

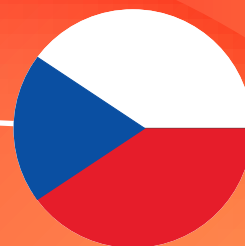
COCA-COLA IS AT HOME IN THE CZECH REPUBLIC

Coca-Cola



CZK **5.655** billion
added value generated
by Coca-Cola system

taxes



ZLATÁ

TOP ODPOVĚDNÁ
FIRMA V ŽIVOTNÍM
PROSTŘEDÍ 2018
cena Byznysu pro společnost

TOP RESPONSIBLE COMPANY
2018 - Environment

salaries



5,400 jobs



828 employees

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INTRODUCTORY WORD

“ In January 1990, Czechs lived in the ruins of a system. That system centralized decision-making to serve the interest and needs of the state, and devalued individuals. The relationship between employer and employee was mostly joyless and highly transactional. Citizens pretended to work; the state pretended to pay them. When people shopped, the choice they faced was not between variations of a good, but a stark, binary reality between something or nothing. Today, the people of this country live in entirely different existence. The economy focuses on providing citizens variety and value. The arrival of foreign manufacturers have more than doubled what people earn for working. But that is not all. The competition of employers for talent and the competition between companies for customers have created workplaces in which

each person's creativity and initiative are prized. This allows people to find more meaning in the hours they spend at work.

We sit today in a country that could soon join the top ten in the EU. We can assume that this was inevitable. It was not. Companies made this happen. Coca-Cola has played a major part in bringing prosperity into people's homes, putting abundance on store shelves, and introducing diversity and equality onto production floors and into offices. And they now are challenging us to follow their lead into a sustainable future. The numbers on the following pages quantify the company's impact on the Czech Republic. The quality Coca-Cola has delivered to the lives of their employees, customers and community goes beyond what any bare number can describe. ”

Weston Stacey,
Executive Director, American Chamber
of Commerce in the Czech Republic



317 million litres
of beverages

Coca-Cola produces and sells 317 million litres of beverages every year in the Czech Republic, of which 28% is intended for export to 10 foreign countries



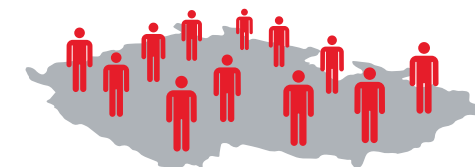
CZK **5.655** billion

is the added value generated by Coca-Cola system in 2018



CZK **2.240** billion

Coca-Cola invested CZK 2.240 billion in 2018 into purchasing goods and services from local suppliers



5,400 jobs

Coca-Cola helped create 5,400 jobs last year in the Czech Republic



CZK **2.339** billion

of the company's total turnover was paid in taxes



CZK **2.537** billion

Coca-Cola paid out CZK 2.537 billion in salaries to direct and indirect employees in 2018

COCA-COLA CZECH REPUBLIC IN NUMBERS...



828 employees

work for Coca-Cola in the Czech Republic

“Coca-Cola has been part of the Czech Republic since 1993. Since that time we have successfully expanded our portfolio so that it meets all our consumers' expectations. Thanks to this we continue to be a reliable and strong partner for our customers, i.e. distributors and sellers of beverages.”



Maria Anargyrou-Nikolić,
Managing Director of Coca-Cola
HBC Czech and Slovakia

Did you know that... the Coca-Cola system consists of two companies:
The Coca-Cola Company and the Coca-Cola Hellenic Bottling Company?

WE LOVE THE CZECH REPUBLIC AND THE CZECH REPUBLIC LOVES US

Proceeds from sale last year reached CZK 4.580 billion, during which time the company Coca-Cola expended CZK 485 million in costs.

Last year the Coca-Cola system **supported added value to the value of CZK 5.655 billion** – the system generated CZK 1.869 billion for direct and indirect suppliers, CZK 2.822 billion was distributed among business partners, their suppliers and on VAT. The system itself then generated added value in the amount of CZK 964 million.

Did you know that... the beverages consumers purchased last year would fill nearly 127 Olympic swimming pools?

CZK **5.655** billion



-  **1** production plant
-  **2** distribution centres
-  **6** key suppliers
-  **9** distribution cross-docks

“In 2018 consumers in the Czech Republic purchased a total of 317 million litres of beverages for CZK 8.247 billion. According to estimates, we as a system contributed CZK 1.076 billion in excise tax to the state budget, and CZK 2.591 billion went to stores and distributors of beverages.”



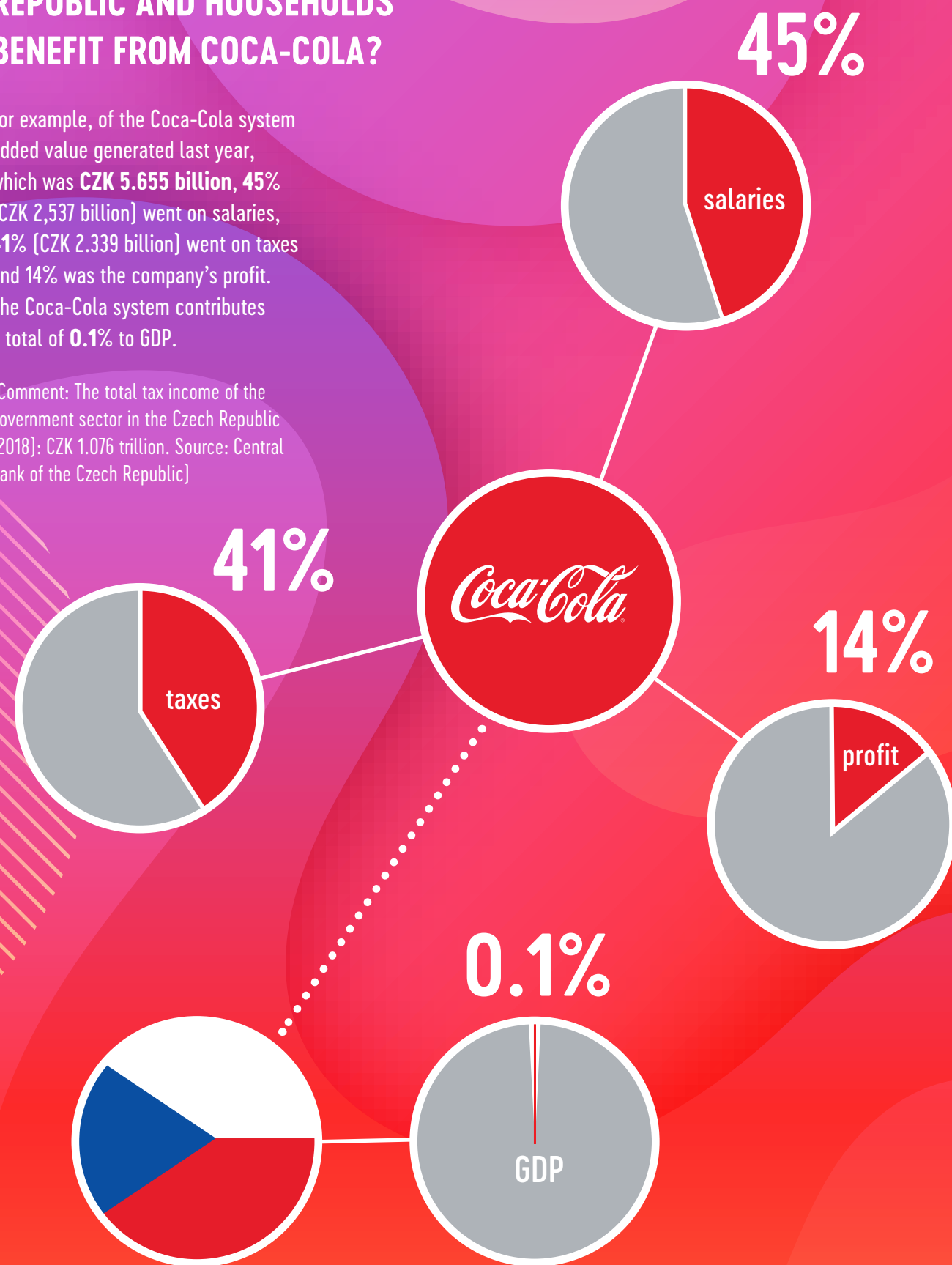
Natalia Stroe,
Franchise Country Manager,
The Coca-Cola Company

Did you know that... for each CZK 1 that people spend on Coca-Cola beverages, 69% goes back into the Czech economy?

SO HOW DO THE CZECH REPUBLIC AND HOUSEHOLDS BENEFIT FROM COCA-COLA?

For example, of the Coca-Cola system added value generated last year, which was **CZK 5.655 billion**, **45%** [CZK 2,537 billion] went on salaries, **41%** [CZK 2.339 billion] went on taxes and 14% was the company's profit. The Coca-Cola system contributes a total of **0.1%** to GDP.

[Comment: The total tax income of the government sector in the Czech Republic (2018): CZK 1.076 trillion. Source: Central Bank of the Czech Republic]



“In 2018 we supported a total of 5,400 jobs throughout the entire supplier and consumer chain within the terms of the system. This means that there are another 5 jobs elsewhere in the Czech economy for every job in Coca-Cola.”

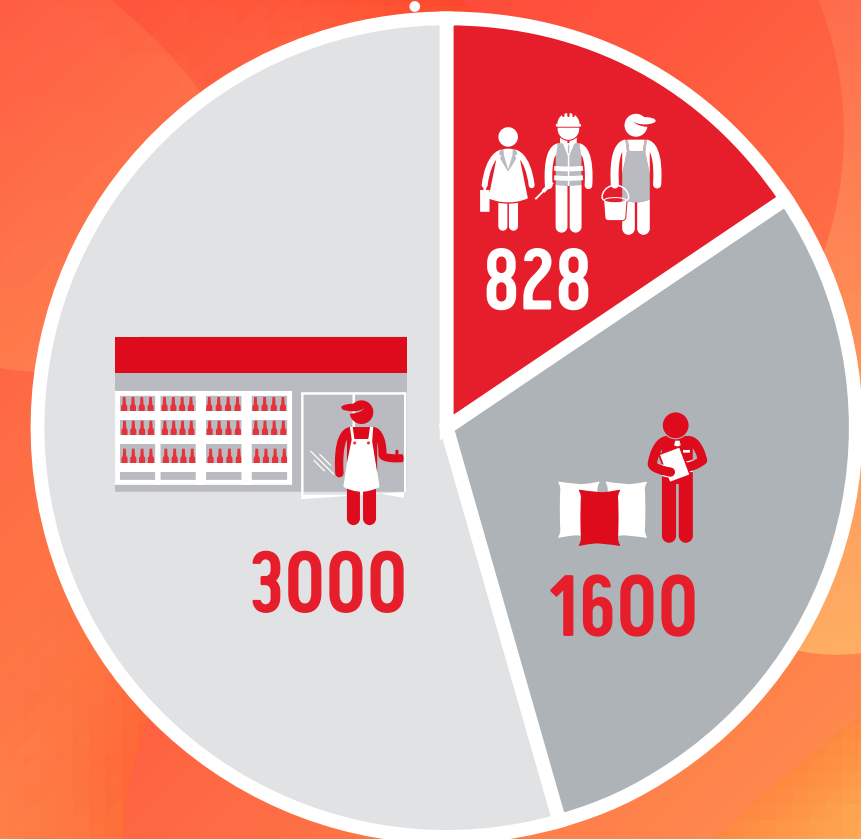


Kiriaki Kritidi,
HR director of the Coca-Cola HBC
Czech and Slovakia

OVER 5,000 JOBS THANKS TO COCA-COLA!

Coca-Cola currently employs 828 people. Another 1,600 jobs are created within the terms of the supplier network and up to 3,000 jobs are created by Coca-Cola with sales and business partners. During its support of job opportunities the company focuses on various sectors, mostly on sales (39%), manufacture (18%) and services (17%). There are fewer jobs in transport (5%), agriculture (2%) and in other industries (4%)

[Comment: 15% of the jobs are generated by the Coca-Cola system itself, namely 828 employees].

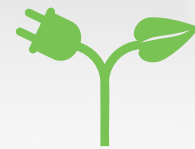
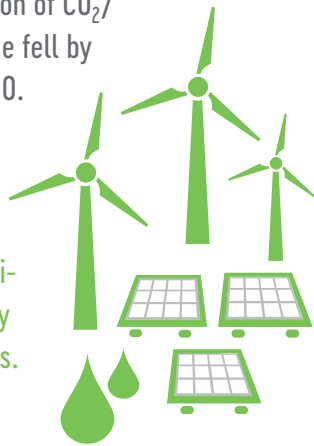


WE ALSO THINK ABOUT...

ENERGY

In 2018 Coca-Cola consumed 32.59 g of CO₂ per litre of produced beverage (compared to 83 g per litre of beverage in 2016). Production of CO₂/litre of produced beverage fell by more than 70% since 2010.

Our factory in Prague entirely sources its electricity from renewable resources.



Dictionary: iCOOLers are a new generation of fridge, which Coca-Cola provides to its customers. They are 57% more economical, use new cooling agents and do not contribute to global warming. In 2018 Coca-Cola replaced 13% of all fridges with iCOOLers and the company intends to replace half of all fridges on the market with iCOOLers by 2025.



WASTE

The World Without Waste vision is an initiative of the Coca-Cola Company, which endeavours to resolve the global waste problem as regards packaging materials. All packaging has a value and the collection of it should be ensured after it has been used and has fulfilled its original purpose, whether or not it will be used to make new packaging or for other beneficial purposes.

Coca-Cola desires to help collect waste in a volume corresponding to the equivalent of 75% of packaging material by 2025.



WATER

Coca-Cola approaches the reduction of its water footprint per litre of beverage in a complex manner. The company is transparent, which is why it openly communicates its total consumption of water according to one litre of manufactured beverage. The company holds an EWS (European Water Stewardship) certificate, which monitors the protection of sources of water, supported by EU policy.

Consumption of water per litre of beverage:
in 2008 2.97 l/ l of produced beverage
in 2017 1.70 l/ l of produced beverage
in 2018 1.92 l/ l of produced beverage



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Coca-Cola HBC Czech and Slovakia received the prestigious Top Responsible Company 2018 - Environment award for its Minimal Beverage Water Footprint project.

“The year-on-year increase in water consumption was caused by the launch of production on a new aseptic line for the AdeZ product and the need to test new technologies. But our goals for 2019 have been strictly set once again and we will continue reducing our water consumption.”



Pavla Holečková,
Quality Manager at Coca-Cola HBC
Czech and Slovakia

PEOPLE AROUND US

To dáš! [You can do it!]

This project originated in compliance with the Coca-Cola HBC Group – Youth Empowered international strategy, which Coca-Cola HBC Czech and Slovakia has brought to the Czech Republic in cooperation with the Tereza Maxová Children Foundation. In 2018 Coca-Cola invited the Czech branch of the International Coaching Federation to take part in the project, thereby expanding the project to students of secondary schools.

“We want to arrange training in skills and subsequently jobs or work experience for young people from socially disadvantaged environments and create conditions that are essential to successfully finding a job and keeping it.”



7 whole-day workshops

for children from children's homes were organised by internal trainers in 2018.



2 graduates

Coca-Cola employed 2 graduates within the terms of their participation in the To dáš! [You Can Do It!] project.



7 young people

The company arranged short-term work experience for 7 young people from children's half-way homes in the form of temporary work.

Are you interested in more information?
www.cocacolatodas.com and [#cocacolatodas](https://twitter.com/cocacolatodas)



Over **70** employees worked over 1,400 hours for charities in 2018.

CZK **20 000**

was collected within the terms of Coca-Cola employee charity breakfasts at Christmas and Easter. This amount was doubled by the company and donated to the Tereza Maxová Children Foundation.

422 of our employees and their family members ran 5,610 km during the Teribear moves Prague charity run and contributed nearly CZK 180 thousand.

We all help together



175 000

Former security employee Vladimír Bednář, who suffers from multiple sclerosis, received a total of CZK 175,000 from employees and the company.

134

We supported 134 community events throughout the country last year.

We gave out **1 976** packages of beverages within the terms of partnership.

WHAT EXACTLY IS SEIS?

Dictionary: A SEIS, or Social-Economic Impact Study is a study concerned with the social-economic impact of a company on a specific country in which the company is active. In our case, the Coca-Cola Company's impact on the Czech economy.

- The first SEIS originated in 2014 after the Coca-Cola Company had existed in the Czech Republic for 20 years. It summarised results for 2013.
- This year's study represents the most current data for 2018 after a specific interval.

The purpose of this study is to show the extent of the social-economic benefits provided by the Coca-Cola system in the Czech Republic, to define the methods by which the company contributes to the Czech economy and also to simplify the participation of the involved parties and provide materials for their strategic decisions.

AUTHORS OF THE STUDY

The authors of the study are experts from the Steward Redqueen Company. Steward Redqueen is a Dutch strategic consultancy company. It globally helps organisations develop strategies for the sustainability of the enterprise and its impact, assisting them in evaluating programmes, funds and activities and measuring social-economic impact. Steward Redqueen has branches in Amsterdam, Barcelona, Singapore and Princeton and carries out projects worldwide for international corporations, government organisations and financial institutions.

Teodora Nenova

Teodora Nenova leads innovation practice in impact measurement at Steward Redqueen. Teodora has carried out over 60 impact studies for multinational companies, investors, banks and non-profit organisations. She has also worked with various organisations on proposals for, and the implementation of, their impact frameworks, including the development of correct metrics,

goals and quantification methodologies. Teodora has extensive experience working for the Coca-Cola system. Previously she was employed with Steward Redqueen working with the Global Reporting Initiative in Amsterdam.

Jan Anton van Zanten

Jan Anton van Zanten is the company's consultant specialising in sustainability and sustainable development. Jan Anton has led a number of studies on social-economic impact for international companies in the fields of financing, food and mining, on various African, Asian and European markets. His work includes nearly 10 studies for the Coca-Cola system. As well as working for Steward Redqueen, Jan Anton serves at Erasmus University in Rotterdam as a guest lecturer and research worker in the field of company strategies for sustainable development.

STUDY METHODOLOGY

The study quantifies the scope of the Coca-Cola system's impact on its value chain. The study authors consider household income, government income, business subject income and employment rate indicators of this impact. The authors monitored everything systematically within the terms of the entire company – they monitored the paths from suppliers of key ingredients and services, through the Coca-Cola system, to business

partners. The overall impact of the system was then calculated by monitoring cash flows in the Czech economy using an economic model, which combines the financial systems of the Coca-Cola Company and official statistical data. The added value (salaries, taxes and profits) and supported jobs in the Czech Republic are estimated in each round of expenses.

WOMAN AT THE WHEEL

Did you know that more than 30% of the Coca-Cola Company's top management in the Czech Republic are women? Coca-Cola provides equal opportunities to all talented and motivated people.



Maria Anargyrou-Nikolić,
Managing Director of Coca-Cola
HBC Czech and Slovakia



Natalia Stroe,
Franchise Country Manager,
The Coca-Cola Company



Kiriaki Kritidi,
HR director of the Coca-Cola HBC
Czech and Slovakia



Pavla Holečková,
Quality Manager at Coca-Cola HBC
Czech and Slovakia

WHAT THEY SAY ABOUT US

“Coca-Cola is investing the most it has ever invested in the Czech Republic and its Prague factory will soon be the most modern and most ecological in Europe. Investments into modern technologies, sustainability and industry 4.0 are the best way to make the Czech Republic one of the most competitive countries in the world.”

Ing. Jaroslav Hanák,
President of the Association of Industry and Transport of the Czech Republic

“Both companies of the Coca-Cola System in the Czech Republic are being managed by two women for the first time in history and we can see the strength of their leadership in practice. Coca-Cola is penetrating into new product categories and making considerable investments into the future under their management. It is certainly not usual in Central Europe for women to receive such trust in management of such a pivotal strategic change.”

Jan Bubeník,
CEO Bubenik Partners

“The main social responsibility of companies is to create added value. Jobs are created for people where value is added. Coca-Cola adds value by the billion and gives jobs by the thousand. This alone is why it exceeds social responsibility requirements.”

Lukáš Kovanda,
Chief Economist, Czech Fund

Coca-Cola Czech Republic s.r.o.,
Českobrodská 1329, 198 21 Praha 9 Kyje,
Czech Republic



Coca-Cola HBC Česko a Slovensko, s.r.o.,
Českobrodská 1329, 198 21, Praha 9
Czech Republic

