



Coca-Cola HBC
Česko a Slovensko

SOCIAL
RESPONSIBILITY
REPORT 2016

CONTENTS

About us	<u>3</u>
Sustainability in the Core of our Business	<u>4</u>
Principal Rules of Ethics and Company Values	<u>7</u>
Our Products and Responsible Marketing	<u>8</u>
The Environment	<u>10</u>
Our People	<u>16</u>
Society and Support of Communities	<u>20</u>
Report-Related Information	<u>25</u>

[Summary of Indicators](#)

About us

Coca-Cola HBC Česko a Slovensko, s. r. o

Coca-Cola HBC Česko a Slovensko is a producer, dealer and distributor of brand soft drinks of The Coca Cola Company. We are a partner “bottler” company of The Coca Cola Company and a member of the Coca-Cola system, which is the most extensive system of distribution of soft drinks in the world. Coca-Cola HBC Group operates in 28 countries of Europe, Asia and Africa and offers drinks to more than 590 million consumers. The Group headquarters are in Switzerland and its shares are traded in stock exchanges in London, New York and Athens.

Coca Cola HBC Czechia and Slovakia in Figures



Our Economic Contribution for 2016



Diversity in Company Management

General Director – a woman

Company management:



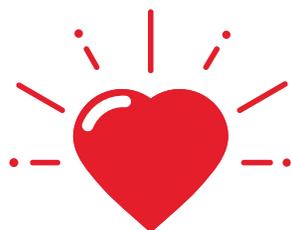
other 5 women / 5 men

Sustainability in the Core of our Business

We keep striving to integrate the corporate responsibility and long-term sustainability in every aspect of our business.

Long-term commitments in the area of sustainability [The Coca-Cola Company: 2020 Sustainable Commitments](#) determine our decisions and long-term investment so that we are sure that the values we create are permanent. Thanks to this we belong among the leaders in the area of sustainable business. We actively integrate the latest standards from the area of sustainability in our business procedures and processes within the entire operating activities of ours and adhere to applicable international standards and methods at the same time.

Our Areas of Priority:



Support of health and good physical condition



Minimization of the impacts of our activities on the environment



Investment heading back to our communities

MANAGEMENT OF RESPONSIBLE AND SUSTAINABLE APPROACH

The Social Responsibility Committee, which operates within the Board of Directors along with the Long-Term Sustainability Management Committee, performs regular reviews of our priorities in the light of changing problems and expectations.

Every year we review our areas of priority and take care that such a review reflects our latest information received on the basis of our business activities and from our partners.

ACHIEVEMENTS OF COCA-COLA HBC IN SUSTAINABLE APPROACH

We are subject to rating on the basis of various criteria focusing on long-term sustainability, among which is e.g. **Dow Jones Sustainability Index** or indexes **CDP** or **FTSE4Good**.

We received **Gold Class award** as the best company in the area of the beverage industry in the annual evaluation of ecological and sustainable behaviour of companies performed by investment company RobecoSAM.



We have been the world leader in the area of sustainability within the entire beverage industry, which is also stressed by the company's rating in the form of the global and European Dow Jones Sustainability Index for **the period of four years in sequence.**

Since **2001** we have been **classified in the FTSE4Good index.**

Non-government organisation **Carbon Disclosure Project (CDP)** granted to Coca-Cola HBC **rating A** in the Global Climate category in 2016.

OUR SUPPLIERS

When manufacturing our products we cooperate with several thousand suppliers, most of whom come from the Czech Republic and Slovakia. We buy both raw materials and packaging material from them. Although we do not own or control our suppliers' companies, we are responsible for ensuring of the fact that the manner of their work complies with our standards.



100% of our main suppliers signed the Principles of Cooperation with Suppliers.

The entities that do business with us across the countries where we operate know that we undertook to do business in compliance with a permanent file of values that represent the highest standards of quality, integrity and perfection. We respect unique customs and culture in the communities where we operate. We try to develop relationships with suppliers who share similar values and perform their activities in an ethical manner.

ENGAGEMENT OF STAKEHOLDERS

Understanding the needs and interests of our interested partners, among whom are our customers, suppliers, members of communities where we operate and our employees, helps us determine the priorities of the individual major problems. On the basis of those priorities we can develop long-term sustainable business policies and create values within a long period of time.

REGULAR SUSTAINABILITY REPORTING

We try to understand and actively deal with problems that have the biggest impact on our business activities and our communities. We also strive for improvement of our approach to identification of the most important one of those risks and impacts and prepare transparent reports on our efforts and results achieved when handling those problems.

Mapping of the problems seriousness brings us an insight into our business policy and is a guarantee of the fact that our integrated reports focusing on sustainability are really relevant. In order to identify the principal problems influencing our business activities we monitor external trends and how they affect our ability of the business sustainable growth in time. The priority of the problems identified is determined on the basis of their relative importance for our business and for the company as a whole by mapping the most serious ones every year using our "seriousness parameters". Our systematic process of evaluation of the problems seriousness allows us to determine the priority of the individual problem in compliance with the instructions for creation of reports on long-term sustainability prepared by a global initiative called Global Reporting Initiative G4.

We actively try to determine the opinions and standpoints of our partners:

- ✓ We hold various discussion fora for our partners
- ✓ We have discussions with the main internal workers who are responsible for adoption of decisions as well as with external partners
- ✓ We engage external interested partners in our activities on a continuous basis
- ✓ We perform survey among more than 300 respondents who occupy management positions in all functions, countries and the entire Group as well as with more than 360 external respondents from among our interested partners selected in our 28 markets and also in the Group headquarters
- ✓ We assess the principal problems specified in the lists of The Coca Cola Company and other bottler companies and also other companies operating in the food and beverage industry
- ✓ We listen to feedback from our group discussion forum focusing on risk (Group Risk Forum)



Principal Rules of Ethics and Company Values

The Code of Ethics was developed so as to meet the values thanks to which Coca-Cola Hellenic became one of the most successful and respected companies in the world.



All employees are trained in the issues of ethics and anti-corruption measures, first after they join the company and then usually every two years. The Internal Audit Department regularly informs the top management of the Company and the Audit Committee appointed by the Board of Directors of ongoing investigation based on the Code of Ethics as well as of final decisions adopted within the investigation including potential disciplinary measures. There were no motions to investigation in 2016.

[Read our Code of Ethics](#)

We also put emphasis on adherence to all rules related to the economic competition regulation. A robust Compliance Programme is based on corporate recommendations and rules. We hold regular employee training for that area several times a year, too.

As an ethical company we assume responsibility for ensuring that our business operations do not directly or indirectly contribute to violation of the human rights. We make sure that our employees fully understand the company's commitment concerning the human rights and their own rights and obligations. We make efforts to develop our relationships with suppliers who share similar values and conduct their business in an ethical manner.

[Read our Human Rights Policy](#)

Our Products

We produce, sell and distribute among our customers a wide range of soft drinks including four of the five best-selling brands in the world: Coca Cola, Coca Cola Zero, Fanta and Sprite. In Coca-Cola HBC Česko a Slovensko we bring to our consumers a wide offer of other carbonated and non-carbonated drinks and waters.

In **2016** we produced **34.5 million** packagings of our drinks for **60,000** customers in the Czech Republic and Slovakia.

Our 3 TOP Brands



We have **four production lines** – the first one fills glass bottles, another one cans, the third one is intended for production of products Nestea or Cappy in PET bottles and the last one produces other soft drinks in PET bottles.



We also produce **two sizes of packaging for the “postmix”** device for fast-food restaurants and cinemas. The plant in Prague also contains production of the so-called preforms, which are used for the production of PET bottles.



We have launched new sizes of key products that better suit consumers’ needs. This especially concerns the packaging of **1.25l PET, 4pack of 0.33 cans, new returnable bottles of 0.2l in SSD glass and new bottles for Cappy of 0.25l** for HoReCa customers.



We have also launched **an innovative promotional 0.25l alu bottle of Coca-Cola** and **a 0.5l Coca-Cola can**. Brand **BURN** has got into **355 ml cans**.



We have also launched **a new flavour of Fanta Red Grape**, the “Zero” product line was expanded with **Sprite Zero, Fanta Zero and Coca-Cola Zero Kofein Free** and brand **Monster** was enriched with three flavours of **Ultra line** with reduced content of calories.



Calories-free products were also added to the portfolio of **Nestea**, namely **green tea Zero Citron 1.5l** and **black tea Zero Bílá Broskev 1.5l**. As far as this brand is concerned, we have also launched flavour Mountain Forest in a **0.5l PET pack**.



We have also introduced an **innovative promotional pack of Fanta Instamix** to support brand Fanta.

WE SUPPORT HEALTHIER LIFESTYLE

We are innovative in the area of the products offered and we expand the offer of low-calories products and smaller packs in our portfolio. In addition, we modify the ingredients of other drinks so that they contain less sugar and fewer calories.

We believe that people should see clear information on the ingredients on all packaging of ours. Our labels on the front part of the packaging clearly show the content of calories, sugar, fat, saturated fats and salt, both in absolute values and as the percentage of daily intake. These data are specified on the individual packs as a proportional part of a healthy diet and help consumers understand the exact share of the particular drink in their daily intake of energy (calories) and sugar with an aim to control their weight.

NUTRICNI HODNOTY / NUTRICNE HODNOTY			
NA:	100 ml	250 ml	(%*)
Energetická hodnota:	190 kJ / 45 kcal	475 kJ / 113 kcal	(6%)
Tuky:	0 g	0 g	(0%)
z toho nasycené mastné kyseliny / z toho nasycené mastné kyseliny:	0 g	0 g	(0%)
Sacharidy:	11,2 g	28 g	(11%)
z toho cukry:	11,2 g	28 g	(31%)
Bílkoviny / Bielkoviny:	0 g	0 g	(0%)
Sůl / Soľ:	0 g	0 g	(0%)

Do you want to know more?

- [Coca Cola product facts](#)
- [Promoting healthier diets through an evolved colour-coded nutrition labelling scheme](#)

PRODUCT SAFETY

Our primary interest is to ensure safety of foodstuff in compliance with the highest standards and legal regulations including related legislation of EU. The top management of the company assumed a commitment to implement, maintain and improve the requirements of ISO 22000 and meet statutory and internal regulations and requirements of consumers. Coca-Cola Hellenic does not use any ingredients or components that have been genetically modified or that come from genetically modified organisms, which applies to every of 28 countries where the company operates. Read our standpoint on: [Genetically Modified Organisms](#).

“Everything we do in the Prague plant is done with an emphasis on the product quality and health and safety of our staff and consumers. This is our priority number one.”
Tomáš Jirásek, Plant Manager

RESPONSIBLE MARKETING

We ensure that our marketing and sales activities bring better future. We try to behave in all markets where we operate in a responsible manner, which also concerns all advertising media and all our products, especially in the area of communication with children. Our marketing programmes fully comply with law, standards and voluntary regulations in the area of marketing communication - including advertisement, promotion and sponsorship. Our commitment to responsible marketing also includes engagement in development of industry codes, e.g. the commitments of [Union of European Soft Drinks Associations \(UNESDA\)](#).

We do not buy advertisement directly targeted at audience that includes more than 35 per cent of children under 12 years of age.

These rules especially apply to television, radio and press, but also the internet and mobile devices. We also do not perform direct sales activities at elementary schools.

Do you want to know more?

- [Press release: Coca Cola announces global commitments to help fight obesity](#)
- [EU Pledge on marketing to children](#)
- [UNESDA video: Behaving responsibly towards children](#)
- [ICBA \(International Council of Beverage Associations\) global guidelines on marketing to children](#)

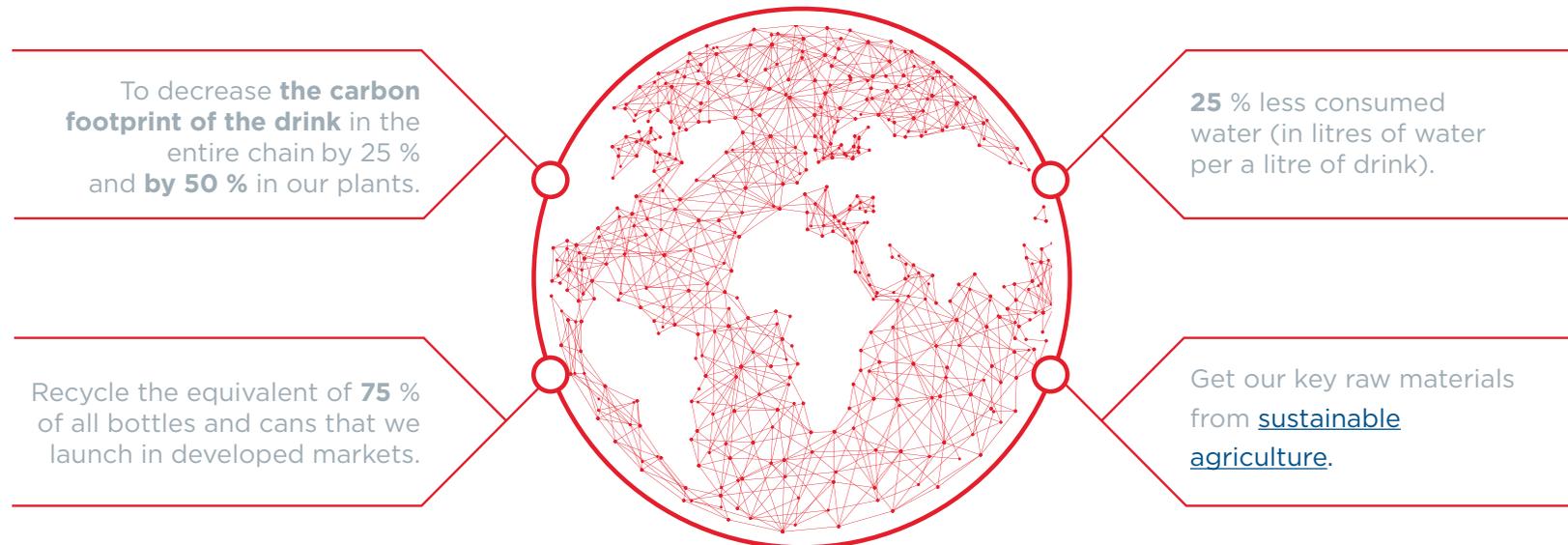
The Environment

Our Approach

The relationship to the environment is a key factor of our sustainable development. We are aware that our activities influence the environment we live in and make effort to ensure that the impacts of our activities on the environment are as small as possible with regard to the technological capacities available.

While meeting high quality standards we continuously implement measures to ensure economical handling of resources and decreasing the energy demands, support recycling of packaging materials and allow efficient handling of water resources. We integrate the internationally recognized ecological management system as per ISO 14001 in all our operations. We are a holder of certification according to international standards ISO 9001, 50001 and European Water Stewardship Standard and the occupational health and safety management system certification OHSAS 18001. All those standards are regularly audited by independent auditor companies.

OUR GLOBAL AIMS BY 2020 (COMPARING TO 2010):



[More information on our environmentally friendly policy](#)

Active employees help us meet the aims

We believe that each of us is responsible for the environment and we hold the view that all employees as well as persons cooperating with our company are responsible for the fact that our activities are performed in an ecological manner. This is one of the reasons why we organize employee training, the so-called Environment Days. We support our employees to perform activities that help us meet the aims of the environmental protection and appreciate their ideas how to save the environment even more. We communicate with our employees about potential saving of water and power within the so-called WTT (Walk The Talk) process. We award the best ideas for improvement of any of the environmental management system areas.

EMISSIONS

We strive to limit the impact of our business on the climate changes and want to perform all our business activities in a sustainable manner. We believe that the industry plays a key role in finding sustainable solutions for today's climate-related problems.

In compliance with our environmental policy we want the following:

Decrease the consumption of power used in our plants.

Use in our facilities alternative or renewable sources of power. This can be proved by our programme of construction of cogeneration power units which we use for our bottling plants.

Engage, along with our stakeholders, in the fight against climate changes, e.g. by cooperating with suppliers to achieve a decrease in the content of carbon in packaging materials and restriction of the carbon footprint of our refrigerators.

Report emissions, target values, results and activities related to greenhouse gases openly and in compliance with the Greenhouse Gases Protocol.

We try to continuously decrease the production of **CO₂** when manufacturing our drinks. Specifically, we managed to decrease the production of **CO₂** from **103 g CO₂/litre** of a drink produced in **2010** to **83 g CO₂/litre** of a drink produced. Since **2014** the production of **CO₂/litre** of a drink has decreased by more than **10 %**, however, we are planning to decrease it by **50 %** by 2020.

 a 3% decrease in consumption of power

 127 tons of CO₂/year

 0.14 kg of CO₂/km/vehicle

 [Other Information](#)

Direct emissions of greenhouse gases (GHG)

Direct emissions of greenhouse gases from the company's operations usually come from using of power in bottling plants and from using of the vehicle fleet.

Indirect greenhouse gases (power)

Indirect emissions come from raw materials (components and packaging materials) and refrigerators.

NO_x, SO_x

Emissions of NO_x and SO_x are regularly monitored in the boiler room, which is used in the Czech Republic only as an emergency power unit in case the external supply of heat is cut off.

Our next steps to reduce greenhouse gases:

- ✓ We carry on installing highly efficient engines and gearboxes
- ✓ We optimize the bottle showering process
- ✓ We decrease the values of pressure in the bottling lines circuit
- ✓ We renew our vehicle fleet
- ✓ We decrease the consumption of fuel
- ✓ We eliminate waste disposal

POWER

As far as power management is concerned, we have decided to adopt a systematic approach in order to improve power efficiency. We are mindful of decreasing the consumption of power, using of electricity from renewable resources and implementation of tools improving power efficiency and decreasing the carbon footprint across all processes within the company. Our employees play a key role when fulfilling our commitments, therefore we provide them with such training and support allowing them to assume the commitment and contribute to continuous decreasing of the power consumption.

Our steps:



We are successful in our efforts to decrease the power demands and use renewable resources

We decreased the average power consumption from **0.83 MJ/litre** of a drink produced in 2008 to **0.55 MJ/litre** of a drink produced in the Czech Republic and from **0.48 MJ/litre** of a drink produced to **0.29 MJ/litre** of a drink produced in Slovakia (the data take into account closing down the production there in 2016).

For the production facility in Prague we use **100 % of power** from renewable resources. For our production we have introduced a drive with permanent magnet and a highly efficient gearbox, the anticipated saving of power is **35-40 %** comparing to the current solution.

We also decrease the consumption of our customers

In 2016 we had 66,000 refrigerators at our customers in Czech market.

“iCOOL” line refrigerators were introduced for 2016:

- ✓ HFC free refrigerating including transfer to using of cellular insulation without HFC (HFC free). Using of natural refrigerating medium to replace and finish using of HC in all new refrigerators
- ✓ and decreasing of the equipment noise level.

LOGISTICS

We realize all deliveries of the company's products using road transport. In 2016 our company used **492 cars** for administrative and sales purposes; for the deliveries of products themselves we use our own vehicles and those of partner companies with whom we cooperate. The total of **962,763 litres of fuel** were used last year (for cars up to 12.5 tons).

We modernize our vehicle fleet on a continuous basis. The fleet management policy is based on using of cars with an optimum capacity that meet the current emission standard of EURO 5. In 2016 the total of **347 company cars** were equipped with a progressive system called "**Mobileye**", which helps develop a safe driving style and signals a sudden occurrence of pedestrians and cyclists on the road. Introduction of this system resulted in a lower number of accidents and a decrease in the volume of damage to the vehicles.

Between 2013 and 2016 we decreased the consumption of fuel in the Czech Republic by **413,548 litres.**

2012 - 6.27 l/100 km
 2013 - 6.09 l/100 km
 2014 - 5.94 l/100 km
 2015 - 5.90 l/100 km
 2016 - 5.76 l/100 km

The average consumption of fuel decreased from **6.27 l/100 km** in 2012 to **5.76 l/100 km** in CZ and **5.47 l/100 km** in SR.¹

WATER

We strive for most efficient methods of handling of water and minimize the impacts of our activities on water resources. We are a holder of certificate **EWS (European Water Stewardship)**. This system focuses on protection of water resources and is supported by the EU.

We are successful in our efforts to continuously decrease the amount of water used for production of one litre of a drink and our aim is to keep decreasing this amount in the future. A new bottles washing technology allowed us to decrease the consumption of steam of the bottles washer by **55 %** and the consumption of water by **65 %**.

From **2008 to 2015** the water consumption ration per 1 litre of a drink produced fell almost by half **from 2.97 l/l** of a drink produced in 2008 **to 1.72 l/l** of a drink produced in 2016. Regular production of batches in turns requires the so-called sanitation, i.e. showering of the production line, which resulted in increased consumption of water in 2016.

2008 - 2.97 l
 2009 - 2.53 l
 2010 - 2.21 l
 2011 - 2.08 l
 2012 - 2.01 l
 2013 - 1.93 l
 2014 - 1.93 l
 2015 - 1.68 l
 2016 - 1.72 l

¹ Litres of fuel consumed CZ **727,913.37**
 Kilometres CZ **12,644,919**

Litres of fuel consumed SK **234,850.71**
 Kilometres SK **4,290,603**

PACKAGING AND RECYCLING

We are aware that the packaging of our products represents an environmental burden, therefore we try to continuously decrease its volume. The process of sorting and subsequent recycling of the packaging material is very important to us.

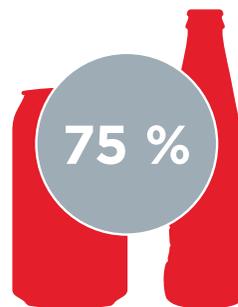
Our Approach **3 R Principle: Reduce, Recover & Re-Use.**

All our packaging is recyclable. In the Czech Republic our company is engaged in the integrated Associated Compliance System EKO-KOM, to the establishment of which we contributed in the middle of 1990's. In Slovakia we cooperate with ENVI-PAK.



Plastic / sustainable PET bottles

We increase the share of recyclate during the production of PET bottles: we use up to 30 % of recyclate during the production of 1.75l PET bottles. In the past we decreased the weight of caps of PET bottles as well as the weight of the so-called pro-forms for PET bottles of two litres by 3 % comparing to the previous value.



Cans, glass

Cans are recycled within the EKO-KOM system and our glass bottles are always returnable. When producing glass bottles we use secondary material - recyclate in the ratio of 75 % for colour glass.



In 2016 the total recycling rate of 77 % was achieved in EKO-KOM and 67 % in ENVI-PAK.

WASTE

In the Czech Republic we managed to almost double the share of recyclable waste from **52 %** in 2009 to **90 %** in 2016; in Slovakia we achieved an increase from **82 %** to **95 %**.

In the Czech Republic we are successful in decreasing the share of waste generated per a litre of a drink produced: from **22 g/l** in 2008 to **15 g/l** in 2016.

In Slovakia the value has remained the same in the last two years: **16 g/l**.

Total volume
of hazardous
waste



We are successful in disposing of refrigerators that we withdraw from the market, and we recycle 98 % of the material intended for disposing.

Minimization
and recycling
of waste

Waste can become a resource, too, therefore since 2016 we have been sending mixed municipal waste to be used for **the production of solid alternative fuel**.

MONITORING AND PROTECTION OF BIODIVERSITY IN PLACES OF SITES

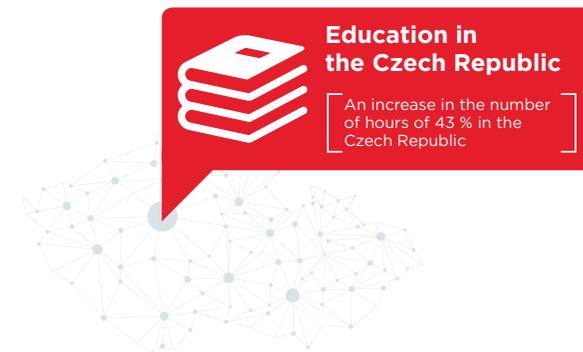
Our production is not situated in places that fall into the category of specially protected areas. The activities of our company have no impact on the biodiversity in the direct surroundings of the production. We make sure that the impacts of our activities have no negative influence on the surrounding ecosystem and its biodiversity.

Our People

People play a key role in the success of the entire Coca-Cola HBC Česko a Slovensko. Their skills and expertise are a decisive factor influencing the development and fulfilment of our policy. We are aware that only motivated employees can achieve their work goals. Therefore, we want to provide our employees with a unique work environment, where they have an opportunity to develop, grow and build their career.

We believe that support of diversity and inclusion in the workplace is necessary for our intention to allow all our employees to develop. Diversity opens further ways for our innovation, which provides new opportunities. We select employees on the basis of the equal opportunities principle regardless of their race, colour of skin, sex, sexual orientation, religion, nationality, physical handicap or disablement. On the basis of the job character we allow employees to make use of flexible working hours, part-time or work from home.

We believe that only healthy, satisfied and engaged employees support the growth of our company, and therefore we keep improving the safe workplace standards and invest in them.



FAIR WORKPLACE

We believe it is important that as the leader in the area of sustainability we respect the labour force and human rights of all our employees and support ethical business practices in the entire value chain of ours. We provide our employees with equal opportunities in all aspects of our business and thus eliminate discrimination based on race, religion, skin colour, ethnicity, nationality, age, health handicap, sex, sexual orientation, political beliefs or marital status.

We make sure that we treat all our employees fairly and according to their skills and abilities in the area of recruitment, remuneration, work conditions, training, career development, placement or employment termination.

Coca-Cola HBC Česko a Slovensko provides the same career possibilities for both women and men. The right to go on a maternity/paternity leave belongs to all our employees and similarly, we support our colleagues to return to work after their maternity/paternity leave finishes.

**3 % more
women
comparing
to 2015**



**the total of 54 women
in management (29 % of
managing staff) in the Czech
Republic and 15 in Slovakia
(24 % of managing staff)**

Adherence to Human Rights

Our human rights policy is governed by the international human rights principles arising out of the General Declaration of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the principles of the UN initiative Global Compact. We also require that our partners respect those principles within the supplier-customer chain.

Employee Remuneration and Collective Negotiation

Our employees receive remuneration that consists of a basic component - regular fixed salary and a variable component, the amount of which employees influence by their performance at work.

Non-financial benefits are an important part of our remuneration system, too. They include individual professional development and an opportunity for continuous education, two fully paid sick days, cafeteria, a contribution to additional pension insurance, an extra week of holiday, a contribution to meals, drinks, discounted services of mobile operators or bank services providers. Our employees can also use the possibility to buy employee shares or use discounts for various holiday or wellness stays. We regularly reward loyal employees for their loyalty after every five years of employment in the company.

In compliance with the human rights policy we respect the right of our employees to join the Employee Committee, which mediates a dialogue between the staff and the company management. Employee Committee in the Czech Republic and Slovakia represents all departments of our company and its members are elected for three years. Regular meetings take place once a month. Our company Coca-Cola HBC Česko a Slovensko has had its representatives in the European Employee Committee since 2005.

Diversity and Inclusion

In addition to the statutory standards, we have introduced corporate culture and internal policy that actively support diversity and inclusion at the workplace, adherence to human rights and occupational health and safety. Our inclusion and diversity policy emphasizes that none of our employees should be exposed to physical, sexual, racist, psychological, verbal or different manner of harassment or abuse. In practice, this means that we have introduced formal procedures for handling of complaints that eliminate the possibility of publishing of such cases. In such situations every employee can turn to his/her local Code Compliance Officer or use an anonymous whistle-blower line. None of our employees used this possibility in 2016.

Productivity and Flexibility of Work

Flexibility of work has become an important part of our modern conception of the work environment. Thus, if their work position makes it possible, our employees can use the benefit of flexitime or occasional work from home (the so-called home office). We try to comply with our employees' needs to help them match their professional and personal lives and thus increase their work productivity.

Internal Communication

Open communication is a basis on which we build a healthy working environment. If necessary, our employees can plan a meeting with their manager and openly discuss their career or development plan with him/her. The following are our principal communication tools:

- ✓ Employee magazine KOMPAS
- ✓ Intranet
- ✓ Notice boards
- ✓ Information booths
- ✓ Television

EMPLOYEE COMMITMENT

Coca-Cola HBC Česko a Slovensko considers its employees the most valuable asset of theirs and their professional qualification and commitment are in direct relation to the success of the entire company. We regularly evaluate the motivation level of the staff via regular satisfaction survey. It was held in 2016, too, and **858** employees participated in it. Among the greatest achievements of the survey is certainly the result of the indicator measuring the overall commitment of the staff, which reached **77 %**. Thus, it is **9 %** lower than the average value of the global indicator of companies in the FMCG sector.

In 2016 we closed down our plant in Slovakia, which is directly related to a decrease in some indicators monitored, such as the indicator of key employees in key positions or fluctuation and rotation of employees, which are often brought about by organisational changes. However, many activities and programmes supporting motivation were realized with considerable engagement of the whole management and with participation of all employees. A number of events were planned for 2017 reflecting the survey results and stabilizing the situation occurring after the organisational changes that our company underwent in 2016.

EMPLOYEE EDUCATION AND DEVELOPMENT

We believe that continuous education and development of our employees help increase their motivation. All employees are allowed to develop their skill, abilities and knowledge through experience gained during their everyday activities. We concentrate on support of coaching methods and offer to our employees a possibility to use the services of our internal coach for their professional development. Coaching training supports building of employees' self-confidence and assuming of responsibility for their assignments and strengthens improvement of soft skills (time management, communication, building of interpersonal relationships, etc.).

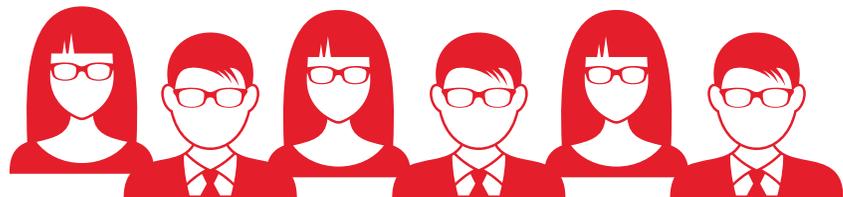
During an on-boarding process for new employees our novices receive all necessary information on the company including the activities focusing on our social responsibility, which makes their entry in a new working environment much easier.

Through training we allow our employees to focus on improvement of managerial skills (e.g. programmes Passion to Lead for leaders - beginners and programme LEAP for experienced managers and leaders).

Programme Fast Forward Self to Others, which focuses on preparation of specialists for a managerial position, is intended for talented employees, as well as Fast Forward Others to Managers, which prepares managing employees for a higher management level. The last one is Fast Forward Managers to Function, which prepares employees for the position of a department manager.

The total of 27 people joined the talent programmes in 2016, out of whom 10 progressed to a different position. In Slovakia we employed 5 out of eleven applicants for a trainee programme in 2016.

We are also active in the area of recruitment, which is confirmed by measured data for 2016.



recruitment in the
Czech Republic
+ 32 %
comparing to 2015

OCCUPATIONAL HEALTH AND SAFETY

Care for health and safety of our employees is one of our priorities. We pay special attention to the development and application of a system of effective protection of occupational health and safety as well as to the standards and procedures for decreasing of hazards related to everyday activities of our staff.

Every year we have the adherence to those high standards checked by an external certification audit of the occupational health and safety management system - OHSAS 18001.

In addition, our employees regularly attend occupational health and safety and fire protection training. As part of the occupational health and safety system we evaluate workplace hazards once a month and adopt measures to remove them. We provide employees with suitable personal protective work equipment, investigate the causes and circumstances of occurrence of occupational injuries and adopt measures to eliminate them.

Among them is, for example, the Walk The Talk programme, a system of managers regularly visiting offices to check safety of the workplaces along with employees, or ToolBox Talks, informal group discussions focusing on particular safety problems.

2.4 %

absence in % without sick days almost unchanged comparing to 2015 (2.4 % of the total number of worked hours) occupational health and safety data change in % comparing to 2015

Society and Support of Communities

We believe that our business can only be as healthy and strong as the places where we operate.

Our success in Czech and Slovakian markets motivates us to be an initiator of positive changes leading to the development and improvement of the life of local communities. We help where necessary and invite the public to cooperate with us. Trust of the public in what we do is very important to us and our business.

We are also committed to invest 2 % of our pre-tax profit in programmes supporting communities.

The Danube Day

29 June 2016 - The International Danube Day 2016: more than 1,000 people participated in the celebration

The basin of the second longest river of Europe connects 13 European countries and more than 80 million people. At the occasion of the 10th anniversary of signing the Contract on Cooperation during Protection and Permanent Use of the Danube, 29 June was declared the Danube Day in 2004. Since then, Germany, Austria, Slovakia, Hungary, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic and other countries have been involved in joint celebrations of the river. Our company engages in those activities with the Ministry of the Environment of the Slovak Republic, too - they concern sports, cultural, environmental and social events for the professional and general public, especially for children and the youth.

SOCIAL ACTIVITIES

2016

CZK 1.5 million in favour of non-profit organisations & CZK 0.8 million in the form of material performance to organisations cooperating on a long-term basis. Preparation of a CSR policy focusing on employment of children from a socially disadvantaged environment.

EUR 14,000

Coca-Cola for Region - a new grant programme. 5 ideas realized in 4 towns and their surroundings, 80 volunteers, a positive impact on more than 40 thousand people.

CZK 20 million

Between 2000 and 2016 we allocated more than 20 million Czech Crowns for support of leisure activities and education of children in children's homes in the Czech Republic and Slovak Republic.

Patronage

Since 2001 Coca-Cola HBC Česko a Slovensko has supported family-type children's homes in Slovakia: through foundation Úsmev ako dar we are a patron of children's home Harmónia in Slovakia, which received support exceeding 120,000 Euro in 2001-2015.

Tax Assignment

We responsibly decide on tax assignment: thus, in 2016 we supported foundation Úsmev ako dar with an amount of 3,000 Euro and we allocated more than 15,000 Euro to other non-profit organisation from all over the Slovak Republic.

Festival

We cooperate with Nadácia LÚČ in Žilina, which organizes The Days of Hope, the biggest anti-drug festival. Almost 7,000 children and young people attended its 21st year.

Drinking Water

We help people affected by various catastrophes by ensuring supplies of drinking water in cooperation with the Czech Red Cross.

Improvement of Children's Lives

We help improve children's lives, especially the lives of those children that live under institutional care without safety created by a family. Along with organisations Úsmev ako dar and Tereza Maxova Foundation we help make it possible for unlucky children to grow in a family. Our employees are directly engaged in our help, too. There were 80 of them in 2016.

"Tereza Maxova Foundation has been helping disadvantaged children and young people for 20 years. Among its priorities is employment of young people from children's homes and preparing them for the life out of the institution. These young people belong to the most vulnerable groups of inhabitants. For this reason I am very happy that thanks to the partnership cooperation with Coca-Cola HBC Česko a Slovensko we can be their support, guide, advisor and assistant along that difficult way to a satisfied independent life."

Terezie Sverdlínová, Director of Tereza Maxova Foundation

Other Support

We help otherwise endangered children and adults. Those with an eyesight handicap through a project called Světluška of the Czech Radio Foundation and children suffering from an oncology disease through organisation Šance Olomouc and Cesta domů. Through Nadácie Adeli foundation we help physically handicapped people, especially children and adults with neurological locomotor disorders, and we also support Združenie Sclerosis multiplex Nádej, Nadácia na výskum rakoviny (Cancer Research Foundation), Paraspport24 association, which helps handicapped people, or the Food Bank of Slovakia.

This year, employees of Coca-Cola engaged in Světluška projects as volunteers and gave a great performance. Světluška would like to thank all of those who contributed to the fact that we managed to symbolically drive off the darkness for a short while during the night runs, as well as to those who devoted their free time in the pre-Christmas haste and helped sell decorations made by the blind within the Křišťál pro Světlušku project. Thanks to this partnership, Světluška can spend funds where necessary. In short, support children and adults with a serious eyesight handicap on their way to an independent life full of colourful activities. Therefore, we thank Coca-Cola HBC Česko a Slovensko for lighting the blinds' way with us.”
Přemysl Filip, Director of the Světluška Project, Czech Radio Foundation

“Coca Cola HBC Česko a Slovensko has been a long-term supporter of the Cancer Research Foundation. Since 2001! Every year our long-term friendship reflects in financial support, which facilitates for the foundation organisation of beneficial events, and liquid products, which help our riders against cancer cope with difficult routes and refresh also artists from various parts of the world as well as guests of our beneficial events.” Ján Juráš, Manager of the Cancer Research Foundation.

Grant Programme

A new grant programme Coca-Cola for Region was launched at the beginning of summer of 2016. In cooperation with the community Trenčín Foundation it focuses on local community projects and follows the 20-year-old history of our company's operation in Lúka. Although the local production plant was closed in 2016, we did not want to quit the relationships that we created in Lúka, Hrádok, Modrovka and Modrová. We helped realize projects FitPark Modrová, Slušnosť na štadióne v Lúke (Politeness in Lúka Stadium), Dedičstvo predkov (Our Ancestors' Heritage), Nové cykloturistické trasy pod Tematínom (New Cycling and Hiking Routes under Tematín) and the Ethnological Museum in Lúka. The second round of the programme will be declared in 2017, while almost 16 thousand Euro will be allocated for new projects.

Ruin of Tematín Castle

The region is decorated with a ruin of Tematín Castle in inaccessible terrain. Volunteers have been trying to save it for several years. Thanks to us their work will be a little easier as they used the grant to buy a motor cart. "We will use the minidumper in the castle until it is completely destroyed," promises Mojmir Choma, Chairman of Tematín Castle Citizens Association. What the minidumper transports per day would take two days of five people's work. In 2016 this non-profit organisation managed to save three most damaged castle buildings and made unique discoveries during archaeological survey. This region has become popular with cyclists; the grant was used for creation of two new cycling trails, 25 kilometres long, under Tematín as well as large maps, which make orientation in the region much easier.

"Through the projects it supports the company gives a clear signal that it wants to help the inhabitants of an important Slovakian region, maintain its existing resources and help create new ones, which will contribute to improvement of the quality of their lives."
Alena Karasová, Manager of Trenčín Foundation.

COOPERATION WITH SCHOOLS

We have prepared a programme called The Excursion in Prague-Kyje plant for secondary schools, grammar schools and universities. Thus, we follow the experience of previous years, during which our production plant was visited by more than 10,000 pupils and students from all over the Czech Republic. The aim of this programme is to make students familiar with the history of the drink and the production company as well as with our everyday work.

Other cooperation with schools



TOP Employers 2016 survey of the Czech Student Union: Coca-Cola HBC Česko a Slovensko came third in the consumer industry category (in 2017 it came second).

Our responsibility is to educate not only our employees but also young people - potential talents and professionals in the labour market. Students who are ambitious, proactive, eager to apply their knowledge in practice and interested in our company are always welcome as temporary or summer workers. We are happy when they start working full-time at a specialized position after completion of their university studies or when they decide to attend our trainee programme.

We started cooperating with universities in 2008 and we concentrate on schools with economic and technical specialisation, but also areas such as food industry, technology and safety. At job fairs we present our company in terms of HR, marketing, production and sales, and both our regular employees and trainees share their experience with students.

VOLUNTEERISM

2016: 103 employees who helped in their free time and inspired the company to formally establish volunteer days (from 2017 on): Animal shelter in Troja, Prague, Borůvka Praha o.p.s., Tereza Maxova Foundation - Teribear project, Dvůr Králové ZOO

HEALTHY LIFESTYLE

We support health and well-being as we believe that they represent key areas both for our business and for the communities where we work.

We believe that provision of healthy and safe products is necessary for economic, environmental and social impacts of our business, which help support the trust of communities and customer satisfaction.

We support the active lifestyle of our employees and consumers during various sports events, which take place at various places of the Czech Republic and Slovak Republic.

Activities Improving Employees' Healthy Lifestyle

Autumn 2016: 36 employees engaged in a badminton tournament, 6 employees taking part in Doksy Race triathlon, 8 football players representing our company in Nielsen Football Cup tournament.

80 employees and 114 of their family members conquered 2,400 km within an event called Teribear hýbe Prahou or Prima den s medvědem, which is held by Tereza Maxova Foundation and in which our employees participate on a regular basis.

Since 2008 we have regularly held the Health Day for our employees: 100 employees, examination of birthmarks, examination carpal tunnels, nutrition and diet consultancy, a first aid course, an ergonomic seminar, oncology

[Press release: Coca Cola announces global commitments to help fight obesity](#)



REPORT-RELATED INFORMATION

This report for the calendar year of 2016 was prepared by Coca-Cola HBC Česko a Slovensko, s.r.o., for the Czech Republic and Slovak Republic.

We run a production plant in Prague-Kyje and a number of sales and distribution centres.

We terminated production in the production plant Coca-Cola Lúka in the Slovak Republic in April 2016.

Where data for Slovakia for 2016 are specified, they concern data without the production part with regard to closing down of the plant in that period.

CONTACT DATA

Any inquiries or comments can be addressed to vnejsi-vztahy.cz@cchellenic.com

It was created by merging Coca-Cola HBC Česko a Slovensko, s. r. o., with its registered office at Českobrodská 1329, 198 21 Prague 9 - Kyje, Czech Republic, ID No.: 411 89 698, registered in the Commercial Register maintained by the Municipal Court in Prague, file no.: C 3595, established and existing in compliance with Czech legislation ("Successor Company"), and Coca-Cola HBC Česko a Slovensko, s. r. o., with its registered office at Tuhovská 1, P.O. Box 37, 831 07 Bratislava, ID No.: 31 340 628, registered in the Commercial Register maintained by the District Court in Bratislava I, Section: Sro, Entry no.: 4201/B ("Expiring Company"). As the Successor Company it performs business activities in Slovakia after the merger via its organisational unit: Coca-Cola HBC Česko a Slovensko, s. r. o. - organizačná zložka, mailing address: Tuhovská 1, P.O. Box 37, 831 06 Bratislava, ID No.: 50 252 160, registered in the Commercial Register of the District Court in Bratislava I, Section: Po, insert no. 3293/B. The organisational unit was established by Coca-Cola HBC Česká republika, s.r.o. on 22 March 2016, the business name of the organisational unit has been Coca-Cola HBC Česko a Slovensko, s.r.o. - organizačná zložka since 1 February 2017.