our beverage packaging is 100% recyclable.	The share of recycled PET material in soft drinks packaging increased from 10% to 20% in 2019. ²³	Coca-Cola HBC Croatia collects its primary packaging placed on the market for recovery through a state-owned deposit refund system. According to latest officially published data, 82% of primary packaging (PET/Al-Fe/glass) is collected through the deposit refund system. ²⁴	This goal is calculated at the Group level, which is why there are no country-specific results. The Group result is 74%.
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PACKAGING RECYCLING ²⁵

Packaging plays a key role in maintaining the top quality and safety of our products in the supply chain for end consumers. Coca-Cola HBC Croatia is continuously working to promote sustainable packaging and is looking for appropriate sizes and materials that can optimize and reduce the impact of packaging. Our focus:

- develop packaging with lower weight,
- use recycled/recoverable product packaging materials,
- encourage consumers to properly dispose of packaging and raise awareness of the importance of the separate collection of packaging materials.

Through the Light-Weighting Programme Coca-Cola HBC Croatia has reduced the weight of PET bottles with a volume of 2L by 22% since 2004 and the weight of PET bottles with a volume of 0.5 L by 19% since 2006. With the Light-Weighting Programme we introduced a new, shorter type of threaded part of the “1881” PET bottle, which allowed us to reduce the weight of the plastic caps used on these bottles by up to 15%. The weight of returnable glass bottles for key product categories was reduced by 9%.

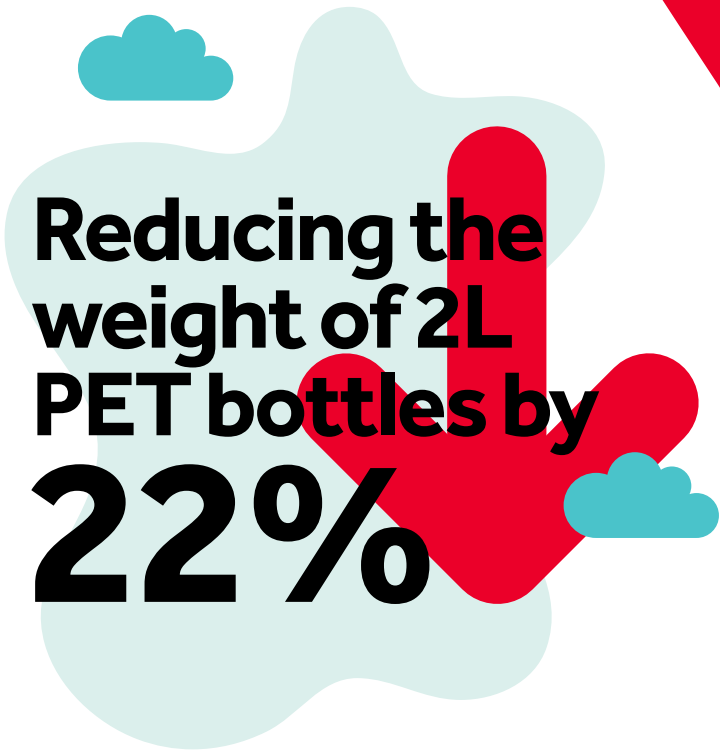


Table: List of Packaging and Other Materials Used in the Production Process

ZAGREB PLANT		UNIT	2017	2018	2019
Primary Packaging	PET flakes and resins for own use	kg	1,553,105.00	2,843,800.00	2,622,900.00
	PET flakes for other plants	kg	22,000.00	0.00	0.00
	PET preforms for own use	kg	556,598.73	884,795.36	972,568.93
	Total PET for own use	kg	2,109,703.73	3,728,595.36	3,595,468.93
	Post-consumer PET recycled material	kg	311,105.00	543,000.00	417,316.00
		%	14.75%	14.56%	11.61%
	Glass bottles	kg	1,536,464.25	968,777.00	908,417.10
	% of glass from recycled sources	%	42.67%	42.67%	42.67%
	Steel (crowns or cans)	kg	154,327.37	172,162.00	167,523.94
Labels	% of steel from recycled sources	%	24.00%	24.00%	24.00%
	Plastic closures (PE and PP)	kg	291,286.75	296,097.00	344,969.20
	Plastic labels	kg	57,679.55	54,033.41	50,433.50
Secondary and Other Packaging	Paper labels	kg	29,810.85	33,125.83	32,442.53
	PE stretch and shrink film	kg	397,871.00	407,524.00	406,270.00
	Cardboard	kg	249,079.31	264,204.00	265,727.83
Chemicals	Wood (pallets)	kg	0.00	13,500.00	41,618.50
	Chemicals total	kg	175,291.00	172,687.00	140,101.00



We are contributing to SDG Goal 12, Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

²⁵ GRI 103-1,103-2,103-3, 301-1, 301-2, 301-3



WASTE MANAGEMENT ²⁶

Waste management is a key part of the ISO 14001 Environmental Management System established at our bottling plant and it is implemented in accordance with the Environmental Policy of Coca-Cola HBC Croatia, the requirements of local environmental regulations and the KOREEOSH requirements of The Coca-Cola Company.

In line with our approach, we set goals and increased the efficiency of projects to reduce waste generation and increased the recycling rate. Our ultimate goal is to achieve “zero waste” deposited in urban landfills. We keep records of all types of waste that is created during production and business processes. In order to keep record of waste removal and disposal to authorized waste management companies, we use the BAGOT software that automatically generates accompanying sheets for all types of non-hazardous and hazardous waste, ONTO reports, waste management plans and other legal documents for waste. All waste that can be reused is handed over to authorized waste management companies.

Our approach
to waste
management

Prevention of
waste generation
Reducing waste
Reuse
Recycle



Table: Waste

ZAGREB PLANT	UNIT	2017	2018	2019
HAZARDOUS WASTE	kg	24,771.00	2,440.00	7,125.00
Disposal method: recycling	kg	24,207.00	1,652.00	6,150.00
NON-HAZARDOUS WASTE	kg	657,926.00	727,532.00	813,948.00
Disposal method: reuse	kg	1,886.00	0.00	0.00
Disposal method: recycling	Kg	641,840.00	715,742.00	802,208.00
Disposal method: composting	kg	4,240.00	3,340.00	3,940.00
Disposal method: landfill	kg	9,960.00	8,450.00	7,800.00

Table: Waste

REMOTE PROPERTIES (INAS & SOLIN)	UNIT	2017	2018	2019
HAZARDOUS WASTE	kg	116,630.00	172,213.00	176,145.00
Disposal method: recycling	kg	116,630.00	172,213.00	176,145.00
NON-HAZARDOUS WASTE	kg	388,283.00	417,378.00	654,653.00
Disposal method: recycling	kg	383,915.00	414,007.00	649,933.00
Disposal method: landfill	kg	4,368.00	3,371.00	4,720.00

²⁶ GRI 103-1, 103-2, 103-3, 306-1, 306-3, 306-4, 306-5



WATER STEWARDSHIP ²⁷

Water resources management is one of the key factors in the process of maintaining and improving the sustainability of our business. In addition to being the basic ingredient of our products, water is also crucial in our production process and necessary for the cultivation of agricultural products that are part of our products. Responsible water resources management in all our processes and in our supply chain is an issue of paramount importance to our business. A detailed Source Vulnerability Assessment (SVA) was performed for each Coca-Cola HBC bottling plant, based on which the Source Water Protection Plan (SWPP) was developed to ensure their sustainability. Internationally, Coca-Cola HBC AG is one of the signatories of the UN Global Compact and its CEO Water Mandate Initiative. This initiative aims to manage water sustainability issues in the areas in which it operates, supply systems, communities and close work with governments and NGOs to shape public policies in this area. Coca-Cola HBC also collaborates with the Water Footprint Network, a global platform connecting various stakeholders in the sustainable and efficient use of water resources.

Having enough affordable water of suitable quality is essential for human health and ecosystems. Coca-Cola HBC Group has committed to reducing water use in facilities located in high-risk areas by 20% by 2025. Although Croatia does not belong to the group of European countries facing water scarcity, given the nature of our work we focus on increasing the efficiency of water consumption in our processes by reducing its use, focussing on recycling and recovery and investing in new innovative technologies.

OPTIMIZATION AND MODERNIZATION IN 2019

- In 2019 we continued a project to further optimize the CIP (Cleaning in Place) process (replacement of 5-stage washing with 3-stage or rinsing with treated water).
- We installed new fillers on the lines for filling plastic and returnable glass bottles as well as a new returnable bottle washer and a new PET bottle rinser.
- The new equipment is modern, highly energy-efficient and more efficient in terms of water consumption management.

From 2010 to 2019, the water consumption per litre of beverage produced at our bottling plant was decreased by

17%

We reduced chlorine concentration for water disinfection from 6-8 ppm to 1-3 ppm.

We collect water and return it to production.



²⁷ GRI 103-1, 103-2, 103-3, 303-1, 303-2, 303-3

The water we use in the Zagreb bottling plant is supplied by pipelines from the public water supply system of the Petruševac water pumping station located east of the Zagreb bottling plant at an air distance of approximately 5 km, which consists of a total of six wells. As shown in below table, we slightly reduced our water use in 2019 and managed to increase the recycled water percentage.

WASTEWATER MANAGEMENT:

Wastewater from the Zagreb bottling plant passes through an internal wastewater treatment system before being discharged into Zagreb’s central wastewater treatment plant. The wastewater quality is checked daily in our internal laboratory and, based on the requirements of our Environmental Permit, quarterly by an accredited external laboratory. We are constantly monitoring trends in terms of reducing the amount of wastewater and its chemical burden. Our purified wastewater is safe for flora and fauna and according to results it can be discharged into a natural water body, in our case into the Sava River.

In terms of rainwater we have installed oil separators at the Zagreb plant to prevent potential pollution from truck loading and unloading, car parking, and forklift use, so there is no possibility that unprocessed water can reach a natural receiver. Spill kits are available and, of course, regularly checked at all sites with a possible oil spillage or chemical leakage risk. The Chemical Oxygen Demand (COD) figures show the quality of treated wastewater by measuring the amount of oxygen required for the oxidation of decomposed organic substances in water. The table shows COD figures for 2017, 2018 and 2019.

The permissible COD limit for wastewater discharge into a natural recipient is 125 mg/L and 700 mg/L in the public wastewater drainage system. It is evident from above table that the purified wastewater of the Zagreb plant satisfies the COD requirements for direct discharge into a natural recipient. We also replaced 2 blowers in the wastewater treatment plant in 2019 to enhance aeration of nitrogen bacteria responsible for wastewater purification. With the new blowers the amount of oxygen is increased and so is bacterial efficiency.

Table: Water Used

ZAGREB PLANT	UNIT	2017	2018	2019
Water used from the public water system for the Zagreb bottling plant	L	243,681,000.00	246,608.00	238,113.00
Water used from the public water system for remote properties (INAS & Solin)	L	927,000.00	1,075,000.00	977,000.00
Estimated recycled and reused water for the Zagreb bottling plant	L	30,350,000.00	32,100.00	36,059.00
% of recycled and reused water in total water used from the public water system for the Zagreb bottling plant	%	12.45%	13.02%	15.14%

Table: Water Discharged

ZAGREB PLANT	UNIT	2017	2018	2019
Total water discharged	L	76,221,000.00	67,049,000.00	67,749,000.00
COD after cleaning (mg/L)	COD (mg/l)	86	60	44

²⁷ GRI 103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4, 303-5

CARBON & ENERGY ²⁸

Climate change brings potential risks to our operations in terms of reduced resources availability (e.g. water, fruit and sugar) and rising energy prices, but it also poses risks to our suppliers, customers and the communities to which we belong. Addressing the challenges of climate change leads us into an open dialogue with suppliers in order to reduce CO2 emissions throughout the value chain. Coca-Cola HBC Croatia has pledged to reduce its energy consumption and the overall impact of its emissions. Most of the energy in our business is used in bottling plants, our transport fleet and refrigeration equipment.

²⁸ GRI 103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-5,

Table: Our goals

CO ₂ REDUCTION	ELECTRICITY REDUCTION AND MORE ENERGY FROM RENEWABLE SOURCES
Coca-Cola HBC Group has committed to reducing the direct carbon ratio by 30% by 2025.	Coca-Cola HBC Group has committed to reducing emissions and obtaining 100% of electricity for Coca-Cola plants (in EU) from renewable and clean sources.
How?	How?
<ul style="list-style-type: none">• Increasing energy efficiency• Switching to clean energy sources• Reducing emissions across the value chain• Introducing new technologies with low CO₂ emissions• Promoting good practices and raising awareness of the importance of climate change	<ul style="list-style-type: none">• More efficient lighting through LED replacements• New energy-efficient high-pressure compressors• Installing energy monitoring systems• Reducing low compressed air pressure• Improved insulation in all hot- and cold-water pipes• Air hunter programme• New and more energy-efficient gas boilers



We are contributing to SDG Goal 13, Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

CO2 emissions:

Coca-Cola HBC Group has committed to reducing the direct carbon emissions ratio by 30% by 2025. Below table shows CO2 emissions at the Zagreb plant, our two distribution centres under our ownership and our fleet.

CO2 emissions from the bottling plant were reduced by 14% in 2019 compared to 2017. We also achieved zero CO2 emissions from purchased electricity (as the entire amount comes from renewable sources) in the same period. CO2 emissions from primary packaging increased by 36% in 2019 compared to 2017, which can be attributed to a volume increase and more PET bottles being produced.

Compared to 2017,
CO2 emissions from
the Zagreb bottling
plant in 2019 were
reduced by

14%



Table: CO2 Emissions

ZAGREB PLANT	UNIT	2017	2018	2019
Total production (by volume)	000 L	154,172	158,423	160,434
CO ₂ from bottling plant (fossil fuels)	t	1,192	1,002	1,013
CO ₂ from the company's transport fleet (fossil fuels)	t	1,353	1,453	1,430
Carbonated products (emission losses)	t	896	197.5118	170.2451
CO ₂ from refrigeration equipment	t	908	1,033.78	866.352
CO ₂ from distribution centres (Inas and Solin) (spent fuel)	t	337	288.5769	71.86482
CO ₂ from bought or rented electricity from the bottling plant	t	0	0	0
CO ₂ from bought or rented electricity from the distribution centres (Inas and Solin)	t	0	0	0
CO ₂ in production (non-recycled produce)	t	1,249	1,281	1,299
CO ₂ emissions from electricity used in cooling processes	t	15,143	16,361	13,109
Total CO ₂ emissions from third-party transportation (fuel)	t	2,193	2,275	2,171
CO ₂ from primary packaging	t	6,967	10,277	9,470
CO ₂ from secondary packaging	t	1,134	1,169	1,059
CO ₂ from sugar	t	10,061	17,038	16,841

Energy consumption:

Below tables show energy consumption at the Zagreb plant and the two distribution centres under our ownership.

Our fleet²⁹:

The identified significant environmental impacts that occur during the distribution of our products are fuel consumption and gas emissions. In accordance with the Fleet Safety Policy, Coca-Cola HBC Croatia vehicles must not be older than four years. All our vehicles must meet the minimum requirements of the Euro 6 standard. We monitor the fuel consumption and mileage of the Coca-Cola HBC Croatia fleet, which consists of light vehicles, to minimize the emission of harmful gases.

The total energy consumption per litre of beverage produced in our bottling plant has decreased by

4.6%
over a ten-year period.

Coca-Cola HBC Croatia has been obtaining 100% of its electricity from renewable sources.

²⁹ Cargo vehicles are owned by subcontractors.

Table: Energy Consumption

ZAGREB PLANT	UNIT	2017	2018	2019
NON-RENEWABLES – natural gas	MJ	22,278,581.30	18,326,571.70	18,436,905.10
NON-RENEWABLES – propane (LPG)	MJ	1,170,026.00	1,328,569.84	1,428,683.10
RENEWABLES – electricity	kWh	11,348,000.00	11,976,000.00	11,696,578.00
	MJ	40,852,800.00	43,113,600.00	42,107,680.80
Total energy consumption	MJ	64,301,407.30	62,768,741.54	61,973,269.00
Energy intensity ratio for the organisation	MJ/Lpb	0.42	0.40	0.39
Reduction in energy consumption	%	-7.78%	-4.76%	-2.50%

Table: Energy Consumption

REMOTE PROPERTIES (INAS & SOLIN)	UNIT	2017	2018	2019
NON-RENEWABLES – propane (LPG)	MJ	362,960.00	714,700.80	780,595.20
RENEWABLES – electricity	kWh	668,246.00	746,560.00	823,108.00
	MJ	2,405,685.60	2,687,616.00	2,963,188.80
Heating consumption – electricity	MJ	6,253,556.40	4,906,080.00	4,454,373.60
Total energy consumption	MJ	9,022,202.00	8,308,396.80	8,198,157.60

Table: Energy Consumption in Our Fleet

	Unit	2017	2018	2019
Diesel	L	505,415	499,451	532,633
Gasoline	L	0	51,006	1,914
Electric	kW	0	0	1,213
Total average consumption	L/100 km	6.31	6.32	6.21
Mileage vehicles used by Coca-Cola HBC Croatia		8,015,593	8,715,244	8,626,059
Mileage cargo vehicles of subcontractors		4,286,087	4,435,671	4,276,317

Cooling equipment:

Coca-Cola HBC Croatia follows the decision of The Coca-Cola Company on the use of new refrigeration equipment that is free of hydrofluorocarbons (HFC-free). By excluding refrigeration equipment containing HFCs, The Coca-Cola Company demonstrates rapid adaptation and how soft drink producers can act to protect the climate. Coca-Cola HBC Group has committed to ensuring that 50% of the refrigerators installed at points of sale will be energy-efficient by 2025. Switching to HFC-free refrigeration equipment will reduce direct greenhouse gas emissions from refrigeration equipment by 99%. All new refrigeration units put on the market by Coca-Cola HBC Croatia do not contain HFCs and two solutions are currently in use: Hydrocarbon refrigeration equipment is used in smaller refrigeration equipment and carbon dioxide (CO2) in larger capacity equipment. CO2 is a safe, reliable and energy-efficient alternative with positive characteristics as a refrigerant. It does not damage the ozone layer and is 1,430 times less harmful to the climate than typical HFCs. Compared to 2017, Coca-Cola HBC Croatia reduced the share of refrigeration equipment with HFC by 21% in 2019 and increased the share of equipment with HC by 63%, while the number of refrigeration units containing CO2 remained at the same level.

Energy efficiency is taken into account when purchasing new refrigeration equipment. The new generation of refrigeration equipment is equipped with Electronic Management Devices (EMDs) and LED (Light Emitting Diode) lighting, which reduce electricity consumption.

Coca-Cola HBC Croatia increased the share of equipment with HC by 63% in 2019.

Table: Number of Refrigeration Appliances on the Croatian Market with Different Refrigerant Gas

	2017	2018	2019
CFC / HFCF (Chlorofluorocarbon/ Hydrochlorofluorocarbon)	66	3	3
HFC (Hydrofluorocarbon)	20,237	18,327	16,006
HC (Hydrocarbon)	9,204	11,991	15,008
CO ₂	355	349	346
Total	29,862	30,670	31,363

SUSTAINABLE SOURCING

The sourcing and procurement of raw materials contribute significantly to our economic, operational and environmental impact. As an indispensable component of our business model, our interest in the operations of our suppliers is explicitly concerned with their impacts on our own sustainability goals and performance. The sourcing of raw materials from environmentally and socially responsible suppliers who uphold the highest human rights standards and act as model employers is central to our sustainability commitments.

9 Community

**Earning
our license
to operate**



MANAGEMENT APPROACH ³⁰

Coca-Cola is a leader when it comes to corporate social responsibility in Croatia and invests incessant efforts in caring for the environment and contributing to numerous projects improving community life. As a key part of our strategic approach, we commit to investing in the local community and to improving the quality of life of those living in it. Social responsibility and the principles of sustainable business are not fully achievable without, as we put it, "giving back to the community".

We also regularly seek the views and opinions of the local community as one of our key stakeholders. Consumers can submit inquiries via e-mail to info.hr@cchellenic.com or call our infoline at **0800 0455**.

³⁰ GRI 103-1, 103-2, 103-3

MATERIAL ISSUES	STAKEHOLDERS	RISKS	Link to SDGs	
Corporate citizenship and youth empowerment	<ul style="list-style-type: none"> Community (general) Civil society and NGOs Academic community 	<ul style="list-style-type: none"> Business ethics & anti-corruption Consumer health/health and nutrition Product quality and integrity Climate change and environmental footprint 	<p>We identified the two most important SDGs we can contribute to:</p> <ul style="list-style-type: none"> SDG 8: Decent work and economic growth SDG 17: Partnerships for the goals 	 


GOALS (GROUP 2025 COMMITMENTS)	SUPPORTING OUR COMMUNITIES TO LEARN	SCALE UP #YE FLAGSHIP PROGRAMME	ZERO WASTE COOPERATION	VOLUNTEERING
	10% of community participants will join first-time manager programmes.	#Youth Empowered – train 1 million young people.	Engage in 20 zero waste partnerships (cities and/or coast).	10% of employees will take part in volunteering initiatives.
COCA-COLA HBC CONTRIBUTION	The progress on this commitment is calculated at the Group level and country results are not tracked separately. The Group result is 4.5%.	By 2019 we have trained 2,501 young people in Croatia (1,280 in 2019).	In 2019 we did not have any zero waste partnerships as work on this commitment started in 2020.	Three employees (0.6%) took part in volunteering initiatives in 2019. Our aim is to involve more employees in different volunteering initiatives in the coming years to improve our achievement of this commitment.

CORPORATE CITIZENSHIP AND YOUTH EMPOWERMENT ³¹

Our goal is to behave responsibly and to include all stakeholders, including the local community, in programmes for sustainable development. For almost a decade our policy in line with the broad strategic direction of Coca-Cola HBC as a whole has been to move away from many small donations to good causes and to focus instead on long-term investments and investments in partnerships for social value. Our main projects are:

Youth Empowered:

One of the key areas of our social responsibility is investment in youth development. By investing in young people, we hope to contribute to social progress together with our partners and to help young people find meaningful employment. Faced with the high unemployment rate among young people in many countries in which Coca-Cola operates, including Croatia (the unemployment rate among young people was 26.7% in 2017 according to the Croatian Employment Service), a number of activities have been launched to support the community. **HOW?** Youth Empowered is an educational programme designed for unemployed young people who are motivated to learn how to better compete on the labour market. It consists of a two-day workshop and an online educational platform, where young people are given the opportunity to acquire soft and business skills needed for employment. **WHO?** The programme is intended for young people (including students) aged 18 to 30, primarily focusing on unemployed people outside the education and training system. The lectures are given by experts, while executives of Coca-Cola HBC Croatia act as mentors during the workshops. **RESULTS?** From 2017 until the end of 2019 Coca-Cola HBC Croatia educated a total of 2,501 young people aged 18 to 30 (1,280 in 2019 alone) through workshops, collaboration with partners and the online platform.



We contribute to Goal 8, Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.



³¹ GRI 413-1



Community development and support in emergency situations:

In cooperation with the Croatian Red Cross we provide relief to communities in need in emergency and crisis situations. When floods hit Croatia in 2019, we donated more than 10,000 bottles of water as a relief measure, impacting around 5,000 people.

Happiness Gallery/Visitors Centre (plant visit programme):


Through this programme we offer guided visits to our plant to familiarize stakeholders with our sustainability achievements. The newly designed Visitors Centre was opened in October 2019 and marked a total of 464 visitors by the end of 2019.



Raise the Bar:

Raise the Bar is our HoReCa excellence education programme aimed at developing a qualified and skilled workforce in hospitality and tourism. Aligning people's skills and knowledge with the needs of employers in the tourism and hospitality industries is a step in the right direction when it comes to the further development of these industries in Croatia. The project consists of three project modules: the Raise the Bar Academy, Raise the Bar Scholarships and Raise the Bar Centers.

Raise the Bar Scholarships aim to finance training at the world's best schools for talented people working in gastronomy. The scholarships are intended for chefs, confectioners and restaurant serving staff. In 2019 we awarded in cooperation with the Budi Foodie Foundation scholarships to three young talents for training at renowned schools such as *Le Cordon Bleu Istanbul*, *Intrecci Alta Formazione Academy* and *Ecole Nationale superieure de patisserie – Ducasse & Thuries*.



The **Raise the Bar Academy** is intended for waiters, bartenders and baristas. People with at least one year of work experience in the hospitality sector have the opportunity to learn about the latest techniques in line with current gastronomy and hospitality trends. Upon completion they will receive certificates by Coca-Cola HBC Croatia and the European Bartender School. The Academy was launched in 2019 and so far a total of 11 participants from the first generation have finished it successfully and found employment or continued working for their respective employers.

Through **Raise the Bar Centers** we build partnerships with high schools serving as regional centers of competence in the hospitality and tourism industry with the aim of aligning educational curricula with market needs. Our goal is to advance the business skills of all students through counselling, providing support in the exchange of knowledge and experiences between students and experts, organizing workshops for teachers, visits to the educational center and helping with curriculum changes.

From Source to the Sea:

In 2018 Coca-Cola HBC Croatia launched its environmental project "From Source to the Sea" aimed at raising awareness of the responsible disposal of packaging waste in Croatia and raising consumer awareness of the importance of environmental protection. **HOW?** Within the framework of the project clean-up campaigns were organized along riverbanks, lakesides and the Adriatic coast. **WHO?** Coca-Cola HBC Croatia together with NGOs. **RESULTS?** Since the project launch in 2018, a total of 25 clean-up campaigns have been organized, engaging more than 1,300 people and collecting more than 30.3 tons of waste. Through the project we established eleven partnerships with key organisations and institutions.

Volunteering:

As a company we support the participation of our employees in existing volunteering opportunities during working hours. In 2019 we connected with the Volunteering Centre in Zagreb with plans to activate our own volunteering platform for Coca-Cola HBC Adria as a unique online platform with opportunities to sign up for volunteering campaigns in the countries in which we operate.

Donations and sponsorships:

We support numerous community projects and activities focussing on the development of young people. The aim is to provide support to young people in strengthening their leadership skills and their efforts to find meaningful employment after completing their education. As part of the donation and sponsorship programme providing refreshing drinks for project participants, we supported numerous community projects in 2019 that involved over 45,503 people in total, of which 12,407 participated in youth development projects. Besides youth development programmes, we supported many other projects which benefit our communities.



**We contribute to Goal 17,
Target 17.17: Encourage and
promote effective public,
public-private and civil society
partnerships, building on the
experience and resourcing
strategies of partnerships.**

GRI index

Coca-Cola HBC Croatia's 2019 Sustainability Report was prepared in reference to the Global Reporting Initiative's (GRI) Sustainability Standards 2016 (core option). The GRI Standards allow companies to report on their material impacts for a range of economic, environmental and social issues.

DISCLOSURE NUMBER AND TITLE		COMMENTS	PAGE IN THE REPORT
GRI 102: GENERAL STANDARDS			
102-1	Name of the organisation	Coca-Cola HBC Croatia	6
102-2	Activities, brands, products and services	Coca-Cola HBC Croatia	6
102-3	Location of headquarters	Coca-Cola HBC Croatia	6
102-4	Location of operations	Coca-Cola HBC Croatia	6
102-5	Ownership and legal form	Coca-Cola HBC Croatia	6
102-6	Markets served	Coca-Cola HBC Croatia	8
102-7	Scale of the organisation	Coca-Cola HBC Croatia	8, 12
102-8	Information on employees	Coca-Cola HBC Croatia	32, 33
102-9	Supply Chain	Coca-Cola HBC Croatia and suppliers	10
102-10	Significant changes to the organisation	Coca-Cola HBC Croatia. There were no changes of location, no changes in operations, no facility openings or closings and no expansions.	
102-11	Precautionary principles	Coca-Cola HBC Croatia	22
102-12	External initiatives	Coca-Cola HBC Croatia	6, 35
102-13	Membership of associations	Coca-Cola HBC Croatia	8
102-14	Statement from senior manager	Coca-Cola HBC Croatia	2
102-16	Values, principles, standards and norms of behaviour	Coca-Cola HBC Croatia	12
102-17	Mechanisms for advice and concerns about ethics	Coca-Cola HBC Croatia	20
102-18	Governance structure	Coca-Cola HBC Croatia	19
102-40	List of stakeholder groups	Coca-Cola HBC Croatia	11
102-41	Collective bargaining agreements	Coca-Cola HBC Croatia	
102-42	Identifying and selecting stakeholders	Coca-Cola HBC Croatia	10, 11
102-43	Approach to stakeholder engagement	Coca-Cola HBC Croatia	11
102-44	Key topics and concerns raised	Coca-Cola HBC Croatia	11
102-45	Entities included in the consolidated financial statements	Only Coca-Cola HBC Croatia is included in financial statements.	
102-46	Defining report content and topic boundaries	Coca-Cola HBC Croatia	4, 16
102-47	List of material topics	Coca-Cola HBC Croatia	16, 17, 18
102-48	Restatements of information	There were no restatements of information.	
102-49	Changes in reporting	For 2019 Coca-Cola HBC Croatia is reporting in accordance with the GRI standards (core option).	
102-50	Reporting period	Coca-Cola HBC Croatia	4
102-51	Date of most recent report	Coca-Cola HBC Croatia	4

GRI index

DISCLOSURE NUMBER AND TITLE		COMMENTS	PAGE IN THE REPORT
102-52	Reporting cycle	Coca-Cola HBC Croatia	4
102-53	Contact point for questions regarding the report	Coca-Cola HBC Croatia	4
102-54	Claims of reporting in accordance with the GRI Standards	Coca-Cola HBC Croatia	4, 52
102-55	GRI content index	Coca-Cola HBC Croatia	52
102-56	External assurance	By CCH Group standards, Coca-Cola HBC Croatia is not obliged to seek external assurance for reports. The company is, however, regularly audited by external auditors with regard to the Group Integrated Annual Report. The Audit is performed annually in selected CCH markets.	
GRI 200 ECONOMIC PERFORMANCE			
103-1	Explanation of the material topic	The company's financial statements have been prepared by the Management Board in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.	20, 21, 24, 25
103-2	The management approach		20, 21, 24, 25
103-3	Evaluation of the management approach		20, 21, 24, 25
201	Economic performance	Coca-Cola HBC Croatia	25
201-1	Direct economic value		
203	Indirect economic impacts	Coca-Cola HBC Croatia	25
203-2	Significant indirect economic impacts		
205	Anti-corruption	Coca-Cola HBC Croatia	21
205-2	Communication and training about anti-corruption policies and procedures		
300 ENVIRONMENTAL PERFORMANCE			
103-1	Explanation of the material topic	Coca-Cola HBC Croatia owns distribution centres in Zagreb Žitnjak (Inas) and in Solin. Distribution centres in Požega, Rijeka, Zadar and Baderna are not owned by Coca-Cola HBC Croatia, so product storage and distribution processes are performed by subcontractors. In Metković distribution takes place through a transhipment warehouse (cross-dock).	38, 39, 40, 41, 42, 43
103-2	The management approach		38, 39, 40, 41, 42, 43
103-3	Evaluation of the management approach		38, 39, 40, 41, 43
301	Materials	Zagreb plant, Coca-Cola HBC Croatia	39
301-1	Materials used by weight or volume		
301-2	Recycled input materials used		
301-3	Reclaimed products and their packaging materials		

GRI index

DISCLOSURE NUMBER AND TITLE		COMMENTS	PAGE IN THE REPORT
302	Energy	Zagreb plant, remote properties (INAS & Solin), Coca-Cola HBC Croatia	43
302-1	Energy consumption within the organisation		
302-2	Energy consumption outside of the organisation		
302-3	Energy intensity		
302-4	Reduction of energy consumption		
302-5	Reductions in energy requirements of products and services		
303	Water with Water and effluents	Zagreb plant	41, 42
303-1	Interactions with water as a shared resource		
303-2	Management of water discharge-related impacts		
303-3	Water withdrawal		
303-4	Water discharge		
303-5	Water consumption		
305	Emissions	Zagreb plant, Coca-Cola HBC Croatia	43
305-1	Direct (Scope 1) GHG emissions		
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-5	Reduction of GHG emissions		
306	Waste	Zagreb plant, remote properties (INAS & Solin)	40
306-1	Waste generation and significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
400 SOCIAL PERFORMANCE			
103-1	Explanation of the material topic	Coca-Cola HBC Croatia	27, 32, 33, 35, 48
103-2	The management approach		27, 32, 33, 35, 48
103-3	Evaluation of the management approach		27, 32, 33, 35, 48
401	Employment		33
401-1	New employee hires and employee turnover		
401-3	Parental leave		
402	Labour/management relations	Coca-Cola HBC Croatia	33
402-1	Minimum notice periods regarding operational changes		

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