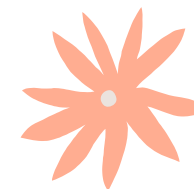




# **SUSTAINABLE DEVELOPMENT REPORT 2023**



# FOREWORD



*„2023 has been an exceptional year in building the value of our business. Especially in relation to our customers. We have truly lived one of our core values – sustainability. I am proud that the independent sustainability ratings have demonstrated our unique position within our industry.”*

Dan Timotin,  
General Manager,  
Coca-Cola HBC Česko a Slovensko

## ENVIRONMENTAL TOPICS



[+ Read more](#)

## OUR PEOPLE AND THE COMMUNITY



[+ Read more](#)

## COMPANY MANAGEMENT



[+ Read more](#)

# AWARDS



The Dow Jones Sustainability Index, the leading global indicator of sustainability, ranks Coca-Cola HBC as the world's most sustainable beverage company for 2023. Globally, we are among the top three companies for the twelfth year in a row. In the assessment, which is published in the S&P Global yearbook, the Company scored 91 out of a possible 100 points.



In the consumer industry category, we were TOP Employers for 2023. We defended this prestigious position in a poll in which more than twelve thousand respondents voted. Compared to 2022, this is a move up by one rung.



In the second year of the ESG rating co-organised by the Association of Social Responsibility and CEMS, we took 3rd place among large companies. We were also the only company in the FMCG category to be ranked in the top 10.



In the TOP Responsible Company ranking, we were able to move up in the rating in the category of large companies and, with a rating of 94.1%, place ourselves in the category of leaders. The ranking is compiled by the Business for Society alliance. In addition, we were awarded the TOP Responsible Company in Reporting award.

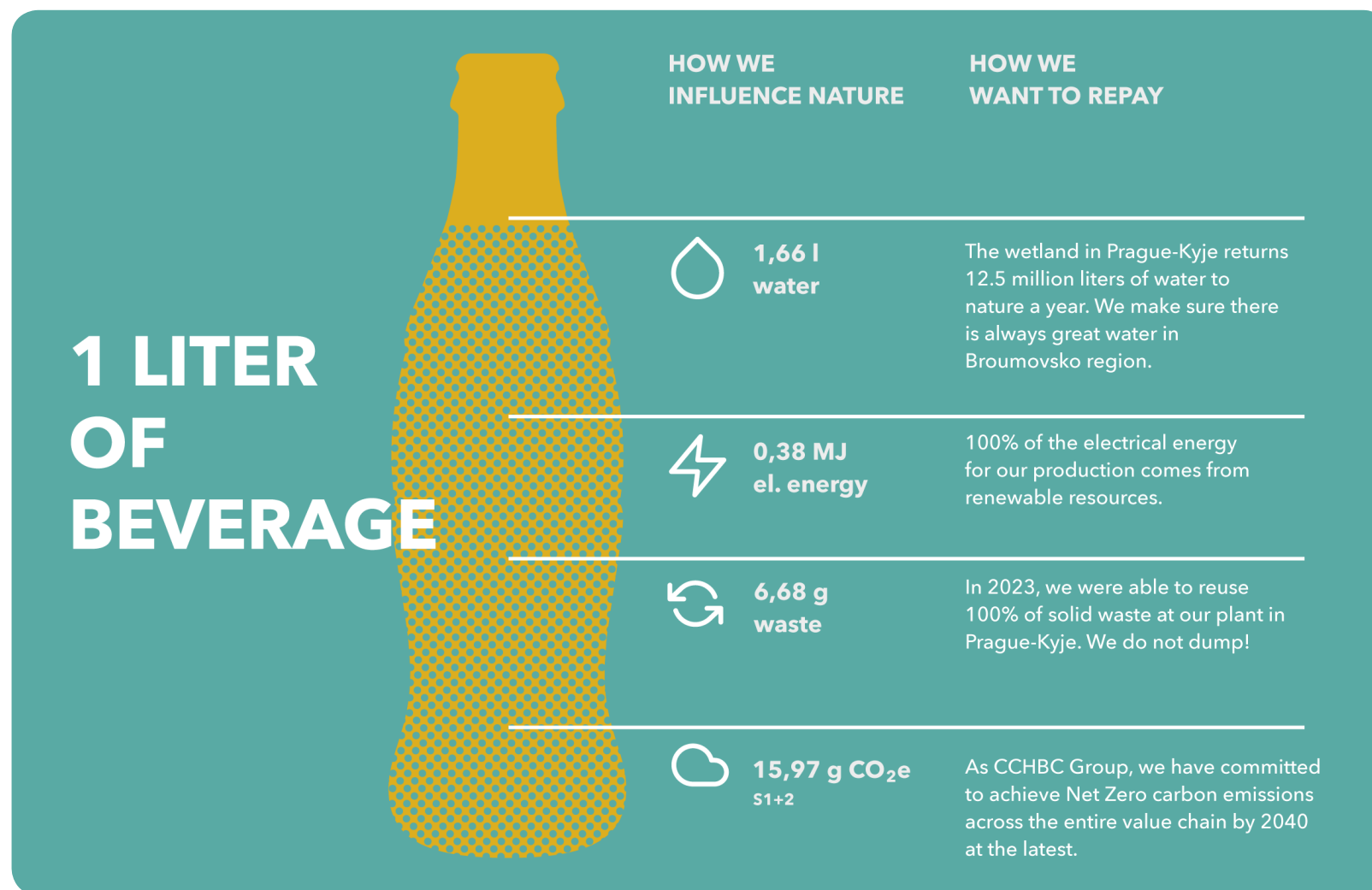


# 2023 IN FIGURES

- 1 **Volume of beverages produced in the Czech Republic:** 431 million litres
- 2 **Volume of beverages sold in the Czech Republic and Slovakia:** 438 million litres
- 3 **Record number of coffee cups sold:** 25 million cups
- 4 **Record volume of beverages sold:** 1.1 million litres



We managed to achieve these production and sales volumes while reducing our carbon footprint throughout the value chain by more than 8 tonnes of CO<sub>2</sub> equivalent and maintaining an excellent level of relative environmental indicators:



## OUR BUSINESS HAS HAD A POSITIVE IMPACT ON COMMUNITY DEVELOPMENT AND THE LOCAL ECONOMY

Thanks to the achieved business results, we were able to pay almost CZK 50 million more in income tax year-on-year and contribute EUR 22.7 thousand in taxes to non-profit organisations in Slovakia through tax allocation.

## TOGETHER WE ARE MORE POWERFUL

All of this is made possible by 906 employees who embody our values, understand our mission and are committed to becoming the first choice in beverages for our customers 24/7.



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Disclaimer: This report is prepared as a non-financial report of Coca-Cola HBC Česko a Slovensko, s.r.o. As the Coca-Cola Česká Republika s.r.o. and the Coca-Cola HBC Česko a Slovensko, s.r.o. form the "Coca-Cola system" in partnership on the Czech and Slovak markets and this partner company also participates in a number of activities, this report also includes joint activities. The contribution of Coca-Cola Česká Republika s.r.o. is always indicated in the sentence as the activity of 'Coca-Cola CZ'. In other cases, when the report mentions, for example, 'we', 'our Company', etc., the data refers to the activities of Coca-Cola HBC Česko a Slovensko, s.r.o.

# ENVIRONMENTAL TOPICS



## OUR PACKAGING AND WASTE MANAGEMENT

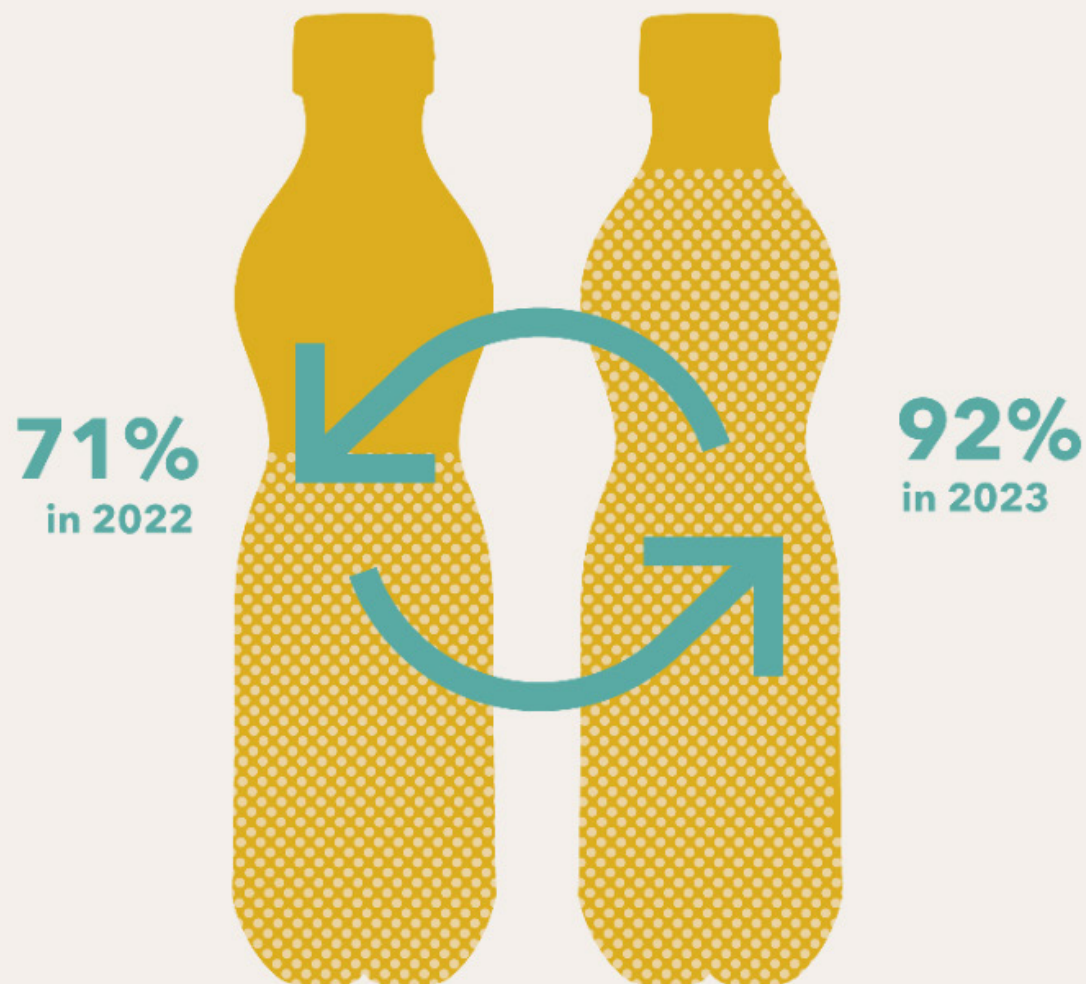
### We've completed the cycle!

In 2023 our Company launched the production of 100% recycled plastic bottles of Natura spring water exclusively from material collected in the Slovak deposit system. This closes the material cycle and saves two-thirds of CO<sub>2</sub> emissions compared to using new PET material.





## COLLECTION AND RECYCLING



Thanks to the deposit system in Slovakia, we have **collected and recycled 92% of the cans and PET bottles** put on the market in its second year of operation. This is a record increase in efficiency on a global scale. We use the collected material to produce Natura bottles made from 100% rPET. We are thus closing the material loop.

## HOW DOES IT WORK?

1. Slovakia's deposit system collects empty PET bottles and cans
2. At the sorting centre of the Deposit System Administrator, plastic bottles are sorted by colour and compressed into bales
3. Coca-Cola HBC will buy back the amount it has placed on the Slovak market in a given year
4. The material is recycled into rPET granulate and subsequently made into so-called preforms for bottle production
5. From these preforms we blow new plastic bottles at the Natura plant in Teplice nad Metují, which we fill with Natura spring water
6. Circular and 100% recycled Natura PET bottles are on the Slovak and Czech market again
7. Plastic bottles are becoming plastic bottles again and the circle is coming full circle!

We want to use this approach as inspiration for other brands of our favourite drinks. That is why we support the introduction of a deposit system for PET bottles and cans in the Czech Republic. Here we propose a solution together with the big beverage companies through the Returnable Initiative ([jdemeokrokdal.cz](https://jdemeokrokdal.cz)).



In its second year of operation, the Slovak deposit system has already achieved an efficiency of 92% of collected PET bottles and cans going straight to recycling. In 2022 it was 71%. Thanks to these successes, we were also able to host an international conference in 2023 for colleagues from Romania, Slovenia, Ireland and Hungary, who came to Bratislava to gain inspiration for the implementation of similar systems in their countries.

Fees to the Envi-pak system, which takes care of the rest of the packaging placed on the market – such as secondary packaging – amounted to EUR 213,934.



In the Czech Republic, the packaging put on the market is handled by the EKO-KOM system, which managed to recycle 49% of plastic packaging, 78% of glass packaging and 67% of metal packaging in the Czech Republic in 2023. Fees for the care of our packaging amounted to CZK 68.9 million in 2023. Glass bottles of most of our non-alcoholic drinks are returned directly from customers to us thanks to a deposit and our own collection. If they are too worn we recycle the material again.



In total we placed 15,453 tonnes of packaging on the market in 2023. Of these, 10,662 tonnes are in the Czech Republic and 4,791 tonnes in Slovakia.

*„All of the packaging we launched in 2023 was designed to be 100% recyclable.”*





## PACKAGING DESIGN AND THE USE OF RECYCLED MATERIALS

In an effort to be more sustainable, we are constantly innovating our packaging design. In 2023 we launched non-removable PET bottle caps for the entire portfolio. During the investigation we found that 13% of bottles were returned to recycling facilities in the Czech Republic without caps. These represent a valuable material that is separated during the processing of sorted PET bottles and used, for example, for the production of plumbing pipes, pallets, containers and other products.



As part of our eco-design, we continued to make our PET packaging lighter. By making the 1.5 litre Natura bottle lighter, we saved 18 tonnes of plastic material. We saved 1.39 t of aluminium by lightening the cans. We also worked on secondary packaging and, for example, by reducing the paper liners on pallets, we saved 1.17 tonnes of paper.

We use 100% recycled content in selected PET packaging – this applies to our Natura and Römerquelle products. On average, we used 7.4% recycled materials in PET. Our glass jar suppliers added an average of 54.3% recycled materials to their glass containers and our can suppliers used an average of 47.4% recycled materials.

***„Our new functional design ensures that the cap remains firmly attached to the bottle once opened, reducing the possibility of it being thrown away while providing our customers with the experience they are used to. The change to non-removable caps applies to the entire portfolio of Coca-Cola beverages in plastic bottles. Coca-Cola is thus the first beverage company in the Czech Republic and Slovakia to introduce this innovation to its complete beverage portfolio.”***



Martina Lovětínská  
Marketing Manager  
Coca-Cola HBC Czech Republic  
and Slovakia



## WASTE IN OUR PRODUCTION FACILITIES

In 2023 we have succeeded in reusing 100% of the waste generated in Praha-Kyje. Plastic, aluminium and glass went for recycling and hard-to-recycle waste for energy recovery. For the third year in a row we have not landfilled any waste in Kyje. In 2023 we generated a total of 2,786 t of waste here. In Teplice nad Metují, we produced 95.81 t of waste, of which 84.01% was reused. In 2023 we generated 493.13 tonnes of hazardous waste. "In total, our production facilities produced only 4.05 grams of waste per litre of beverage produced."



## CC HBC CZECH AND SLOVAKIA

Traditionally, together with Coca-Cola CZ, we have become a proud partner of the Let's Clean Up event and in 2023 we organised clean-ups around both of our production plants. We also continued to support the Clean Jizera River clean-up event. We are proud to have successfully concluded negotiations with the non-profit organisation Let's Clean Up Slovakia at the end of 2023 and to have become the main partner of this cleaning initiative in Slovakia for the next year.

We pay special attention to our packaging not only because it is one of the most important issues for our stakeholders, but also because primary and secondary packaging is the second largest source of our carbon footprint in Scope 3.

# WE WILL BECOME NET ZERO BY 2040 AT THE LATEST

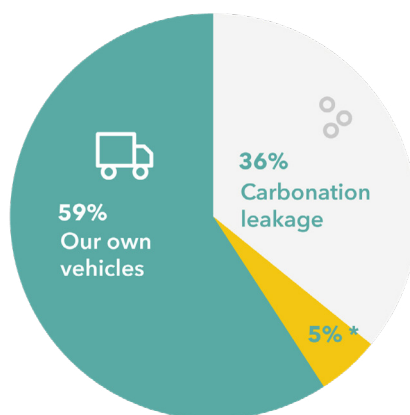
We measure and regularly report our carbon footprint according to GHG standards that categorise it into groups according to the origin of emissions, i.e., scope. Our local carbon footprint reduction plan is part of a complex mosaic of projects that will lead to Net Zero for the entire Coca-Cola HBC Group by 2040 at the latest.

The total carbon footprint of our value chain in 2023 in the Czech Republic and Slovakia was 143.02 kT CO<sub>2</sub> equivalent. Year-on-year, we have managed to reduce it by more than

8,000 tonnes. For the sake of completeness and comparability of the reports, it should be mentioned that we present the result for 2023 according to the updated calculation methodology, which has changed mainly for the calculation of the carbon footprint of ingredients. According to this methodology, the carbon footprint in 2022 would be 151.43 kT CO<sub>2</sub> equivalent.

2.6% of the carbon footprint in 2023 was represented by Scope 1 emissions, a further 2.2% by Scope 2 emissions and the full 95.2% by Scope 3 emissions.

## Scope 1



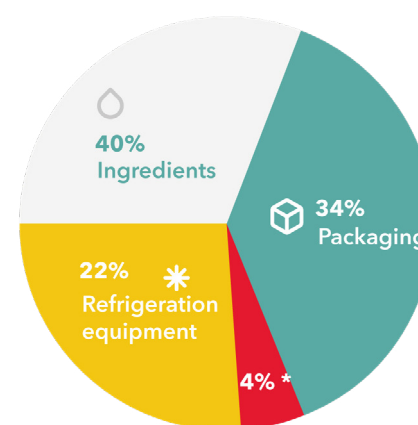
\* Refrigerators, Diesel aggregates...

## Scope 2



\* 1% Electricity without renewable certificates of origin

## Scope 3



\* Third party cars, CO<sub>2</sub> in products...

## HOW ARE WE WORKING TO REDUCE OUR CARBON FOOTPRINT?

In Scope 1, primarily through the **renewal of our own fleet**. We have followed up on the earlier replacement of cars and vans with alternative fuel vehicles. In 2023 the most significant replacement of conventional diesel cars has yet occurred. Almost two hundred Skoda Fabia and Scala cars powered by conventional engines have been replaced by Skoda Octavia cars with Mild-Hybrid engines and automatic transmissions. These have an average 27% lower carbon footprint. In addition, we have switched to 22 fully electric cars Skoda Enyaq 80X iV and Skoda Enyaq RS Coupé. We also tested VW's first all-electric commercial vehicle [ID.Buzz](#). This is used by our technicians managing the refrigeration equipment on the market. We have not fallen behind when building the charging infrastructure in Prague-Kyje, where we have installed 12 new wallboxes that will allow convenient charging of vehicles during the time spent in the production plant and offices. For the further development of electromobility, we have loaned a free electric car for a short period of time to 42 other colleagues who have driven 15,000 kilometres and shared valuable feedback with us, according to which we will adjust our next steps.



- The **average fuel consumption** per km in the Czech Republic was 6.08 litres of diesel or 4.34 kg of CNG per 100 km. In Slovakia, it was 6.15 litres and 4.3 kg of CNG per 100 km. In the Czech Republic, there is a slight year-on-year decrease (2022 – 6.09 l, 4.59 kg) and in Slovakia a slight increase (2022 – 5.72 l, 4.29 kg) in consumption.
- **Our CO<sub>2</sub> emissions per kilometre** travelled rose slightly from 115.25 g CO<sub>2</sub>/km to 117.38 g CO<sub>2</sub>/km. In 2021 it was 127.92 g CO<sub>2</sub>/km, and in 2020 it was 142.57 g CO<sub>2</sub>/km



*„We have done a challenging job with the largest renewal of this type of car in the history of our Company. I am very happy that the cars are environmentally friendly and also look great thanks to the new branding. We even received positive responses from sales representatives when measuring satisfaction after the renewal. Among our colleagues we also have champions with an extremely light foot. For example, my colleague Petr Vejdělek drove his Plugin-Hybrid car for a long time with a consumption of 0.56 l/100 km, so he practically turned it into an electric car.”*



Martin Prídala  
Fleet Manager  
Coca-Cola HBC Czech Republic  
and Slovakia



Due to the complexity resulting from the applied business strategy, our fleet of 465 passenger vehicles covered 14,294,771 km, 7% more than in 2022. Therefore, we ended up consuming 853,619 litres (or kg for CNG) of fuel. This is 198,554 litres (or kg for CNG) more than in 2022.

We have not been afraid to take bold steps towards sustainability and, in cooperation with [DIPLO Transport & Logistics](#), we have tested fully electric trucks for the distribution of our products. While the economics are a challenge for now – the current price of this electric truck is approximately four times the price of a diesel truck – our commitment to sustainability remains unchanged. In Slovakia, we have become a member of [SEVA – Slovak Electric Vehicle Association](#) and share our experience with other member companies.



**Our own delivery vehicles** covered a total of 493,836 km, consuming 21.63 l/100 km in the Czech Republic and 11.24 l/100 km in Slovakia. The higher consumption in the Czech Republic is due to the use of four larger conventionally powered cars. The other vehicles are powered by Mild-Hybrid engines.

Despite the increase in our vehicle traffic, our Scope 1 carbon footprint only increased by 1.26% year-on-year, or 47t CO<sub>2</sub>, largely thanks to the beverage filling CO<sub>2</sub> elimination project, which saved 109t CO<sub>2</sub> in 2023. Working efficiently with our refrigeration equipment and the remaining diesel units in production has also helped.

In Scope 2, 99.9% of the origin of our emissions is energy from the steam, heat and cooling supplied for production. We supply steam and heat from the nearby waste incinerator in Malešice. Energy recovery is the most appropriate form of waste management after reuse and recycling. We managed to reduce this carbon footprint by 7% year-on-year, which is 242 t CO<sub>2</sub>e.

**The ratio indicator of CO<sub>2</sub> emissions in Scope 1 + 2 per one produced litre of beverage stopped at 15.9 g CO<sub>2</sub>/l in 2023.** This is a slight increase from 2022 – 15.3 g CO<sub>2</sub>/l. In 2021 it was 16.34 g CO<sub>2</sub>/l. This trend of maintaining a low carbon footprint, even as production volumes grow, is addressed by the internal Energy TOP 20 project, which is a set of measures seeking optimal solutions for energy savings in production.

**We managed to keep the indicator of electricity consumption per litre of beverage produced at 0.38 MJ/l.** It has fallen to less than half since 2008. As part of electricity, we took a total of 97,457,450 MJ in Prague-Kyjy and 5,247,752 MJ in Teplicích nad Metují for production. In total, we consumed 7,818,106 MJ less electricity year-on-year. All purchased electricity was certified as being from renewable sources.

Scope 3 produces the largest volume of our carbon footprint. Our refrigerators, which we lend to customers free of charge, play a role here. Their footprint is created by electricity consumption. We are gradually replacing refrigerators with energy-efficient and ecological cooling models with SmartCool technology.

By the end of 2023, more than half of the refrigerators on the market have been replaced. They are smart appliances that work 57% more efficiently than the original fridge. In total, we replaced 5,884 cooling devices in 2023 and invested over €6.1 million in their replacement. Replacing the refrigerators saved 2,353 tonnes of CO<sub>2</sub> in the year under review. Year-on-year, there was an increase in the number of equipment replaced (+793), the volume of investments (+1.6 million EUR) and CO<sub>2</sub> savings (-143 t CO<sub>2</sub>).



The carbon footprint of the ingredients in our products is influenced by both the behaviour of our suppliers and the final mix of the beverages we sell. We are proud that our suppliers are on the path to Net Zero with us and that the resulting mix of products sold in 2023 **has reduced the carbon footprint of our ingredients by 3,956 t CO<sub>2</sub> year-on-year**. A product with a lower carbon footprint may also be preferred by our consumers. For example, artificial sweeteners have a significantly lower carbon footprint than standard beet sugar or corn syrup.

We are pleased that our carrier suppliers are already adapting their fleets to reduce the carbon footprint of transporting beverages to customers. In 2023 it has decreased by 229 t CO<sub>2</sub> year-on-year. In addition, we again benefited from the transfer of the central warehouse directly to the production plant in Prague-Kyjy, and thanks to the acquisition of the Natura production plant in Teplice nad Metují, we have a source of spring water directly in the Czech Republic.

We received two awards in the Impuls Logistics competition: Top logistics project and ECO-ECO solution for our automated warehouse project in Prague-Kyje. The competition is a showcase of the best in the industry.





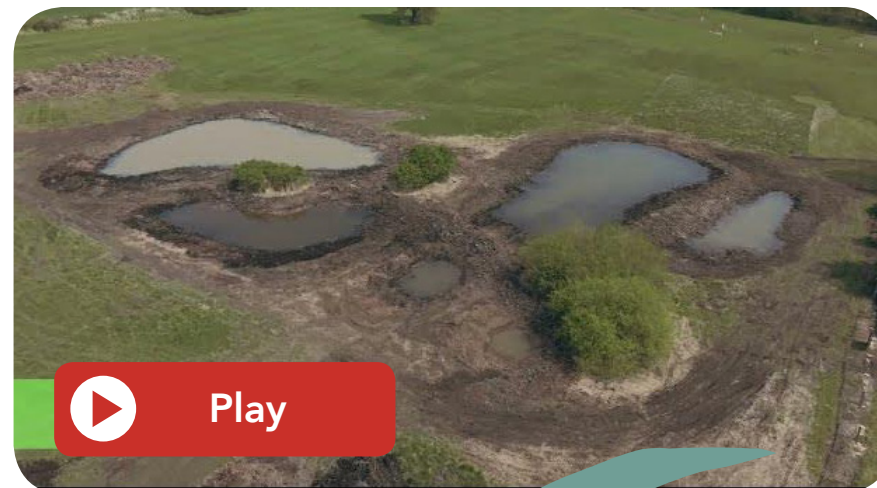
## WATER – OUR MOST PRECIOUS RESOURCE

Our Natura spring water comes from the Adršpach-Teplice rocks. It has low mineralisation and meets the quality suitable for infants, making it ideal for everyday drinking. Thanks to the natural filtration of the water through the sandstone bedrock, we can practically bottle the Natura right from our source, which is about 120 m below the surface. This source is therefore a real treasure for us and we take care to protect the water in the whole Broumov region.

***„By 2040 we will cover the entire Broumov region with landscape adaptation studies to climate change.“***

Together with the Strategic Council of the Broumov region and the association Živá voda, we are developing the project Adaptation of the Landscape to Climate Change. We build projects that increase water retention in the landscape. We design feasibility studies for water retention of entire river basins and follow up with implementation. This makes Broumov region the first region with a comprehensive concept of how to work with the landscape ideally. The project is a laboratory for a number of

researchers who come to Broumov to learn the methodology. A landscape that is restored to its ability to retain water is better able to withstand the risk of flooding, not lose topsoil to run-off, process CO<sub>2</sub>, cool its surroundings and is home to natural biodiversity. In 2023 we again supported the project with a grant of CZK 450,000.



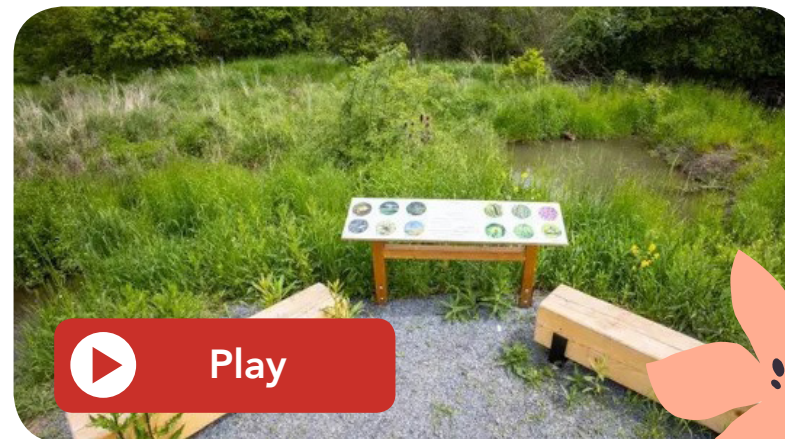
Play



*„In 2023 we have proceeded with proposed developments at other sites, which is hugely fulfilling for us. It is the culmination of an effort that begins with the creation of a study and continues with negotiations with owners and the development of project documentation. When this whole process arrives at its implementation, we are fulfilling the vision of the whole project, which is to implement as many of the proposed measures as possible.”*



Jan Staroba  
Project Manager  
Broumov Region Strategic Council



## OUR WETLANDS NEAR THE PRODUCTION PLANT IN PRAGUE-KYJE

### Slávnostné otvorenie náučného chodníka v mokradi

As part of the construction of the automated warehouse in Praha-Kyje, unique wetlands were built on the premises of the production facility, which collects rainwater from the area and annually returns approximately 12.5 million litres of water to nature. In 2023, thanks to a grant from The Coca-Cola Foundation, a nature trail was created in the wetlands area, which will be opened to schools and the public in 2023 through guided tours. The opening ceremony was led by Vladimír Kořen and it rained beautifully during the event. The trail and other measures to promote biodiversity, such as dredging pools, were implemented on site by the non-profit organisation Beleco. The wetland is home to more species of birds, insects, amphibians and deer after the implementation of these measures.



We regularly assess the impact of our activities on biodiversity and ecosystems using the Credit 360 system. In addition, we prepared [a study of the impact of our activity on natural capital at the group level](#).

### **We've become even more water-efficient in the production process**

In 2023 we took 666,707,060 litres of water from VAK at our production facility in Praha-Kyje and 1,628,000 litres from VAK from our production plant in Teplice nad Metují and 54,321,000 litres from the water source for Natura water.

Controls on the quality of the discharged water were carried out in accordance with the requirements of the legislation and the IPPC. The reuse of 8,556m<sup>3</sup> of water in the production process also makes us one of the leaders in the care of this key resource, and in 2023 we were again able to achieve Alliance for Water Stewardship Gold certification.

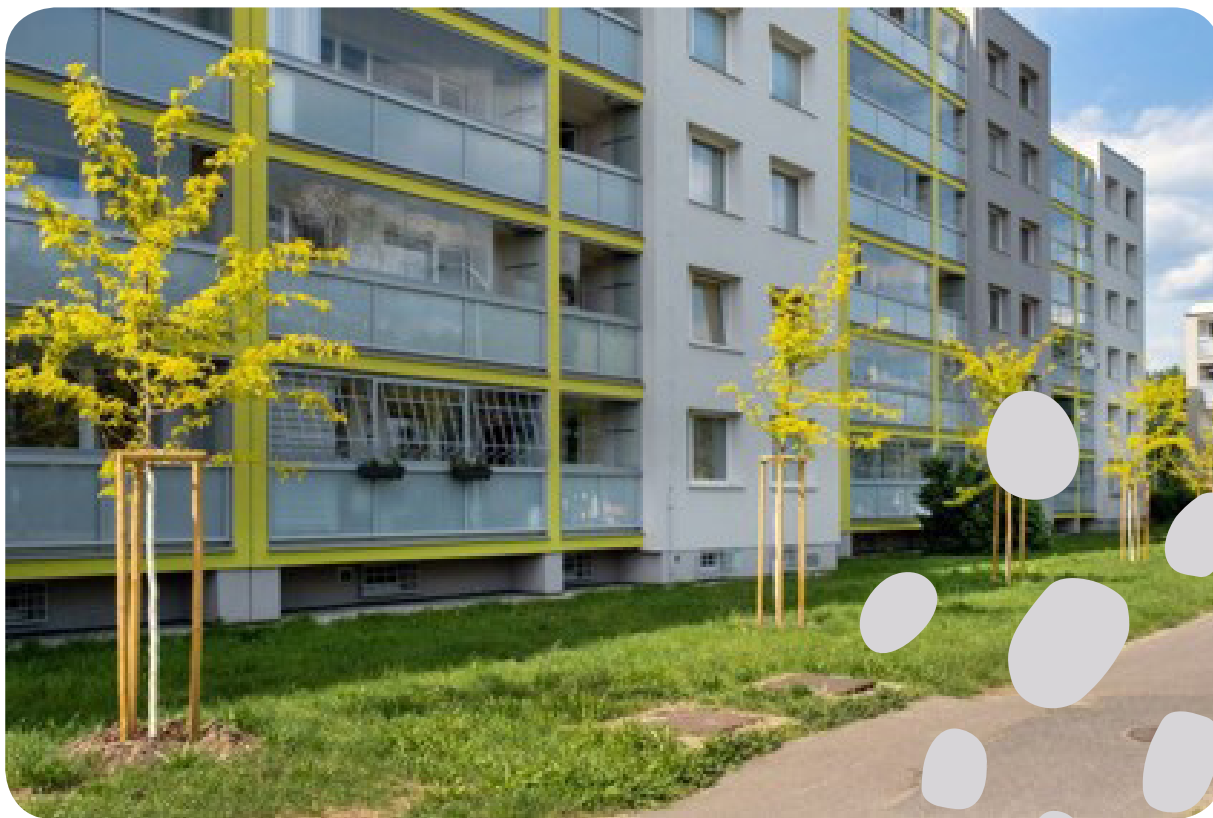


***„One of the biggest success stories in tracking environmental indicators in 2023 is the value of water consumption per litre of beverage produced. On average, we needed only 1.66 litres of water per litre of beverage produced, a significant improvement on the 2022 average of 1.75 litres/litre. This indicator has improved in both production plants. In Prague it stopped at 1.67 l/l and in Teplice nad Metují at 1.61 l/l.”***



Martin Staněk  
Quality, Safety & Environment Manager

## WE HELP COMMUNITY PLANTING IN PRAGUE 14



The Prague 14 municipality used the CZK 250,000 grant in 2023 to plant trees. The grant has thus helped cool the temperature in the city. In addition, the borough used irrigation bags during planting to efficiently dose irrigation.



## WE ACTIVELY HELPED NATURAL BIODIVERSITY IN THE BOHEMIAN SWITZERLAND

The traditional volunteer day of Coca-Cola CZ employees was held in Bohemian Switzerland, where we have helped in the past years with the restoration after a large-scale fire. This time our partnership with the local park allowed us to participate in the promotion of natural biodiversity through the elimination of a non-native species – the eastern white pine.





## CERTIFICATIONS AND SUSTAINABLE SUPPLIERS

At Coca-Cola HBC Czech Republic 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: System SGP AUDIT, Unilever URSA, SMETA 6.0, AIM-Progress, SMETA 4 Pilar, GSCP Equivalent, BSCI or EICC. If suppliers do not have the aforementioned audit reports, we require EcoVadis certification.

We have become the third winner of the most important European programme for sustainable logistics Lean & Green Europe in the Czech Republic. The Lean & Green programme is designed as a commitment by the Company to reduce CO<sub>2</sub> emissions from logistics activities by at least 20% over the next 5 years.

**We also received the certification because we have already succeeded in:**

- Streamlining logistics processes – building an autonomous warehouse, close the external warehouse, loading trucks and optimising routes
- Proceeding with the implementation of Green Fleet
- Acquiring a new Natura production plant in Teplice – reducing water imports from Austria and Hungary





RFA is an international non-profit organisation that works to create a better future for people and nature, and encourages responsible business practices. Only approximately 6% of coffee beans come 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.

Throughout 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, you can find more information here: [Genetically modified organisms.](#)

In addition to the aforementioned RFA and AWS certifications, we are regularly audited against these environmental standards:

ISO 14 000/14 001 – Environmental management

ISO 50001 – Energy management

GAO – Sustainability and quality audit of our system

#### **Other brands and ratings:**

EKO-KOM Responsible company

SVA-SWPP – Vulnerability assessment and protection of water resources

# OUR PEOPLE AND THE COMMUNITY



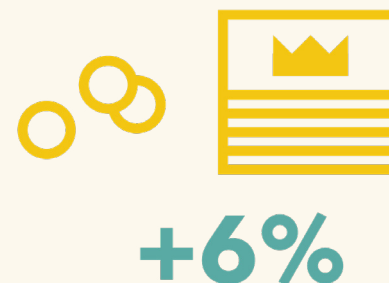
*„In 2023, Coca-Cola HBC Czech Republic and Slovakia will have 906 employees, of which 313 will be women and 593 men.”*



Only 2 accidents with incapacity for work in the whole year and no accidents at our production sites.



Employee engagement index increased from 83% to a record 85%



On average, we increased wages again by 6%

## OUR SECRET INGREDIENT - OUR PEOPLE

884 employees had a contract for an indefinite period, of which 299 were women and 585 were men. There were 22 employees on contracts for a definite period, 14 women and 8 men.

In 2022 our Company had 150 line managers and 756 employees without subordinates.

There were 894 full-time employees. In the Czech Republic, it was 766, of whom 264 were women and 490 men, in Slovakia 140, of whom 49 were women and 91 men. In terms of FTE, 12 people were employed part-time. 52 people were employed in the Czech Republic and Slovakia under a work agreement (Agreement on Completing a Job or Agreement to Perform Work).

In 2023 we hired 211 new employees and 155 employees left.\* This results in a fluctuation of 17%.

*\*Here we report specific entries and exits, not average counts.*



## TOGETHER WE ARE MORE POWERFUL

Engaged teams and managers who truly understand their employees are key to our success. In 2023 we focused on the Collaboration with Impact survey, in which employees rated other teams based on their experience with collaboration. The evaluation was conducted using the NPS measurement method, which shows the willingness to recommend working with the team. The results have informed the teams' action plans to improve their collaboration.





We regularly conduct surveys focused on the satisfaction and engagement of our people and use these to create specific action plans for individual teams. **In 2023 our Employee Engagement Index reached a record 85%.** This is a levelling off of the highest measured value of this index since it began tracking. In 2022 the value was 83%. This sustained trend is a testament to the diligent work of our teams in executing the action plans and the good work of our leaders in creating an ever-improving company culture. We value the honest feedback of our employees and will continually work on areas where they have shown us room for improvement.

The increase in scores was also evident in some key survey questions. The question on confidence in our strategic priorities saw a 6% increase in points. 86% of employees strongly believe in them. The willingness to recommend our Company as an employer received 8% more points. 87% of us would recommend it. Pride in our Company internally climbed 5 percentage points. That means 91% of employees are proud to be part of Coca-Cola HBC.

The high rating was achieved even though the year-on-year average of monthly unscheduled overtime rose from 5.39 hours to 6.1 hours per month.





## Fair remuneration and personal growth

We make sure that our employees are fairly rewarded and that our Company is a place for their personal and professional growth. In 2023 we increased wages by an average of 6%.

Our popular employee benefits package includes pension contributions, drinking plan, cafeteria and a popular stock programme where the company contributes equal value of stock with monthly purchases up to 3% of the employee's salary. English classes are also in demand. 39% of our employees have the option to work remotely, and we recommend a model of two days working from home and three days in the office to foster teamwork. In 2023 we spent over CZK 27.9 million on benefits, an increase of more than CZK 2 million year-on-year.

*„The promotion of my colleague Jan Chládek to the position of Finance Manager for our business unit is proof of our strategy to develop internal talent. I am very happy that our talent programmes are supplying us with people like Honza and that we are able to fill positions within the Senior Leadership team internally.”*



Markéta Pavelková  
HR Manager



We promoted a total of 75 colleagues internally in 2023. We continue to develop talent programmes that start with onboarding for new colleagues, continue through the Sales Academy, Supply Chain Academy with programmes for the development of operators and lab technicians, and end with the development of our managers at all levels of management in Fast Forward programmes. Our young talent programmes, such as the Early Talent Internship Programme and the Trainee Programme for graduates, have a special position in our Company.

## Participants of the Fast Forward 2 International Conference

In 2023 Prague hosted an international meeting of Fast Forward 2 colleagues. Apart from our talented colleagues, colleagues from Switzerland, Hungary and Austria took part. Together, they developed their knowledge and skills by learning about our market and our new portfolio of coffee and other premium brands in our 24/7 portfolio.



In 2023 we offered a total of 12,372 hours of training and educational activities. For selected employees, we provide funding for studies and CIMA financial certification. We also enable drivers to be retrained from Group B to Group C. Among our unique development initiatives is our in-house Learning Labs programme, where CCHBC staff design and deliver courses for their colleagues. We dedicate an annual series of Learn Fest training sessions to employee development.

Traditionally, we reward our best employees with cafeteria points and recognise them at company-wide meetings. In addition to the traditional Employee of the Month and Employee of the Year awards, we also symbolically award TOP Leaders. Nominations for these awards can be submitted by any employee of the Company.

We use our internal Performance for Growth tool to manage employee performance and growth. This year-round, comprehensive employee performance management and evaluation system is linked to regular feedback tools (from subordinates, teammates, project teams or spontaneous feedback) and a personal development plan for each employee. This plan either strengthens employees in their current role or prepares them for future roles. Employee performance and the achievement of set targets are subsequently reflected in the variable component of pay - bonuses.

### **A record year for safety**

Safety is the number one priority in our operations. That's why we continue our Behavior Based Safety programme, which is based on reporting potentially dangerous situations, which we then systematically address. The programme helps us to adjust the mind-set of our employees so that they actively prevent accidents through their behaviour. We addressed 873 activities under the BBS Programme in 2023. We also dealt with 199 of the 260 reported near injuries.

One example of preparation and prevention in safety issues was the first aid training that we organised together with the Slovak Red Cross for Slovak colleagues. Occupational safety training is mandatory for all new recruits on their first day of work and is regularly renewed. In addition, we regularly organise Health and Safety Week and Health Days, which provide free health screenings, workshops and training to employees.

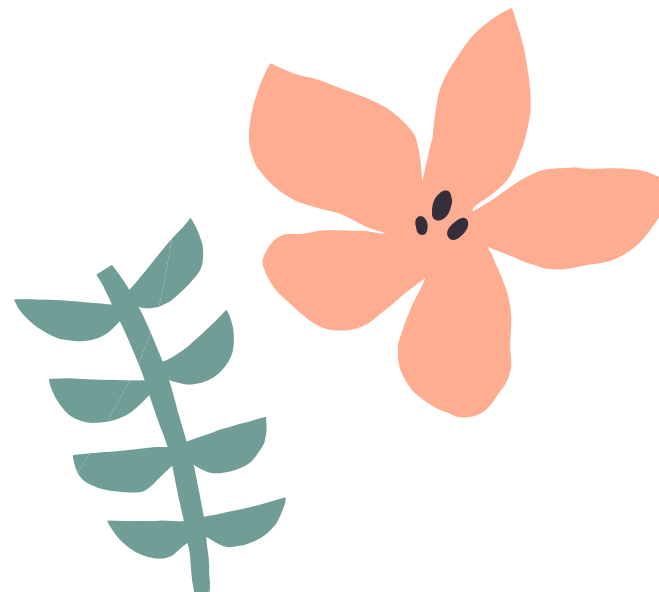


An important benefit that can help our employees with their mental health is the Employee Assistance Programme provided by Morneau Shepell. It is a confidential support system that can help solve a wide range of life issues. EAP offers fast and qualified support that is accessible 24/7. In 2023 we added the services of a psychologist / personal coach to the programme.

***„In 2023 we recorded only 2 accidents with incapacity for work. With almost a thousand employees, this is a tremendous achievement. This is a record for our business unit and our plants in Prague-Kyje and in Teplice and Metují has operated without a single accident. This is no coincidence, it is the result of our daily work, in which we put safety first and foremost. Quality comes second, and then meeting operational plans.”***



Pance Ninovski  
Supply Chain Manager



### **Communication with our employees**

Our employees are not organised in a union, but are instead represented by a works council, whose members are elected for three-year terms. It has 15 members in the Czech Republic and 5 in Slovakia, representing 2.2% of all employees. The structure of the CCHBC Employee Council is also organised at a European level. Meetings with the employer are held every month. The works council has its own budget, which it uses for selected activities.



## WE BENEFIT FROM DIVERSITY

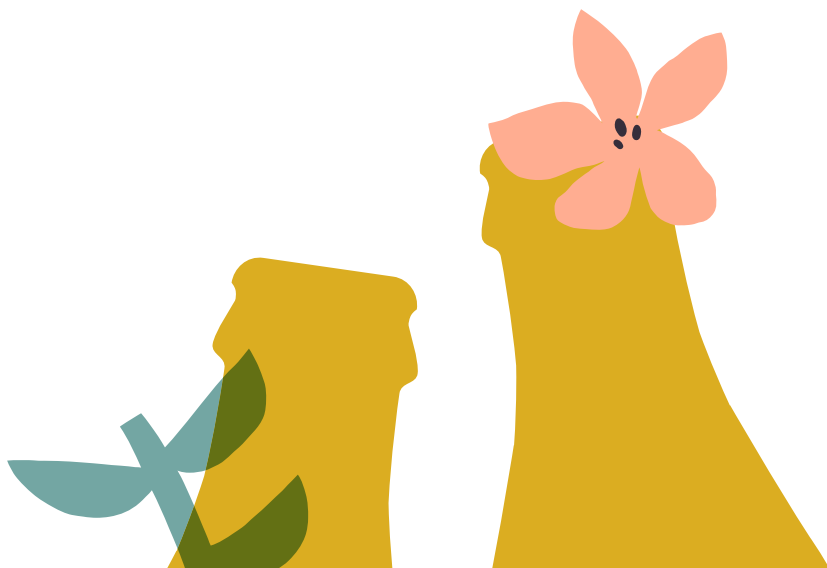
The international environment of our Company is conducive to the cooperation of different cultures and approaches. In the Czech Republic and Slovakia, we employ staff of 17 different nationalities, which promotes rich intercultural cooperation. The average age of the our Company's employees has stabilised at 44 years. 21% of employees under 30 worked for us, 64% of employees aged 30-50 and 15% of employees over 50.

We value the loyalty of our employees and, therefore, we reward significant work anniversaries with monetary and non-monetary gifts and celebrate them at get-togethers. 165 colleagues celebrated their 5, 10, 15, 20, 25 or 30 year anniversaries with us in 2023.



Our CCHBC group is working towards a gender balance within Company management. In 2023 we managed to achieve 50% female representation in the Senior Leadership Team, with the CEO position above this group.

In the Czech Republic and Slovakia, women represented 45% of Company management in 2023. This is a huge shift from the 33.6% in 2022. In addition, for 2023, we have managed to equalise the remuneration of women and men to the same level.



We regularly comment on the topic of women in leadership at external conferences. For example, we are a long-term partner of the Inspirational Networking for Women in Leadership, which takes place at the Opero in Prague. We also contributed to the AIESEC conference discussion on gender balance. We once again dedicated the internal event June Belongs to Women to the support of women in management, during which workshops were held supporting the following topics: women's self-confidence, women in management and returning to work after maternity and paternity leave. We also added a new self-defence course.

Every year we run the D&I Week awareness campaign on diversity and inclusion.



We regularly dedicate a 'D&I Week' awareness campaign to diversity and inclusion, reminding us of our zero tolerance policy on discrimination on the grounds of age, disability, gender or gender reassignment, sexual orientation, marital or partner status, including pregnancy, maternity, paternity or other nursing and care status, race, including ethnic origin, nationality or colour, religious, political or other beliefs, full-time or part-time employment and any other characteristic in respect of which legal protection is provided under local law. We also strictly adhere to the [equality policy](#) in the recruitment process.

In the year under review, 9 people with disabilities worked in our Company, representing 0.99% of our workforce. Positions suitable for employees with disabilities are available, for example, in our customer service centre, where work can also be done 100% from the home office.





### **Our lovebrand is the world's largest brand supporting the LGBT+ community**

Coca-Cola CZ 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 was once again displayed on the main building of the Praha-Kyje plant. We also established a partnership with the Every Can Counts project and have also given the event an environmental focus. The Company's open attitude to equality issues for the LGBT+ community has a huge impact on the Company culture, where equality values are lived every day.

## **WE PROVIDE AID WHEREVER IT IS NEEDED**

Whenever a natural or man-made disaster strikes, we are quick to help. In 2023 our drinks helped, for example, during flash floods around Rožňava in Slovakia or at summer camps for young Ukrainian refugees. Our main partner in this effort is the Red Cross in the Czech Republic and Slovakia.

We donated a record 530,000 litres of beverages to food banks in 2023. These were worth CZK 9 million at depreciated prices. Their commercial value was three times higher. This strategic partnership allows us to help those in need while minimising food waste.



## Drinking regime in partner health facilities

The Natura brand also includes baby water in its product line. This year, the Company extended its partnership with the Institute for Mother and Child in Podolí, Prague, and clients of this renowned institution can continue to enjoy free infant-quality water not only in the counselling rooms. In 2023 nearly 7,000 litres of beverages were committed under this support.

In addition, in 2023, we donated Natura baby water to 12 more maternity hospitals, so that new mothers could take home almost 9,000 litres of water. Natura was also present in the Happy Baby gift packages. The partnership was established in cooperation with Coca-Cola CZ.



The McDonald's Foundation operates the first Ronald McDonald House in the Czech Republic in Motol, Prague. This long-built and anticipated project provides accommodation for families of long-term sick children who, in most cases, are treated at the Motol Hospital. Our Company lends the house cooling equipment free of charge and supplies the drinking regime in the form of our drinks. In 2023 it was more than 5 thousand litres worth of drinks. The partnership was established in cooperation with Coca-Cola CZ.



## Our employees volunteered once again

97 of our employees participated in volunteer activities during their working hours in 2023. This represents 10.7% of the total. In total, they worked 777 volunteer hours. For example, our Slovak colleagues took part in the clothing collection organised annually by the Pontis Foundation. In 2023 there was also a grant programme in which employees can apply for a drinking regime for community events they organise in their spare time. The programme also supports employees' weddings or, for example, their children's proms. In 2023 it supported events attended by over 6,000 people in total.



The week leading up to Christmas, Coca-Cola HBC held a charity market where employees donated to the Coke Angels programme, which helps colleagues in difficult family situations. The Christmas Charity Market was rounded off with the traditional charity auction, which brought in EUR 4,140 for the programme.



### Once again we opened the way for young people to get a better job

In 2023 the Youth Empowered project provided training for future employment, or even direct work, to 5,458 young people in the Czech Republic and Slovakia. A total of 23,315 people have already been through the project. At the heart of the project are now lectures and training sessions delivered directly by Coca-Cola HBC managers. These include thematic lectures at colleges and secondary schools, seminars for young people from orphanages, visits to a production plant with lectures on sustainability and business thinking, and mentoring of student companies. Selected training sessions are also available for free on the [youthempowered.cz](https://youthempowered.cz) on-line educational platform.

We have long been partners with the largest student organisations. As regards secondary schools this is the Junior Achievement organisation and in universities AIESEC. We have supported a number of our partner schools events, such as the traditional StreTech at the Czech Technical University in Prague.

### With Coca-Cola, everyone can be Santa

Coca-Cola CZ has linked the journey of the legendary Christmas truck with a charitable cause. Refreshments and give-aways were sold at the stops with Chili Tou ambassador. The proceeds were then matched to the amount of CZK 1 million. The money went to beneficial projects and activities of the Red Cross in the Czech Republic and SK, for example the home nursing care agency Alice, a professional service of the Czech Red Cross.





## Get moving for a good cause

We are proud that in 2022 we became a partner of the Teribear Moves Prague event, where our employees' mileage, financial contribution and donated drinks all made their mark. In addition, we rewarded the most active employees at a meeting with their families. We ran for Světluška and supported sporting events of the Jedlička Institute, such as Scooter Day and Run for Jedlička.







A unique sporting event is the Jindřichohradecký lev. Students of our partner Faculty of Management of the University of Economics are involved in the organisation and learn Event Management. At the 2023 edition our Natura water and Powerade sports drink were also available as refreshments.

The traditional sponsorship of sports teams was also given the green light in 2023. Our Natura water has become an official partner of the football teams FC Hradec Králové and FK Mladá Boleslav.





### In charity cafés, the drinks are on us

Our products help the Jedlička Institute's charity TA Café and the Světluška Café in the Dark – a Czech Radio Endowment Fund.



*„We supported community events of all types with more than 200 shipments of our beverages made in 2023.”*

### We want to be a good neighbour

We are in touch with the management of the Prague 14 municipal district mainly through representation on its Public Involvement Board. The most frequently discussed issues here are the joint sustainability strategy of the district within the framework of Agenda 21. In addition we have long co-organised various community events with Prague 14. These include, for example, a march through Prague 14, during which residents can visit the premises of our production plant.



We contributed to the community life in Prague 14 through communication with leisure associations such as Stop Zevling or the Friends of Hostavice. We supported Stop Zevling at the traditional summer festival during the BMX bike races and the dance competition at Plechárna.

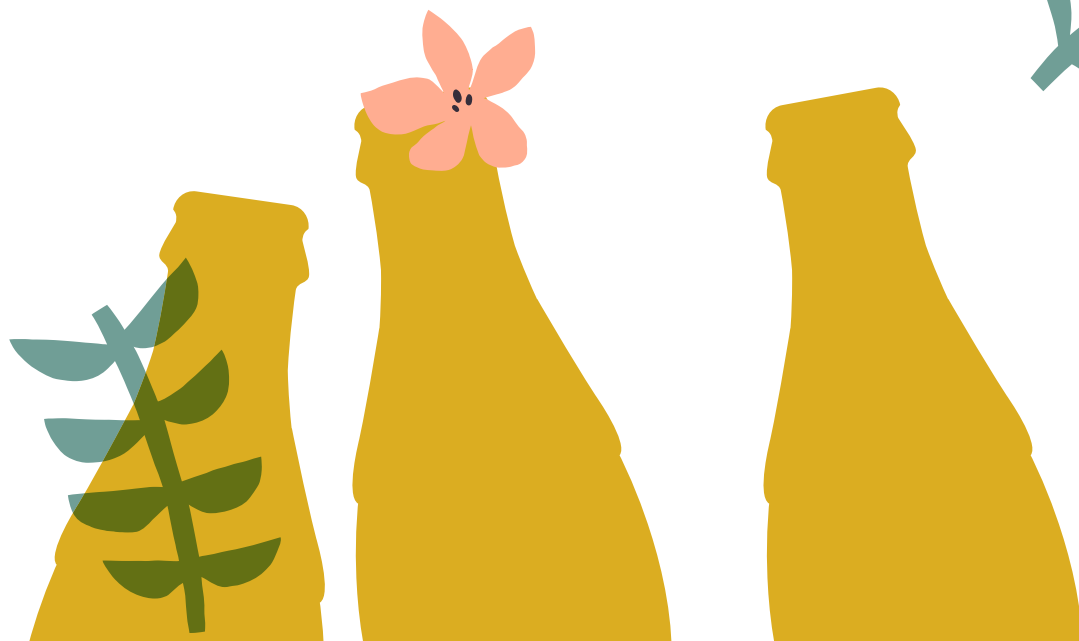
In Teplice nad Metují we have again become a partner of the International Mountaineering Film Festival. Among the community events in the Broumov region, we have supported, for example, the traditional Broumov Discussions and the MTB Trilogy mountain bike races.

## CERTIFICATION, AUDITS AND SUMMARY

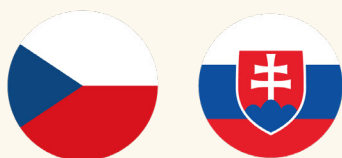
According to the reported data for 2023, we donated EUR 452,034 to charitable and community purposes in the Czech Republic. In Slovakia, it was EUR 80,988 for charitable and community purposes. The values of material donations and supported environmental community projects are also included here.

Other relevant social certifications and audits:

- ISO 45001 – Occupational health and safety management

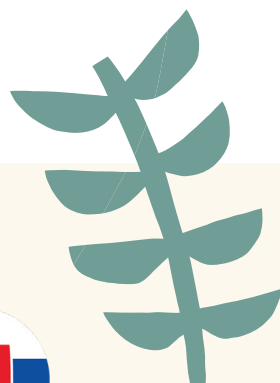


# COMPANY MANAGEMENT



**84%**

local suppliers



**95%**

of orders delivered on time,  
in full and correctly invoiced



**101%**

planned production volume met  
and exceeded by 1.28%





## WHAT WERE THE RESULTS OF 2023 AND THEIR IMPACT?

In 2023 we produced a total of 431 million litres of beverages, of which 396.1 million litres came from our plant in Prague-Kyjy and 34.8 million litres from Teplice nad Metují. Part of our production was exported and we also imported beverages from other CCHBC countries. We sold 438 million litres of beverages on the Czech and Slovak markets, including a record 25 million cups of coffee and 1.1 million litres of premium alcoholic beverages.

Thanks to these results, we increased the net profit after tax and interest to CZK 193,866 thousand. Our turnover increased to CZK 9,864,324 thousand and the total assets of the Company amounted to CZK 6,804,331 thousand. The positive business results allowed us to pay income tax in the amount of CZK 90,415 thousand, on which we paid almost CZK 50 million more than in 2022. The tax assimilation in Slovakia was EUR 22,740 (compared to EUR 21,434 in 2022). This year the amount was divided equally between the Slovak Red Cross and Smile as a Gift (Úsmev ako dar), non-profit organisations, with which we have long cooperated.

In 2023 we served 42,250 customers, an increase of 342 customers from the previous year.

# CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Coca-Cola HBC Czech Republic and Slovakia is a limited liability company with its registered office in Prague – Českobrodská 1329. In Slovakia, it operates through a branch office located at Kalinčiaková 33, Bratislava. In 2023, Dan Timotin was the GM and sole managing director of the Company, who also headed the Slovak branch. This role was taken over by Dimo Dimov on August 1, 2024. Other members of the management acting, for example, in contractual relations act on the basis of a power of attorney. The Company's top management is represented by an eleven-member team – the so-called Senior Leadership Team (SLT) consisting of the directors of each department. Michal Dyttert was responsible for sustainability within SLT in 2023.

Our Company is a subsidiary of Coca-Cola HBC AG, a joint stock company based in Zug, Switzerland. The shares are traded on the London and Athens stock exchanges. In 2023 the Company paid dividends of EUR 0.78 per share to shareholders.

Coca-Cola HBC AG's shares are 21% owned by The Coca-Cola Company, 23% by the founding company Kar-Tess and 56% are freely traded by other retail owners. More information is available in the Investor [Centre here](#).



## Company strategy

The Company's local strategy is based on a framework that aims to fulfil the vision of the entire CCHBC Group. The Company's vision, mission and values can be found on the front page of this report. The strategy was developed by the Company's management in cooperation with external consultants in order to respond to the current situation on the local market, leveraging the strengths of the international background and portfolio, and targeting the needs of the customer. The strategy and the individual steps towards its implementation are regularly discussed by the Guiding Coalition – a group of approximately 80 managers who then implement it in their teams. The strategy was communicated to the entire staff at the annual conference. Throughout the year, our strategy is also interwoven with internal communication and the framework for awarding the best employees is based on it.

***„According to an internal survey, 86% of our employees strongly believe in the Company's strategic priorities.“***



## RISK MANAGEMENT

In 2023 we also continued to integrate our internal ERS – Enterprise Risk Management system. The system relies on the prompt identification of potential risks that could prevent the Company from achieving its objectives. We see these risks not only as threats, but also as opportunities that can be exploited if addressed in a timely manner. The system is part of our holistic resilience programme and is led at Group level by the Chief Risk Officer, who is in close contact with designated colleagues in the Czech Republic and Slovakia. This team presents identified risks to the Senior Leadership Team on a monthly basis and enters them into a shared register where risks are prioritised and trended and then addressed. Twice a year, the entire resilience team attends a conference where the most important trends and key risks are discussed. The ERS is followed by the IMCR – Incident Management and Crisis Resolution programme, which is a set of rules for anticipating, monitoring, communicating and resolving crisis situations affecting our society.

In 2023 we addressed 2 important risks within the IMCR, both successfully. As a preventive measure regular meetings of the IMCR team were held and databases of potential situations that could result in an IMCR incident were monitored.



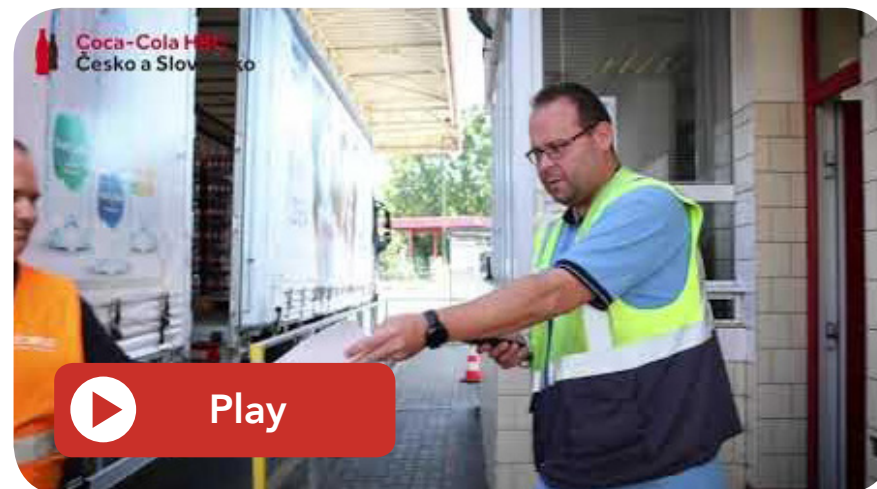


From a risk management perspective, we also monitor the impact of environmental and social aspects on our business. Among the most important risks monitored within the framework of the integrated system are: crises related to employees and management of the Company, security, availability of inputs for production and logistics, legislative risks and regulations, behaviour of competitors in the market, quality control and others. The most important economic trends that need to be addressed by adjusting the Company-wide strategy are gathered at group level by the Treasury Department.

## INNOVATION AND QUALITY

### Innovative automated traffic control in Prague-Kyje

We have already invested over CZK 2.5 billion in our development and innovation between 2017 and 2023. All these innovations are aimed at greater efficiency, competitiveness, environmental friendliness and superior quality of our products. In 2023, among other things, we purchased a new sanitation station for the canning line for CZK 4.1 million. The Prague plant was completed with a new injection press for the production of preforms for CZK 62 million, and we also reorganised the parking areas for CZK 10 million. We also worked on the Office Refresh project, in which we continued to renovate the office space. The warehouse premises and paving of the areas in Teplice nad Metují required an investment of CZK 8.7 million.



Our broad portfolio has seen a large number of product innovations. In total, we launched an incredible 45 new flavours and product variants. The acquisition of Finlandia was important news. This brand of vodka is the leader in its segment on the Czech market and provides great possibilities within the mixability of the portfolio. The launch of a new brand in the coffee segment, Caffè Vergnano, had an equally big impact. In addition, this premium Italian brand with 140 years of tradition has brought a connection with the Woman in Coffee project, which supports small communities of women coffee producers.



The Kinley brand has undergone a significant visual identity change, while introducing improved flavours for popular variants of these carbonated adult beverages, including Kinley Tonic Water, Kinley Pink Aromatic Berry and Kinley Ginger Ale. The Slovak portfolio welcomed our Natura spring water in 2023. Consumers enjoyed the refreshing Cappy Lemonade Lemon and Strawberry sugar-free or the new Monster Ultra Gold sugar-free. The wacky What the Fanta campaign has left consumers guessing the flavour. Not only according to Ambassador Josef Maršálek, many guessed the flavour of apple pie correctly.



*„We have been associated with the distribution of Finlandia vodka in several markets for 17 years and are excited about this unique and regionally relevant opportunity that will support the acceleration of our business in multiple markets.“*

Zoran Bogdanovic  
CEO, Coca-Cola HBC for Czech Republic  
and Slovakia



The Kinley Grand Cocktail Cup bartending competition was a novelty in the promotion of our innovative portfolio . The first winner was Jaroslav Jeřábek from the Prague bar AnonymouS. With his art, ideas, but also his distinctive presentation, he charmed the expert jury and left behind more than 60 other Czech bartenders on his way to victory. We presented the new [Caffè Vergnano 1882](#) brand at the HORECA DIGIT@Lconference in Košice.





Packaging innovations have again moved towards more sustainable solutions. These included, in particular, the introduction of non-removable caps for PET bottles, making packaging lighter and transferring Sprite to a transparent PET bottle. It is the transparent PET bottles that can be recycled to produce slightly cloudy, once again transparent PET bottles. They can also be used in the production of coloured PET bottles. The green PET bottles will always be green or blue, the blue ones will always be blue.

The quality of our products is our high priority. Regular laboratory control and sensory testing give us confidence that

the final product that reaches the consumer will always be of top quality. Water treatment systems and regular sanitation of production facilities, combined with certification of raw material suppliers, give us the assurance that our beverages will go to market in the highest possible quality. In 2023 we only handled 16 consumer complaints in the Czech Republic and Slovakia.

Our processes also need to be regularly innovated. That's why we launched the Oxygen project in 2023, where we are simplifying and streamlining our work processes. Among other things, we managed to create an electronic output sheet in the human resources department, thanks to which we digitised and optimised this process, as one of many, and got rid of physical paperwork.



## Good nutrition and product labelling

The category of low-calorie and no-calorie soft drinks played a significant role in our business trading. In the carbonated soft drinks segment, low-calorie variants such as Coca-Cola Zero represented 18.8% of the volume of beverages sold. Zero was a significant part of the product news in 2023.

In the Czech Republic, the calorie indicator for an average 100 ml of carbonated soft drinks decreased year-on-year from 31.14 kcal/100 ml to 30.56 kcal/100 ml. In Slovakia, it was a slight increase from 33.09 kcal/100 ml to 33.58 kcal/100 ml.

Our products are not only carefully labelled as per the applicable legal requirements, but also through Evolved Nutrition Labelling. We have been using them on our products since 2018 and are still one of the few 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. In 2023, among other things, we supported the Stop Obesity educational event by drinking.

In Slovakia and the Czech Republic, we are part of the Drink Wisely forum and actively communicate recommended alcohol consumption behaviour and groups for whom drinking is not appropriate.



## WE DO BUSINESS ETHICALLY

The Company's Code of Conduct is available to all employees on the Company's intranet and in printed form at selected locations. [It can be viewed here](#). All new recruits are trained in the policy on their first day of work and training is regularly refreshed. In addition, ethics is repeatedly the focus of an internal communication campaign with topical themes.

***„Every year, we train 100% of employees in so-called risk positions in the fight against corruption and bribery. Practical examples from the field help to highlight the importance of adhering to all these anti-corruption principles. We also hold an annual Ethics and Compliance Week, and in 2023, it was themed Human Rights.”***



Barbora Frková  
Legal Manager



Employees can report violations of the Code of Conduct using the on-line form, the Legal Department or HR Department. In addition there is an anonymous Speak-up! help line for them. There were 5 incidents reported on this line in 2023. All of them were investigated in detail, but none was found to have violated the Code.

In 2023 there were 2 lawsuits in the Czech Republic and 1 lawsuit in Slovakia, in which our Company was involved. Both of these Czech disputes remained unresolved at the end of the year. The Slovak one was closed with a positive result.

Personal data is maintained in our Company in accordance with the GDPR and we have a standard operating procedure in place in the event of a data breach. Information on the handling of employees' personal data is available to our people on our intranet. There were no data protection incidents in 2023. Compliance with GDPR principles is the subject of regularly updated training.



### Responsible marketing

We address responsible marketing within the framework of our membership of the European Beverage Association UNESDA, adhering to the following voluntary commitments: we do not market to children under the age of 13 and avoid direct advertising to children to persuade 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 beverage promotions, their labels are neutral and only encourage drinking. We strictly adhere to the rules of responsible marketing when promoting our premium alcoholic beverages.

## OUR SUPPLIERS

In the Czech Republic and Slovakia in 2023, we used 805 Czech, 184 Slovak and 227 foreign suppliers. This represents a share of 81% local and 19% foreign suppliers. Supplier selection is also strongly influenced by their sustainability certification, as described in the environmental section of this report.





Of particular importance are the suppliers of our ingredients such as food gases CO<sub>2</sub> and N, sweeteners such as sugar, dextrose and glucose-fructose syrup (HFCS). All ingredient suppliers are subject to approval by our system for the specific manufacturing facility and product. The product must meet the technical specification according to KORE, the quality requirements of our system and receive an LoA – Letter of Authorisation. Ingredient suppliers must have FSSC 22000, ISO 14001, GMP certification.

The purchase of packaging material is managed in accordance with the Purchasing Policy issued by the Purchasing Department at Group level. Packaging is divided into primary and secondary. Again, primary packaging suppliers must meet KORE requirements, have authorisation from our system and LoA including FSSC 22000, GMP and ISO 14001. Suppliers are selected on the basis of tenders, which are carried out every 3 years. They are regularly assessed. The selection criteria are quality, price, delivery conditions and sustainability.



## COMMUNICATION WITH STAKEHOLDERS

Our network of sales representatives is in daily contact with our customers to discuss how our cooperation can be developed and grown together. In 2023 we surveyed our customers for the first time about their willingness to recommend our Company. The result of the survey is the so-called Net Promoter Score (NPS), which ranges from -100 to 100%. We scored in the positive part of the scale with 1,011 customers at 30%, which is 4 percentage points higher than the previous year.



The most frequent complaints were about the unavailability of products and their pricing. The stability of the Company as a partner and the quality of the products were positively evaluated. The quality of our customer service centre is measured by the so-called Service Level, which shows what percentage of calls we are able to answer within 20 seconds. The service level for 2023 was at an excellent 86.5%. The internal indicator DIFOTAI, which shows the % of correctly composed, correctly timed, correctly imported and correctly invoiced deliveries, stood at 95.44% in 2023. We produced 101.28% of the planned volume and worked with 67.1% accuracy of sales forecasts.



A modern mix of internal communication tools allows us to effectively exploit synergies and respond flexibly. These tools include e-mail, internal television, intranet, Facebook group, bulletin boards, micro- and company-wide events or face-to-face meetings. The Company-wide VOX meeting, where management presents Company news, strategies, plans and priorities in hybrid on-line/off-line mode to all employees, was held 7 times in 2023. At this meeting the management also regularly answered questions collected in advance and live, which can also be sent anonymously. We dedicated one of the VOX meetings directly to our corporate culture – our vision, mission and values. Top management town halls with employees in production and logistics were held four times, and our management set out for sales teams across the Czech Republic and Slovakia at the so-called Roadshow – a total of six times. Management additionally meets regularly with representatives of the aforementioned Employee Council. We also held an annual all-employee conference in 2023 to celebrate achievements and communicate plans for the future. The Supply Chain department also held its own conference for its employees in 2023 – directly at the Prague-Kyje plant.



## NATURA CELEBRATED 30 YEARS OF PRODUCTION IN 2023.

Families of employees joined the celebrations as part of Open Up Day. The invitation was accepted among others by representatives of the Prague 14 municipal administration – Mayor Jiří Zajac and Councillor Jan Liška. Open up day was attended by over 1,000 people. Even in Slovakia, employees did not miss the opportunity to meet their families together: The day of employees with their families was in the spirit of the popular Survivor competition.



In the local communities around our manufacturing facilities, we are in regular contact with associations and non-profit organisations, as well as with local government authorities. We get direct feedback on activities that directly affect our neighbours and can help them in their efforts to build sustainable communities. In our communication with the Prague 14 municipality, we mainly use the Council for Public Involvement, where we are represented, and in Teplice nad Metují, we communicate directly with town management.



The public can contact our Company via e-mail [vnejsi-vztahy.cz@cchellenic.com](mailto:vnejsi-vztahy.cz@cchellenic.com) for the Czech Republic and [vonkajsievz-tahy.sk@cchellenic.com](mailto:vonkajsievz-tahy.sk@cchellenic.com) for Slovakia or via telephone on +420 283 015 801 for the Czech Republic and +421 249 494 944 for Slovakia. Investors and potential investors can contact us via our e-mail address [investor.relations@cchellenic.com](mailto:investor.relations@cchellenic.com). Our profiles on LinkedIn, Youtube and Facebook are a modern tool for communication with the general public. A popular probe into our Company's business is the Behind the Bottle podcast.



## Audits and reporting

For non-financial reporting, in addition to audits to ISO standards and other external quality and sustainability standards mentioned in the social and environmental pillar sections above, we conduct a number of internal quality audits of the Coca-Cola system. Among the most extensive audits is the

GAO audit. Our inputs to the group Integrated Annual Report are also audited on a regular basis. It summarises ESG issues at group level and for 2023 [can be viewed here](#).

For internal reporting we use the integrated Power BI system, which provides up-to-date dashboards with the results of both financial and non-financial indicators. In this way the current results can be evaluated regularly and clearly. For example, the Company's community activities are also reported on a monthly basis.

ISO and other compliant standards in this area:

- ISO 9001 – Quality management system
- ISO 22000 – Food safety management
- FSSC – Food quality certification





# OUR STAKEHOLDERS AND MATERIALITY

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, we again compared the CCHBC Group's survey with the local survey of the importance of topics for the Czech Republic and Slovakia, which was prepared for us in 2022 by IPSOS.

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. This year's local report followed the renewed structure of last year's report, based on Denkstatt's Gap analysis.



# 2023 THROUGH THE EYES OF STAKEHOLDERS

Our materiality issues include topics that have a significant economic, environmental and social impact or materially influence the evaluation and decision-making of our stakeholders. 75 of the most important stakeholders participated in the survey, and we therefore 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. The results of a Group survey completed by more than 500 stakeholders from 29 CCHBC countries can [be viewed here](#).

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 variations between Group and local results highlight themes that need to be more focused on regionally.

The global top 5 topic ranking lists the topics in order from most important as follows: packaging and waste management, climate change, product quality, water management, sustainable resources. In the global view, packaging and waste management returned to the top spot, swapping places with climate change. The importance of constantly focusing on the foundation of our business, a quality product, confirms the return of this topic to the top 5 after a one-year hiatus.

## Local ranking of the top 5 most important topics

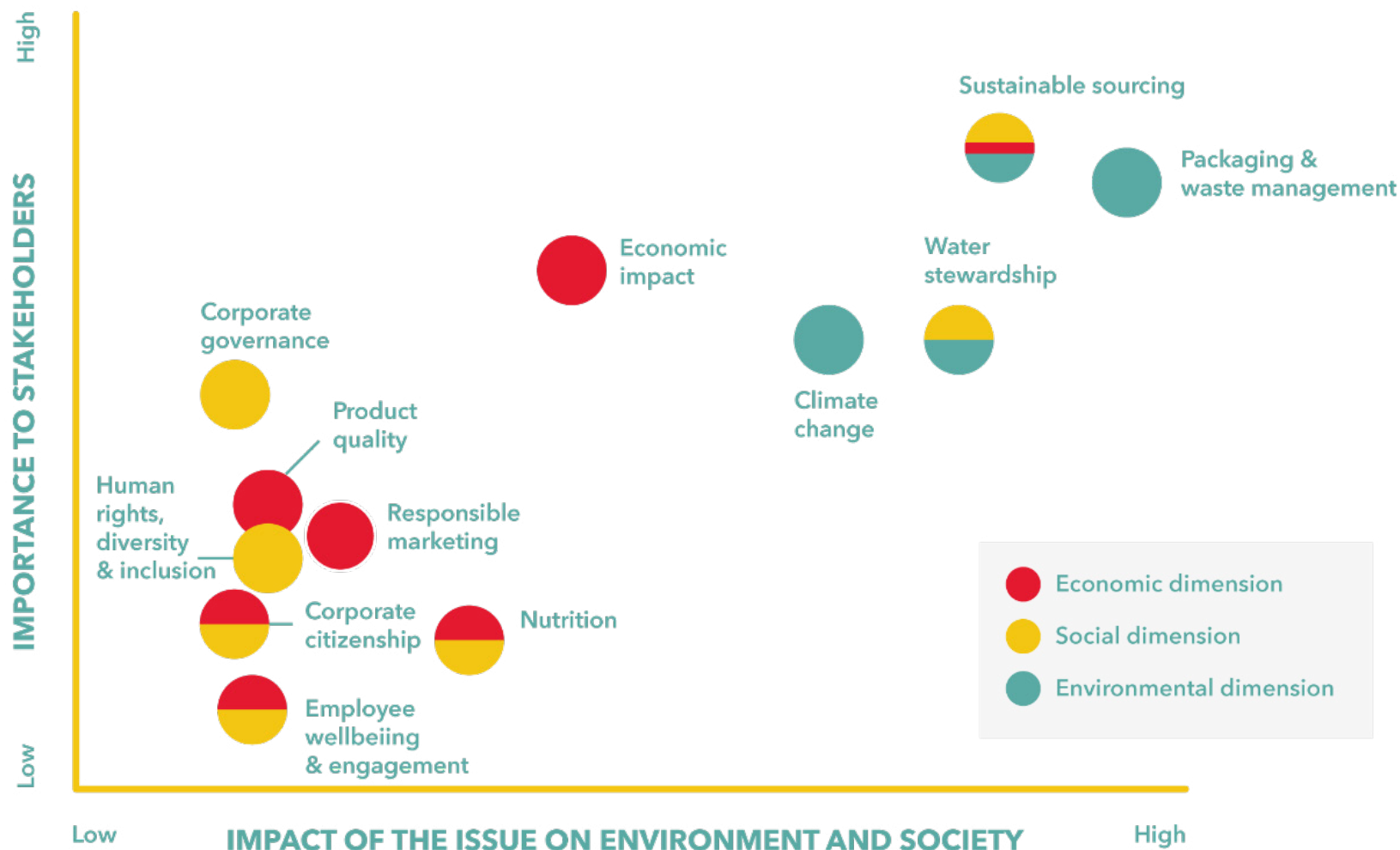
- Packaging and waste management
- Sustainable resources
- Water management
- Climate change
- Economic impact

In the local sense packaging and waste management remain the most important topic. Sustainable resources come second. Here we perceive an emphasis on careful certification of suppliers and monitoring of their impact. In 2024 we will once again walk the path to Net Zero of our entire value chain, that including resources and thus our suppliers.

Water management is an important third topic, and we have therefore expanded our portfolio of water protection activities in 2023, for example, by establishing a local partnership with World Wildlife Fund SK.

The importance of the commitment to Net Zero underlines the fourth place of the topic of climate change in the local concept, and the fifth place is the topic of economic impact.

# LOCAL MATERIALITY MATRIX FOR THE CZECH REPUBLIC AND SLOVAKIA COMPILED IN 2022





## 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.

### **Managing our materiality issues**

The result of our materiality survey represents the order of importance of the questions. 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 prioritisation of our materiality issues, the Executive Leadership Team ensures their proper implementation in the overall strategy of the CCHBC Group. This includes setting and publishing goals and metrics to measure progress.

We have linked our materiality 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 MATERIALITY ISSUES?

Our materiality 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 materiality 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.

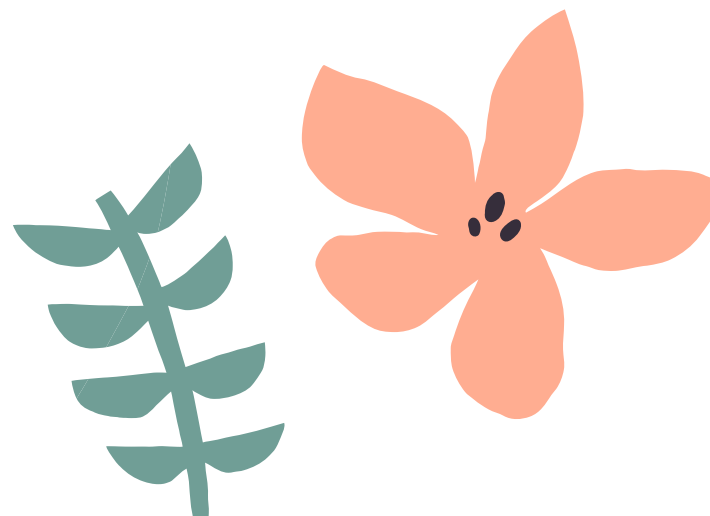
Our annual materiality assessment is conducted in four stages by a multidisciplinary team dedicated to our 2025 Sustainability Mission.

### **Phase:**

- Understanding the context for identifying a 'long list' of potentially relevant substantive (materiality) issues
- Assessment of their impact on society and the environment
- An assessment of their impact or importance to stakeholders and our business, including the financial impact
- Reviewing and verifying findings and reporting on priority areas

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 academia. In addition, we monitor external trends and other industries and how this affects the ability of our business to grow sustainably over the long term.

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.



# WHERE NEXT?

## IAR REPORT OF THE WHOLE COCA-COLA HBC

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## DETAILED OVERVIEW INDICATORS ACCORDING TO GRI AT GROUP LEVEL

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We will be happy for your comments, feedback and questions.

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