

SUSTAINABILITY REPORT 2021



FOREWORD



"Being a good neighbor is our strategic priority"

Zbyněk Kovář,
GM of The Coca-Cola Company CZ/SK

"2021 was a year of challenges, celebrations and commitments"

Dan Timotin,
GM of Coca-Cola HBC Czechia and Slovakia





OUR YEAR 2021 IN THE CZECH REPUBLIC AND IN SLOVAKIA

**420 million litres of beverages
produced and sold**

**15.7% of production intended
for export to 15 countries**

888 employees

60 thousand customers

2 production plants

Sustainability is a strategic priority for those of us engaged in the Coca-Cola system in everything we do. Both on the part of Coca-Cola HBC and on the part of The Coca-Cola Company and other partners.





WE ARE COMMITTED TO CARBON NEUTRALITY BY 2040 AT THE LATEST

100% of the electrical energy for our production comes from renewable resources.

0,38 MJ
el. energy

The wetland in Prague-Kyje returns 12.5 million liters of water to nature a year. We make sure there is always great water in Broumovsko region.

1,69 l
water

1 LITER OF BAVERAGE

7,04 g
waste

In 2021, we were able to recycle 100% of waste for the first time at our plant in Prague-Kyje.

16,34 g
CO₂
S1+2

We are committed to being carbon neutral throughout the entire value chain by 2040.

HOW WE
INFLUENCE NATURE

HOW WE WANT
TO REPAY



The Dow Jones Sustainability Index, the leading global indicator of sustainability, ranks Coca-Cola HBC as Europe's most sustainable beverage company for 2021. Globally, we are among the top three companies for the eleventh year in a row. This ranking is a confirmation of our sustainability performance, which is also recognised by other respected industry rankings such as MSCI ESG, CDP Climate Disclosure and FTSE4Good Index.



We took second place in the consumer industry category in the Top Employers survey. We defended this prestigious position in a poll in which more than twelve thousand respondents voted.



The Public Relations Association of the Slovak Republic awarded us first place in the CORPORATE COMMUNICATION category within the 12th annual PROKOP national competition. Our "50 years together" campaign also received an award, as part of which we organised a charity project of 50 places for a good deed.



In cooperation with the Red Cross, we organised a project of 50 places for a good deed, for which the Red Cross awarded us a prestigious prize for the support of humanitarian activities. The project focused on providing first aid courses. During the event 50 places for a good deed, around 500 employees from the social services of the non-profit sector received training. We received the award on the floor of the Senate of the Parliament of the Czech Republic.



In 2021, we won the prestigious Golden Semicolon award for the modern way of reporting our CSR activities.



OUR PILLARS OF SUSTAINABLE DEVELOPMENT

Each pillar aims to fulfil selected UN Sustainable Development Goals. Destinations are marked with official pictograms. [More about SDGs here.](#)



Emission Reduction and Care for the Climate



We reduce our carbon footprint in the entire production chain, we use renewable energy, we support climate responsibility projects

[+ Read more](#)



Care for Water and Water Sources



We reduce water consumption in the production process, oversee and protect water resources in all locations where we operate

[+ Read more](#)



World without waste



We supply 100% recyclable packaging to the market, increase the proportion of recycled content and lighten their weight, support proper waste management activities

[+ Read more](#)





Securing Resources



We only work with suppliers who share our values, attitude to environmental protection, respect for human rights and a responsible approach

[+ Read more](#)



Nutrition and Health



We innovate the portfolio to match the latest trends and consumer needs; we increase the share of non-caloric products and transparently state nutritional values on each bottle

[+ Read more](#)



Our People



We care about a diverse and inclusive approach in the development of our company, we care about the health and well-being of our employees

[+ Read more](#)



Community and Neighbours



We educate the young and the disadvantaged, we support the communities around us, we take care of good neighbourly relations in the locations where we operate

[+ Read more](#)



REDUCING EMISSIONS AND CARING FOR THE CLIMATE

We are committed to carbon neutrality throughout our value chain by 2040 at the latest

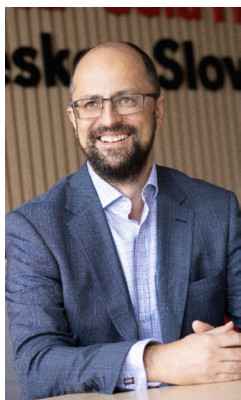


The company's management considers carbon neutrality and environmental protection to be an integral part of the company's future growth, which is why it has expanded its previously approved plan to further reduce emissions by 25% by 2030 and by another 50% in the decade between 2031 and 2040. At the same time, CCH will expand its existing partnerships with suppliers so that its targets can also cover emissions from third parties. Wherever emissions cannot be completely eliminated, the company offsets them by investing in other climate protection measures.



„We take our commitment to carbon neutrality extremely seriously and we are taking concrete steps to fulfil it in the long term. By investing in innovation and other related projects, we will achieve carbon neutrality in all Coca-Cola HBC countries by 2040 at the latest. We promote efficient forms of collection of our empty packaging, such as a deposit system. The carbon footprint of a 100% recycled PET bottle is 90% lower than bottles made of virgin material. For cans, it's 80% less.“

Michal Dyttert
Director of external relations and sustainability



To achieve its goal, Coca-Cola HBC will take the following steps:

By 2025, it will invest EUR 250 million in activities that will lead to a reduction in emissions, it will decarbonise manufacturing processes by transitioning to 100% renewable electricity and low-carbon energy sources through energy efficiency innovation;

it will increase the share of rPET materials by adopting packaging-free or reusable solutions and eliminate plastics in secondary packaging, it will provide customers with energy-efficient and ecological refrigerators with SmartCool technology, will reduce emissions from the natural ingredients it uses in its drinks, it will implement the “Green fleet park”, programme to promote low- or no-carbon alternatives. Additionally, Coca-Cola HBC has implemented CO2 reduction targets as part of a long-term management compensation programme.

Coca-Cola HBC is committed to science-based goals

Coca-Cola HBC is one of the first companies to commit to goals based on science-based findings. Already in the last decade, the company has halved its direct emissions, and the plan to reduce CO2 by 2030 is already in line with the ambition to prevent warming of more than 1.5 degrees against the pre-industrial era.



The expert jury of the Business for Society alliance again ranked us among the most responsible companies in Czechia for the year 2021 and awarded the TOP RESPONSIBLE LARGE COMPANY award.





Due to comparison with the extraordinary first year of the coronavirus crisis, most ratio indicators of the sustainability of our production have increased. However, in total volume, we managed to reduce CO2 emissions in the entire value chain by 9,035 tonnes year-on-year

Conscious of the impact of our activities on the environment, we strive to find sustainable solutions for current climate challenges.

In accordance with the group environmental protection policy:

- we reduce energy consumption in our operations,
- we use alternative or renewable sources of energy,
- we limit our own carbon footprint and support responsible projects,
- we report emissions, current results and activities related to greenhouse gases in accordance with the Greenhouse Gas Protocol

Less emissions in our operations

We are committed to reducing direct carbon emissions in our operations by 30% by 2025 (compared to 2017). We have implemented an internationally recognised environmental management system (ISO 14000) and an energy management system (ISO 50001) in all operations.

100% electricity from renewable sources

For production plants in Prague and Teplice nad Metují, we use 100% electricity from renewable sources.

16.34 g CO2/litre of produced beverage

In 2021, we produced an average of 16.34 g of CO2 per litre of beverage produced. That's roughly half compared to 2018. Compared to 2020, the value of this indicator rose slightly due to the specifics of production caused by the coronavirus crisis. However, we are managing to reduce it in the long term. (2020: 16.25 g; 2019: 23.59 g; 2018: 32 g)

0.38 MJ/litre of produced beverage

Thanks to innovations and modernisation of production lines, we consume 0.38 MJ per litre of produced beverage in Prague and 0.34 MJ at the Natura plant. This means a slight year-on-year increase due to the difficulty of production planning during the coronavirus crisis. In Prague by one hundredth and in Natura by six hundredths of MJ. Nevertheless, we have been following the trend of reducing this indicator for a long time and since 2008 we have reduced consumption to less than half.





Refrigeration replacement is an absolute key part of our carbon neutrality plan. In scope 3, their carbon footprint is one of the most significant factors.

We lend energy-saving refrigerators to our customers. They are 57% more economical, use new refrigerants and help us fight global warming. In 2021, we saved 3,475 tonnes of CO₂ by replacing refrigerators. In total, we exchanged 5,458 of them.

Our customer service is built on direct contact in individual stores. In 2021, we used 427 cars for administrative and business purposes.

Consumption 6.02 l/100 km

In total, compared to 2020, we consumed 26,911 l less fuel in Czechia. In Slovakia, it was 22,642 l less – one kilogramme of CNG is counted here as a litre of fuel. The average consumption of personal vehicles in Czechia increased by five hundredths to 6.02 l / 100 km and in the Slovakia by two hundredths to 5.90 l / 100 km thanks to the conversion of 1 kg of CNG to 1 l of diesel or gasoline. However, our total carbon footprint has decreased rapidly. Together with the change in deliveries, the new cars saved 155 tonnes of CO₂.

CNG service cars and Hybrid vans

All 36 Volkswagen Caddy service vehicles run on CNG from 2020. The majority of Prague customers are serviced by 10 environmentally friendly Mitsubishi hybrid vans as of December 2019.



„I am very happy that Coca-Cola uses our cars to serve its customers. Our cooperation is all the more valuable because they are cars powered by alternative compressed natural gas (CNG) drives, plug-in hybrid cars and, now, also electric cars. Together, we can not only reduce our carbon footprint, but also educate the public.”



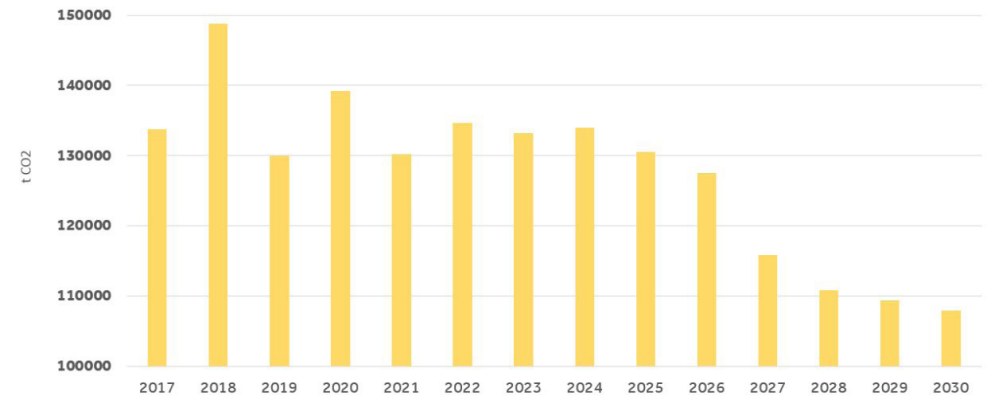
Jiří Maláček
Head of the Czech representative office,
Škoda Auto



What we plan by 2022:

In 2022, we will reward the best sales representative in Czechia and Slovakia every month with the loan of a fully electric Škoda Enyaq iV coupé. They can thus enjoy a unique ride for a month and will also be ambassadors of our carbon neutrality.

Plan for gradual reduction of CO₂ emissions in scope 1+2+3 for the Czech Republic and Slovakia until 2030





CARING FOR WATER AND WATER RESOURCES

We repeatedly used 2,563 m³ more water in production than last year.

In the production process, we also think about its efficiency from the point of view of the possibilities of water reuse. In production CYCLES, the same water can thus serve several purposes. For example, we can wash our carrier boxes with water that had already been used. In 2021, we reused 9,870 m³ of water in similar ways.

1.69 l of water per litre of produced beverage

Our water consumption in 2021 will increase compared to 2020 by 8 hundredths of a litre per average litre of produced beverage. In the Prague production plant, it was 1.7 l/l, in Teplice nad Metují 1.66 l/l. The reason for this slight increase is the difficulty of production planning and the short production run in a year strongly influenced by the coronavirus crisis and its effects on fluctuations in production and sales.



Since 2015, we have held European Water Stewardship (EWS) gold certification, which monitors the protection of water resources and is supported by EU policy. In 2020, we seamlessly switched to the new methodology of the AWS (Alliance for Water Stewardship) standard. It is a tool for evaluating and motivating more efficient management of waste and impact on communities. The given programme not only focuses on the technological and organisational management of drains preventing waste, but also the influence of the company on the surrounding communities, where it supports mutual cooperation. Even within AWS, we received the Gold Standard in 2021, which is awarded to manufacturing plants and companies that meet all the main requirements for 6 assessment areas.



We return water back to nature

In **Prague-Kyje**, we capture rainwater and return it to the landscape. We thus contribute to the natural cooling of the urban district with significant concrete construction, biodiversity and the effective use of rain to strengthen underground water. In this way, we return 12.5 million litres of water to the soil annually. By returning the water directly to the landscape, we also save on the costs of unnecessary rainwater cleaning. When building a new autonomous warehouse, we preferred to build a dry polder over a traditional honeycomb tank with rainwater draining into the sewer connection. The polder will retain rainwater from 80% of the entire plant area. The system uses a dry polder, which is directed by its controlled outflow with a retention volume of 670 m³ into the wetland itself. At the same time, the working group managed to reduce investment and operating costs for the entire system.

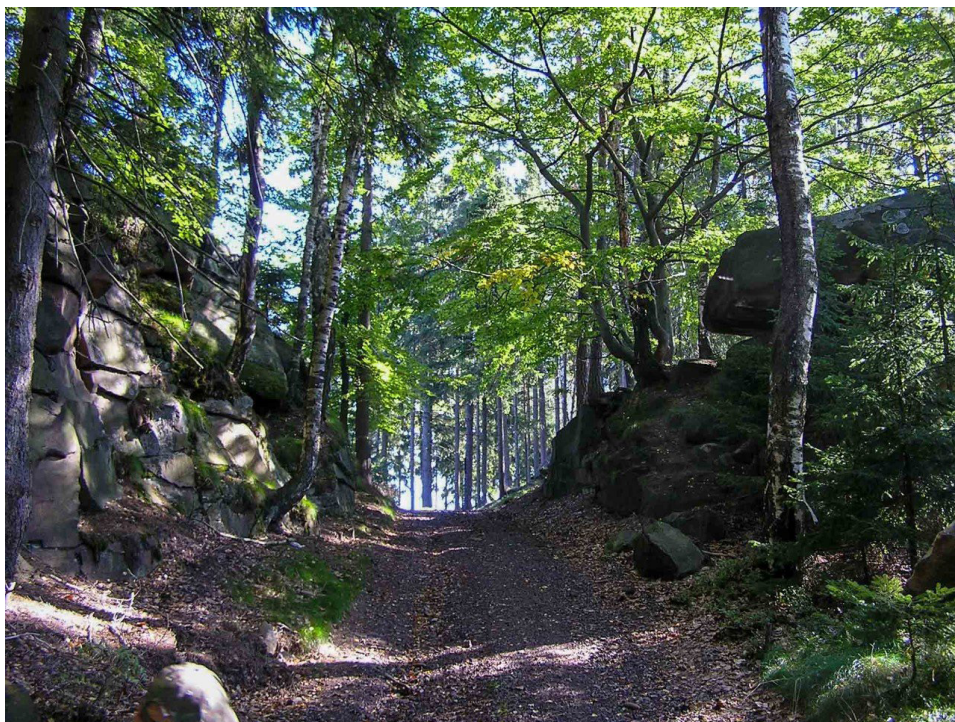


„It is true that circular solutions are more demanding to implement, require innovation or modernisation. However, this is not always the case on the economic level. In the case of the design and creation of a wetland in Prague-Kyje, it was an even more economically advantageous solution, moreover, every piece of nature is truly valued in urban development. We want to inspire other companies with this approach and show that ecological solutions are not always necessarily more expensive. We are regularly talking about an investment of around 2.5 million Czech crowns, while the savings compared to the traditional solution with a concrete retention tank reaches almost 50%.“

Jan Turek,
Supply chain director
Coca-Cola HBC ČR/SK



In the **Broumovsko** region, we support the **Landscape Adaptation to Climate Change project**. The strategy created on the basis of this project will define a long-term approach aimed at improving the basic water regime of the landscape, increased water retention in the area of the river basin, flood protection of the area and increased biodiversity.



„The adaptation project of the Broumovsko region to climate change is one of the key activities that the Broumovsko region Development Agency is a part of. By carefully mapping the landscape and compiling a complex of studies with specific recommendations, we build together a plan of modification proposals that will help retain water in the landscape. The modifications will prevent erosion, topsoil wash-off and increase the ability of the landscape to absorb CO2.“



Jan Školník
Founder of the Broumovska
development agency



A WORLD WITHOUT WASTE

As part of the World Without Waste initiative, together with The Coca-Cola Company, we have committed locally that by 2025 we will have our entire beverage portfolio in 100% recyclable packaging and that by 2025 we will use at least 50% recycled material. We have already fulfilled the obligations regarding the recyclability of packaging and the share of recycled content in cans and glass within the production of our production plants in Czechia.



Packaging design

By 2025

By 2030

35 %

of recycled materials for
our packaging

50 %

of recycled PET across the
portfolio in all EU countries

100 %

recyclable packaging

50 %

recycled material for our
packaging

50 %

of recycled PET in all
CCHBC countries

Collection of empty packaging

By 2025

By 2030

75 %

by 2025, we will help collect and recycle
75% of the bottles or cans we put on the
market

100 %

by 2030, we will help collect and recycle every bottle
or can we put on the market

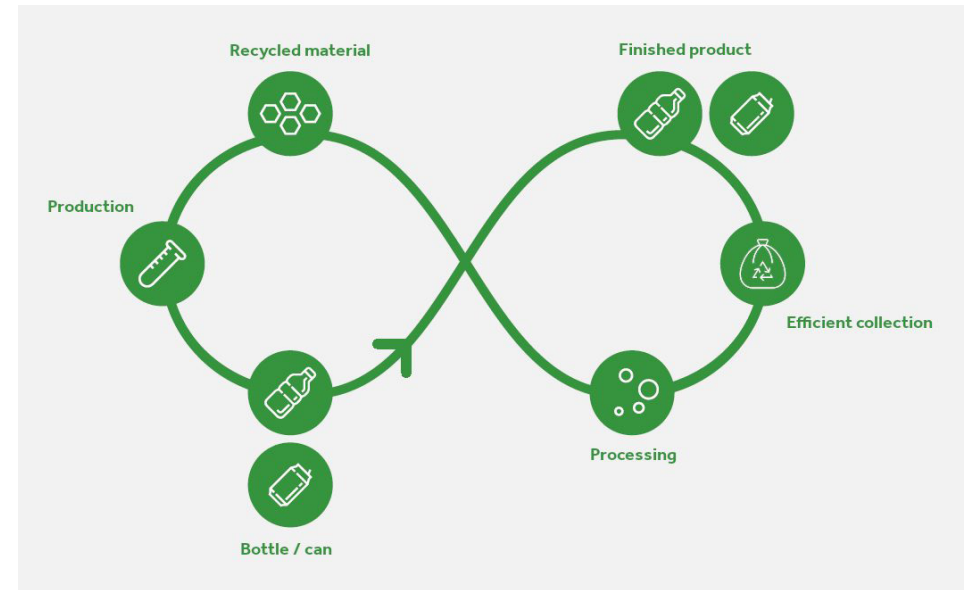


Natura and Römerquelle in a 100% recycled bottle

With the new Natura PET bottle made from 100% recycled material, which we launched at the beginning of 2021, you no longer have to worry about increasing your plastic consumption. Thanks to the unique technology, the bottle is made of already existing PET material and simply does not create additional plastic waste. Voda Natura thus brings a combination of unique spring water and environmentally friendly bottles. Römerquelle premium water is also filled in a 100% recycled PET bottle.

We support the backup system in Slovakia and its introduction in Czechia

We were actively involved in the design of an advance system for PET and cans in Slovakia. The system has been operating here since the beginning of 2022. Data from other European countries prove that after only a few years of implementation, advance systems can bring around 90% of packaging to recycling. That's why, together with the biggest players on the market, we founded the Backup Initiative in the Czech Republic, and we are promoting the introduction of a comprehensive backup system here as well. The recycling targets not only correspond with our World Without Waste commitments, but also contribute to our commitment to carbon neutrality.



-80 %

A can made from recycled material has an 80% lower carbon footprint than a can made from virgin material

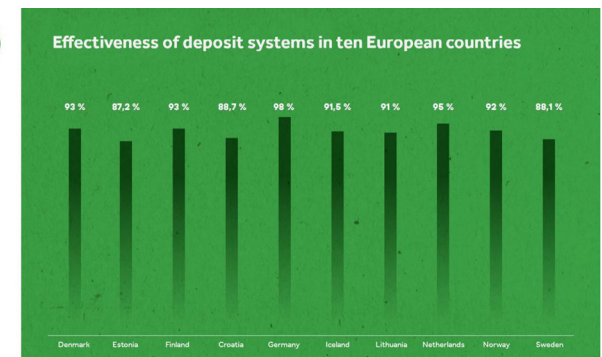
-90 %

A recycled PET bottle has a 90% lower carbon footprint than a virgin PET bottle

-95 %

The introduction of a backup system reduces the proportion of loose packaging by 95%

Learn more about the backup initiative [here](#).



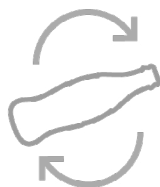


Our packaging in numbers



15.7% recycled material in an average PET bottle

Our long-term goal is to increase the share of recycled content in packaging, especially in PET bottles. Within the entire portfolio, in 2021 we used an average of 15.7% of recycled material in the production of new plastic bottles. That's up 0.4% from a year earlier. In addition, our Natura and Römmerquelle PET bottles are made from 100% recycled materials.

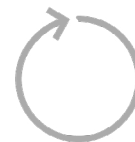


100% recyclable packaging

All our packaging is recyclable, i.e. usable for further processing. In 2021, for the recycling of our waste, we used participation in the integrated EKO-KOM combined fulfilment system in Czechia, and ENVI-PAK in Slovakia.

We continue to make bottles lighter

As part of our packaging policy innovations, we continue with making our packaging lighter. In the previous period, the reduction affected bottles with a volume of 0.5 l; 1.0 l; 1.25 l and 1.75 l. The weight of PET bottles has decreased by 13% on average, and thanks to this, approximately 500 tonnes of plastic waste will be reduced in Czechia and a further 150 tonnes in Slovakia. In 2021, we focused on lightening ADEZ plant-based beverage bottles, which are produced in Prague-Kyje for several markets.



100% share of recycled waste

At the production plant in Prague, we managed to increase the proportion of recycled waste from 52% in 2009 to 100% in 2021. It is the first time in history that we managed to achieve this efficiency after rounding to two decimal places. In the indicator of the share of produced waste per litre of produced beverage, we went from 22 g/l in 2008 to 7.27 g/l in 2021. In the Natura production plant, we achieved a proportion of only 2.51 g/l. However, in these ratio indicators, the value has moved up by roughly one gram per litre compared to 2020.

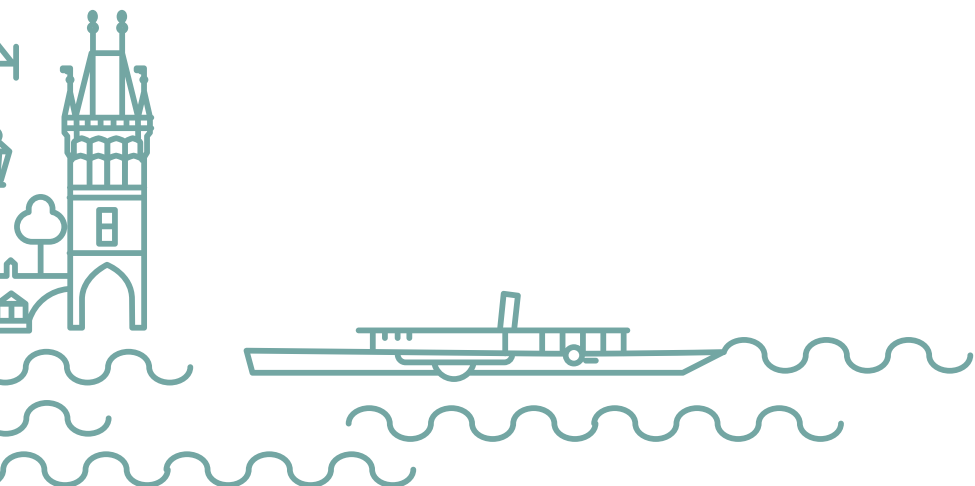
We help clean up Czechia



**Uklidme
Česko**

Let's clean up Czechia together

The goal of the Coca-Cola system is to collect and recycle every bottle and can sold by our company by 2030. It is a commitment that cannot be fulfilled from one day to the next, which is why we decided to go out together with other volunteers this year and lend a hand. After our many years of active involvement, we as the Coca-Cola system have become a proud partner of the Clean up Czechia initiative for 2021.



The Jizera River is clean once again

The Jizera River is a watercourse from whose catchment we obtain water for the production plant in Prague. That is why we are a regular partner of the Clean River Jizera initiative, in which hundreds of volunteers participate and clean the entire 167 km long course of this beautiful river every year. This year, a huge number of young people took part in the cleaning – almost 1,600 children, pupils and students from 10 kindergartens, 13 primary schools and 3 secondary schools. Volunteers from the Water Scouts troop in Mladá Boleslav, the Povodeň scout troop in Benátky nad Jizerou, the scout troop in Turnov, knights of Mnichov Hradiště and Mladá Boleslav and others additionally participated.

We supported the REkrabička project

ReKrabička is a backed-up Czech product made of 100% recycled material, in which you can take food home as many times as you want. The product can be used up to 400 times. Coca-Cola HBC reimbursed selected restaurants, bistros and cafés 80% of the costs of the initial purchase of ReKrabička packaging boxes. Together, we helped buy 2,500 of them. In addition, customers also received additional discounts on fees for their rental, replenishment and regular replacement.

„We try to behave responsibly towards the environment in our establishments. During the last year, due to the pandemic, we operated for many months only through take-out windows and had to give take-away food to our customers. We were feeling uneasy about the large amount of disposable packaging. The REkrabičky concept of packaging seems like the ideal solution for our family restaurant in Olomouc, the Lobster Family Restaurant, and we plan on using it in our new business, which will open in Olomouc as early as October of this year. Not only is it a functional and ecological solution supporting circularity, but the boxes also seal well and look nice.”

Roman Paulus

Chef, gastronomy, lecturer and cookbook author,
who was the first czech chef to receive a Michelin star



PROCUREMENT OF RESOURCES - COOPERATION WITH SUPPLIERS



We work with more than 1,500 candle suppliers, most of who come from Czechia and Slovakia. 100% of our strategic suppliers have signed the Supplier Cooperation Policy. Along with them, we pay close attention to cooperating with those who share our values, attitude to environmental protection, respect for human rights and a responsible approach to people, health and safety at work.

At Coca-Cola HBC Czechia and Slovakia, we have set criteria for the evaluation of tenders, which also include aspects of social responsibility. Our suppliers are required to document one of the following audit reports: TCCC SGP AUDIT, Unilever URSA, SMETA 6.0, AIM-Progres, SMETA 4 Pilar, GSCP Equivalent, BSCI or EICC. If suppliers do not have the aforementioned audit reports, we require EcoVadis certification.



„Our commitment to carbon neutrality by 2040 at the latest includes our entire value chain, including our suppliers.“



In Bratislava at a new address

When choosing the new seat of our organisational unit in Slovakia, sustainability played a huge role. Decent conditions for our employees and an admirable resume of environmental parameters were offered by the Tower 5 complex. One of the most sustainable buildings of its type in Europe. That is why you can now find us in Bratislava in Kalinčiaková Street in the New Town.



Rainforest Alliance certification

RFA is an international non-profit organisation that works to create a better future for people and nature, and that encourages responsible business. Only approximately 6% of coffee comes from Rainforest Alliance Certified TM farms. Costa Coffee not only received the certificate in 2008 for its coffee, but also for its chocolate. Our FUZETEA iced teas also received the RFA certificate. You can read more about the Rainforest Alliance [here](#).

As the entire Coca-Cola HBC Group, we do not use ingredients that are genetically modified or come from genetically modified organisms in any of the 29 countries where we operate. If you are interested in discovering more: [Genetically modified organisms](#)



NUTRITION AND HEALTH



A product of the highest possible quality to provide refreshment to our consumers is a key tool in fulfilling our mission. With our consumers, we experience everything they are interested in, support their active lifestyle and try to offer them drinks that meet their ideas of a balanced drinking regime. Therefore, in 2021 as in previous years, we reduced the proportion of sugar in our drinks and paid attention to our obligations of responsible marketing and sales.

-10

In 2021, we recorded 10 fewer consumer complaints than in 2020. There were only 18 of them.

5.

One in five Coca-Colas sold in 2021 was Zero.

22 %

Sold drinks in low-calorie variants



Almost a quarter of the portfolio is ZERO

Our consumers have the option to choose a sugar-free alternative in every product line of soft drinks. In 2021, the share of sugar-free drink sales in relation to the entire portfolio was 22.4%. In 2020, it was 21.9%. So we haven't reached a full quarter yet, but low-calorie variants are a very important line of our innovation. The 2021 Christmas edition with orange and vanilla flavours is Zero.



After sixteen very successful years of the refreshing drink Coca-Cola Zero Sugar, we introduced its successor to the Czech and Slovak markets. Although the name and composition remain the same at first glance, it is still a completely new Coca-Cola Zero Sugar, which is much tastier, smoother and more refreshing. It brings a great feeling of a very pleasant taste, again without sugar and calories. The fundamental difference and magic that makes the new Coca-Cola Zero Sugar not only taste closer to the classic version of the Coca-Cola drink, but also has the ambition to become the best Coca-Cola drink ever, lies in the new ratio of ingredients used. You can easily recognise it in stores – the entire cover of the bottle is red, the Coca-Cola logo is black and the cap is proud of the Zero Sugar inscription. Thanks to the “Yes or No” campaign, consumers could let us know if the new option was the best for them.

We hold a responsibility towards children

We commit to responsible marketing through our membership of the European Beverage Association UNESDA and adhere to the following voluntary commitments: We do not market to children under the age of 13; we avoid direct advertising to children in order to convince their parents to buy our products. Furthermore, we do not offer sweetened lemonades, iced teas or energy drinks at primary and secondary schools. Our coolers in schools do not carry any advertising of drinks, their stickers are neutral and only encourage drinking.

„We have been using Evolved Nutrition Labeling on our products since 2018, and we are still among the exceptions on the Czech and Slovak markets. Our consumers know precisely, easily and without long research which product to choose and include in their diet based on its composition.”

Martin Staněk
QFS/QSE Governance Manager



We mark our products clearly

We believe that people should easily find clear nutritional information on all our packaging. Labels on drinks therefore clearly state the content of calories, sugars, fats, saturated fats and salt, both in absolute values and in percentages of daily intake. This data is shown on individual packages as a proportional part of a healthy diet and helps consumers understand the exact share of a particular drink in their daily intake of energy (calories) and sugars.

OUR PEOPLE

Our employees are our most important resource and stakeholder group. We constantly strive to create a pleasant, safe and motivating environment for them for everyday work and career growth.

We care about the health and well-being of our employees.

We won the Award for employee health protection

HR director Markéta Pavelková accepted the prize awarded by the Employers' Club from the hands of Vítězslav Havliš on behalf of partner EUC a.s. In the long term, we provide, among others, massages 4 days a week in addition to the normal occupational medical services in the company's office. During the pandemic, in-office and field mobile testing for COVID was added to the list. There are regular Health Days – prevention of not only lifestyle diseases (eye-related, dermatology, plantoscope, handymed, first aid training), flu vaccination and vitamin packages for employees.



41

reported near accidents –
all successfully eliminated

5

injuries with incapacity
for work – the same as in
2020. No accidents with
fatal consequences.

570

Improvements in the
Behaviour Based Safety
programme

78

Employee Satisfaction
Index in 2021

116

Newly hired and trained
employees

3

women in the top man-
agement of the company
– Board



We defended second place in the consumer industry category in the Top Employers survey

The **TOP Employers** study is a project of the Association of Students and Graduates, which takes place among students of Czech universities. It is implemented in cooperation with the prestigious research agency GFK, universities, student organisations and corporate partners. In 2021, more than 12,000 respondents contributed to the study.



We benefit from diversity in our teams

We support diversity and an inclusive company culture and, depending on the nature of the position, we offer flexible working hours, part-time or work from home. We respect the principles of equal opportunities, regardless of race, colour, gender, sexual orientation, religion, nationality or physical disability. We invest in acquiring, training and retaining talented people.

As part of internal communication, we always dedicate at least one week to a diversity and inclusion campaign. We participate in conferences related to the topic of women in leadership and have established the WomEn LEAD programme. As a Coca-Cola system, we have long supported the Prague Pride event. In both Czechia and Slovakia, we are signatories of the Diversity Charter.

We believe that gender-balanced teams working in an inclusive environment are more productive, more innovative and achieve better results. We are reviewing our procedures and trying to ensure that our recruitment campaigns reach everyone equally. We employ a comprehensive leadership development programme that enables our leaders to build a diverse work environment where everyone can feel at home.

Employee of the year helped during floods, tornado and corona

Every month we award the best employees of the company based on nominations from colleagues themselves. At the annual conference, we awarded Rostislav Golda as employee of the year for his great business results, but also for his incredible volunteer work.

„I like to help other people, that's why I didn't hesitate to get involved and help in any way, even in such difficult situations.”

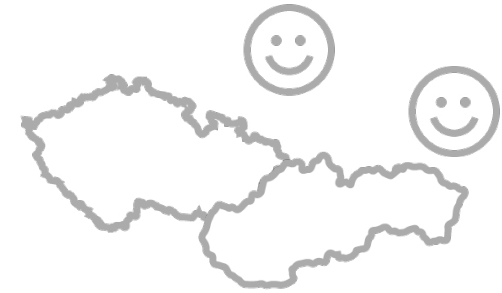


Rostislav Golda
Employee of the year 2021



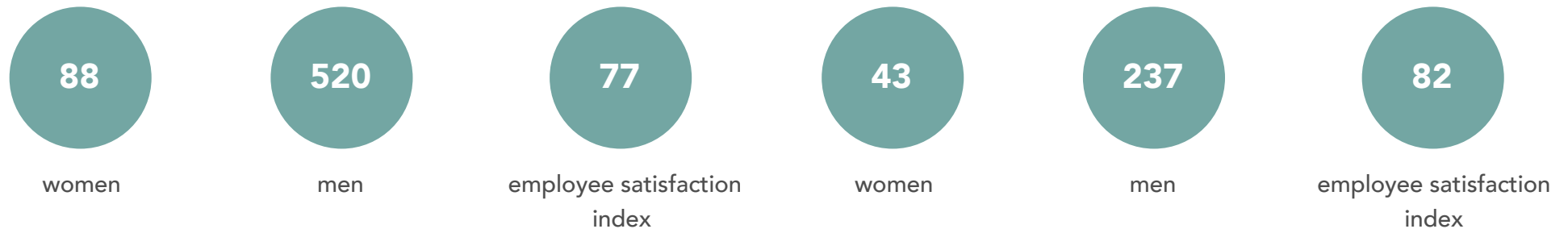
Employee satisfaction in a difficult year

The year 2021 was extremely challenging for our employees due to fluctuations in our business environment. These fluctuations were mainly caused by the development of the Covid-19 pandemic. That's why we regularly organised prompt Covid Pulse surveys, in which we found out how we can best support our employees. Above all, the sudden load on the entire company in the summer months caused the overall satisfaction of our employees according to the SEI index to drop from 85% to 78%. We value the honesty of our employees and, based on their feedback, we are preparing for the next challenging situations that our business may face.



Czechia

Slovensko



The first employee celebrated 30 years in our company

We listen to the voice of employees

We respect the right of employees to join the Staff Council, which mediates dialogue between employees and company management. The Council in Czechia and Slovakia represents all company departments and meets at monthly intervals.

An extensive range of benefits for our employees

We do not neglect non-financial benefits either, and our employees can also invest in employee shares or receive discounts on various recreational and wellness stays. Loyal employees are rewarded every five years with annual gifts and celebrations. In 2021, 163 colleagues celebrated their 30, 25, 20, 15, 10 or 5 year anniversaries with us.

It is a matter of course for all our colleagues to keep up with their drinking regime at work and at home.

Helpline for employees and their families

Our Employee Assistance Programme, provided by Morneau Shepell, is confidential support that can help solve a wide range of problems in life. EAP offers fast and qualified support that is accessible 24/7.



We care about the development of our people

The development of our employees begins with quality onboarding. In 2021, we further developed the concept of the Sales Academy, in which our salespeople obtain licenses in an elaborate educational programme that enables them to start doing great business and further develop. In a similar way, we are also building the ICSC Academy for colleagues from our integrated Supply Chain.

Talent programmes help the growth of employees who are the future of our company. These include the Trainee programme, or programmes for leaders at all levels of management.



24365

Hours of training in
Czechia

2776

Hours of training in
Slovakia

90 %

Employees agree to have
access to activities that
develop them

Internal University Learning Labs

The "Learning Labs" internal university platform was created based on the initiative of a group of employees. This is an effective form of development and experience sharing where employees themselves provide development to colleagues in various roles. In addition to sustainability topics, the areas are presentation and sales skills, digital skills training, English language and conversation, financial training, etc.

We connect the academic sphere with real life
business

Management Challenge

For the fourth time, we have created 6 real case studies that connect the academic sphere and real life business. We once again offered them for solution to all students of universities in Czechia and Slovakia in cooperation with the JA Alumni organisation.

As part of the competition, student teams are tasked with developing a practical case study and if they succeed, they can win many exciting prizes such as a day with a Coca-Cola HBC manager, a cash prize, a WOW experience of their choice or our drinks.

In addition, as part of the event, we organised nineteen webinars of our managers in cooperation with partner schools in Czechia and Slovakia, which were attended by 1,100 students. They had the opportunity to look under the hood of the business and get to know the leading managers of the company.

More about the Management Challenge in the [press release here](#).



COMMUNITIES AND NEIGHBOURS

Enriching the lives of local communities is firmly rooted in Coca-Cola HBC's mission. Wherever we operate, we try to be a good neighbour. We share our experience with others, our goal is to support young people, communities and individuals and help create a life according to their ideas.

We help where we are needed

As part of the ongoing measures against the spread of the Covid-19 disease, we continued our plan of three priorities for the protection of health, safety and business. The first of these was the protection of the health of our employees, including customers. However, it was not only about protective equipment, working from home, but also about protecting the jobs/employment of all our colleagues. The second priority was to support hospitals and other organisations that are helping to cope with the pandemic. The third priority was our direct involvement in volunteer activities.





We supported tornado-hit villages in Moravia through a financial donation to the Red Cross in the amount of one million Czech crowns. Here, half of the donation was paid by Coca-Cola HBC and half by The Coca-Cola Company. In addition, half a million Czech crowns worth of our drinks went to the venue. Volunteers from among our employees also helped directly on site.

12 mil.

We donated more than 12 million Czech crowns worth of drinks to charity

1 mil.

We supported villages affected by the tornado with a cash donation of 1 million Czech crowns.

104

employee volunteers





In cooperation with the Red Cross, we organised a project of 50 places for a good deed, for which the Red Cross awarded us a prestigious prize for the support of humanitarian activities. The project focused on providing first aid courses. During the 50 places for a good deed event, around 500 employees from the social services of the non-profit sector received training. In Czechia, the courses took place at thirty locations providing services to more than 2,500 clients. In Slovakia, there were 20 locations with more than 1,500 clients.

„From the beginning of planning the celebration of the 50th anniversary of the production of the Coca-Cola drink on the Czechoslovak market, we knew that as part of the celebration we also wanted to create a project that could help someone. In this spirit, we wanted to share the celebrations with others. I think we managed to do that with 50 places for a good deed. The great interest in the first aid workshops and the positive response from non-profits only confirmed to me that we made the right decision.”



Veronika Němcová
Director of public relations,
communication and sustainability
at the Coca-Cola Company CZ/SR





549 volunteer hours

Our employees also volunteered in 2021. They helped within volunteer associations, developed young people or lent a hand to work directly at sites of natural disasters.



Teribear once again moved Prague and other locations

The already traditional charity run Teribear moves Prague was again transferred to the virtual space and thanks to this to all corners of the world. Yes indeed, other countries shared in the run as well. We are very proud that our employee, Milan Holuška, completed the longest run – 704 km.



Drinks worth 8 million to food banks

We engage in long-term cooperation with food banks in Czechia and Slovakia. In 2021, we delivered drinks worth more than 8 million Czech crowns to those in need.



We, too, shine for Firefly

We are a traditional partner of the Světluška Endowment Fund of Czech Radio. We participate in Night Runs, deliver drinks to Café POTMĚ and provide refreshment to the performers of the Benefit Concert.



We support the LGBT+ community

The Coca-Cola Company became the main official partner of the Prague Pride Czech festival for the second year. At the time of the festival, a special banner with a rainbow flag and motifs of the "LoveCan" thematic campaign, which promotes the values of respect, understanding and love, was hung on the main building of the Coca-Cola company in Kyje, Prague.

We help young people succeed and grow

You can do it!

As part of the You can do it! project, we support the confidence and self-worth of young disadvantaged people by providing training or organising motivational workshops that increase necessary knowledge in the field of further self-development (education), finding work opportunities and starting an independent life.

[Press release on the You can do it! project](#)

„You can do it! is our joint child who turned 4 in 2021. We are constantly working on its quality and reach. Together, we have already changed the lives of thousands of children and young people. It's a lot of work, but we believe it really makes sense.”



Tereza Maxová
Patronka Nadace Terezy Maxové



4218

Young people went through the programme in 2021 in the Czech Republic and Slovakia.

1 mil.

People will be reached by the programme in all Coca-Cola Hellenic countries by 2025

20

Coca-Cola HBC employees worked on the programme in 2021 as part of volunteering





The project was created in accordance with the international strategy of the Coca-Cola HBC group – Youth Empowered, which we brought to Czechia in cooperation with the Tereza Maxová Children's Foundation already in the summer of 2017. In 2018, we invited the Czech branch of the International Federation of Coaches to cooperate, then expanded the project to focus on secondary school students. In 2019, together with our partner getCLIENTS, we presented the project in Slovakia. In addition to the involvement of partners, employees also participate in the project. As part of expert volunteering, more than 30 colleagues give lectures in children's homes or schools.

„After the first year of Covid, in 2021 we managed to make a profit within the Slovak organisational component. That is why I am extremely happy that we could allocate 2% of the income tax to the A smile as a gift, non-profit organisation which cooperates with us together with getCLIENTS on the You can do it! project. In total, the organisation will receive 3,642 Euro.”



Michal Čubrík
Manager of external relations



Free on-line courses from the best of the best

At the end of 2021, we agreed on a strategic partnership with the organisation GrowJob Institute and a group of inspirational speakers from business. From 2022, young people will have access to successful courses for free on the cocacolatodas.com website, that will take them further in life.



We are a good neighbour

We are constantly working on good relations with Prague 14 (location of the Prague plant), and the Broumovsko region (Natura spring water region). Across regions, we are trying to create joint projects to support quality of life and sustainability development.

Our employees are members of the MA21 Commission for Public Involvement and working groups for sustainable development of the city district and climate adaptation. We are very happy that together, we managed to defend category A within MA21 evaluation in 2021. [More about the MA21 agenda in the video HERE](#). As support for the environment, we have, for instance, supported the purchase of irrigation bags

or the planting of trees on the territory of the district. In 2021, we also collaborated on changing the stop shelters at the Sídliště Jahodnice stop. These now not only have a more presentable appearance, but thanks to the educational content on stickers and information boards they also serve as a means of communication with citizens. In the area of our production plant, instead of a classic retention tank, we built a wetland system for retaining rainwater and naturally cooling the surroundings, which also helps to maintain biodiversity in the area.



In the Broumovsko region, where we have a NATURA production plant, we are a partner of the Adaptation of the Broumovsko Region project to climate change, we support cultural events such as the Broumovsko region discussions, the rock climbing festival and the Sudety Rally.



OUR STAKEHOLDERS AND MATERIALITIES



At Coca-Cola HBC, we approach materiality issues on an annual basis. We are thus trying to figure out how to deal with the opportunities and face the risks that the year has brought. We pay attention to the correct prioritisation of agendas that have the greatest impact on the economy, society and the environment.

This year, in addition to the group survey, for the first time we also organised a local survey of the importance of topics for Czechia and Slovakia with IPSOS.

At the [Integrated Annual Report](#) of the Coca-Cola HBC Group, published annually, is in accordance with the principles of the International Council for Integrated Reporting and is prepared in accordance with the standards of the Global Reporting Initiative. We also regularly review our approach to standards and continuous improvement and use of proven practices.



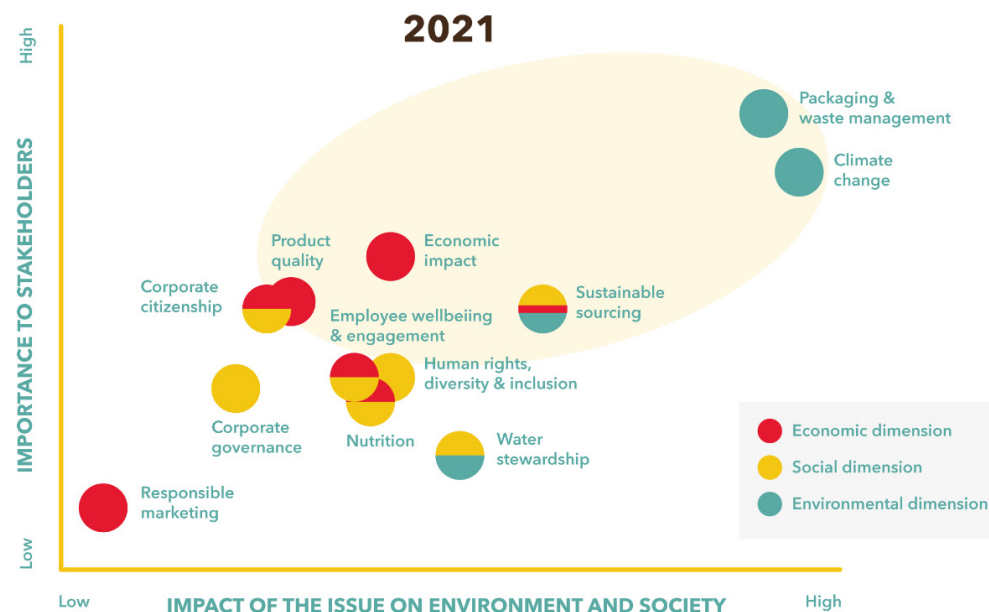
2021 through the eyes of stakeholders

Our material issues include topics that have a significant economic, environmental and social impact or materially influence the evaluation and decision-making of our stakeholders. Towards the end of 2021, we conducted our annual significance survey among more than 1,000 internal and external stakeholders within the group in all 29 Coca-Cola HBC countries. This survey was conducted jointly with The Coca-Cola Company and is therefore the result of our entire Coca-Cola system. The result of the survey shows the ranking of the importance of individual questions. The survey compares the importance of the question for our stakeholders with the impact of the matter on society and the environment.

For the first time for this year's report, we also had the local matrix of materiality for Czechia and Slovakia processed with the company IPSOS. 75 of the most important stakeholders participated in the survey, and we thus have a comparison between the point of view of local stakeholders and the average point of view of all stakeholders from Coca-Cola HBC countries. Both matrices can be found below.

In the local and global overview of the importance of topics, almost the same priorities remain in the top five, which confirms the relevance of the group's global direction for the Czech and Slovak markets. Individual deviations highlight topics that need to be focused more locally, on which the company's local management has a very strong mandate.

Materiality matrix of the Coca-Cola HBC group



Global ranking of the top 5 most important topics:

- Packaging and waste management
- Climate change
- Sustainable resources
- Economic impact
- Product quality

On a global scale, sustainable resources are coming to the fore, which as a topic has jumped over the economic impact of society compared to last year, but it is still very important thanks to a year heavily affected by Covid. After a year, product quality returns to the top 5 topics, which was relegated to 7th place in terms of perceived importance of company administration and management – it drops out of the top 5 after six years.

Local ranking of the top 5 most important topics:

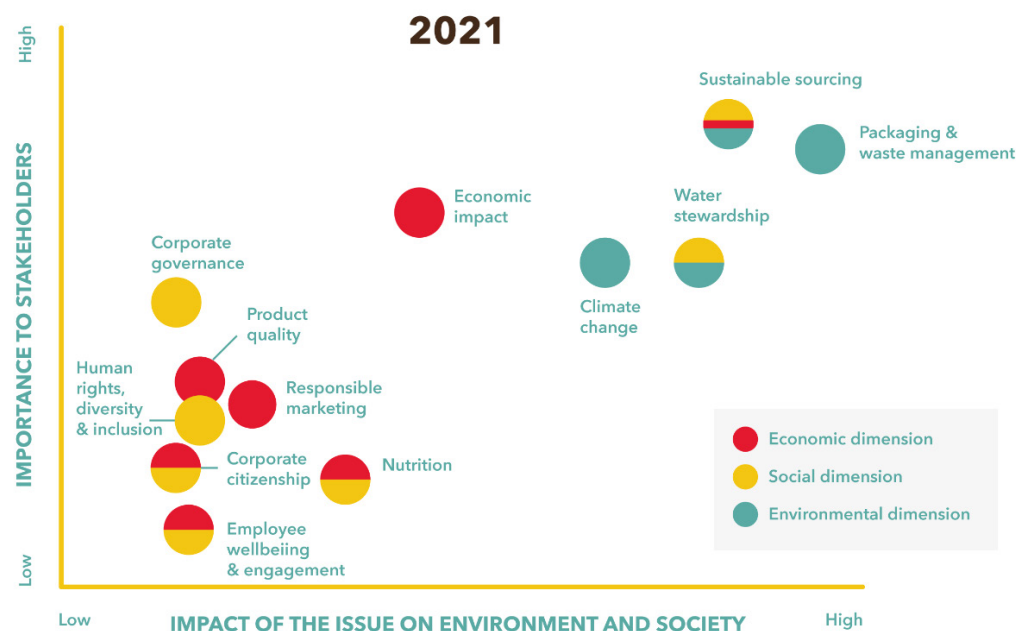
- Packaging and waste management
- Sustainable resources
- Water management
- Climate change
- Economic impact

In the local sense, packaging and waste management remain the most important topic. Sustainable resources climbed to second place here. Here we perceive an emphasis on careful certification of suppliers and monitoring of their impact. In 2022, we will carefully follow the path to carbon neutrality of our entire value chain, i.e. including resources, and thus our suppliers.

The topic of water management climbed to the very important third place, herefore in 2022 we will expand our activities in the framework of sustainability in connection with water and develop existing activities.

The importance of the commitment to carbon neutrality is underlined by the fourth place of the climate change topic in the local concept, and the influence of not only Covid events also holds economic impact in the top 5 topics.

Local materiality matrix for Czechia and Slovakia



What are we learning from our stakeholders?

Understanding the needs and interests of our stakeholders including our partners, customers, suppliers and community members, as well as employees, helps us create the right Materiality Matrix over time. It is also an important helper in developing a sustainable business strategy.

We actively seek the opinions and insights of our stakeholders:

- We hold an annual international Stakeholders Forum;
- We conduct interviews with key internal decision-makers and external partners;
- We continuously work with external stakeholders;
- We survey our senior leaders from each function, country and across the group, as well as over 600 external stakeholder nominees across our 29 markets;
- We consider a list of material issues from The Coca-Cola Company and other bottlers and food and beverage companies;
- We listen to feedback from our Risk Forum and all risk registers from our markets.

Management of our materiality issues

The result of our Materiality survey represents their order of importance. By assessing the importance of these issues to our

stakeholders and their decisions, combined with an assessment of the issue's impact on society and the environment, we derive the relative importance of each issue and prioritise them accordingly. Following the process of setting priorities in our material issues, the operational committee ensures their proper implementation in the overall strategy. This includes setting and publishing goals and metrics to measure progress.

We have linked our material issues with the Sustainable Development Goals (SDGs) set by the UN to achieve long-term growth and development by 2030. In 2018, as we launched the 2025 Sustainability Mission with our sustainability commitments, we not only aligned our themes of significance with valid targets, but with all relevant core targets for each SDG.



How do we assess material issues?

Our material issues are those of greatest importance to our stakeholders and wider shareholder groups and therefore impact our company's value drivers, our competitive position and long-term value creation.

Annual assessment

Our material issues are reviewed annually to fully understand how to manage the risks and opportunities they present. Thanks to this, we can prioritise topics that have the greatest impact on the economy, society and the environment.

Our annual materiality assessment is conducted in four phases by a multidisciplinary team dedicated to our Sustainability Mission 2025.

Phase:

- determination of substantive issues;
- assessment of impact on stakeholders or their significance;
- social and environmental impact assessment;
- review and confirmation of findings.

Steps to ensure that material management is successfully embedded in our strategy and business activities as such are car-

ried out by three groups within the entire Coca-Cola HBC Group.

- The Sustainability Mission 2025 team assesses a list of essential issues and ensures that our approach to sustainability is fully aligned with our business priorities;
- The Committee for Social Responsibility based on the Board of Directors subsequently approves the priority list of questions and the resulting Materiality Matrix.
- Finally, it is the responsibility of the Operating Committee to integrate our sustainability priorities into our business strategy.

For our annual materiality assessment, we have an ongoing dialogue with our stakeholders, which include employees, consumers, customers, suppliers, communities, governments, NGOs, investors, trade associations and even academicians. In addition, we monitor external trends and other industries to see how the ability of our business to grow sustainably over the long term is affected.

Our systematic approach to materiality helps us prioritise topics in line with GRI standards. The topics are often intertwined and should not be seen separately.

Natural capital impact study

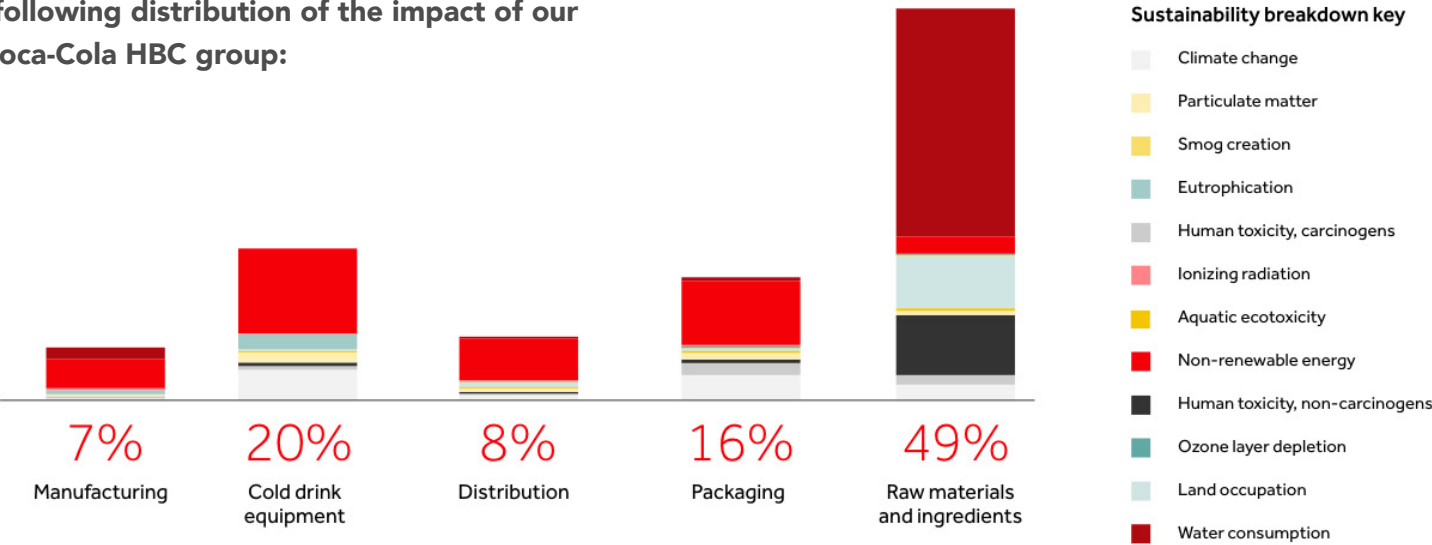
Natural capital is the stock of renewable and non-renewable natural resources that together provide a flow of benefits to people. (definition according to: Natural Capital Coalition).

To understand our impact, we used the Natural Capital Protocol methodology and assessed our environmental impact throughout our value chain.

Here, the study converts Life Cycle Analysis (LCA) indicators into a monetary value. The ultimate impact is the cost society bears as a result of our activities in the value chain.

Environmental externalities overestimated in the study include: non-renewable energy consumption, water eco-toxicity, water eutrophication, land occupation, human toxicity – carcinogen, human toxicity – non-carcinogenic, ionising radiation, impact on respiratory tract (particles), damage to the ozone layer, photo-chemical oxidation (smog formation), climate change and water abstraction (water consumption).

The study shows the following distribution of the impact of our activities within the Coca-Cola HBC group:





ABOUT THIS REPORT

As the Coca-Cola HBC Group, we issue a regular [Integrated Annual Report](#).

We regularly report on the steps and results of our commitments in the field of sustainability for Czechia and Slovakia as well. We monitor and evaluate the needs and interests of our key partners and stakeholders.

The data entering the Integrated Annual Report is verified by Denkstatt, an independent auditor. The last audit of results and data was carried out by auditors in selected countries of Coca-Cola HBC in mid-2022.

In this report, you will find information about our company for 2021.
Reports from past years are available to you in the [Reporting section](#).



We welcome your comments, feedback and any questions.

Ladislav Jelen, manager of social responsibility and communities
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