



**Sustainability Report
2020**

OUR YEAR 2020 IN THE CZECH REPUBLIC AND SLOVAKIA



INTRODUCTORY WORD



410 million litres of beverages produced and sold

**17% of production is intended for export
to 19 countries**

981 employees

60,000 customers

**2 production plants, 4 distribution centres,
13 distribution branches**





We invested almost EUR 77 m in our development and innovation in 2017 – 2020



We supported the heroes of the fight against the coronavirus and we supported nearby communities with drinks worth more than EUR 1 m, as well as an investment of USD 450,000.



Compared to 2018, we reduced our carbon footprint per litre of beverage produced to half.



We exchanged service vehicles for models that use a CNG drive.



We helped start-ups dealing with climate change to grow.



We reduced water consumption to 1.61 l/litre of beverage produced.



In Prague 14 and in the Broumov District we care for the water in the countryside.



We use up to 100% recycled ingredients to make our bottles.



Our plastic packaging is 100% recyclable.



By making the bottles lighter, we save about 650 tons of plastic waste per year.



The Dow Jones sustainability index, a leading global sustainability indicator, rated Coca-Cola HBC the most sustainable beverage company in 2020. This is the fifth time in seven years that we have occupied first place in the world and the tenth year in a row that we have been among the top three companies. This placing is a confirmation of our results in the field of sustainability, which are recognised by other respected rankings in the field in question, such as MSCI ESG, CDP Climate Disclosure and the FTSE4Good Index.



The CZECH TOP 100 agency included us among the 2020 Admired Czech Companies and awarded us the title HERO OF THE FIGHT AGAINST CORONAVIRUS in the Czech Republic and Slovakia.



Once again, the expert panel of the Business for Society Alliance ranked us among the most responsible companies in the Czech Republic in 2020 and gave us the 2019 TOP RESPONSIBLE LARGE COMPANY award.



We came second in the consumer industry category in the Top Employers poll and fourth in the prestigious Best Employer poll in Slovakia.

OUR PILLARS OF SUSTAINABLE DEVELOPMENT



Emission Reductions and Care for the Climate



We are reducing the carbon footprint throughout our production chain, we make use of renewable energy, we support climate responsibility projects

[READ MORE >](#)



Care for Water and Water Sources



We are reducing water consumption in the production process and taking care of and protecting water sources in all locations where we are active

[READ MORE >](#)



World Without Waste



We supply the market with 100% recyclable packaging, we are increasing the share of recycled materials in them and making them lighter, we support activities for correct waste disposal

[READ MORE >](#)



Securing Resources – Cooperation with Suppliers



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

[READ MORE >](#)



Nutrition and Health



We are updating our portfolio to meet the latest trends and consumer needs, increasing the share of non-caloric products and transparently stating the nutritional values on each bottle



Our People



We apply a diverse and inclusive approach to the development of our company, we care for the health and comfort of our employees



Community and Neighbours



We educate the young and disadvantaged, we support the communities around us, we ensure good neighbourly relations in the locations where we are active



EMISSION REDUCTIONS AND CARE FOR THE CLIMATE



Being aware of the impact our activities have on the environment, we endeavour to find sustainable solutions to current climate challenges.

In accordance with the group's environmental policy, we are:

- reducing energy consumption at our operations;
- using alternative or renewable energy sources;
- limiting our carbon footprint and supporting responsible projects;
- reporting emissions, actual results and activities related to greenhouse gases, in accordance with the Greenhouse Gas Protocol.

Did you know...?



In 2020 we managed to **reduce the carbon footprint**, calculated per liter of beverage produced, by half compared to 2018?



Less emissions in our operations

We are committed to reducing direct carbon emissions in our operations by 30% and that 50% of the total energy used in our plants will come from renewable and clean sources by 2025. We have implemented an internationally recognized environmental management system (ISO 14000) and an energy management system (ISO 50001) in all operations.

100 % of electricity from renewable sources

We purchase 100% of the electricity for the production plant in Prague from renewable sources.



We lend **energy-efficient refrigerators** to our customers. They are **57% more economical**, use new coolants and do not contribute to global warming. Our iCoolers saved 72 tons of CO₂ in 2020. We only monitor NO_x emissions in the operation of the boiler room, which is only used in the Czech Republic as a backup source in the event the external heat supply is interrupted.

16.25 g CO₂/litre of beverage produced

In 2020, we reduced the CO₂ per litre of beverage produced to 16.25 g, i.e., to half of the value for 2018. We are continuing in this trend (2019: 23.59 g; 2018: 32 g).

0.37 MJ/litre of beverage produced

Thanks to innovations and the modernisation of production lines at the Prague plant, we have reduced energy consumption to 0.37 MJ/l. At the Natura plant, we consumed 0.28 MJ/l in 2020. This has meant a reduction in consumption to less than half since 2008.



Our customer service is based on direct contact in individual premises.
We used 480 cars for administrative and commercial purposes in 2020.

Consumption of 5.93 l/100 km

We are attempting to achieve efficient travel and therefore the most efficient consumption by our cars. In 2019, it was 5.67 l/100 km, which is 10% less than in 2012. Consumption by cars in 2020 rose to 5.93 l/100 km with regard to the change from diesel drive units to petrol ones.

Prague vans have already saved 13.2 tons of CO2

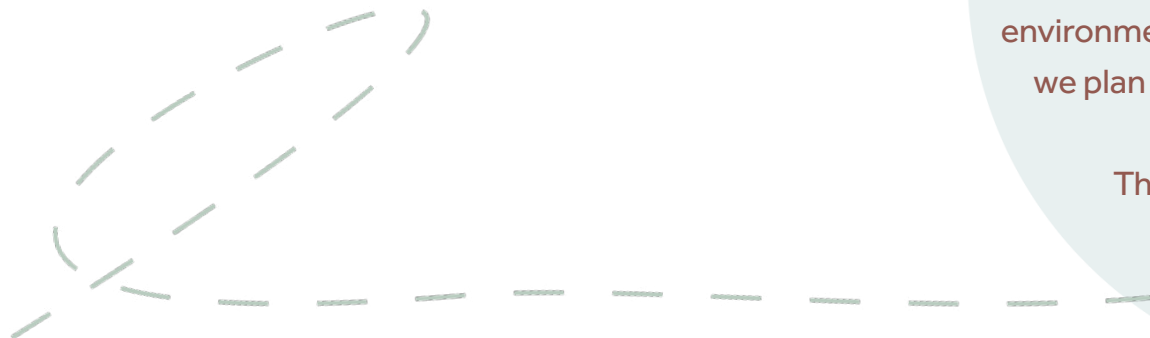
We have been using a total of 10 new Mitsubishi hybrid vehicles to make deliveries in Prague since December 2019. In connection with the shortage of drivers, we decided to create our own team of 12 drivers instead of using external carriers. By February 2021, our vans had travelled 200,000 km and saved 13.2 tons of CO2.

New fleet of CNG service vehicles

S vedomím dosahu našej činnosti na životné prostredie sa snažíme nachádzať udržateľné riešenia pre súčasné klimatické problémy naozaj v každom oddelení. CNG tak vyhralo nielen pre svoje vlastnosti, ale najmä práve vďaka dosahu na životného prostredie.

What we plan by 2021:

Environmentally-friendly transport should, in 2021, bring a further reduction in CO2 emissions by up to 11% for vehicles up to 3.5 t. In addition, according to available information, CNG cars are more environmentally-friendly than electric cars. Within 3 years, we plan to replace the rest of the car fleet with a more environmentally-friendly alternative. Thus, by 2030, its emissions will fall by 55% in comparison with 2017.



WE SUPPORT PROJECTS DEALING WITH CLIMATE CHANGE

One of the most successful acceleration programmes dealing with climate change is the **Climate Challenge**; its second year took place in 2020 and we had the opportunity to be its partners through The Coca-Cola Foundation.



What is the Climate Challenge?

It is a year-round acceleration competition. All the selected projects from the Czech Republic and Slovakia that pay attention to the causes or impacts of climate change, environmental topics or the circular economy obtain comprehensive support over the course of a year. Examples of support could be, for example, individual mentoring, which takes place throughout the acceleration in the form of workshops on specific topics (such as law, marketing, finance and accounting). The projects also include mastermind meetings, where people can learn the other participants' know-how and share their experiences and contacts. They include meetings with prospective investors and corporate partners of the programme, such as Veolia, The Coca-Cola Foundation, Heineken, Nestlé and the Circular Economics Institute. The Climate Challenge transformed into an international project with the new name ClimAccelerator in 2020.

Petr Vitek, Impact HUB

"The climate crisis is probably the largest global problem that humanity has ever faced. It is also a huge business and value opportunity to transform our economy and our relationship to the countryside. We only have hope for success if the changes at the top in the field of regulation and self-regulation in the public sector and large companies are supplemented by functional innovation from below. And this is what the Climate Challenge is for."



CARE FOR WATER AND WATER SOURCES



Water is a key resource for us, which is why we openly communicate the total water consumption in our company, calculated per 1 litre of beverage produced.

1.61 l of water for a litre of beverage produced 



Thanks to our investments, the construction of new production lines and modernization, we are able to continue the trend of reducing water consumption in the production process. The water consumption per litre of beverage produced in 2020 in Prague was 1.61 l/litre of beverage produced.

At the Natura plant, we consumed 1.45 l/litre of beverage produced. The reason is the installation and testing of technology and renewal of production under a new brand.



Since 2015, we have held the European Water Stewardship (EWS) gold certificate, which is about the protection of water resources and is supported by EU policy. In 2020, we smoothly went over to a new methodology in accordance with the **AWS (Alliance for Water Stewardship)** standard. It is a tool for assessing and motivating towards the more efficient use of water and the influence on the community. The relevant programme focuses not only on technological and organisational management of water preventing waste, but also the company's influence on surrounding communities where it supports mutual cooperation. In the AWS, we obtained the **Gold Standard** in 2020, which is awarded to production plants and companies that meet all the main requirements from six areas of assessment.



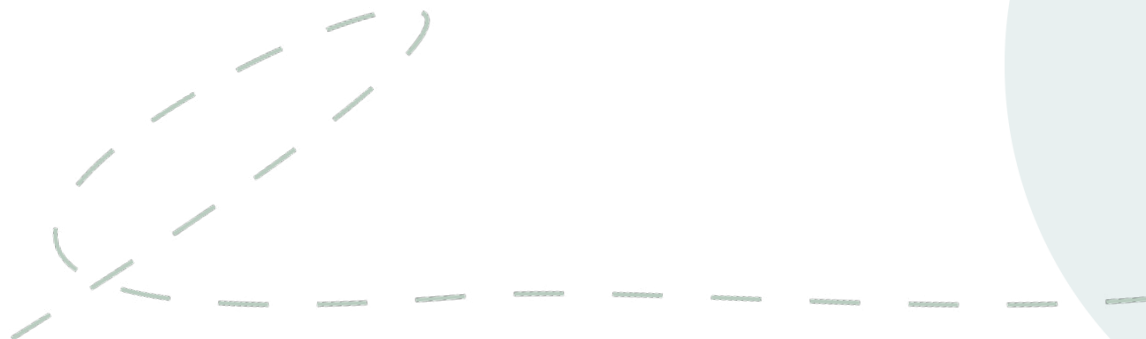
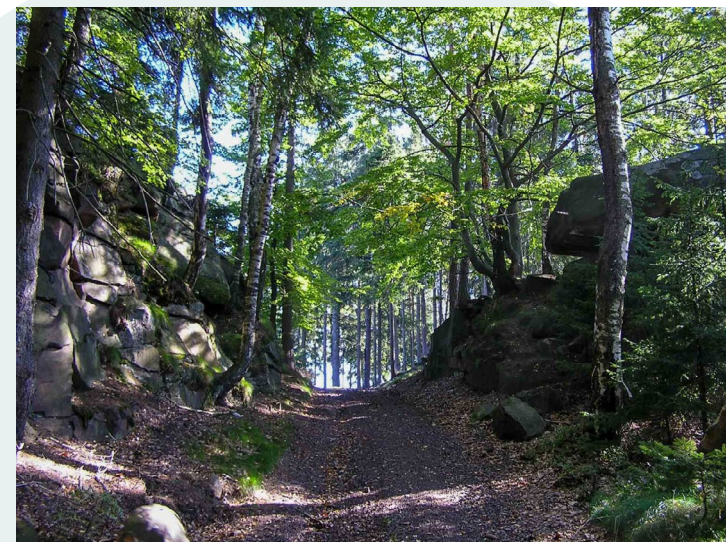
Coca-Cola HBC Česko a Slovensko obtained the prestigious TOP Environmental-Responsible Company award in 2018 for the Minimum Water Footprint of Drinks project.



WE RETURN WATER TO NATURE

In Prague – Kyje we capture rainwater and return it to the countryside. This contributes to the natural cooling of the district (which has significant concrete development), biodiversity and effective use of rain to strengthen underground water. By returning water to the countryside, we also save on the costs of necessary rainwater cleaning. When constructing a new autonomous warehouse, we preferred to build a **dry polder** rather than a traditional honeycomb tank where rainwater is sent to a sewer line. The polder will retain rainwater from most of the plant's premises. The system uses a dry polder that is directed through its managed outflow with a retention volume of 670 m³ into a **marsh** with an area of 2,802.4 m². Thanks to this system, the retention of water will be ensured not only in the local area, but also in Hostavice Pond. In addition, the work group managed to reduce the investment and operating costs of the whole system.

In the **Broumov District**, we are supporting a project called **Adaptation of the Landscape to Climate Change**. The strategy arising based on this project will define a long-term approach leading to the renewal of the basic way water moves in the countryside, increased water retention in catchment areas, anti-flood protection of the landscape and an increase in biodiversity.



WORLD WITHOUT WASTE



As part of the World Without Waste initiative, together with The Coca-Cola Company we undertook that by 2025 we will have our entire beverage portfolio in 100% recycled packaging locally and by 2025 we will use 50 % recycled material in our bottles. We have met the obligations for the recyclability of packaging and the share of recycled material in tins and glass in our production plants in the Czech Republic.

Did you know...?



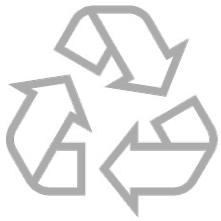
Thanks to the lightening of bottles, we will save **up to 650 tons of plastics per year** in the Czech Republic and Slovakia?



What we plan by 2021:

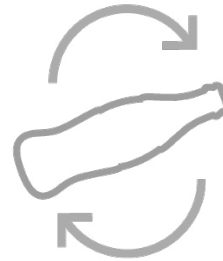
We look forward to Natura in bottles made from 100% recycled material

With the new Natura PET bottle produced from 100% recycled material that we are marketing at the start of 2021, you no longer have to worry that you will increase plastics consumption. Thanks to a unique technology, the bottle is produced from existing PET material and simply does not create additional plastic waste. This means Natura waters provide a link between unique spring water and bottles that are environmentally-friendly. During the year we will also market new packaging for Römmerquelle water, also produced from 100%.



15.3% of recycled material in packaging

Our long-term aim is to increase the share of the recycled element in packaging, in particular in PET bottles. We used an average of 15.3% of recycled material in the production of new plastic bottles in the entire portfolio in 2020. Thanks to the pandemic measures on the market and restriction of the selected production, this share fell slightly compared to 2019. Since 2021 we have significantly increased this share thanks to the movement of the portfolio of Natura and Römmerquelle waters to packaging produced from 100% recycled material.



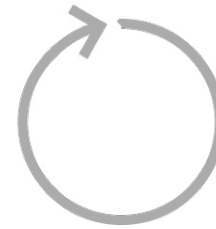
100% recyclable packaging

All our packaging is recyclable, i.e., usable for further processing. In the Czech Republic we are involved in the EKO-KOM integrated system and in Slovakia we are part of ENVI-PAK. According to these companies' data, the degree of sorting of drink packaging is 82% in the Czech Republic and 78% in Slovakia.



650 tons of waste saved

As part of packaging policy innovations, we are lightening our packaging. In the previous period the lightening concerned primarily bottles with volumes of 0.5 l; 1.0 l; 1.25 l and 1.75 l. The weight of PET bottles fell on average by 13% and thanks to this there will be approximately 150 tons of plastic waste less in the Czech Republic and 150 tons less in Slovakia every year.



99.8 % share of recycled waste

At the Prague production plant, we increased the share of the recycled waste from 52% in 2009 to 99.8% in 2020. Moreover, we are reducing the share of waste produced per litre of beverage produced: from 22 g/l in 2008 to 6.84 g/l in 2020. In the Natura production plant, we achieved a share of only 1.14 g/l.



The Jizera is clean again

The Jizera River is a water course from whose catchment area we obtain water for our production plant in Prague. This is why we are a regular partner of the Clean Jizera River event, which hundreds of volunteers are involved in. They clean the whole 167 km of this beautiful river every year. Despite the coronavirus restrictions and the impossibility of organising mass events, more than 1,250 volunteers, including our colleagues, got involved in cleaning in the autumn of 2020. Around two tonnes of waste, as well as 550 tyres, were collected.



**Uklidme
Česko**

Let's Clean up Czechia together

Coca-Cola's aim is, by 2030, to collect and recycle every bottle and tin that our company sells. It is an obligation that is not simply performed from one day to the next, so this year we decided to go out with the other volunteers and put our shoulder to the wheel. After our multi-year active involvement as the Coca-Cola system, we are becoming a proud partner of Let's Clean up the Czech Republic for 2021.



SECURING RESOURCES – COOPERATION WITH SUPPLIERS



Certifikace Rainforest Alliance

The RFA is an international non-profit organisation that works to create a better future for people and the countryside and that calls on others to do business responsibly. Only around 6% of coffee comes from farms certified by the Rainforest Alliance. Costa Coffee obtained a certificate in 2008 not only for its coffee, but also its chocolate. An RFA certificate was also obtained by our FUZETEA ice teas.

We work with almost two thousand suppliers, most of which come from the Czech Republic and Slovakia. 100% of our strategic suppliers have signed the Guidelines for Cooperation with Suppliers. In the context of these principles, we are particular to cooperate with those who share our values in terms of their attitude towards environmental protection, respect for human rights and a responsible approach to people, as well as occupational health and safety.

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

The Coca-Cola HBC Group as a whole does not use ingredients or additives that are genetically modified or come from genetically modified organisms in any of the 28 countries where it operates. Here is a link for those who are interested in more information: [Genetically modified organisms](#)

NUTRITION AND HEALTH



We experience with our customers everything they are interested in, support their active lifestyle and try to offer them beverages that meet their ideas of a balanced drinking regime. In 2020 we therefore reduced the share of sugar in our drinks and paid attention to our obligations for responsible marketing and sales.



Almost a quarter of the portfolio is ZERO

Our consumers have the option of choosing a sugar-free alternative in every soft drink product line. The share of sales of sugar-free beverages in the entire portfolio is 21.9%. Our plan for 2021 is to get to a 25% share of ZERO products sold from the total volume of drinks sold. Inter alia, this is thanks to the launch of the Natura range of flavoured waters without sugar and sweeteners.



We're responsible to children

We undertake to perform only responsible marketing through our membership in the European beverage association UNESDA and we will comply with the following voluntary obligations: We do not perform marketing focused on children younger than 12; we avoid advertising directed at children to convince them to get their parents to buy our products. Also, we do not offer sweetened soft drinks, ice teas and energy drinks at primary and secondary schools. Our coolers at schools may not contain any promotion for drinks, their stickers are neutral and only call on people to stay hydrated.



Jiří Pražan, Association of Soft Drink Producers

"Every four years, the World Health Organisation (WHO) organises an HBSC Study (Health Behaviours in School-aged Children) to examine the health and behaviours of school-aged children. The last survey performed in 2018 and published in 2020 confirmed that in 2006 32% of Czech schoolchildren aged 11 to 15 drank soft drinks daily. Since then, the number has fallen to 14%. The Association of Soft Drinks Producers greatly appreciates the long-term active and thorough compliance with voluntary obligations by its leading member - the Coca-Cola system - concerning responsible commercial practices and marketing for children up to 12 years of age in a school environment. We are convinced that this approach has had a positive effect in the results of the stated study in the Czech Republic."

We believe that people should easily find clear nutritional information on all our packaging. Labels on beverages therefore clearly state the content of calories, sugars, fats, saturated fats and salt, both in absolute terms and as a percentage of daily intake. These data are presented on the individual packages as a proportion of a healthy diet and help consumers to understand the exact share of a particular drink in their daily intake of energy (calories) and sugars.

Energie	Tuky	SFA	Cukry	Sůl
148 kcal 619 kJ	2.7g	0.5g	18g	0.1g
7%	4%	2%	20%	1%

OUR PEOPLE



CZECH REPUBLIC

269 women

568 men

Employee satisfaction index 84



SLOVAKIA

50 women

94 men

Employee satisfaction index 88



We value the skills and expertise of our employees and together with them we create a work environment that motivates them and gives them interesting opportunities to develop, grow and build their own careers.

We are a signatory of the Charter of Diversity in the Czech Republic and Slova

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

We believe that gender-balanced teams working in an inclusive environment are more productive, more innovative and achieve better results. We are reviewing our practices and make sure that our recruitment campaigns address everyone equally. We are also creating a comprehensive leadership development programme that will enable our leaders to build a diverse work environment in which everyone can feel at home.

We listen to our employees' voices

We respect the right of employees to join the Employees' Council, which mediates the dialogue between employees and the company's management. The Council in the Czech Republic and Slovakia represents all departments of the company and meets at monthly intervals. Last year, in addition to these regular meetings, we introduced extraordinary meetings of the Employee Council in a three-week cycle at which the company's HR Manager was a regular guest. These extraordinary meetings reflected the dynamism of measures relating to employees with regard to the epidemiological situation in both countries. The employer's aim is always to protect the health and safety of its employees and their families.

Extensive range of benefits for our employees

We offer non-financial benefits as well and our employees may also invest in employee shares or get discounts for various recreational and wellness stay programmes. Anniversary gifts and parties are the reward for faithful employees every five years.

Staying hydrated at the workplace and at home is a matter of course for all our colleagues, at the current time we are also distributing disinfectants, masks and vitamins.

Assistance line for employees and their families

With regard to the demanding challenges of 2020, we started an assistance line for our employees and their families. Our Employee Assistance Programme arranged by Morneau Shepell is confidential support that can help deal with a wide spectrum of problems in life. The EAP offers fast and qualified support that is available 24/7.

Did you know...?



In 2020, we organized the **Management Challenge** student challenge for the **third time**?



Internal University Learning Labs

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

In November 2019, Learning Labs acquired the prestigious Prize of the President of People Management Forum in the framework of the HREA Excellence Award for the best projects in the field of development of human resources.

The Learning Labs courses in 2020 were conducted by 37 internal lecturers, who presented 79 courses for more than 700 participants. There were more than 16,000 hours of development courses in 2020 as a part of the company education.

Management Challenge

We have already created 6 real case studies that four universities included directly in their study plans and thus enriched them with examples from the real business world. We also offered these case studies to all university students in the Czech Republic and Slovakia to resolve in cooperation with the JA Alumni organisation.

The event represents a bridge between academia and the world of internationally successful business. Within the challenge, the student teams are asked to draft an empirical case study. Those that succeed have the opportunity to win one of many interesting prizes, such as a day with a Coca-Cola HBC manager, a financial reward, a WOW experience of their choice or our beverages. Over 1,800 students got involved in twenty webinars arranged in cooperation with Czech and Slovak universities. They had the opportunity to meet our top managers and learn, for example, about our sustainable business or marketing strategies. A total of 17 teams sent us drafted case studies and 11 of them went through to the final. This year was the first year the whole competition was held online and we were pleased at the high student attendance.

We came second in the consumer industry category in the Top Employers poll and fourth in the prestigious Best Employer poll in Slovakia.

The **TOP Zaměstnavatelé** study is a project of the Association of Students and Graduates that takes place among Czech university students. It is realised in cooperation with the prestigious research agency GFK, universities, student organisations and corporate partners.

The **Best Employer** poll is a prestigious survey organised by Profesia. The aim is to provide a realistic view of applicants and potential employees in Slovakia about the company's image.

COMMUNITY AND NEIGHBOURS



We share our experience with others, our aim is to support young people, communities and individuals and help create life, according to their ideas.

To dáš! – we help young people to succeed and grow

In the To dáš! project, we support the self-confidence and self-worth of young disadvantaged people by providing training or organising motivational workshops that increase the necessary knowledge in the field of further self-education, finding job opportunities and starting an independent life.

The project was created in accordance with the international strategy of Coca-Cola HBC – Youth Empowered, which we brought to the Czech Republic in cooperation with the Tereza Maxová Foundation back in 2017. In 2018, we invited the Czech branch of the International Coach Federation to work with us and we expanded the project by focusing on secondary school students. In 2019, we presented the project, together with our getCLIENTS partner, in Slovakia. In addition to involving partners, employees also take part in the project. As part of expert volunteering, more than 30 colleagues give lectures in children's homes or schools.

To dáš!



1,718 project participants

With regard to the closure of schools and the impossibility of arranging mass lectures, together with our partners we moved our development activities into an online environment. Thanks to this, we managed to provide support and development to 1,718 young people in the Czech Republic and Slovakia.

Terezie Sverdlinová, Tereza Maxová Foundation

"We have been a proud partner of the To dáš! project from the start and greatly appreciate the opportunity to help one of the most vulnerable groups of people, young people from children's homes. We have seen dozens of stories with a good ending and others are yet to come."



WE'RE A GOOD NEIGHBOUR

We are constantly working on good relations with Prague 14 - the location of our Prague plant, and the Broumov District - the region where Natura spring water comes from. In both areas we try to create joint projects to support the development of the quality of life and sustainability.



In 2020, we were involved in the drafting of rules for sustainable events held in Prague 14, we invested in the purchase of returnable cups for such events and festivals for the borough. Our employees are members of the MA21 Commission for Public Involvement and working groups for sustainable development of the borough and climate adaptation. As support for the environment we, for example, supported the purchase of irrigation bags and the planting of trees in the territory of the borough. On the premises of our production plant, instead of a standard retention tank, we built a marsh system to hold rainwater and naturally cool down the surrounding area; it also helps the area's biodiversity.



In the Broumov District, where the NATURA production plant is, we are a partner of the Broumov District Adaptation to Climate Change project and we support cultural events such as Broumov discussions, the climbing festival and the Rally Sudety.

WE LIVE BY HELPING

Help for heroes worth more than EUR 1 m



With the arrival of measures against the spread of Covid-19, we quickly updated our plan for CSR activities and defined three clear priorities for protecting health, safety and also business. The first of these was to protect the health of our employees and then our customers. However, it wasn't just protective clothing or working from home, but also protecting the jobs/employment of all our colleagues.

[More information about our help and projects as a part of the fight against Covid-19](#)



The second priority was related to helping in hospitals, healthcare workers, ambulance workers and so on, where within three days we started our massive support and the supply of free drinks to all large faculty hospitals and offered help to all regional hospitals. Thanks to cooperation with The Coca-Cola Foundation, medical help was provided to the Red Cross in the form of a financial gift totalling USD 450,000. We also supported healthcare personnel through our customers, who cooked food for free for elements of the integrated emergency system.

[More information about our help and projects as a part of the fight against Covid-19](#)



The third priority that we set was assistance for communities in the form of the provision of bottles for disinfectants, the adaptation of drink vending machines into mask vending machines, supplying volunteer activities and massive support for the closed locations of Uničov, Litovel and others.

[More information about our help and projects as a part of the fight against Covid-19](#)



1,431 volunteer hours

In 2020, our employees continued to volunteer. We helped in volunteer associations, developed young people and helped trace risky contacts as a part of the Smart Quarantine project.



We also shine for the Firefly

We are a traditional partner of the Světluška (Firefly) Czech Radio Endowment Fund. We take part in Night Runs, deliver drinks to Café POTMĚ and refresh the performers at a Benefit Concert. We supported online activities and other fund activities in 2020.



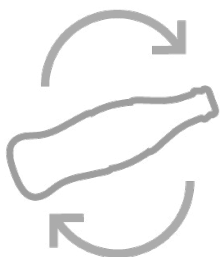
Teribear got more than just Prague Moving

The traditional Teribear Moves Prague charity run was also transferred to a virtual space and, thanks to this, to all corners of the world. Yes, the run also happened abroad too. One million kilometres was run with our traditional support.



Employee grants waiting for re-launch

We enjoy motivating our employees to participate in community life in all corners of the Czech and Slovak Republics. In 2019, we supported a total of 133 events in both countries through employee grants; they were attended by 33,982 people and we handed out drinks worth more than EUR 18,000 there. In 2020, with regard to the coronavirus restrictions and the impossibility of holding mass events, we were forced to suspend the programme, but we will re-launch it as soon as it is possible.



Beverages worth 308,000 for food banks

We have long-term cooperation with food banks in the Czech Republic and Slovakia. We therefore delivered beverages worth almost EUR 308,000 to the needy in 2020.



Foreword

"2020 was a challenge for all of us, but we still emphasized sustainability."

Dan Timotin, general manager



**OUR STAKEHOLDERS
AND MATERIALITY**

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ABOUT THIS REPORT

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OUR STAKEHOLDERS AND MATERIALITY



At Coca-Cola HBC, we deal with materiality issues every year. We try to find out how to deal with the opportunities and risks that the year brought. We pay attention to the correct prioritisation of the work that has the greatest impact on the economy, society and the environment.



The report published every year ([Integrated Annual Report](#)) by the Coca-Cola HBC group is in accordance with the principles of the International Integrated Reporting Council and is prepared in accordance with Global Reporting Initiative standards. We also regularly check our approach to standards, make constant improvements and use tried-and-tested procedures.

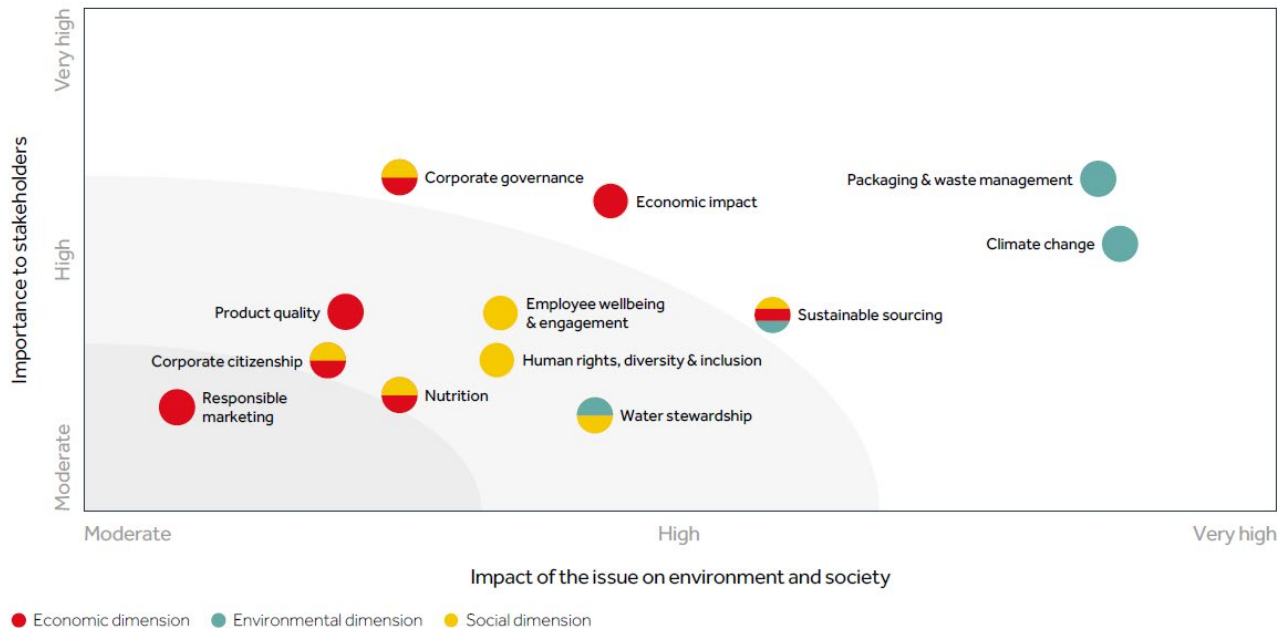
This year, for example, we improved the transparency of the information we provide to investors and other stakeholders and we expanded the volume of published information based on recommendations of the Sustainability Accounting Standards Board (SASB) concerning companies producing non-alcoholic beverages.

2020 THROUGH STAKEHOLDERS' EYES

Our material issues include topics that have an important economic, environmental and social impact or significantly influence our stakeholders' assessments and decision-making. At the end of 2020, as a part of the Coca-Cola HBC group, we realised the annual survey of materiality among almost 900 internal and external stakeholders. The survey was realised with The Coca-Cola Company for the first time and it is therefore a result of our whole Coca-Cola system. The survey's results show the rankings of materiality of individual matters. The survey compares the importance of the issue for our stakeholders together with the impact of the matter on society and the environment.

The COVID-19 pandemic greatly influenced how we and our stakeholders approach the importance of individual matters and had an influence on the distribution of individual topics. The economic troubles caused by the pandemic led to an increase in the importance of the economic impact and sustainable acquisition of resources. Fears for health and safety rose markedly, which increased the priority of good conditions and the involvement of employees. For the third time in a row, first place was occupied by packaging and waste management, closely followed by the impact on the environment.

2020 Materiality matrix





WHAT DO WE LEARN FROM OUR STAKEHOLDERS?

Understanding the needs and interests of our stakeholders – including our partners, customers, suppliers, members of the community and employees – helps us create the right Materiality Matrix over time. It is then a significant helper when developing a sustainable business strategy.

We actively look for opinions and insights from stakeholders:

- We hold an annual international Stakeholders Forum;
- We hold talks with key people with internal decision-making powers and with external partners;
- In ongoing fashion, we work with external stakeholders;
- We do research among our leading representatives from every position, country and the whole group, as well as with more than 500 external stakeholders nominated in our 28 markets;
- We take into consideration the list of material issues of The Coca-Cola Company and other bottling plants and food and beverage companies;
- We listen to feedback from the Group Risk Forum and all risk registers on our markets.

Management of our Materiality issues

The result of our Materiality survey is rankings of importance. By assessing the materiality of such issues for our stakeholders and their decisions in combination with an assessment of the impact of the relevant issue on the company and the environment, we derive the relevant materiality of each issue and we give it a priority in accordance with this. In connection with the process for determining priorities in our material issues, the operating committee arranges their full implementation in the overall strategy. This includes the determination and publication of aims and metrics for measuring progress.

We have linked our material issues with the sustainable development goals (SDG) that were set by the UN with the aim of achieving long-term growth and development by 2030. In 2018, when launching the Sustainability Mission 2025 we harmonised our obligations in the field of sustainability and our materiality issues not only with valid goals, but with all the relevant basic aims for each SDG.

HOW DO WE ASSESS MATERIAL ISSUES?

Our material issues are those that have the largest importance for our stakeholders and wider groups of shareholders and therefore have an impact on our company's value pillars, our competitive position and the creation of values over the long term.

Annual assessment

Our material matters are subject to an annual assessment, so that we can fully understand how to manage risks and the opportunities they present. Thanks to this, we can prefer topics that have the greatest impact on the economy, society and the environment.

Our annual evaluation of materiality is performed in four stages by a multi-disciplinary team that pays attention, in particular, to our Sustainability Mission 2025.

Stages:

- determination of material issues;
- assessment of impact on stakeholders or their significance;
- assessment of impact on society and the environment;
- review and confirmation of findings.

The steps to ensure that the management of material issues is successfully anchored in our strategy and business activities as such are performed by three groups in the whole Coca-Cola HBC Group.

- The Sustainability Mission 2025 team assesses the list of material issues and ensures that our approach to sustainability is fully in compliance with our business priorities;
- The committee for social responsibility, based on the Board of Directors' actions, subsequently approves a priority list of issues with a resulting materiality matrix;
- And finally, it is the duty of the operating committee to integrate our sustainability priorities into our business strategy.

For our annual materiality evaluation, we conduct an ongoing dialogue with our stakeholders, which include employees, consumers, customers, suppliers, communities, governments, non-governmental organisations, investors, business associations and, for example, academics. In addition to this, we monitor external trends and other industries, to see how our business' ability to sustainably grow over the long term is influenced.



ABOUT THIS REPORT

As the Coca-Cola HBC group, we publish a regular **Integrated Annual Report.**

We regularly report on the steps taken and results achieved in our sustainability commitments in the Czech Republic and Slovakia. We monitor and evaluate the needs and interests of our key partners and stakeholders.

The data entering the Integrated Annual Report and local Sustainability Report are verified by an **independent auditor, Denkstatt**. The last audit of results and data was performed by auditors in January 2021.

In this report, you will find information about our company for the year 2020.



We will be happy to receive your comments, feedback and questions

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