



Coca-Cola HBC
Česko a Slovensko

2017

**SOCIAL RESPONSIBILITY
REPORT**



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Introduction by the CEO/management

Dear readers,

I am pleased to introduce you our Sustainability report for the year 2017.

Sustainability is essential to the long-term growth of our business and therefore it is integrated in everything we do, in every aspect of our business.

In the year 2017 we prepared the foundations on our journey to become 24/7 company. Consumers and customers are at the heart of our business and we thrill to provide beverages that people want, for every occasion and every lifestyle. As a part of an overall industry pledge, we committed to reduce by 2020 the amount of added sugars in our sparkling soft drinks by 10% against the 2015 baseline and we have already made a good start to achieve this. Further, as a member of the UNESDA (European soft drinks industry association) we have made an important commitment to cease sales of drinks containing added sugars to secondary schools.

To give a better support and improve our service for customers, we have implemented so called „Red line“. It consists of specially trained employees who are highly skilled to be ready to solve any problem right in that particular moment. Together with our customers we have focused on offering the right portfolio and innovative products which are relevant to local market and tastes of our consumers. As a result, we launched FANTA white grapes, choosing the taste that is traditional and popular in both countries.

As an employer we continued to seek to offer a workplace where our people are inspired to learn

and where they can enjoy accelerated personal growth. A workplace where people are celebrated as they deliver results with speed and agility and where the diversity of background and opinion is always welcome.

Also, in 2017 we've started strategic investments, which will bring our Czech production plant among the most sustainable and most innovative beverage plants in the Central Europe. We also continued in reducing the amount of energy we consume and water we use to produce a liter of beverage and we further increased the recycling of the plant waste. These actions demonstrate our commitment to grow our business profitably, whilst lowering our impact on the environment.

In the autumn 2017 we have also launched our community flagship program called "To dáš!", based on the Group program Youth Empowered. Together with our strategic partner Nadace Terezy Maxové dětem we will help orphans and other disadvantaged young people to increase their chances on the labor market and even to find a job.

Our sustainability efforts have always been strengthened by open dialogue with many stakeholders – our own employees, customers, suppliers, governments or NGOs. Our stakeholders expect of us more than ever and we commit ourselves to meet their expectations.

Maria Anargyrou-Nikolic
General Manager
Coca-Cola HBC Česko a Slovensko

ABOUT US

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

Coca-Cola HBC Česko a Slovensko is a producer, retailer and distributor of branded non-alcoholic drinks of The Coca-Cola Company. We are a partner bottler for The Coca-Cola Company and a member of the Coca-Cola system, the most extensive non-alcoholic drinks distribution system in the world. The Coca-Cola HBC group, to which we belong, operates in 28 countries in Europe, Asia and Africa, and offers drinks to over 600 million consumers. The group headquarters is located in Switzerland and its shares are traded on exchanges in London, New York and Athens.

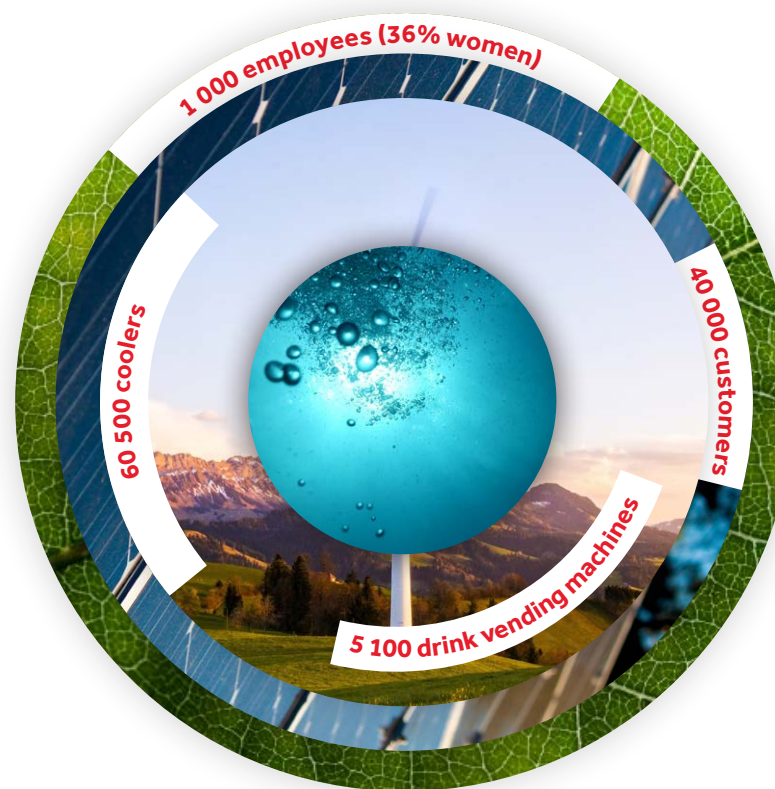
Diversity in the company management

CEO – female

3   6

women / men

Coca-Cola HBC Česko a Slovensko in numbers



100%
of the electricity used in
our facility comes from
renewables



95%
of solid waste
is recycled



up to 30%
of recycled material in the
PET bottles we produce



252
product variations

The economic benefits we provided in 2017



Income tax – CZK 19 004 560
Value-added tax – CZK 222 45 186
Social insurance contributions – CZK 45 323 949
Health insurance contributions – CZK 115 640 285



Income tax – EUR 3 600
Value-added tax – EUR 12 216 870.72
Social insurance contributions – EUR 815 596.66
Health insurance contributions – EUR 341 569.52

SUSTAINABILITY AS A PRINCIPLE FOR OUR BUSINESS

Our approach to sustainability

2017 very dynamic was for the whole Coca-Cola HBC group, and our approach was characterised by the three main principles that have long permeated all aspects of our business.

The development of our portfolio and our understanding of the needs of our customers are the direct results of the fact that we carefully monitor fluctuations in the market environment and how consumer preferences change. We direct the energy of all our employees – the people who are key to our success – towards the fulfilment of our strategy.

We work hard on the commitments of the whole group, focusing on protecting the environment and the valuable resources of our planet.

Coca-Cola HBC 2025 commitments

Coca-Cola HBC group commitments are based around the overall corporate responsibility and sustainability concept

DEVELOPMENT
UNDERSTANDING
ENERGY

Managing a responsible and sustainable approach

The company's top management also considers sustainability and responsibility principles in its decisions and discussions. As bodies of the Coca-Cola HBC group, the Social Responsibility Committee, operating within the framework of the board of directors, together with the Steering Committee for Long-term Sustainability, regularly revise our priorities to reflect changing expectations while ensuring they are in accordance with our commitments.

We critically analyse our priorities on a regular annual basis and focus in particular on considering all relevant information we obtain from our business activities and our partners, and ensuring that we take into account all trends of importance for us.



We take decisions we are convinced are sustainable over the long term, and we believe that the values we create through them are also of a permanent nature.



We also approach investments with the same sense of responsibility.



We introduce the latest standards into our business procedures and processes in our operating activities, while fully complying with valid international standards and methodologies.

We are the global number one in sustainability in the drinks industry for the fourth consecutive year. We also confirmed our position as leader of both the global and the European Dow Jones Sustainability Index (DJSI) in 2017.



We have been awarded the Gold Class award as the best company in the drinks industry in the annual assessment of corporate ecological and sustainable behaviour performed by the [RobecoSAM](#) investment company.

Successes of the Coca-Cola HBC group

We are subject to assessment based on various sustainability criteria, including the Dow Jones Sustainability Index (DJSI) and the CDP and FTSE4Good indexes.



We have been part of the FTSE4Good index since 2001.

Since 2010 we have been included in the ECPI index, a leading corporate rating and index focusing on the development of CSR through governance and environmental and social initiatives.



[Read more about our sustainable approach.](#)

Our suppliers

When producing our products, we cooperate with over one thousand suppliers, the majority of which are from the Czech Republic and Slovakia. We purchase raw materials, packaging materials and other goods and services from them. Although we do not own these companies or have any other control over them, we require assurance that their working methods comply with our standards.

This is one reason why 100% of our strategic suppliers have signed the Supplier Cooperation Principles. We regularly update the Principles to ensure they are in line with developments and the situation on the market. We assess a supplier's approach using the Ecovadis system, taking into account the main sustainable approach areas (ethics, the environment, human rights and behaviour towards people, health and occupational health and safety, community support).

100%

of our main suppliers have signed the Supplier Cooperation Principles.

The values we have set meet the highest quality and integrity standards and are targeted at achieving perfection over the long term. We respect the unique customs and cultures in the communities in which we operate. We also develop relationships with suppliers who share similar values and act ethically.

Regular sustainability reporting

We are always working to improve our approach. We compile transparent reports to identify the most important risks. These focus on the steps we will take to prevent them and the solutions and results that we will achieve.

We prioritise the resolution of established problems based on their importance for our business. We use annual "significance parameters" mapping for this. This systematic process for assessing the significance of specific areas enables us to decide which of them we will focus on as a priority. We believe that this is another reason why our reports can be used by stakeholders as clear information regarding our approach. We follow the guidelines for creating sustainability reports prepared by Global Reporting Initiative G4 when preparing them.

Stakeholder involvement

We seek to perceive and understand the needs and interests of our key partners and stakeholders, especially including customers, suppliers, the representatives of the communities in which we operate and of course our employees. Only then can we prepare a long-term sustainable business strategy and develop the values we share.

We actively seek the views and opinions of our stakeholders:

-  we organise discussion forums for our partners,
-  we hold conversations with key employees responsible for decision-taking,
-  we hold discussions with external partners,
-  we flexibly involve relevant external partners in our activities,
-  we contact respondents from involved partners selected across the 28 markets in which we operate, including the main headquarters of the group,
-  we continuously assess key themes identified by The Coca-Cola Company, other bottling companies, and companies that operate in the food and drinks industry,
-  we obtain feedback in a group discussion forum focusing on risks (Group Risk Forum).

OUR ETHICAL RULES

The Ethical Code has been prepared to ensure that we achieve the values that have made Coca-Cola HBC one of the most successful and most respected companies in the world.

All employees are trained in ethics and anti-corruption measures, initially when they first join the company and then as a rule in two-year intervals. The Internal Audit Department regularly informs the top management, both locally and at Coca-Cola HBC level, of current investigations and of final decisions taken in this area, including any potential disciplinary measures.

Every year we have the Speak Up! employee campaign, which informs about the possibilities for anonymous reporting of breaches of the ethical code. Its impartiality is guaranteed by the Navex Global independent international agency.

In 2017 we recorded five complaints for investigation, and measures had to be taken in two of them.

We consider compliance with the rules connected with the regulation of economic competition to be absolutely essential. The Compliance Program is based on corporate recommendations and rules implemented and complied with throughout the group. Our employees also undergo annual training in this field.

As an ethical organisation, we take responsibility for ensuring that our business operations do not directly or indirectly contribute towards breaches of human rights. We ensure that our employees understand this commitment and are also aware of their own rights and obligations.

COMPANY VALUES

AUTHENTICITY

PERFECTION

WE KEEP LEARNING

WE ARE INTERESTED IN OUR PEOPLE

WE ARE ONE TEAM

[Read our Human Rights Policy](#)



[Read our Ethical Code](#)



OUR PRODUCTS

We produce, sell and distribute a wide range of non-alcoholic drinks that ensures everybody can find something they like.



The Onebrand strategy has changed the visage of millions of bottles

Consuming less sugar is becoming an ever more important theme for many people around the world.

This was one reason why we launched the Onebrand campaign in January 2017, unifying the Coca-Cola, Coca-Cola Light and Coca-Cola Zero drinks under the common Coca-Cola brand. With this new strategy we are giving consumers the opportunity to choose according to their personal preferences and tastes. In this connection, in February 2017 we also launched to market a version of Coca-Cola Zero with an improved recipe bringing its taste even closer to that of the classic Coca-Cola version, of course still without sugar and calories. As the leader in the drinks category we want to direct our customers towards choosing low-calorie options.

In 2017 we sold in the Czech Republic and in Slovakia:

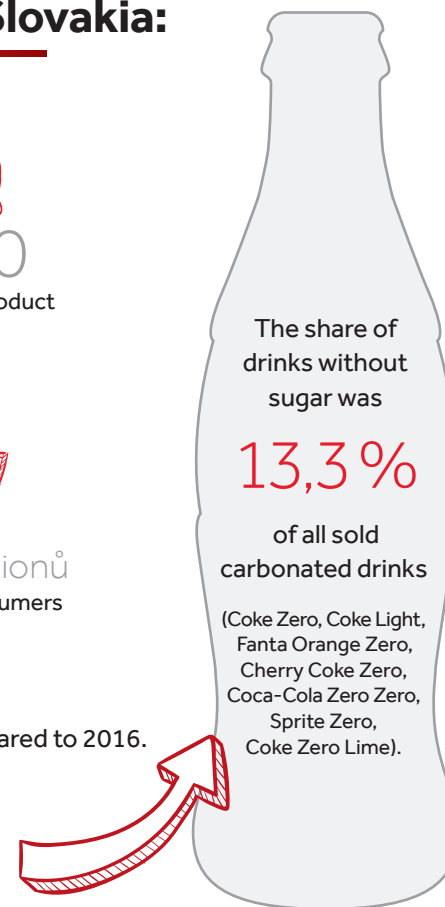

420 million
litres of our drinks


250
types of product


for 40 000
customers


for 15 million
million consumers

This is an increase of almost 2% compared to 2016.



Customers were offered a limited-edition Coke Zero Citron in the summer. However, there were also other new products. The Fanta orange drink entered the market with a new bottle, a new logo and a higher juice content (by 2 percentage points), and with it Fanta White Grape. The range was also expanded for consumers who enjoy Bonaqua water. We offer them a whole range of flavours: lime and mint, blood orange, strawberry and rhubarb, pear and apricot, and cherry and blackcurrant.

2017 was a pivotal year for Bonaqua as we are changing the source we use from Slovakia to Edelstal in Austria. Bonaqua will become a mineral water with a low sodium content and an ideal mineral content.

We support a healthier lifestyle


We are aware that consumer preferences change and that our customers are choosing healthier drinks and innovative tastes in new categories. In accordance with this trend, we are updating not only our product portfolio but also our approach to packaging and distribution. We expend a great deal of **energy** on informing **customers** and **developing our business** in accordance with their lifestyles. The rate at which we introduce new products to market and deliver them to our customers is much higher than before.

We believe that people should be able to easily find clear nutritional information on all our packaging. The labels on the drinks therefore clearly show the content of calories, sugars, fats, saturated fats and salt, in both absolute values and as daily intake percentages. These data are indicated on individual packaging as a proportional part of healthy consumption and help consumers understand the precise share of a specific drink in their daily energy (calorie) and sugars intake.

NUTRITIONAL VALUES			
PER:	100 ml	250 ml	(%*)
Energy:	190 kJ / 45 kcal	475 kJ / 113 kcal	(6 %)
Fats:	0 g	0 g	(0 %)
of which saturated fatty acids:	0 g	0 g	(0 %)
Carbohydrates:	11,2 g	28 g	(11 %)
of which sugars:	11,2 g	28 g	(31 %)
Proteins:	0 g	0 g	(0 %)
Salt:	0 g	0 g	(0 %)

Would you like more information?

 [Coca-Cola product facts](#)

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

Product safety

Our overriding interest is to ensure food safety in accordance with the highest standards and legislation, including related EU legislation. The company management has therefore accepted the commitment to introduce, maintain and improve the requirements of the ISO 22000 system standard, as well as to comply with legislative and internal regulations and consumer requirements. The Coca-Cola HBC group does not use ingredients or additives that are genetically modified or derived from genetically modified organisms in any of the 28 countries in which it operates.

Read about our approach: [Genetically modified organisms](#).

Responsible marketing

We seek to behave responsibly on all the markets on which we operate, and through all types of media, in particular as regards communication with children:

- our marketing programs are completely in accordance with laws, standards and voluntary regulations in marketing communication, whether this means advertising, promotion or sponsorship,
- our commitment to responsible marketing also includes participation in the creation of industrial codes, e.g. the [Union of EU Soft Drinks Associations \(UNESDA\) initiative](#),
- we do not target advertising at groups comprising over 35% of children aged under 12. These rules apply not only to television, radio and the press, but also to the internet and mobile devices. We also refuse to engage in direct sales activities at primary schools.

Would you like to learn more?

 [EU Pledge on marketing to children](#)

 [UNESDA video: Behaving responsibly towards children](#)

 [ICBA \(International Council of Beverage Associations\) global guidelines on marketing to children](#)

OUR RELATIONSHIP TO THE ENVIRONMENT

Our approach

We work to minimise all the impacts of our activities on the environment and try to use the best available technological solutions for this purpose. We therefore regularly monitor how we influence the environment, and introduce or innovate measures to reduce our energy requirements, to support packaging recycling and to enable more effective utilisation of water resources.

In all our operations that require it we apply management pursuant to the ISO 14001 standard. We hold certification pursuant to the ISO 9001 and 50001 international standards, the [European Water Stewardship Standard](#) and OHSAS 18001 certification. All these standards are regularly checked by independent auditors.

Our global targets for 2020 (compared to 2010):



reduce the carbon footprint of drinks throughout the chain by 25% and by 50% in our operations,



reduce water consumption by 25% (in litres of water per litre of drink),



recycle the equivalent of 75% of all bottles and cans that we place on developed markets,



obtain key ingredients from [sustainable agriculture, meaning agriculture that meets the needs of the present without compromising the ability of future generations to meet their own needs \(OECD\)](#).

Would you like to find out [more about our environmentally friendly strategy?](#)

We also involve our own employees

A responsible approach to the environment in which we live is a matter not only for businesses but also individuals, as it is reflected in all our lives. We motivate our employees and suppliers to be as environmentally friendly as possible and to be aware of their environmental impact on their surroundings.

We support education and instructional activities for employees and reward their environmentally-beneficial ideas, contributions and activities. In 2017 we organised Environment Day for our employees at which we informed them of current trends in sustainable approaches to the environment.

As part of the International Water Day campaign we rewarded the active participation of employees and drew five winners through lots.

We discuss how to save water and energy with employees as part of WTT (Walk the Talk). We annually reward the best ideas for improving the system as a whole. This year we were thus able to reward an improvement to the return pipeline for sanitation of the glass bottle washer water path, making the water recyclable again. This idea thus contributed to further water consumption reductions.

In 2017 our employee-related activities were recognised by EKO-KOM, from which we received the **“Responsible Company”** certificate for companies that educate their employees on how to separate and recycle waste.



Emissions

With an awareness of the impact of our activity on the environment we work to find sustainable solutions for existing climate problems.

In accordance with the group environmental protection policy we want:

- to reduce energy consumption,
- to use alternative or renewable energy sources in our facilities – one example is a program to construct cogeneration energy units for our bottling plant,
- to participate together with our stakeholders in the fight against climate change, for example through cooperation with suppliers to reduce the carbon content in packaging and to reduce the carbon footprint of our cooling appliances,
- to transparently report emissions, target values, current results and activities related to greenhouse gases, in accordance with the [Greenhouse Gases Protocol](#).

Direct emissions of greenhouse gases (GHG)

Direct emissions of greenhouse gases primarily come from the use of energy in bottling plants and the use of the vehicle fleet.

Indirect greenhouse gases (energy)

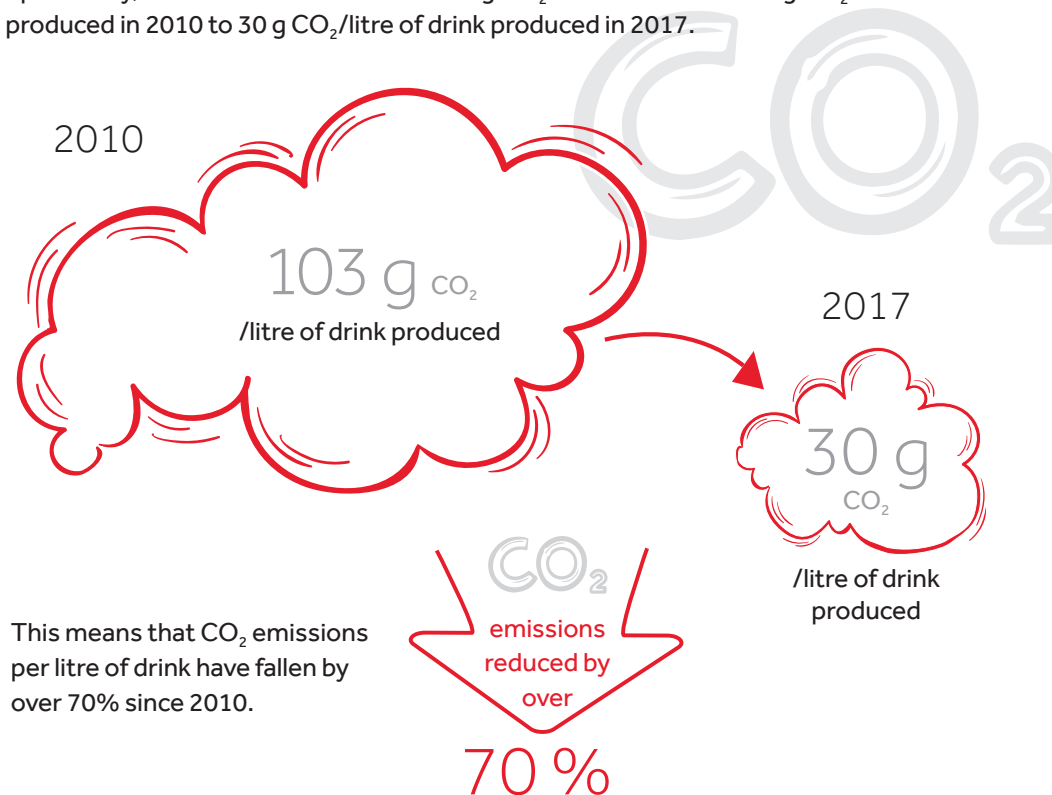
Indirect emissions originate in the raw materials (ingredients and packaging materials) and cooling appliances.

NO_x, SO_x

NO_x and SO_x emissions are regularly monitored for the boiler that is only a backup source for possible outages in external heat supplies in the Czech Republic.

We are continuously reducing CO₂ emissions from production.

Specifically, we have succeeded in reducing CO₂ emissions from 103 g CO₂/litre of drink produced in 2010 to 30 g CO₂/litre of drink produced in 2017.



Our further steps to reducing greenhouse gases:

- we will optimise the bottle washing process,
- we will reduce the pressure in the bottling lines circuit,
- we will renew the vehicle fleet so that it meets the highest environmental standards,
- we will reduce fuel consumption,
- we will eliminate landfilled waste.

Energy

Effective energy management is another of our environmental commitments.

We systematically adopt measures in accordance with it leading to improving energy efficiency:

- we focus on reducing energy consumption,
- we use electricity from renewables,
- we introduce tools to improve energy efficiency and reduce the carbon footprint across all processes in the company.

Our steps:

- we search for opportunities and take specific steps to improve the efficiency of the sources we use,
- in all our facilities we have introduced an internationally recognised environmental management system (ISO 14000) and an energy management (ISO 50001) system, which are regularly assessed to ensure they remain appropriate for the operation in question,
- in the process of monitoring and assessing environmental parameters we have included indicators of the consumption of all types of energy, which we share throughout the group,
- we talk about the energy policy with all employees, we support them in identifying opportunities to improve energy management at their workplace, and we provide them with the appropriate means for this,
- we regularly revise this policy so that it remains valid in view of the existing technological foundation.



We are succeeding in reducing energy requirements and in using renewables

From an average energy consumption of 0.83 MJ/litre of drink produced in 2008, we reduced consumption to 0.56 MJ/litre of drink produced in the Czech Republic in 2017.



100 %

We obtain 100% of electricity from renewables for the production plant in Prague



energy savings
35–40 %

We have introduced conveyor drives with permanent magnets and a highly efficient transmission in our production facility. The anticipated energy savings are 35–40% compared to the previous solution.

We are reducing customer consumption

Our customers in the Czech Republic used 60 500 of our cooling appliances in 2017.

However, in 2016 we began introducing iCOOL cooling appliances, while all new fridges have 40% lower consumption than before. We will continue replacing fridges in the coming years.

- replacing the use of cooling substances containing greenhouse gas creating substances (HFC)
- using foam insulation without HFC substances
- reducing appliance noise, including the use of cooling substances naturally occurring in nature (HC)



40 %

the new fridges have 40% lower consumption than existing ones

Logistics

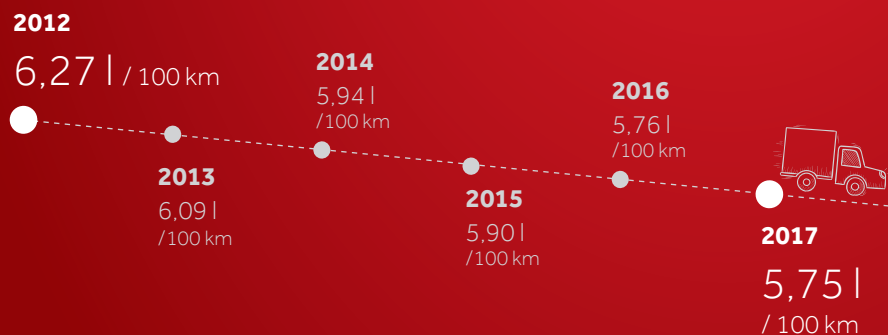
All supplies of our products are performed using road transport. In 2017 we used 506 vehicles for administrative and business purposes. For product deliveries we use our own vehicles and vehicles of our partner companies. In 2017 this meant we consumed 955 891 litres of fuel (for vehicles up to 12.5 tonnes).

We are gradually modernising our vehicle fleet and managing it as efficiently as possible so that we use vehicles with optimum capacity that all comply with the EURO6 emissions standard.

Average fuel consumption in the Czech Republic



Average fuel consumption fell from 6.27 l/100 km in 2012 to 5.75 l/100 km in the Czech Republic and 5.74 l/100 km in Slovakia in 2017.⁽¹⁾

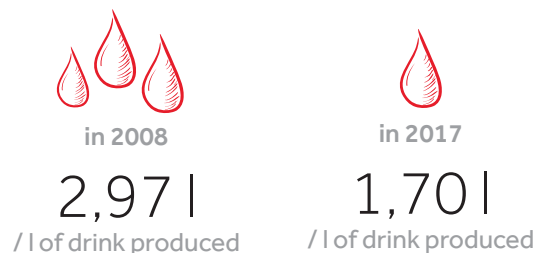


(1) Litres of fuel burnt Czech Republic 727913.37/Kilometres Czech Republic 12644919
Litres Slovak Republic 234850.71/Kilometres Slovak Republic 4290603

Water

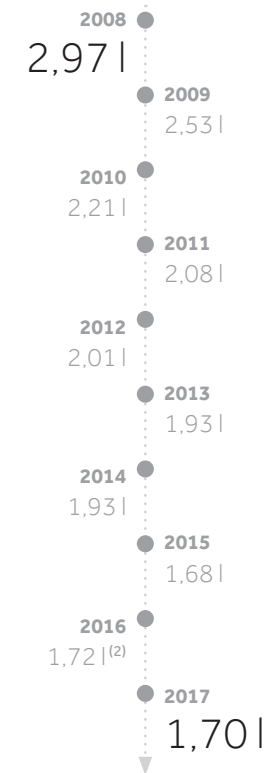
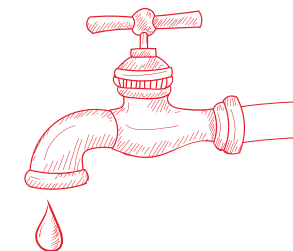
Water is one of the most valuable resources we have. Our goal is to continuously reduce the volume of water we need to produce one litre of drink, and we are happy we are meeting this goal.

The modernisation of production plants is always the best step to further reduce the consumption of energy, including water. One example is the new bottle cleaning technology installed in the past that enabled us to reduce average steam consumption in the bottle washer by 55% and water by 65%.



Between 2008 and 2017 the average water consumption per litre of drink produced fell by almost half.

We hold a certificate from EWS (European Water Stewardship), which monitors the protection of water sources and is supported by EU policy.



(2) The reason for the slight year-on-year increase was a shift in batch production, which involved the cleaning (flushing) of the production line.

Packaging and recycling

Our business is closely tied to the production of packaging and the subsequent waste management. Using the latest technologies, we work to find sustainable solutions allowing us to continuously reduce the quantities of packaging produced.

Our approach – the 3R principle

Princip 3R: Reduce, Recover & Re-Use lies in the minimisation of produced waste, its subsequent re-use and its final conversion into energy. In short, this means that all our packaging is recyclable. In the Czech Republic we participate in the integrated EKO-KOM Shared Bottling System, which we helped establish. In Slovakia we cooperate with ENVI-PAK. In the EKO-KOM system a total recycling level of 77% was achieved in 2017 and 62% with ENVI-PAK.

Plastics/sustainable PET bottles

We are increasing the share of recyclable material in our PET bottles. When producing PET bottles with volumes of 1.75 l and over, we use up to 30% of recyclable material.

Cans, glass

We focused on reducing can weight in 2017. The so-called slim cans now weigh 5% less.

The cans are recyclable through the EKO-KOM collection system and glass bottles are always returnable. When producing glass bottles, we use a secondary – recyclable – material that makes up 75% of coloured bottles.

Waste



in 2009
52 %
of recycled waste



in 2017
95 %
of recycled waste

At the production plant we have succeeded in almost doubling the share of recycled waste from 52% in 2009 to 95% in 2017.

We continue to reduce waste produced per litre of drink produced: from 22 g/l in 2008 to 14 g/l in 2017.



in 2008
22 g
/ litre of drink produced



in 2017
14 g
/ litre of drink produced

Total volume of dangerous waste

We are able to collect almost all the cooling appliances we withdraw from the market with 98% success at recycling material earmarked for liquidation.

Waste minimisation and recycling

We see waste as one of the possible sources of raw materials for further use, and so since 2016 we have been sending mixed municipal waste to produce SAF (solid alternative fuel). Since 2017 all non-compliant products are liquidated outside landfills through the separation of packaging and fluids.

Monitoring and protecting biodiversity at production locations

Our production facilities are not located in places falling within the specialty protected territory category. We work to ensure our activities do not have a negative impact on the surrounding ecosystem and its biodiversity.

OUR EMPLOYEES

We appreciate the knowledge and expertise of our employees and together with them are creating a working environment that motivates them and offers them interesting opportunities for development, growth and building their own careers.

We focus on:



FAIR WORKPLACES



OCCUPATION-
AL HEALTH AND
SAFETY



EMPLOYEE
DEVELOPMENT

At Coca-Cola HBC Česko a Slovensko we support diverse and inclusive workplaces and thereby enable the development of all our employees. We select employees according to equal opportunities principles, irrespective of race, skin colour, gender, sexual orientation, religious views, nationality or physical handicap. They can take advantage of flexible working time, part-time work and work from home depending on the nature of their job.

We **understand** that involved employees from a diverse environment and with differing outlooks significantly improve our ability to understand our consumers, customers, suppliers and the communities in all their diversity. We **develop** their key skills as well as the corporate culture. We invest a great deal of **energy** and money in acquiring, educating and retaining talented people who will ensure our long-term success.



+ 3,8 %
growth in employee numbers
compared to 2016

The "helo" application that the Coca-Cola HBC group launched in 2017 is a new cloud-based user-friendly environment for employees that guides us together through the acquisition of new talents, the adaptation of newly arrived employees, and the development and education of existing employees.



Fair workplaces

At all stages of an employee's working life – meaning recruitment, remuneration, working conditions, training, career advancement, location or the end of the employment – we act fairly to them all.

At Coca-Cola HBC Česko a Slovensko we provide equal career opportunities for women and men. We see diversity as a source of inspiration. Proof of this is the multicultural company management with its high proportion of women in the top management.

We have taken measures that actively support a responsive corporate culture over and beyond the framework of legislative requirements. We work to ensure none of our employees are exposed to any verbal or other harassment or abuse.

Each of our employees has the possibility to contact the local Code of Compliance Officer or use the anonymous Speak up! whistle-blower line in situations in which he/she is confronted with any form of harassment or abuse. One employee took advantage of this possibility in 2017.

In positions where the nature of the work permits, employees have the possibility to use flexible hours of work or occasional work from home (home-office). We believe that only satisfied employees do the best work and so we work to help employees balance their professional and personal lives and to respond to their needs.

Employee remuneration is transparent. Remuneration is composed of a basic component, meaning a regular fixed salary, and a variable component whose amount is directly influenced by the employee depending on his/her performance. Non-financial benefits also make up an important part of the remuneration system.

These include individual professional development and opportunities for ongoing education, two paid sick days, a cafeteria, contributions to supplementary pension insurance, an extra week of holiday, an allowance for meals, drinks, preferential services of mobile operators or banking service providers. Our employees can also take advantage of the possibility to purchase employee shares and discounts on various recreational and wellness stays. We regularly reward employees for their loyalty after every five years of work in Coca-Cola HBC Czech Republic and Slovakia.

Human rights







We are subject to the international principles arising from the Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the principles of the UN Global Compact initiative. We also require compliance with the same principles by our partners in our supply chain.

Employee Council and collective bargaining

We respect the right of our employees to join the Employee Council, which mediates dialogue between employees and the company management. The Council represents all departments in our company in the Czech Republic and in Slovakia and meets at regular monthly intervals. Its members are elected for a functional period of three years. Coca-Cola HBC Česko a Slovensko has also had representatives at the European Works Council since 2005.

Internal communication

Open communication is a prerequisite for a healthy and friendly working environment. In addition to meetings with management on the theme of career development for all employees, our main communication tools are:

-  the KOMPAS employee magazine,
-  the intranet,
-  notice boards,
-  information kiosks,
-  television,
-  regular meetings with the company management (once a month) "VOX Kompany".

Occupational health and safety

We develop, innovate and apply an effective occupational health and safety system. Similarly, we are improving standards and procedures to reduce the risks connected with the everyday activities of our employees. We have compliance with these high standards annually verified through a certifying external audit for the OHSAS 18001 occupational health and safety management system. We are succeeding in reducing the numbers of injuries. We have already reduced the number of people with recovery periods of less than 3 days by more than two thirds this year compared to 2016.

Employees undergo occupational safety and fire protection training at regular intervals. Once a month we carry out a risk assessment at workplaces and flexibly adopt measures to remove discovered risks. We provide employees with appropriate personal protection devices, investigate the causes and circumstances of injuries at work, and search for ways to eliminate them.

We use, for example, the Walk the Talk program, thanks to which managers are in more frequent contact with employees and discuss occupational safety with them, and the ToolBox Talks, information group discussions at which we address specific safety-related situations.

In 2017 we once again held the Health and Safety Week, supporting a responsible approach to safe behaviour at the workplace. Specifically, we focused on the safe operation of vehicles, handling objects, movement around the workplace and also on safety in cooperation with contractual partners.



Employee development



All our employees can develop their competencies not only through their day-to-day activities. We focus on coaching support and offer employees the services of our internal coach for their professional development. Coaching training supports the building of self-confidence, the ability to accept responsibility for entrusted tasks, and strengthens improvements in soft skills.

Other types of training focus on strengthening managerial skills: for example, the Passion to Lead program for new leaders and LEAP for experienced managers and leaders.

The Fast Forward Self to Others program is intended for talented employees, and prepares specialists for management positions, or Fast Forward Others to Managers, which is intended for managers aspiring to higher management levels. The third level is Fast Forward Managers to Function, through which we develop employees who should become top managers.

In 2016 we supplemented these programs with the trainee program, which focuses on the younger generation and graduates. In 2017 a total of 10 people were accepted into talent programs in the Czech Republic and Slovakia, 7 of which were transferred to different positions in the company.

During the outboarding process, our new employees receive not only all the necessary information about the company, but also learn about our approach to sustainability and social responsibility.

Employee involvement

We not only monitor and develop the expertise of our employees, but we are also interested in their motivation. We assess this through the regular "My Voice" company survey. Employee involvement reached 80% in 2017, 3% more than in the previous year.



Number of training sessions
in hours in the Czech
Republic and in Slovakia:

increase
by 3,8%

SOCIETY AND COMMUNITY SUPPORT

Our approach

We are convinced that our business can only be successful and sustainable over the long term if we actively contribute towards the sustainability of the localities in which we operate. We therefore work to support the development and improve the quality of life of local communities and help wherever needed. We also invite the public to participate in various forms of assistance. Their trust in what we do is extremely important for us and our business.

Understanding where the value of our company lies from the perspective of our stakeholders is key for us to properly set our sustainable business strategy and to enjoy the trust of all those influenced in some way by our business. The expectations and needs of the community in which we operate change. We listen to them and adapt our investment strategy as well as the development of community initiatives. Our ambitious commitments up to 2020 will give us the energy to contribute towards meeting the global Sustainable Development Goals (SDGs) adopted by the UN.

As a group we comply with the commitment to invest 2% of our profits before tax into community support programs.

Activities to the benefit of communities in the Czech Republic and in Slovakia

ENVIRONMENTAL ACTIVITIES

Danube Day
23 June 2017 – International Danube Day 2017:
over 3 000 people attended the celebrations

The catchment area of the longest European river connects 13 European countries and over 80 million people. Danube Day was announced as 29 June at the 10th anniversary of the signing of the Convention on Cooperation for the Protection and Sustainable Use of the Danube in 2004. Since then, Germany, Austria, Slovakia, Hungary, Bosnia and Herzegovina, Bulgaria, Croatia and other countries have become involved in the joint celebrations of the river. Together with the Ministry of the Environment of Slovakia our company is actively involved in a whole range of activities – sporting, cultural, environmental and social – for the expert and general public, especially for children and young people.

We also participate in other initiatives of the Ministry of the Environment of Slovakia. On 24 June 2017 almost 2 000 volunteers from over 40 cities and municipalities in the river catchment area participated in Day for the Danube with a single goal: to collect as much waste as possible from the river and its surroundings.



SOCIAL ACTIVITIES

Between 2000 and 2017 we distributed over
CZK 21 million
 to support free-time activities and child education in children's homes in the Czech Republic and Slovakia.

2017 CZK 1,2 million for NGOs & CZK 0,9 million through material performances to long-term cooperating organisations

EUR 16 000 for projects with a local character around the municipality of Lúka and for community and cultural activities

Launch of the To dáš! (You can!) project in the Czech Republic, which facilitates the employment of disadvantaged young people

Support for Slovak regions

In 2017 we continued with the second year of the **Coca-Cola for the Region grant program**, with an independent grant commission selecting projects beneficial to the region around the municipality of Lúka. Of the 14 registered projects, 7 succeeded and were then supported through an amount exceeding EUR 16 000. The end of October 2017 thus saw the completion of a nature trail to Tematín castle, information signs in the archaeological area at the municipality of Ducové, a children's playground in Stará Lehota, flower beds in Hrádek and a modern irrigation system in the sports complex in Hôrke nad Váhom.

Thanks to the program, the Krojovanky-Modranky folklore ensemble is performing in new costumes and residents and visitors can see the past of the municipality of Modrová through period photographs.

Help for children and adults with handicaps

We contribute towards improving the life of children, especially those who live in institutional care and without any safe family circle nearby. We enable children in disadvantaged situations to grow up in a family environment.

Since 2001, Coca-Cola HBC Česko a Slovensko has supported family-type children's homes in Slovakia: through the Úsmev ako dar foundation we are the patron of the Harmónia v Modre children's home, which obtained support exceeding EUR 130 000 between 2001 and 2017.

We also take responsible decisions about tax assignments: in 2017 we supported the Úsmev ako dar foundation through the amount of EUR 3 000 and donated a further EUR 12 000 to other NGOs throughout Slovakia.

We cooperate with the Žilina-based Nadácia LÚČ foundation, which organises the Days of Hope, the largest anti-drug festival. The 22nd annual festival was attended by almost 7 000 children and young people.

Among other supported organisations are Nadácia výskumu rakoviny, Združenie Nádej-sclerosis multiplex, Paraspport24 – športový klub handicap and Nadácia Adeli.

We also help children and adults facing different challenges, for example people with visual impairment through the Světluška project from the Czech Radio Nadační fond Českého rozhlasu foundation, and children with oncological diseases together with the Šance Olomouc and Cesta domů organisations.

"Nadační fond Českého rozhlasu supports people with significant vision impairment throughout their lives. From early care and support for families with vision-impaired babies, through support for assistants, reconditioning and study scholarships through to the purchase of compensatory aids for the blind and the visually impaired. We thank Coca-Cola HBC Česko a Slovensko for the product support of our two flagships – the POTMĚ café and the Světlo pro Světlušku benefit concert. It is important for us to know that we have been able to rely on this support since 2013, just as people with visual impairment have relied on support from Světluška since 2003."

Gabriela Drastichová,
Director, Nadační fond
Českého rozhlasu

We help people impacted by various types of catastrophe by ensuring supplies of drinking water in cooperation with the Czech Red Cross.

Project

This project originated in accordance with the Coca-Cola HBC – Youth Empowered international strategy, which Coca-Cola HBC Česko a Slovensko brings to the Czech Republic in cooperation with its strategic partner Nadace Terezy Maxové dětem.

The goal is to mediate skills training followed by work or work experience for disadvantaged young people and to create conditions essential for successful job seeking and retention. The project operates on the principle of a social personnel agency, where based on professional diagnosis experts carefully select suitable candidates for selected jobs, contact the employers and accompany the clients throughout the process of adaptation to the new work environment.



**To
dáš!**
You can!

"One of the key priorities of the Nadace Terezy Maxové dětem foundation is the employment of young people from children's homes and their preparation for live outside the institution. Young people are one of the most vulnerable population groups. I am therefore glad that thanks to the partnership with the To dáš! project we can, together with Coca-Cola HBC Česko a Slovensko, be supporter, guide, adviser and assistant on this difficult path towards a satisfied and independent life."

Terezie Sverdlinová
Director,
Nadace Terezy Maxové dětem

Cooperation with schools



JOB FAIRS IN THE CR

Šance – University of Economics,
Prague job fair, Czech University of Life
Sciences job fair – workshop for 30
students



JOB FAIRS IN THE SR

Profesia Days Bratislava, Night of
Chances – Comenius University
in Bratislava



Excursions for students to the production facility in Prague-Kyje:
in 2017 we hosted 1 000 students and teachers.



Around 40 students in the 3rd to 5th years of study at VSB – Technical
University of Ostrava worked on projects with the theme of launching
a new product to market.



Czech Students' Union Top Employers 2017 survey: Coca-Cola HBC
Česko a Slovensko came in 2nd place in the category consumer industry.

For secondary schools, grammar schools and universities we provide excursions
to the production facility in Prague-Kyje. In this we are following on from the
experience of past years, when over 10 000 pupils and students from all over the
Czech Republic visited our facility.

Our responsibility is to educate not only our employees, but also young people –
future talents and professionals on the job market. Students who are healthily
ambitious, proactive, and enthusiastic to apply their knowledge in practice can find
temporary work in our company. We are glad if, after graduating from university,
they become full-time employees in specialist positions, or decide to participate
in our trainee program.

Our cooperation with universities dates back to 2008. We focus on universities
with an economic and technical focus, but also fields like the food industry, tech-
nology and safety. At job fairs we present our company from the perspectives of
HR, marketing, production and sales, and colleagues and trainees directly share
their practical experience with students.

Volunteering by our employees



Charity breakfast



2017 witnessed the first ever charity breakfast, where employees prepared food and then served it to others. The proceeds came to CZK 10 000, while our company then doubled that amount. That meant that together we helped girls cared for by Nadace Terezy Maxové dětem: we helped Zdeňka to purchase a hairdresser's case and Stáňa to purchase a course in England.



November

November is traditionally "moustache month" with 20 colleagues participating. Through our joint efforts we succeeded in collecting a contribution of CZK 8 743, which the company again doubled. All the money was sent to support prostate cancer research.

Healthy lifestyle

We support health and well-being because we believe that these are key areas for our business and also for the communities in which we operate. We support an active lifestyle for our employees and consumers at sports events that take place in various locations throughout the Czech Republic and Slovakia.

100

employees took advantage of the extensive offer of examinations on the corporate Health Day

507

employee and their family members ran in the Teribear hýbe Prahou (Teribear Moves Prague) project

6

colleagues entered the Doksy Race triathlon, and 8 footballers represented our company in the Nielsen Football Cup tournament in the autumn of 2017



Teribear hýbe Prahou

507 employees, their partners and children came to Vítkov in Prague in the autumn of 2017 to support the project Teribear hýbe Prahou by Nadace Terezy Maxové dětem through movement. Together they ran 6 325.2 kilometres, which is almost three times more than in the previous year. In the teams' competition they came in 4th out of 464 participating teams. In the companies' competition our company even came 2nd. Our company thus contributed CZK 316 260 to the foundation through running and another CZK 95 400 through chip purchases.

Health Day

We have regularly held Health Day for employees since 2008. Around 100 employees participated in 2017, and had birth marks examined or carpal tunnels treated, took advantage of nutrition consultation, participated in a first aid course, attended an ergonomic seminar and learned more about oncological prevention.



INFORMATION ABOUT THE REPORT

This report was prepared for the 2017 calendar year by Coca-Cola HBC Česko a Slovensko for the Czech Republic and Slovakia.⁽³⁾

We operate a production facility in Prague-Kyje and a range of sales and distribution centres.

Visit us

cz.coca-colahellenic.com/cz/

Our company website contains the latest reports and stories relating to our business and communities.

The following contact details are available for any questions or suggestions you might have



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(3) Originated through the merger of the companies Coca-Cola HBC Česko a Slovensko, s. r. o., registered office Českobrodská 1329, 198 21 Prague 9 - Kyje, Czech Republic, Company ID Number: 411 89 698, entered in the Commercial Register maintained by the Municipal Court in Prague, file ref.: C 3595, established and existing pursuant to Czech law ("Successor Company"), and Coca-Cola HBC Česko a Slovensko, s. r. o., registered office Tuhovská 1, P.O. Box 37, 831 07 Bratislava, Company ID Number: 31 340 628, entered in the Commercial Register of the Bratislava I District Court, section: Sro, inset: 4201/B ("Dissolving Company"). After the merger of the business activities, the Successor Company operates in Slovakia through its branch: Coca-Cola HBC Česko a Slovensko, s. r. o. – organizačná zložka, correspondence address: Tuhovská 1, P.O. Box 37, 831 06 Bratislava, Company ID Number: 50 252 160, entered in the Commercial Register of Bratislava 1 District Court, section: Po, inset 3293/B. The branch was established by Coca-Cola HBC Czech Republic, s.r.o. on 22 March 2016, while since 1 February 2017 the trading name of the branch has been Coca-Cola HBC Česko a Slovensko, s.r.o. – organizačná zložka.

			Detailed data where reported			
Area overview	Detail	Information	CR		SR	
			2016	2017	2016	2017
Company profile	About the company	In the report with a description of the merger process and the facility closure in the section About us at the end of the report				
	Ownership structure	In the report in the section About us				
	Composition of the top management (diversity)	In the report in the section About us				
	Our economic benefit	In the report in the section About us, tax and contribution overview				
	Products	In the report in the Our products section				
Sustainability in the core of our business	Our values and vision	In the report in the section Sustainability in the core of our business with a link to Coca-Cola Company: 2020 Sustainable Commitments				
	The company approach to sustainability	In the report in the section Sustainability in the core of our business with a link to Coca-Cola Company: 2020 Sustainable Commitments				
	CSR management	In the report in the section Sustainability in the core of our business with a link to Coca-Cola Company: 2020 Sustainable Commitments				
	Awards received	In the report in the section Sustainability in the core of our business				
Supplier chain	Scope, changes, rules for suppliers	In the report in the section Sustainability in the core of our business with a link to Coca-Cola Company: 2020 Sustainable Commitments				
Materiality and scope of the report	For which company the report has been compiled	In the section Information on the report				
Stakeholder dialogue	Stakeholder involvement	In the report in the section Sustainability in the core of our business with a link to Coca-Cola Company: 2020 Sustainable Commitments				

Economic aspect

Detailed data where reported

Area overview	Detail	Information	Detailed data where reported			
			CR		SR	
			2016	2017	2016	2017
Corporate Governance, Ethics, Anti-corruption Measures	Main company ethical rules and values	In the report in the section Main company ethical rules and values				
	Protection of economic competition	In the report in the section Main company ethical rules and values				
	Method of addressing ethical complaints	In the report in the section Main company ethical rules and values				
	Unions and collective bargaining	In the section Employees				
	Incidents	In the section Employees (CR + SR), 2 measures adopted	0	5		
Product Safety/ Consumer Health	Complaints/disputes with consumers	No incidents in 2017				
	Food safety labelling	In the report in the section Our products				
	Labelling	In the report in the section Our products				
Communication with Consumers	Ethics, rules	In the report in the section Our products				
Responsible marketing		In the report in the section Our products				

Company

Detailed data where reported

Area overview	Detail	Information	Detailed data where reported			
			CR		SR	
			2016	2017	2016	2017
Community	Managing the impact of activities on local communities	In the report in the section Company and community support				
	Social activities	In the report in the section Company and community support				
	Cooperation with schools	In the report in the section Company and community support				
	Volunteering	In the report in the section Company and community support				
Health	Activities contributing towards a healthy lifestyle	In the report in the section Company and community support				




Environment

Detailed data where reported

Area overview	Detail	Information	Detailed data where reported			
			CR		SR	
			2016	2017	2016	2017
	Our goals	In the report in the section Environment				
Energy	Consumption in the company	Detail in the report in the section Environment	161 766 161	167 771 092	Production ended 5/2016	
	Consumption outside the company		N/A	N/A	N/A	N/A
	Energy portfolio	Production in the SR ended	100 % from renewables	100 % from renewables	Production ended 5/2016	
	Consumption per selected unit (litre of drink)	Production in the SR ended	0,55	0,56	0,59	Production ended
	Activities reducing energy requirements	In the report in the section Environment				
Emissions	Direct emissions of greenhouse gases (GHGs)	Direct GHG emissions mainly come from energy used in bottling plants and from the use of the vehicle fleet				
	Indirect greenhouse gases (energy)	Origin in raw materials and cooling appliances				
	Other GHGs		N/A	N/A	N/A	
	Gas ratio per litre of drink produced	Detail in the report in the section Environment	83	30	Production ended 5/2016	
	NOx, SOx		N/A	N/A	Production ended 5/2016	
Logistics	Our fleet (number of vehicles)	Detail in the report in the section Environment	367	380	125	126
	Fuel consumption (l)	Detail in the report in the section Environment	873966,85	703754	265805,83	252137
	Fuel consumption (l/100 km)	Detail in the report in the section Environment	5,76	5,75	5,47	5,74
Water	Total water consumption per litre of drink	Detail in the report in the section Environment	1,72	1,7	Production ended 5/2016	
	Percentage/quantity of recycled and reusable water		N/A	N/A	N/A	N/A
Packaging	Packaging and recycling	Detail in the report in the section Environment	4 227 073 012	3 915 889	Production ended 5/2016	
	Plastics/sustainable PET bottles	In the report in the section Environment				
	Cans, glass	In the report in the section Environment	77 %	77 %	62 %	62 %
	% of recycled packaging	Detail in the report in the section Environment	90,67 %	95,49 %	94,54 %	N/A
Waste	Waste production g/litre of drink produced	Detail in the report in the section Environment	15,8	13,6	16,2	Production ended
	Total volume of dangerous waste	Detail in the report in the section Environment	531172	989670	Production ended 5/2016	
	Waste minimisation and recycling	In the report in the section Environment				
Materials	Quantity of materials used	In the report in the section Environment				
Biodiversity	Monitoring and protection of diversity in facility sites	In the report in the section Environment				
	Activities protecting biodiversity	In the report in the section Environment				

Employees

Detailed data where reported

			CR		SR	
			2016	2017	2016	2017
 Area overview	 Detail	 Information				
Our approach		In the report in the section Employees				
Employee engagement	Study	Detail in the report in the section Employees (CR + SR)	77	80		
	Number of newly recruited employees		164	266	37	50
	Number of employees who left for ML/PL		45	47	15	9
	Number of employees who returned from ML/PL		6	7	0	1
	Absence WITHOUT sick days		4894	4641	1006	706
Cooperation with unions		In the report in the section Employees				
Occupational health and safety	Injury statistics	OHS 2017 CR + SR, injuries less than 3 days	14	4		
		OHS 2017 CR + SR, near misses	804	739		
		OHS 2017 CR + SR, Walk the Talk	177	245		
		OHS 2017 CR + SR, ToolBox Talks	34	182		
		OHS 2017 CR + SR, removing near misses	679	20		
		OHS 2017 CR + SR, Fatal injuries	1	0		
Employee education	Activities and training	In the report in the section Employees				
	Number of hours of training/education		18 914	19 640	5046	4174
	Activities to support skills development	In the report in the section Employees				
Career development	Activities to support career development	In the report in the section Employees				
Diversity and equal opportunities	Employee statistics and distribution	Number of men	521	541	129	94
		Number of women	287	298	62	64
	Equal approach and anti-discrimination	In the report in the section Employees				
Addressing complaints	Tools for addressing complaints	In the report in the section Employees				
Human rights	Screening supplier/investments (CAPEX) and respect for human rights	Sustainability in the core of our business				
	Child and forced labour	Part of our policy, more in the sections Employees and Sustainability in the core of our business	0	0	0	0