

MORE THAN NUMBERS:





Content

Welcome message | 3
About the report | 4

1. The Coca-Cola System in Romania

The Coca-Cola System | 6
History | 9
Key figures | 10
Economic performance | 11
Corporate governance | 12
Ethics and compliance | 13
Risk management | 15
Partnerships and affiliations | 18

2. Our mission: Sustainability

Growth story 2025 | 20
Our mission: Sustainability | 21
Awards | 24
Stakeholder engagement | 26
Priorities and material topics | 28

3. A company for all

Diversified portfolio. Reduced sugar content | 33
Responsible marketing | 35
Transparent labelling | 35
Product quality. Consumer health and safety | 36
Our plants | 38

GRI Content Index | 75

4. Our employees

Workplace | 41
Human rights | 43
Diversity and equal opportunity | 43
Training and performance | 46
Occupational safety | 48

5. Environment

Our strategy | 52
Water stewardship | 53
Packaging and waste | 55
Energy and emissions | 57
The environmental impact of Coca-Cola Romania | 59

6. Our partners

Suppliers | 61
Local community investments | 63



Welcome message

Dear friends,

The following pages showcase the activity and non-financial results achieved by the Coca-Cola System in Romania, between January – December 2019. It is the second year in a row when we achieve this, by reflecting the common operations of Coca-Cola Romania and Coca-Cola HBC Romania, that form the Coca-Cola System in Romania.

We kicked off 2019 with a series of ambitious goals in mind, all closely linked to our global and national commitments towards the sustainable development of our operations. Therefore, those goals represent *more than numbers*, as they describe our priorities for the coming years and the way in which we will continue to invest *together, for the future*: alongside our suppliers, customers, consumers and employees, for the well-being of the local communities and for a cleaner environment. We want to remain a reliable partner for all our stakeholders, building solid and lasting relationships based on respect, ethical behaviour and transparency in everything we do.

Those more than 1.1 billion litres of beverage produced in 2019 have once again proven that Coca-Cola products are at the top of Romanians' choices, reaching the home of millions of them. This honours us, but it also highlights the responsibility that lies in our hands, and that we are capable of sparking change.

Our long-term vision is to offer consumers the drinks they want through a diversified portfolio, suitable for any time of day and any lifestyle, from carbonated and non-carbonated drinks, including low-sugar or sugar-free options, to fruit juices and nectars, plant-based drinks and natural mineral waters.

Responding to consumers' needs and demands, the sugar content across our sparkling soft drinks portfolio decreased by 11% in 2019, compared to 2015, with sales of low- or no-calorie drinks accounting for 36.4% of the total volumes. At the same time, we continued investing in our product portfolio, launching in 2019 Smartwater, Lemonade by Cappy and, a global premiere brought to the Romanian market, Coca-Cola Specialty: a series of beverages bottled in collectible packaging, reintroducing the glass bottles used in the early 1990s.

We are the largest beverage producer in Romania and our operations require the use of a significant amount of resources, thus having an impact on the environment. The journey towards a sustainable way of life is long, we know that, and it will take time and consistent actions from all parties: companies, authorities, and civil society. Therefore, our priorities focus on developing solutions to accelerate the transition towards circular economy, to fight climate change and increase water stewardship. Together with our partners, we are addressing the plastics issue by fundamentally rethinking the way our products reach our consumers and the types of packaging we use. In 2019, 100% of Coca-Cola products packaging were recyclable and 12.97% of all PET used was made of recycled materials. Our efforts will continue both short-term, as in 2020 we already have the entire water portfolio bottled in rPET packaging, and long-term, to recover from the market the equivalent of all bottles and cans sold each year, by 2030. At the same time, the resource efficiency measures we implemented in 2019 had visible results, water consumption intensity

decreasing by 1.8% and energy intensity by 2.5%, compared to the previous year.

We strongly believe that it is everyone's responsibility to leave a better world #afterus, for the generations to come. This way, we contribute to the creation of a sustainable tomorrow while taking action to improve the wellbeing of the communities we operate in. As a result, in 2019, together with our NGO partners, we continued to invest in local community projects, directing over 5.8 million lei towards initiatives aiming to educate citizens on matters related to environmental protection and to raise awareness on the importance of waste separate collection, to empower the youth, and support women in their professional careers.

All of these were only possible thanks to the work of an extraordinary team of dedicated people, who enthusiastically strive to carry on the tradition and history of our 29 years presence in Romania. We are proud to have an organisational culture built on diversity, inclusion and equal opportunity and we constantly invest in programmes that support our employees' professional and personal development.

With all the great results achieved, we closed 2019 on a positive note, confident that we are on the right track. No one would have guessed then, that 2020 would bring along a series of unprecedented challenges and situations, with an uncertain evolution, difficult to anticipate. The coronavirus pandemic outbreak in March 2020 made us all stop for a moment. We were forced to rethink our priorities, to adapt to the new context and reflect on the future, being aware that the impact caused by this global crisis will be strongly felt, having deep consequences for us all.

However, beyond all the issues we are currently facing as a society, there are also reasons to remain hopeful. This period has proven, once again, how strong we are and how much we can achieve in a short period of time when we act together, united by a common goal. We are certain that we can overcome any challenges we face, looking at this difficult time as an opportunity. We are offered the chance to a fresh start, where the actions we take now will stand at the foundation of the new normal, a normal that we hope will find us kinder, more responsible, more open and more aware of the things that surround us and of the power of our actions. We #neversettle and will continue to be by your side every step of the way, for as long as it takes, because we know that things that really matter require time.





About the report

This is **the second sustainability report of the Coca-Cola System in Romania** and it presents non-financial performance indicators related to its operations in the financial year 2019 (01.01.2019 – 31.12.2019). The report is compliant with the provisions of the 2014/95/EU Directive transposed to Romanian legislation through the Order no. 1938/2016 of the Ministry of Public Finance and Order no. 3256/2018 of the Ministry of Public Finance. This report has been prepared in accordance with the **GRI Standards: Core option**.

The report includes information describing the activity of Coca-Cola HBC Romania and Coca-Cola Romania, presenting the economic, social and environmental impact of their operations in Romania. The materiality process undertaken in June 2020 represents the foundation of this report. Where relevant for providing a better overview of the general sustainability context, information applicable within the Coca-Cola HBC and The Coca-Cola Company groups was included/presented.

The six chapters present relevant information describing the System's sustainability performance and indicators specific to our business model. The Sustainable Development Goals that the Coca-Cola System in Romania contributes to through its actions, policies and implemented projects were marked at the beginning of each chapter.

The report was developed with the support of consultants from **The CSR Agency**, alongside Coca-Cola HBC Romania and Coca-Cola Romania teams, coordinated by:

Adina-Gabriela Tudor
Senior Community Affairs
Coordinator
Coca-Cola HBC Romania

Mihaela Niță
Corporate Programmes and
Government Relations Manager
Coca-Cola Romania

For questions, clarifications or feedback, you can contact us at:

✉
adina-gabriela.tudor@cchellenic.com
minita@coca-cola.com

🇷🇴
Coca-Cola HBC Romania SRL
Global City Business Park
10 Bucharest Nord St.,
O23 Building, 3rd floor
Voluntari, Ilfov

🇷🇴
Coca-Cola Romania SRL
Bucharest Business Park
Sos. București-Ploiești, 1A,
A Entrance, 2nd floor
District 1, Bucharest

The Coca-Cola System in Romania

#1

NIMIC NU SE COMPARĂ
CU SENZAȚIA *Coca-Cola*



The Coca-Cola System

The Coca-Cola **original taste** dates back more than **133 years**. Sold for the first time in Atlanta, Georgia, Coca-Cola became, decades later, more than just a carbonated drink: it is **one of the world's best-known brands**, deeply rooted in the history and traditions of billions of people.

Over time, we have proven that we are here for the long haul. That is why we are always committed to working with our partners to make a difference, to contribute and be part of the change that is needed globally. Our common goal is to create a better future for our people, communities and for the entire planet.

2 billion glasses of
Coca-Cola beverages
are sold around the world
every day*

*2019



At global level

The Coca-Cola Company sells products in over 200 countries and territories.

Worldwide, the system includes

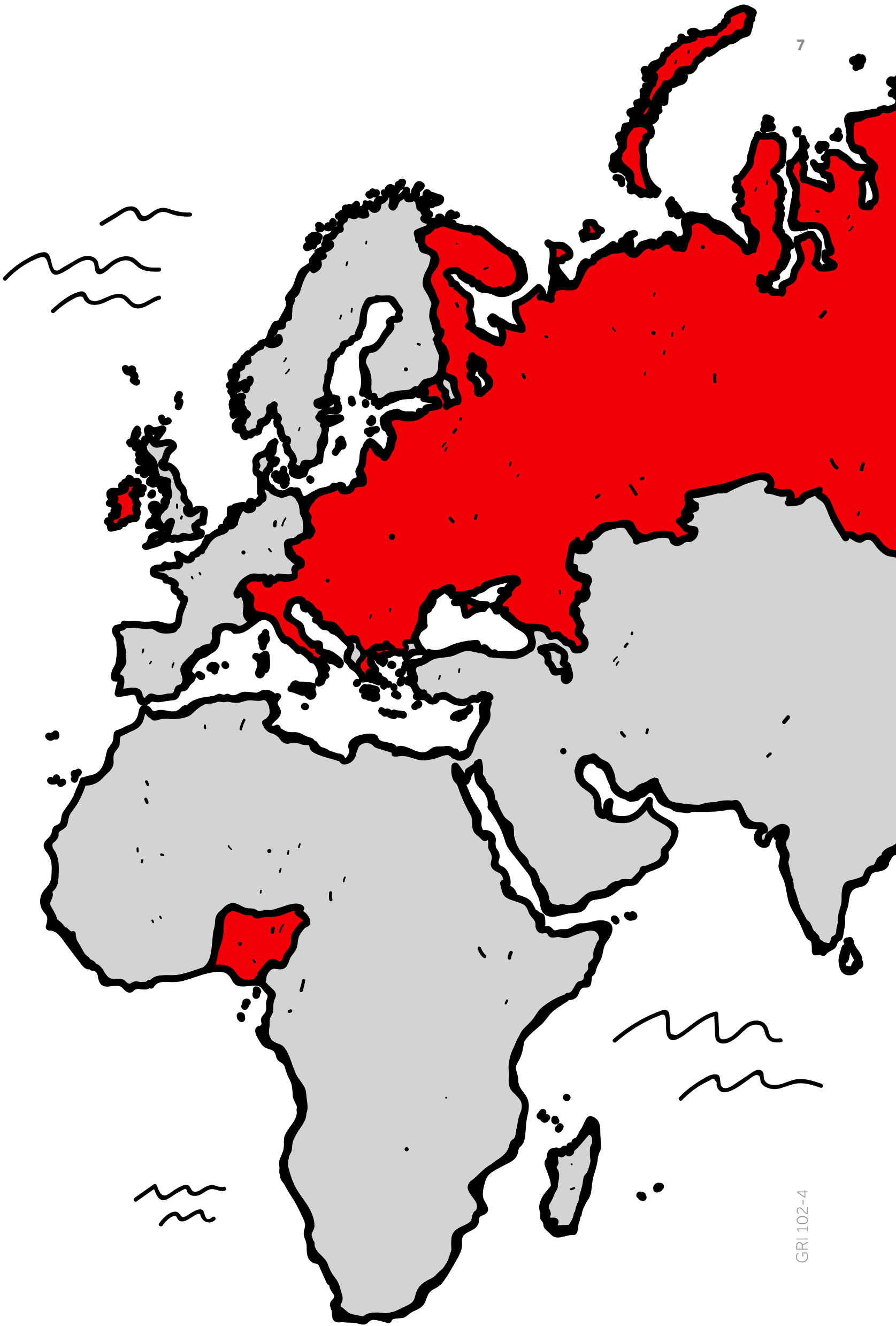
- ~**225** bottlers and
- ~**900** bottling plants
- with **>700,000** employees.

The company's international portfolio includes **more than 500 brands** comprising **more than 4,700 products**.

More than 1,000 products were launched in 2019, **more than 40% being low-sugar or sugar-free beverages**.

The Coca-Cola Hellenic Bottling Company is one of the largest bottlers and a strategic partner of The Coca-Cola Company, with operations in **28 countries** on **three continents**.

>28,000 employees	52 plants
>487,000 clients	98 distribution centres



In Romania

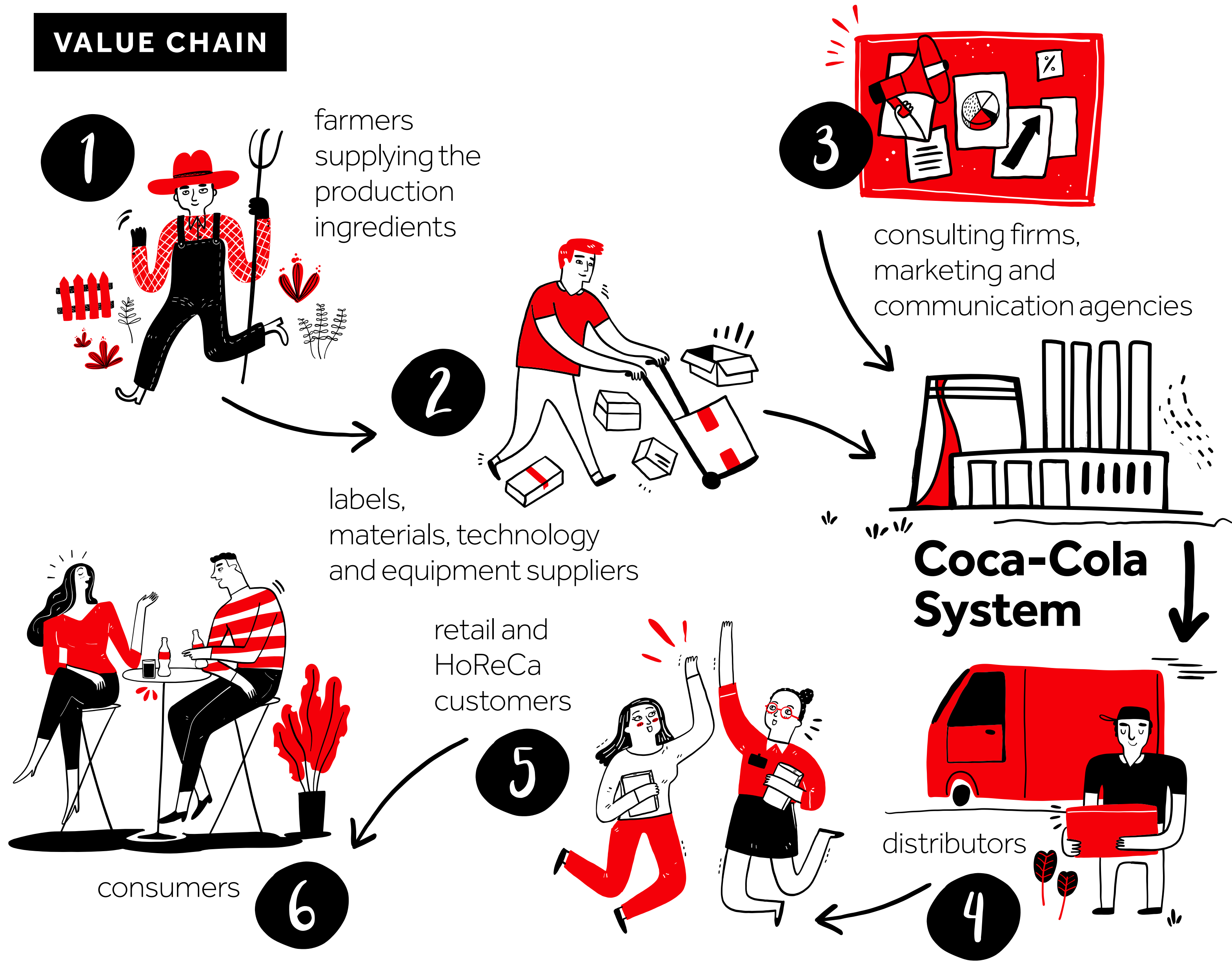
The Coca-Cola System has been present in Romania since 1991 through Coca-Cola HBC Romania, as a part of the Coca-Cola Hellenic Bottling Company Group and since 1992 through Coca-Cola Romania, part of The Coca-Cola Company.

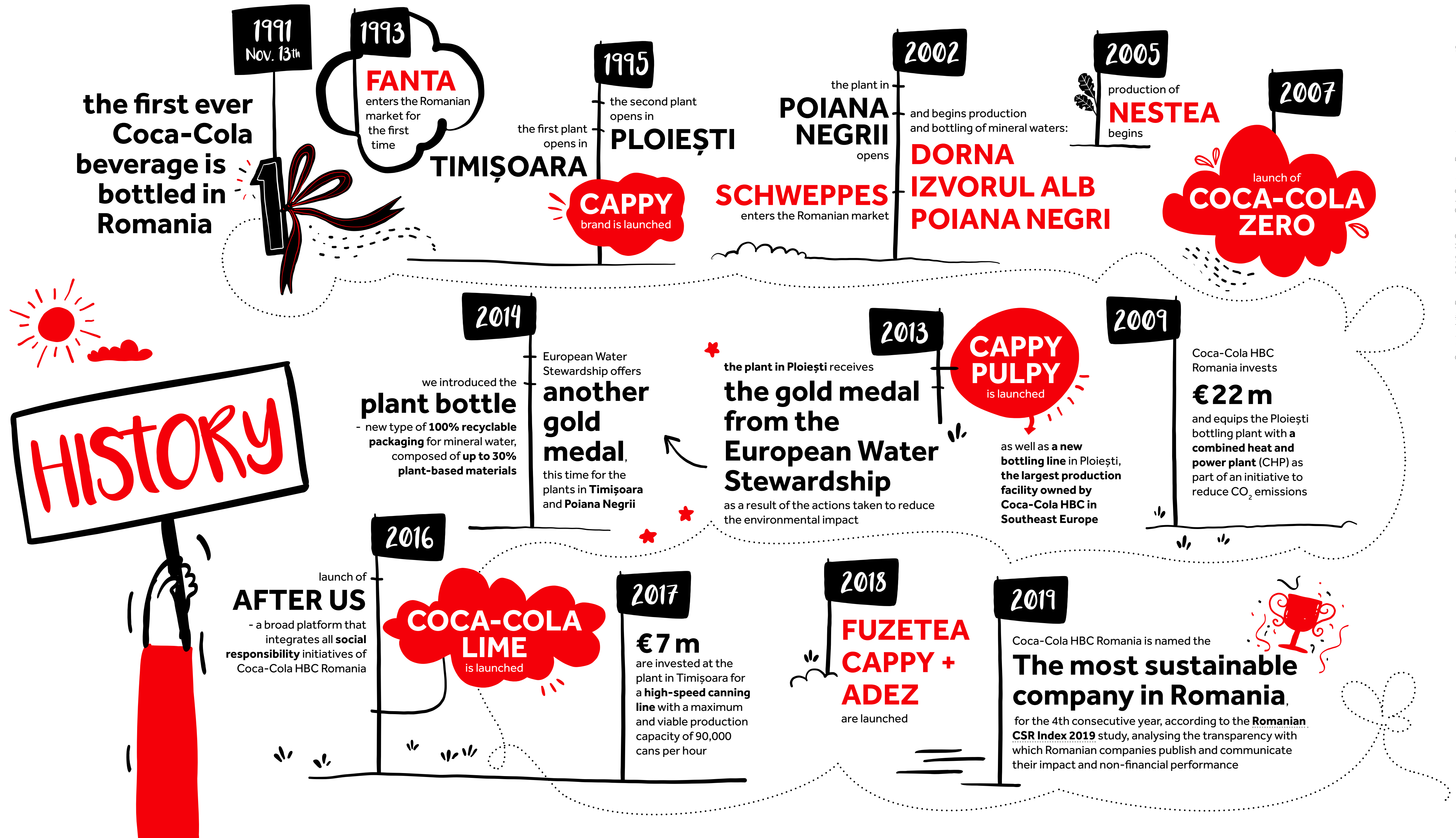
COCA-COLA HBC ROMANIA

Coca-Cola HBC Romania operates the production, bottling and distribution network of Coca-Cola Romania's product portfolio.

COCA-COLA ROMANIA

Coca-Cola Romania is responsible for creating the marketing and packaging strategy, conducting market research in relation to Coca-Cola brands, as well as promoting products, communicating with customers, public relations and brand management.





KEY FIGURES

Coca-Cola HBC Romania

>1.2 billion
litres of beverages produced

96,810 clients

"The most sustainable company" in Romania

according to The Azores Romania CSR Index 2019

Most wanted FMCG employer

according to Randstad Romania and Catalyst Solutions

€11m

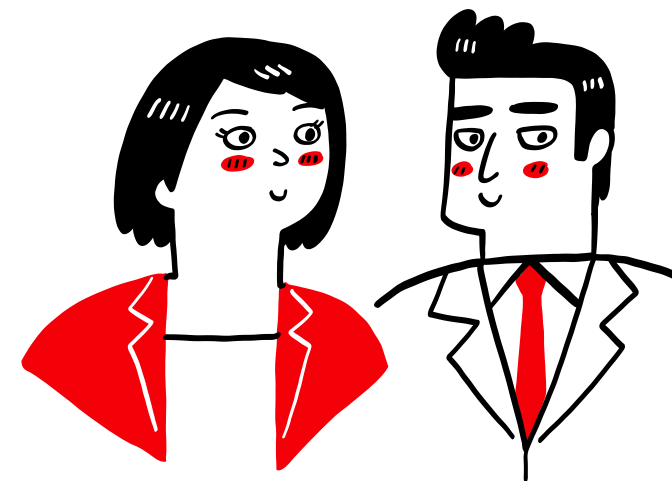
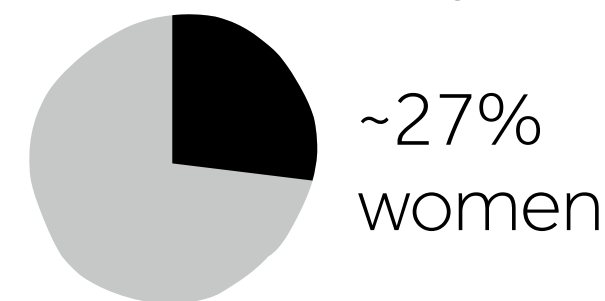
invested in the Poiana Negrii plant

€2.6m

invested in the Timișoara plant

65% decrease
in the number of
complaints received

1,494 employees



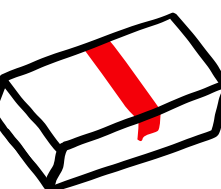
40% of positions
in the senior
management team
occupied by women

0.88 ratio between
average of wages offered
to men and average of
wages offered to women

36 = average
number of
training hours
per employee

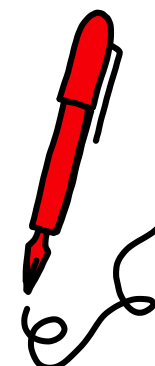
>16m lei

value of benefits
offered to employees



84.6%
LOCAL SUPPLIERS

95%
**OF PROFESSIONAL EQUIPMENT
SUPPLIERS AND MAINTENANCE,
REPAIR AND OPERATIONS PROVIDERS
WERE SELECTED THROUGH AUCTIONS
THAT INCLUDED ENVIRONMENTAL
CRITERIA**



↓ **1.8%** decrease in
water consumption
intensity*

↓ **2.5%** decrease in
energy intensity*

♻️ **36%** of all PET
used was recycled
or came from
renewable sources

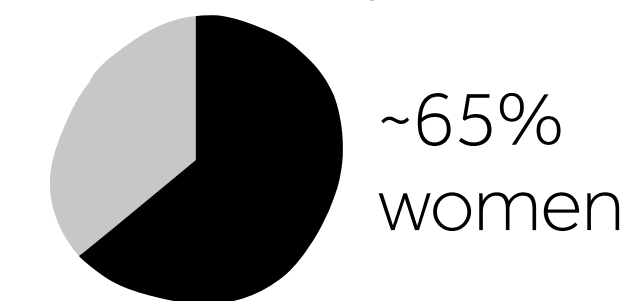
2,182,010 lei

invested in the community

*compared to 2018

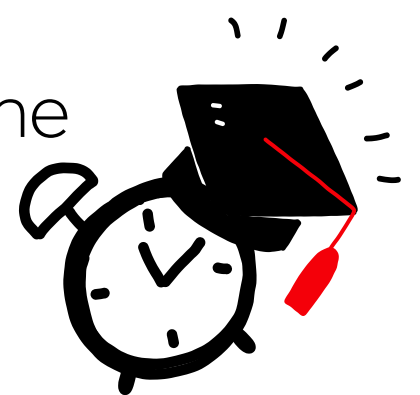
Coca-Cola Romania

34 employees



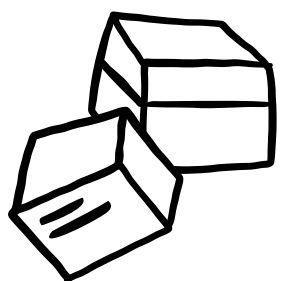
60 hours spent by
employees within the

**COCA-COLA
UNIVERSITY**



50% of Top Management
team members are
Romanian

88.2%
**LOCAL
SUPPLIERS**

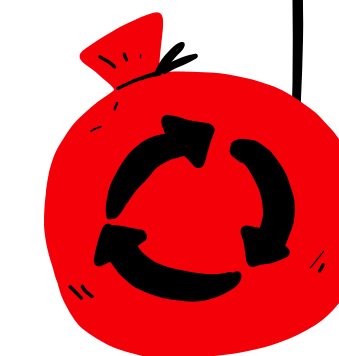


>1.5m lei

value of benefits offered
to employees

63 tonnes of
recyclable waste
collected through

**AZI PENTRU
MÂINE** Today for
Tomorrow



• 7 tonnes **Pe Plajă**
On the beach

• 56 de tonnes
În Școală
At school

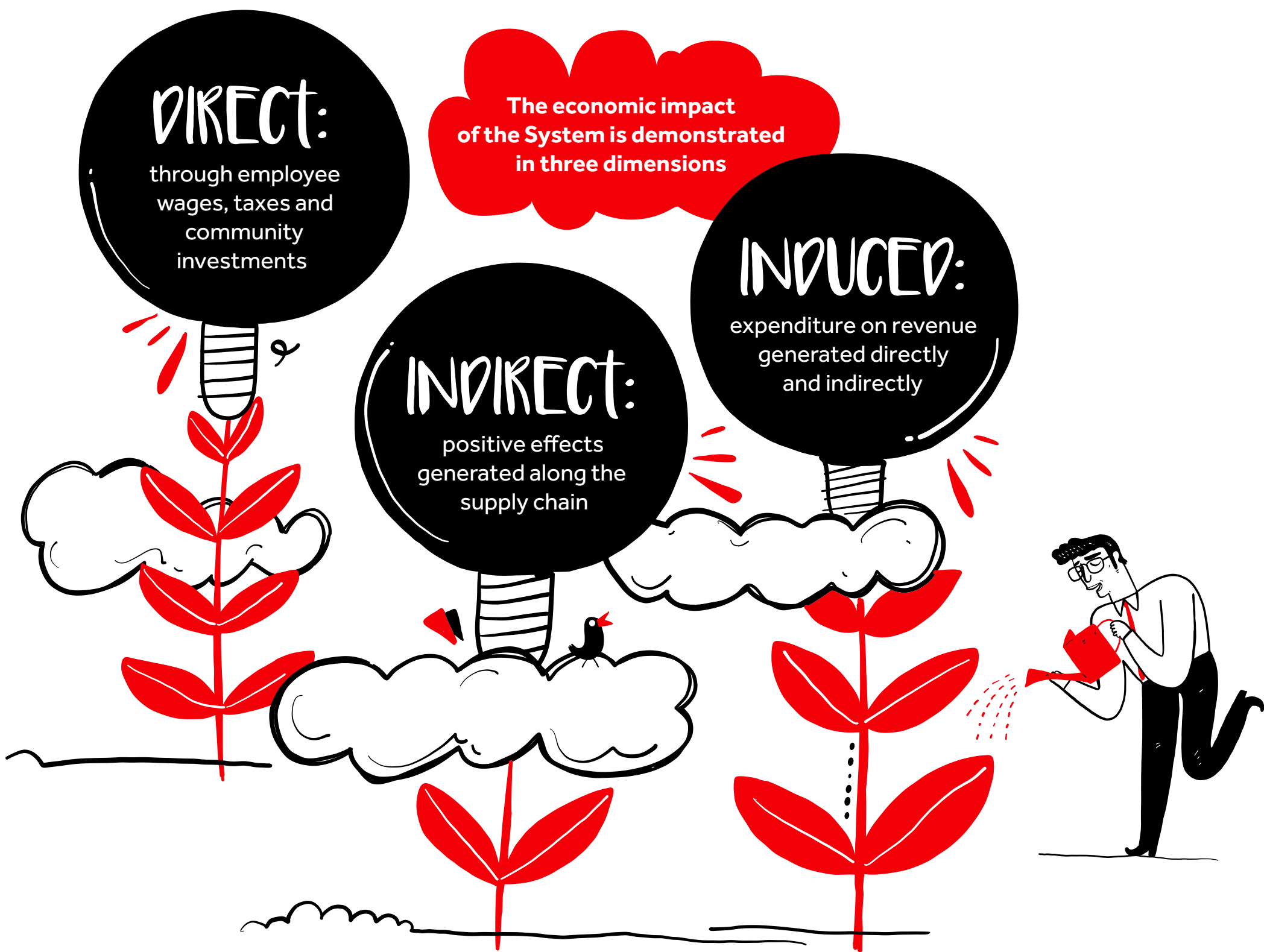
3,643,746.42 lei

invested in the community, through the

COCA-COLA FOUNDATION

Economic performance

The Coca-Cola System generates a **positive economic impact** that contributes to the national economy and supports the long-term development of local communities.



	COCA-COLA HBC ROMANIA		COCA-COLA ROMANIA	
	Analysing the direct impact of the company, 2019 brought significant increases in salary expenses (~10%) and payments to the state budget in the form of income taxes (~20%).			
	2018 [lei]	2019 [lei]	2018 [lei]	2019 [lei]
Direct economic value generated:	2,537,189,284	2,812,445,435	90,723,896	94,401,760
Revenue	2,537,189,284	2,812,445,435	90,723,896	94,401,760
Economic value distributed	2,583,923,844	3,108,109,350	21,245,269	21,155,319
Operating costs	1,993,656,435	2,033,215,993	7,007,542	7,837,393
Employee wages and benefits	173,806,256	190,615,826	13,689,729	13,008,355
Payments to shareholders	337,839,075	713,183,258	In 2018, dividends for 2008-2016 were distributed. Dividends for 2018 have not been paid.	-
Payments to the government/state budget	76,737,411	168,912,263		309,571
Community investments	1,884,668	2,182,010*		Community investments are managed through the Coca-Cola Foundation
Economic value retained (calculated as "Direct economic value generated" less "Economic value distributed")	(46,734,560)	(216,773,502)	69,478,627	73,246,441
Volume of unit cases (uc) -- 1 uc = 5.678 l	191,295,000	202,204,095.2		
Volume of litres	1,086,173,010	1,148,114,852.5		
Income tax (after deduction of sponsored expenses)	76,737,411 lei	92,203,860 lei		
Number of clients (at the end of the year)	94,000	96,810		

Shareholder structure

In 2019 there were no significant changes in the company's structure or ownership.

➤ Shareholder
Percentage of shares

COCA-COLA HBC ROMANIA

- CC Beverages Holdings II B.V.
99.99998%
- Andreas Pelekanou
0.00002%

COCA-COLA ROMANIA

- The Coca-Cola Export Corporation
99.99%
- RPSI II INC.
0.01%

*460,000 Euro, at an average exchange rate of 1 Euro = 4.7435 lei

Corporate governance

Our long-term success and the sustainable development progress of the entire Coca-Cola System are closely linked to our ability of meeting the expectations of our customers and laying the foundations for strong relationships with all our partners.

Coca-Cola's reputation and awareness, both nationally and internationally, bring great responsibility. We are leaders in our sector, and this would not have been possible without a framework of internal policies and procedures which are extremely well harmonised with the legislation in force and with the highest local and international standards, at the same time being under the close supervision and coordination of the management teams.

COCA-COLA HBC ROMANIA

Role / Name / Nationality

General Manager Jovan Radosavljevic Serbian	Chief Financial Officer Andreas Pelekanou Cypriot	Marketing Manager Mihaela Hoffman Romanian
	Public Affair & Communication Manager Irina-Ileana Ionescu Romanian	Country Supply Chain Service Manager Jevgeni Rudkovski Estonian
	Country Sales Manager György Galántai* Hungarian	Commercial Excellence Manager Cristian Munteanu Romanian
	Business Solutions & Systems Country Manager Cosmin-Luca Muțescu** Romanian	Legal Manager Florina-Mariana Homeghiu Romanian
		Human Resources Manager Mihaela Ioniță Romanian

*In March 2019, Dan Timotin was promoted internationally, his position being taken over by György Galántai.
**Cosmin-Luca Muțescu succeeds Dimitris Zacharopoulos, taking over his role at the end of 2019.

Coca-Cola HBC Romania is managed and coordinated by Jovan Radosavljevic as a **General Manager** who reports directly to the Regional Manager. Mr. Radosavljevic is responsible for coordinating the Superior Management Team (SMT), the main governing body. In order to ensure a unified perspective between the local companies and the implementation of the Group’s strategy, in addition to country-level management, regional coordination also takes place.

In the Senior Management Team (SMT), the General Manager, the Public Affairs&Communication Manager, the Human Resources Manager and the Supply Chain Manager, have performance indicators directly linked to the achievement of the sustainability commitments made for 2025, each in its area of responsibility.

Ethics and Compliance Committee

Within Coca-Cola HBC Romania, there is an **Ethics and Compliance Committee** whose role is to support local management, ensuring that the company's business strictly complies with local law and the highest ethical standards.

Responsibilities:

- Reviews all breaches or violations of the Code of Business Conduct in accordance with the provisions of the Group

➤ Promotes initiatives that help promote an ethical culture across the organisation

The Committee consists of seven members, including:

- General Manager

➤ Legal Manager

➤ Chief Financial Officer

➤ Human Resources Manager
- Security Manager

➤ Area COBC&Compliance

➤ Audit Manager

Structure of the Senior Management Team	Women	Men
<30 years old	0	0
30-50 years old	3	5
>50 years old	1	1
total	4	6
percent	40%	60%

COCA-COLA ROMANIA

Coca-Cola Romania is coordinated by a **General Manager** (Country Manager), assisted by three other people, all members of the **Top Management** team:

- Marketing Manager

➤ Commercial Manager

➤ Public Affairs & Communication Manager

Funcție / Nume / naționalitate

Director General Paraskevas Nikolopoulos* Greek	Marketing Manager Miruna Smeureanu Romanian
	Commercial Manager Bosko Popeskov** Serbian
	Public Affairs & Communication Manager Constantin Bratu Romanian

*Paraskevas Nikolopoulos took over as General Manager in September 2019, Nicoleta Eftimiu being appointed to lead Coca-Cola's operations in Central Europe.
**Bosko Popeskov took over as Commercial Manager of Coca-Cola Romania in November 2019, Alina Bucelea being promoted internationally.

Structure of the Senior Management Team	Women	Men
<30 years old	0	0
30-50 years old	1	3
>50 years old	0	0
total	1	3
percent	25%	75%

Ethics and compliance

In order to be a reliable partner for all our stakeholders, we must always act with **integrity**.

Thus, in our work, we seek to do what is right, being constantly guided by ethical principles. We have a zero-tolerance policy on corruption, and we want to be a model of ethical behaviour both for the way we conduct our business and for the integrity of our employees.

COCA-COLA HBC ROMANIA

Coca-Cola HBC Romania runs and implements **complex compliance programmes**, ensuring that our values and policies are known and applied by employees in their daily work.

Integral parts of these compliance programmes are the **Code of Business Conduct** ("COBC"), the Compliance Manual and the **Anti-Bribery Policy**, which describe what we expect from our employees and the suitable steps to be taken to ensure ethical conduct.

Code of Business Conduct

COCA-COLA HBC ROMANIA

Promoting a culture of integrity, both within Coca-Cola HBC Romania and in the community, the Code of Business Conduct aims to guide all employees, regardless of management level, towards a standard ethical behaviour. The Code of Business Conduct explains the principles which are to be followed strictly, while illustrating the consequences of non-compliance with the regulations.

The rules set out in the Code of Business Conduct cover the following aspects:

- human rights
- diversity and inclusion
- corporate records
- reasonable use of Coca-Cola HBC assets
- protection of information and operational goods
- relationships with suppliers and customers
- conflicts of interest
- anti-bribery principles
- environment, health and safety
- compliance with competition laws
- privacy and protection of personal data

All employees, managers, members of the Operational Committee and Company Managers are required to comply with the Code's provisions, to learn about them, to participate in trainings and to ask questions if they need clarifications. They may address those responsible for ethics and compliance, who may differ according to the role, as follows:

Employees at country level <ul style="list-style-type: none">➤ Legal Department Manager at country level	Members of the Operational Committee <ul style="list-style-type: none">➤ General Council
General managers and employees of Group Divisions <ul style="list-style-type: none">➤ Chief Compliance Officer	Executive General Manager <ul style="list-style-type: none">➤ Audit and Risk Committee at Group level

All employees are responsible for reporting potential breaches of the Code of Business Conduct or behaviours presenting corruption-related risks, by contacting their direct manager, the Ethics and Compliance Officer, the Internal Audit Department or even the COBC manager. To encourage an open, honest environment, we take measures to ensure that employees who raise concerns do not suffer any consequences, as defined in the **"Whistle-blower" Policy**. Coca-Cola HBC Romania employees, partners and other stakeholders can access the **Vorbește!/Speak Up! line** available online [here](#).

13 complaints were made in 2019 via the Vorbește!/Speak Up! line.

3 out of 13 complaints concerned potential conflicts of interest. The specifics of each case, the resolution mechanisms, the results of investigations carried out in accordance with internal procedures and the corrective measures implemented are strictly confidential and cannot be publicly communicated.

We understand how important it is to be constantly informed about legislative changes and to regularly update our internal regulations. That is why in 2019 we reviewed and updated the Code of Business Conduct as well as the Anti-Bribery Policy, in order to make it easier to understand and use. Although key topics are covered in the updated Code, it also includes references to specific policies where the information is presented in more detail. The principles have not changed, but we have included two new areas: Privacy and the protection of personal data; International sanctions policy.



Every year, employees identified as being in risk areas are trained regarding the Anti-Bribery Policy and presented with case studies regarding the Code of Business Conduct. When hired and every two years thereafter, the same employees must go through Anti-Bribery training through the e-learning platform.

80 Coca-Cola HBC Romania employees have been trained regarding the Anti-Bribery Policy.

Furthermore, each year we organise a week of events dedicated to the Ethics and Compliance Code. In 2019, as part of the **Ethics and Compliance Week**, the topics of the discussions we had with our colleagues were centred around the new **Code of Business Conduct and the Anti-Bribery Policy**, with particular emphasis on issues regarding **conflicts of interest, the Policy regarding gifts and entertainment activities and reporting cases of non-compliance**.


COCA-COLA ROMANIA

Coca-Cola Romania respects and complies with the policies and provisions imposed at Coca-Cola Company Group level. We act consciously and demonstrate responsible behaviour, being constantly guided by the Code of Business Conduct, which can be consulted [here](#).

The [Anti-Bribery Policy](#) includes provisions regarding compliance with the legislation in force, as well as regarding the annual training of all employees. Also, all providers who interact with public officials need to know and comply with this policy and auditing them is a routine process.

29 Coca-Cola Romania employees and the entire Top Management team were trained regarding anti-corruption policies and procedures.



If employees have any questions or concerns about this policy, they can contact the Legal Counsel (local legal department) or the Ethics and Compliance Council ("E&C") by sending an email to compliance@coca-cola.com or by accessing the dedicated website www.KOethics.com. All employees are also encouraged to report any suspicion of breaches of the regulations using the same tools.

 In 2019, there were no legal actions or public lawsuits against Coca-Cola Romania or its employees regarding corruption. No employee of the Coca-Cola System Romania was involved in incidents of corruption leading to dismissal or disciplinary sanctions. No contractual relations with partners were terminated or interrupted as a result of corruption incidents.

Anti-competitive behaviour


We believe that the sustainable development of any healthy society is based on responsible economic actors who operate in a free market, defined by fair practices.

Therefore, Coca-Cola HBC Romania employees in the Commercial and Marketing departments must go through the following **training programmes** annually:

-  Online course on competition law (e-learning)
-  In-class or Skype/Microsoft Teams training on competition law. This is taught by the Legal Department, with the participation of the company's external lawyers, specialising in competition law.

Coca-Cola Romania is governed by policies created at Group level. The Coca-Cola Company expects all its employees to act with integrity when interacting with third parties, including consumers, customers and competitors. Employees are obliged not to engage in practices that are contrary to fair competition or are unfair.

Each employee is responsible for familiarising themselves with these laws and for complying with local legislation regarding competition and customer protection. It is recommended that employees consult with the company's local legal team if they have questions about the legality of a practice or action. In unclear circumstances, they are encouraged not to act without receiving appropriate advice from the local legal team beforehand.

 In 2019, the Coca-Cola Romania System did not record any court actions regarding anti-competitive behaviour and did not receive any sanctions for non-compliance with competition laws.



Conflict of interest

Conflicts of interest may arise when employees' personal activities, interests or relationships interfere or can potentially interfere with their responsibilities and duties in their day-to-day activities or their ability to act in the best interests of the company.


COCA-COLA HBC ROMANIA

All employees are encouraged to proactively communicate and report any relationship or interest that could affect them or affect their ability to act in the company's best interests through the COBC Approval Portal.

In addition, possible conflicts of interest in dealing with potential customers, consumers, suppliers or civil servants should be promptly communicated to the direct manager and the Ethics and Compliance Officer.


If an employee plans to make an investment that might potentially affect their ability to make decisions on behalf of Coca-Cola HBC, they must apply for approval through the Portal.

Furthermore, another job in another company/another activity carried out outside working hours at Coca-Cola HBC could result in a conflict of interest and therefore must be reported and approved if it relates to the company's activity in any way (e.g. relations with suppliers, Coca-Cola HBC customers, etc.).

 3 complaints regarding possible conflicts of interest were recorded in 2019 via the Speak Up! channel.
However, only one complaint was well-founded.



COCA-COLA ROMANIA


All employees are encouraged to report any suspicion of any possible occurrence or existence of a conflict of interest to the Local Ethics Officer.

 In 2019, Coca-Cola Romania did not receive any complaints regarding possible conflicts of interest from employees or business partners.

Personal data protection

We are committed to protecting the data of anyone who visits our webpages or participates in our campaigns and contests. Personal data privacy policies are publicly available for consultation by accessing the following links:

-  [Coca-Cola HBC Romania](#)
-  [Coca-Cola Romania](#)

 In 2019, 4 situations regarding personal data losses or theft were identified.
However, the situations did not result in data loss.

Public policy

None of the two companies comprising the Coca-Cola System Romania supports political parties or their candidates with monetary or in-kind donations.

Risk management

In the context of the rapid changes we are facing in recent years, understanding the risks associated with our operations and properly managing them are two extremely important aspects for the continuity and sustainable development of our business model.

COCA-COLA ROMANIA

All over the world, reaching our operational and sustainability objectives is achieved through the concentrated effort of The Coca-Cola Company and its partners. We have ambitious goals set that require systemic, impactful changes.

At Group level, there are numerous processes that regularly assess the risks associated with our activities, including those arising from climate change, and cross-function teams directly responsible for the active monitoring and management of risks that may arise throughout the year.

More information about risk management at The Coca-Cola Company can be found in the Group's sustainability report, available [here](#).

COCA-COLA HBC ROMANIA

Risk management is a priority for the Coca-Cola HBC Group, which in 2019 continued the integration of the **Enterprise Risk Management (ERM) programme** across all business units.

At Group level, the programme is coordinated by a **Chief Risk Officer (CRO)**, who is tasked with closely working with the person who is responsible locally – **Risk Coordinator**, who permanently maintains an overview of all operational flows and associated risks, as well as of emerging opportunities, regularly reporting to management structures. While at the general level, the Board of Directors is responsible for internal control and risk management systems, the **Internal Audit Department** annually evaluates the risk management programme and its effectiveness.



PRINCIPAL RISKS	DESCRIPTION	POTENTIAL IMPACT	KEY MITIGATIONS
1. Sustainability: Plastics and packaging waste	The risk of rising stakeholder concerns relating to packaging waste and plastics pollution that will drive the agenda on production methods and waste recovery.	<ul style="list-style-type: none">➤ Potential imposition of discriminatory taxes➤ Long-term damage to our licence to operate➤ Losing our "seat at the table" to contribute to legislation related to environmental and social sustainability➤ Increased operational costs➤ Loss of consumer base	<ul style="list-style-type: none">➤ Packaging waste management and World Without Waste global programmes➤ Partnering with local and international NGOs on packaging recovery➤ Partnering with local communities, start-ups and academia to minimise environmental impacts
2. Sustainability: Climate and carbon	The risk of the continued escalation of the climate change agenda and a failure to reduce our environmental footprint. Impacts to our operations and value chain may arise from more volatile effects of weather and NGO monitoring of our approach to carbon use and compliance with TCFD.	<ul style="list-style-type: none">➤ Product availability➤ Long-term damage to our licence to operate➤ Losing our "seat at the table" to contribute to legislation related to environmental and social sustainability➤ Increased operational costs➤ Loss of consumer base	<ul style="list-style-type: none">➤ Energy management programmes and transition to renewable and clean energy➤ Partnering with local and international NGOs on common issues such as nature conservation➤ Partnering with local communities, start-ups and academia to minimise environmental impacts➤ Focus on sustainable procurement➤ Commitment to TCFD recommendations
3. Sustainability: Water	The risk of water availability, water stress to the communities in which we operate, and water quality caused by climate change.	<ul style="list-style-type: none">➤ Potential imposition of discriminatory taxation➤ Long-term damage to our licence to operate➤ Losing our "seat at the table" to contribute to legislation related to environmental and social sustainability➤ Increased cost of doing business➤ Loss of consumer base	<ul style="list-style-type: none">➤ Water reduction and waste water treatment programmes, as well as support for water stewardship initiatives in water-risk areas➤ Partnering with local and international NGOs on water stewardship strategies➤ Partnering with local communities, start-ups and academia to minimise environmental impacts

PRINCIPAL RISKS	DESCRIPTION	POTENTIAL IMPACT	KEY MITIGATIONS
4. Consumer health and wellbeing	Failure to adapt to changing consumer health trends, public health policies addressing misconceptions about our formulations, sugar and the health impact of our product portfolio.	<ul style="list-style-type: none">➤ Potential imposition of discriminatory taxation➤ Failure to achieve our growth plans➤ Damage to our brand and corporate reputation➤ Loss of consumer base	<ul style="list-style-type: none">➤ Focus on product innovation and expansion to a 24/7 beverage portfolio➤ Expand our range of low - and no-calorie beverages➤ Introduce smaller packs➤ Reduce the calorie content of products in the portfolio➤ Clearer labelling on packaging➤ Promote active lifestyles through consumer engagement programmes focused on health and wellness
5. Cyber incidents	A cyber-attack or data centre failure resulting in business disruption or breach of corporate or personal data confidentiality.	<ul style="list-style-type: none">➤ Financial loss➤ Operational disruption➤ Damage to corporate reputation➤ Noncompliance with data protection legislation (e.g. GDPR)	<ul style="list-style-type: none">➤ Implement a cyber-security and privacy control framework and monitor compliance➤ Maintain certification against the ISO 27001 standard and confirm our commitment to secure information assets and comply with international security standards
		<ul style="list-style-type: none">➤ Safeguard critical IT and operational assets➤ Detect, respond and recover from cyber incidents and attacks➤ Foster a positive culture of cybersecurity➤ Monitor threat landscape and remediate associated vulnerabilities	
6. Foreign exchange and commodity costs	Foreign exchange and commodity exposure arises from changes in exchange rates and commodity prices. Currency devaluation, in combination with capital controls, restricts movement of funds and increases the risk of asset impairment.	<ul style="list-style-type: none">➤ Financial loss➤ Increased cost base➤ Asset impairment➤ Limitations on cash repatriation	<ul style="list-style-type: none">➤ Treasury policy requires the hedging of 25% to 80% of rolling 12-month forecasted transactional foreign currency exposure➤ Hedging beyond 12 months may occur in exceptional cases subject to approval of Group CFO
		<ul style="list-style-type: none">➤ Treasury policy requires the hedging of rolling three-year commodity exposures; different policy limits apply for each hedge-able commodity➤ Derivative financial instruments are used, where available, to reduce net exposure to currency and commodity price fluctuations	

7. Channel mix	The increasing concentration and consolidation of retailers and independent wholesalers with retailer disruption due to discounters and e-commerce players. Consumers altering consumption habits.	<ul style="list-style-type: none">➤ Reduced availability of our portfolio and overall profitability	<ul style="list-style-type: none">➤ Enhance our key account capabilities to partner and grow with top customers➤ Work closely with our immediate consumption channel customers to drive incremental transactions
		<ul style="list-style-type: none">➤ Accelerate Right Execution Daily (RED) to support our commitment to operational excellence➤ Develop our digital and e-commerce capabilities to capture opportunities associated with existing and new distribution channels	
8. People	Inability to attract, retain and engage sufficient numbers of qualified and experienced employees in a highly competitive talent market.	<ul style="list-style-type: none">➤ Failure to achieve our growth plans	<ul style="list-style-type: none">➤ Upgrade our Employer Value Proposition and Employer Brand
		<ul style="list-style-type: none">➤ Develop leaders and people for key positions internally, improve leaders' skills and commitment for talent development➤ Continuous employee listening to address culture and engagement effectively➤ Promote inclusive environment that allows all employees to achieve their full potential➤ Create shared value with the communities in which we work to ensure we are seen and considered as an ethical business with an attractive purpose➤ Expand talent pool by hiring more diverse workforce	
9. Geopolitical and macroeconomic	Volatile and challenging macroeconomic, security, and geopolitical conditions together with adverse global events including health-related issues can affect consumer demand and wellbeing and create security risks across our diverse markets	<ul style="list-style-type: none">➤ Eroded consumer confidence affecting discretionary spending➤ Potential imposition of discriminatory taxation➤ Inflationary pressures➤ Social unrest➤ Safety of people and assets	<ul style="list-style-type: none">➤ Seek to offer the right brand at the right price in the right package through the right channel➤ Robust security practices and procedures to protect people and assets➤ Crisis response and business continuity strategies that enable effective responses to adverse events
10. Quality	The occurrence of quality/ food safety issues, or the contamination of our products across our diverse brand portfolio	<ul style="list-style-type: none">➤ Damage to brand and corporate reputation➤ Loss of consumer trust➤ Reduction in volume and net sales revenue	<ul style="list-style-type: none">➤ Stringent quality/food safety processes in place to minimise the likelihood of occurrence➤ Early warning systems (Consumer Information Centres and social media monitoring) that enable issue identification➤ Robust response processes and systems that enable us to quickly and efficiently deal with quality/food safety issues, ensuring customers and consumers retain confidence in our products

PRINCIPAL RISKS	DESCRIPTION	POTENTIAL IMPACT	KEY MITIGATIONS
11. Ethics and compliance	We operate in some complex markets with high levels of perceived corruption. As a result, we are exposed to an increased risk of fraud against the Company as well as to the risk of anti-bribery and corruption fines or sanctions if our employees or the third parties we engage to deal with public officials fail to comply with Anti-bribery Policy requirements.	<ul style="list-style-type: none">➤ Damage to our corporate reputation➤ Significant financial penalties➤ Management time diverted to resolving legal issues➤ We may suffer economic loss because of fraud and reputational damages, fines and penalties, in the event of non-compliance with the Anti-Bribery Policy by our employees or by third parties representing us with government officials	<ul style="list-style-type: none">➤ Annual "Tone from the Top" messaging➤ Code of Business Conduct (COBC), ABAC and commercial compliance training and awareness campaigns for our entire workforce➤ All third parties that we engage to deal with government on our behalf are subject to ABAC due diligence, and must agree and comply with our Supplier Guiding Principles➤ Crossfunctional Joint Task Forces in Italy, Nigeria and Russia that pro-actively address risks in our key operations➤ Risk-based internal control framework and assurance programmes with local management accountability➤ Periodic riskbased internal audits of anti-bribery compliance programmes➤ Speak Up! Hotline
12. Strategic stakeholder relations	We rely on our strategic relationships and agreements with The Coca-Cola Company (including Costa Coffee Limited), Monster Energy Company and our premium spirits partners.	<ul style="list-style-type: none">➤ Termination of distribution agreements or unfavourable renewal terms could adversely affect profitability	<ul style="list-style-type: none">➤ Management focus on effective dayto-day interaction with our strategic partners➤ Working together as effective partners for growth➤ Engagement in joint projects and business planning with a focus on strategic issues➤ Participation in "Top to Top" senior management forums
13. Health and safety	The risk of health and safety issues being ineffectively managed. This incorporates the management of thirdparty providers, particularly fleet and logistics.	<ul style="list-style-type: none">➤ Death or injury of employees, contractors or members of the public➤ Employee engagement and motivation➤ Attraction of talent/prospective employees	<ul style="list-style-type: none">➤ Standardised programmes, policies and legislation applied locally➤ Group oversight by the Health and Safety (H&S) Team➤ H&S Board with the clear purpose to accelerate the H&S stepchange plan implementation➤ Implemented the Behavioural Based Safety Programme



Partnerships and affiliations

Both Coca-Cola HBC and The Coca-Cola Company are signatory members of the United Nations Global Compact. We are committed to ensuring that the way we conduct our business complies with the **10 principles of the Global Compact**:

Human rights

Organisations should:

- P1** support and respect the protection of internationally proclaimed human rights
- P2** make sure that they are not complicit in human rights abuses

Labour

Organisations should uphold:

- P3** the freedom of association and the effective recognition of the right to collective bargaining
- P4** the elimination of all forms of forced and compulsory labour
- P5** the effective abolition of child labour
- P6** the elimination of discrimination in respect of employment and occupation

Environment

Organisations should:

- P7** support a precautionary approach to environmental challenges
- P8** undertake initiatives to promote greater environmental responsibility
- P9** encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

Organisations should:

- P10** work against corruption in all its forms, including extortion and bribery

We understand the critical role that both our company and the private economic environment have in addressing the challenges we face globally. That is why we are committed to **supporting and contributing to the achievement of the 17 Sustainable Development Goals launched in 2015 by the United Nations**.

In order to showcase the way in which we support reaching the Sustainable Development Goals, we mapped those goals that our initiatives, projects and measures contribute to at the beginning of each chapter. At the same time, the goals and the specific targets we contribute to were included in the GRI Content Index, found at the end of the report.



COCA-COLA HBC ROMANIA

Coca-Cola HBC Romania is a part of the following associations:

- AmCham**
American Chamber of Commerce in Romania through Jovan Radosavljevic - board member and chairman of the environmental committee
- FIC**
Foreign Investors Council an organisation that brings together more than 125 companies
- ANBR**
Romanian Soft Drinks Association where Irina Ionescu is president
- ROMALIMENTA**
apolitical, transparent, non-profit and independent national employers' federation, the professional representative of food and beverage companies in Romania
- ARAM**
Romanian Association for Packaging and the Environment where Alice Nichita is president
- APEMIN**
Mineral Water Association through Alice Nichita - Vice-President
- European Association UNESDA**
Union of European Soft Drinks Associations through ANBR membership
- European Association EUROPEN**
The European Organisation for Packaging and the Environment through ARAM membership
- EASA**
European Advertising Standards Alliance through RAC membership

COCA-COLA ROMANIA

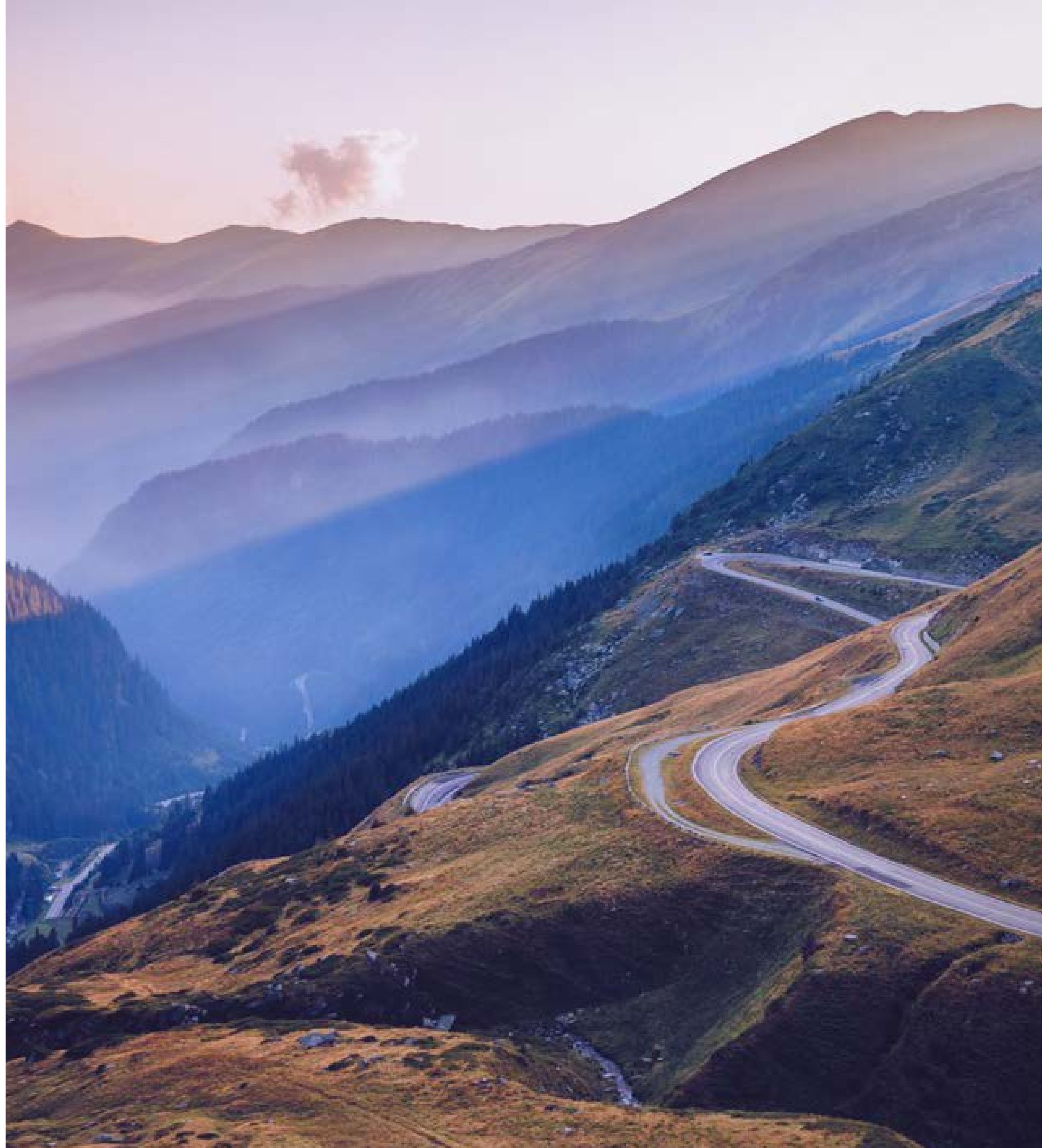
Coca-Cola Romania is a member of:

- RAC**
Romanian Advertising Council
- IAA**
International Advertising Association where Giulia Burlui is a member of the Board of Directors
- ANBR**
where Mihaela Niță is a member of the Board of Directors
- AmCham**
- UNESDA**
through ANBR membership
- EASA**
European Advertising Standards Alliance through RAC membership



Our mission: sustainability

#2



Growth story 2025

Global priorities, local actions

COCA-COLA HBC ROMANIA

Our long-term vision is to be a reliable partner, a leader in the market, to constantly grow alongside our customers and to respond to consumer demands 24/7, with the support of The Coca-Cola Company.

That is why in 2019 we have revised and rethought our Group-wide strategy, now focused on **five growth pillars**, describing our targets, commitments and the sustainable development model in detail.

Our goal is to contribute to the growth of our customers and the satisfaction of our consumers every single moment, cultivating strong and passionate teams while contributing to the development of the communities where we operate, all this with great care for the environment.



OUR PURPOSE

We are devoted to growing every customer and delighting every consumer 24/7

OUR GROWTH PILLARS

Win in the marketplace

Leverage our unique 24/7 portfolio

Fuel growth through competitiveness & investment

Cultivate the potential of our people

Earn our licence to operate

HOW WE GROW

Build unrivalled teams of true partners for our customers, executing with excellence in every channel for prioritised drinking moments

Fast-forward critical capabilities for growth

Offer the best 24/7 beverage portfolio on the planet in partnership with The Coca-Cola Company

Transform, innovate and digitalise our business to ensure that we are fit for the future

Invest in building the best teams in the industry

Develop an inclusive growth culture around our empowered people

Be an environmental leader, engage our communities behind water and waste initiatives, and empower youth, together with our partners



OUR TARGETS FOR 2025

>5%

annual revenue growth

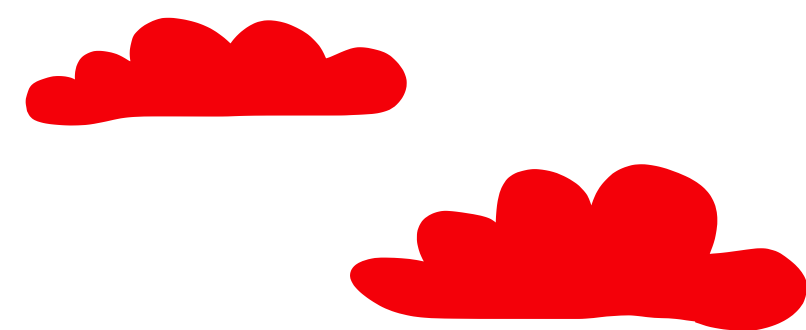
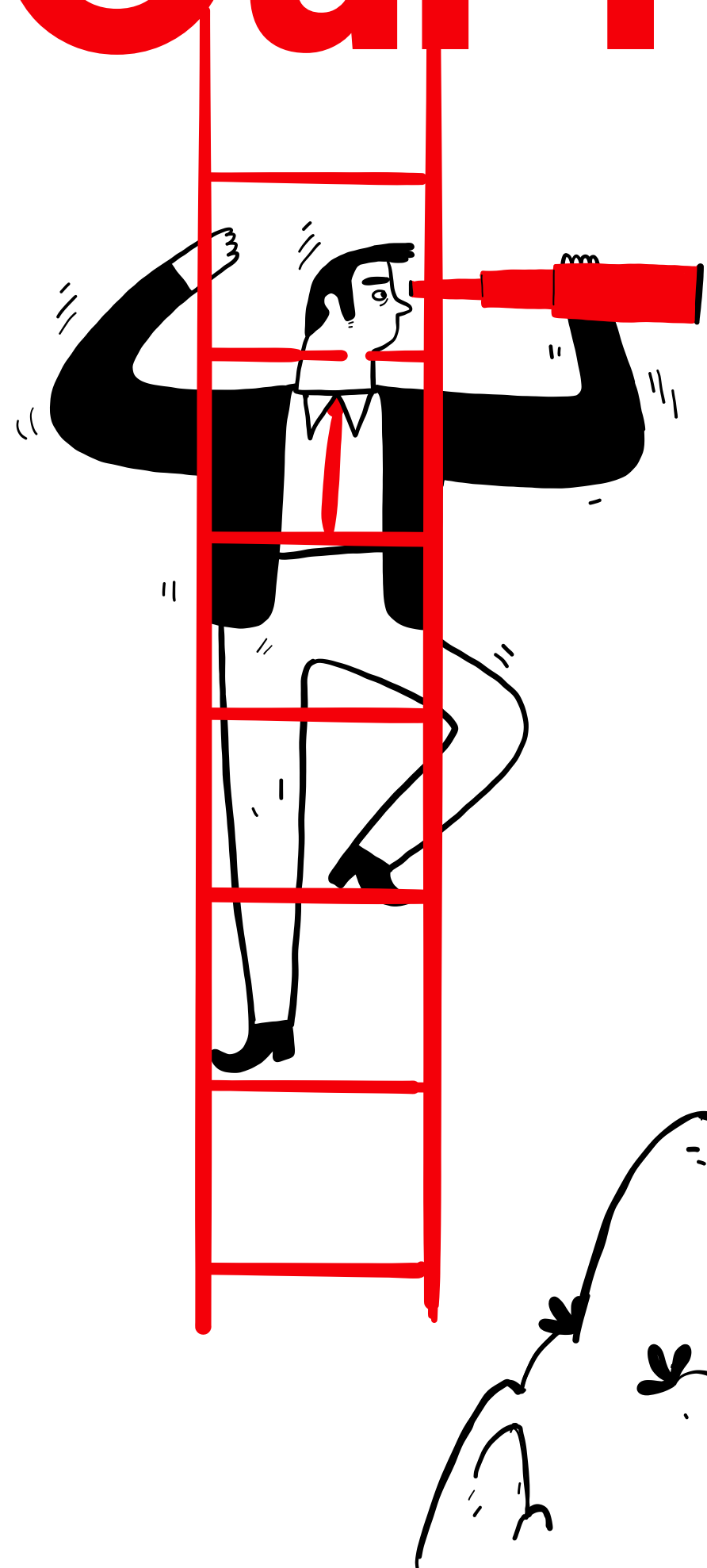
>11%

EBIT margin

Employee engagement score greater than the high-performing norm

Accomplish Mission 2025 sustainability commitments

Our mission: SUSTAINABILITY



Coca-Cola Romania, as part of The Coca-Cola Company, locally monitors the implementation of the global strategy.

We are constantly looking to improve the way we do business and that is why we are constantly working with our bottling partners to achieve our **sustainability targets**.

Thus, we align ourselves with the strategic priorities set at Group level:

Reducing added sugar content

Leading health authorities have recommended that individuals should not consume more than 10% of their total calories from added sugar. We've embraced this recommendation, providing choices that support what consumers want and need. We have been aggressively changing recipes to reduce added sugar, promoting low- and no-calorie beverage options, and making smaller packages more available to enable portion control. We have also been expanding our range of beverages - including water, coffee, tea, fruit juices and plant-based options - and developing the next generation of sugar alternatives.

Action to combat climate change

In 2013, we set our goal to include our entire value chain in our greenhouse gas (GHG) emissions reduction efforts. In 2019, **our carbon footprint was reduced by 24%** in order to achieve our 2020 target of 25% reduction against a 2010 baseline. Since setting that goal, **we have recognised the need for even more ambitious climate action**. In 2019, we published a Science-Based Target for the Coca-Cola system. This metric represents the share of carbon we need to reduce as a company to help keep global climate change safely below the 2-degree threshold aligned with the Paris Agreement targets.



World Without Waste

We are fundamentally rethinking how we get our products to consumers, including what kind of packaging to use and whether a package is needed at all. We believe that locally appropriate circular economy solutions that turn old packaging into new ones can reduce our packaging carbon footprint and keep plastic products out of the natural environment. We focus particularly on PET plastic because it's our highest-volume packaging material, but its recovery rate lags that of some other materials. We've made progress toward our **World Without Waste** goals by developing models that address local challenges in packaging design, reuse and recycling. We are investing and collaborating with a range of partners on the urgent need to bring these solutions to scale.

Water leadership

More than a decade ago, The Coca-Cola Company made a pioneering commitment to replenish the water we use in our drinks and their production. For five years running, we've met and exceeded that goal. **We have also made steady progress toward using water more efficiently and to treat all wastewater in our production processes**. Recognising that water risks to our system and local communities are increasing with climate change and other factors, we will launch a new water strategy and goals in 2020.

Sustainable agriculture

The quality and integrity of our products depend on a healthy supply chain with **successful and thriving farming communities**. Since 2013, our goal is to source all our priority ingredients—including our main natural sweeteners, fruit juices, coffee, tea, soy and timber products—**sustainably**, according to our Sustainable Agriculture Guiding Principles (SAGP). We have made significant progress with our suppliers to assure or certify the farms where our ingredients come from, but we recognise there is more we need to do.

Human rights

Our commitment to human rights starts with our own employees, making sure they have **safe, supportive and respectful workplaces**. Our suppliers and system partners are also expected to embrace responsible workplace practices. In 2003, we set a goal that 98% of our company locations and system bottlers and 95% of our direct and authorised suppliers will validate compliance with our Human Rights Policy and our Supplier Guiding Principles (SGP) by the end of 2020.

Empowering women

Our 5 by 20 commitment to enable the **economic empowerment of 5 million women entrepreneurs** across our global value chain by 2020 is on track to reach its target. As of the end of 2019, the programme has empowered over 4.6 million women. First announced in 2010, the initiative sponsors programmes that address business barriers faced by female entrepreneurs around the world. We collaborate with governments and NGO partners to build and execute locally relevant programmes, scaling those that are most successful.

Giving back to the communities

We want a **better shared future for the communities in which we live and work**, striving to have a positive impact, especially in times of need. We have pledged to give back 1% of our prior year's operating income annually through direct company donations and funding through **The Coca-Cola Foundation**, whose pillars are **recycling, water and empowering women**.

Our commitments for 2025

COCA-COLA HBC ROMANIA

Sustainability areas // Global commitment // Local commitment // 2019 Progress // 2019 Progress vs. 2025 Target

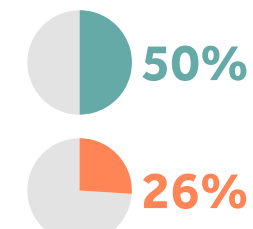
Reducing emissions

30% reduction of direct carbon emissions ratio



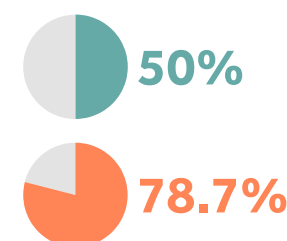
47%
of the goal

50% of our refrigerators in customer outlets to be energy efficient

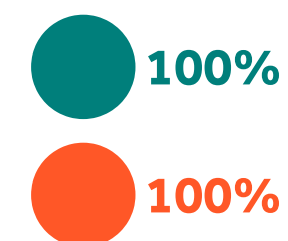


52%
of the goal

50% of energy used by plants, sourced from renewable and clean* sources

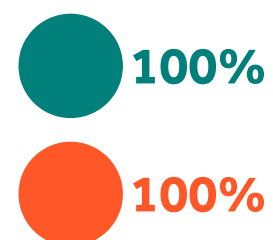


100% of the total electricity used in our plants in EU and Switzerland to be from renewable and clean sources

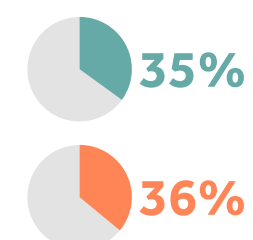


World Without Waste

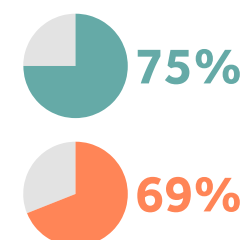
100% of consumer packaging to be recyclable



35% of total PET used from recycled PET and/or PET from renewable material



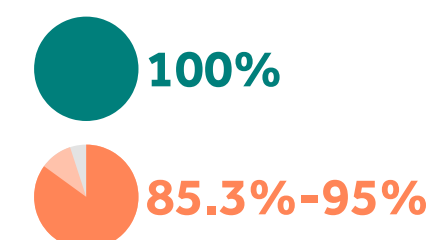
Help collect the equivalent of 75% of our primary packaging



92%
of the goal

Ingredient sourcing

100% of our key agricultural ingredients sourced in line with sustainable agricultural principles



85.3-95%
of the goal

Nutrition

25% reduction in the number of calories per 100 ml of sparkling soft drinks**

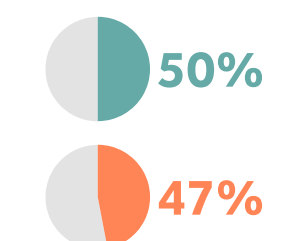
-25% | -11%

Our people and communities

Target zero fatalities and reduce accident rate by 50% among our workforce

0
0 fatalities

50% of managers are women***



92%
of the goal

lpb = liter of produced beverage

*cogeneration (CHP)

**baseline: 2015

***the goal refers to management positions with a Job Grade 10+ (that is not the same for the role considered middle management). Hence, out of all 153 management positions with a Job Grade 10, 72 are occupied by women. Compared to last year, there is a 5% increase. In 2018, out of 136 management positions with a Job Grade 10+, 57 were occupied by women (42%).

Water reduction and stewardship

20% reduction in water consumption in plants located in water risk areas

-20%
compared to 2017, the goal being 1.61 l of water used/lpb
1.57 l/lpb

Help secure water availability for all our communities in water-risk areas

Plants in Romania are not located in water-risk areas.

Awards

The Azores

Most sustainable company in Romania • Romania CSR Index 2019

Coca-Cola HBC Romania has been named "Most Sustainable Company" on the local market by Romania CSR Index 2019, for the fourth consecutive year. The study is carried out by the independent consulting agency The Azores and analyses **the performance and level of transparency regarding Corporate Sustainability among companies in Romania**. The information analysed covers both corporate governance and diversity issues, as well as issues that reflect the economic, environmental and social impact of the company being assessed. In the CSR Index 2019, Coca-Cola HBC Romania recorded **an improved score compared to the previous year, also being the highest score achieved in this hierarchy – 98 out of 100 possible points**. This confirms the company's involvement in social responsibility and environmental projects.



Progresiv

Second Place • Best FMCG Supplier

Third Place • Best New Food Product: FuzeTea

Fifth Place • Best CSR Campaign La TINeri Este Puterea (YOUth empowered)

Coca-Cola HBC Romania was nominated, for the second year in a row, Best FMCG Supplier, at the Progressive Awards Gala, an initiative started out of a desire **to highlight the people, organisations, brands and successful projects in the FMCG market that are establishing trends and contributing to the development of the industry, as well as the role of partnerships between retailers and suppliers**.

Piața

Second Place • Best FMCG Partner

Strongest Brand • Coca-Cola

Most Effective Promotion • Music is for all

At the "Premiile Piața" Gala 2019, Coca-Cola HBC Romania brought home 3 prizes, being named the winner of the "Strongest Brand" and "Most Effective Promotion". Also, the strong partnerships that the company has, **an important pillar of the business strategy**, has brought us the second place in the category "Best FMCG Partner". The annual meeting of the consumer goods industry elite, the Piața Awards Gala concluded the 14th edition of the competition organized by Piața magazine with the support offered by **companies and brands that influence the evolution of the FMCG market and food retail most**.

Randstad Romania

Most wanted FMCG employer

According to the study conducted by Randstad Romania, there are three key aspects that can determine the value of a company as an employer: **the use of cutting-edge technologies, financial health and reputation**. Taking these three aspects into account, Coca-Cola HBC Romania was named "Most attractive employer in Romania in the FMCG sector" in 2019.

Catalyst Solutions

Most wanted FMCG employer

The Most Wanted Employers in Romania chart is developed annually by Catalyst Solutions and considers several features that potential candidates are looking for at a company, such as **payment packages, company reputation, development possibilities within an organization or job security**. For the **fifth consecutive year**, Coca-Cola HBC Romania was the most wanted employer in the FMCG industry in Romania.

Romanian CSR Awards

Social Responsibility in Education - 1st Prize • YOUth Empowered

Some things in life come naturally. Other things require actions, therefore we build strong teams, set goals, make action plans, tell stories, bring along other partners, work to make things happen, and one more thing: we put a lot of passion into everything we do.

One such project is "YOUth Empowered" (La TINeri Este Puterea) for which our company received the 1st Prize for social responsibility in education at the Romanian CSR Awards 2019 Gala. We are proud of this achievement and we are pleased to be able to continue this impactful programme for the development of young people in Romania and in the years to come, together with our partner – The Social Incubator Association.

HR Club

Award of Excellence in Human Resources, "Training and Development" category • 3R Learning Challenge@Code of Talent

The Human Resources Excellence Awards Gala is one of the most prestigious human resources events of the year, the only event where excellence in human resources and people management is recognized and awarded. The Gala awards both large companies with complex human resources processes, as well as initiatives implemented in small companies that prove **real impact in business**.

Product of the Year Competition

1st place • Product of the year 2019 for: Non-carbonated soft drinks Category: Cappy+ Plant-based drinks Category: AdeZ Water Category: Glaceau Smartwater

The Product of the Year competition is **the largest competition for consumer goods in the world**, established in France in 1987. The competition is present in 44 countries. In Romania, Product of the Year is represented by the Media Concept Store Agency, which coordinates and manages the activities of the entire project, under license of the Product of the Year Worldwide, Brussels, Belgium, the owner of the Product of the Year brand and concept.

Romanian Contact Centre Awards

Best Internal Contact Centre (Medium) • prize won by Customers & Sales teams

The Romanian Contact Centre Awards competition is organized by Marketing Insiders Group and focuses on best practices and the level of expertise in the field of Customer Service & Contact Centre Management. This competition is aimed exclusively at people working in the Contact Centre industry, from managers to representatives. The competition conducts a **360° analysis of the field**, assessing different levels of management and different areas of the industry, both at national and international level.

The awards were offered following a complex assessment process that looked at how customer requests are answered, in a way that meets their needs, using internal operational processes. The objectives and strategy of the Support Centre team, as well as the principles of the Code of Business Conduct applied within the Support Centre, were also evaluated by the jury members. They also paid attention to the performance evaluation process, customer satisfaction assessment methods and professional development opportunities for team members.



Coca-Cola HBC Group Leadership Conference

Consumer Relevance

The 2020 Leadership Conference in Warsaw awarded its winners for outstanding results during 2019. The Coca-Cola Romania Marketing Team has brought home a very special award: CONSUMER RELEVANCE.

"This award holds great relevance for us. It reaffirms that our efforts are focused in the right direction in relation to actively listening to our customers and being aware of their needs because, when referring to Consumer Relevance, RELEVANCE is defined by how the consumer perceives our actions. When planning and developing content for our campaigns, we put the needs of our consumers first. This isn't easy. It means that we keep our door open and invite consumers to take part in the conversation. Relevance is the most important indicator for recruiting consumers and maintaining their loyalty towards our brand."

Mihaela Hoffman
Marketing Manager, CCHBC Romania

Supplier Engagement Leader Council

Supply Chain Sustainability Leader

For the third year in a row, we achieved the "A" rating from the Supplier Engagement Leader board and thus, Coca-Cola HBC is **one of the top companies**, achieving **the best performance in environmental protection actions**. This assessment is documented by CDP (Carbon Disclosure Project), the global non-profit environmental information platform, and concludes that we are still leaders and **make constant efforts with our partners to reduce the carbon footprint in our supply chain**.

Stakeholder engagement

Dialogue with our stakeholders helps us to constantly improve and make decisions that meet their expectations. The close communication and collaboration we have with them also supports us in setting out and revising our priorities.



OUR STAKEHOLDERS. WHO THEY ARE	HOW WE INTERACT	HOW FREQUENTLY WE INTERACT	OUR ACTIONS 2019	EMBASSIES:			
CENTRAL AND LOCAL AUTHORITIES <ul style="list-style-type: none">Presidential AdministrationGovernmentMinistries:<ul style="list-style-type: none">Ministry of Public FinanceMinistry of Internal AffairsMinistry of Foreign AffairsMinistry of JusticeMinistry of National DefenceMinistry of Economy, Energy and the Business EnvironmentMinistry for Transport, Infrastructure and CommunicationsMinistry of Agriculture and Rural DevelopmentMinistry of Environment, Waters and ForestsMinistry of Public Works, Development and AdministrationMinistry of European FundsMinistry of HealthMinistry of Education and ResearchMinistry of CultureMinistry of Youth and SportMinistry of Labour and Social ProtectionParliamentSpecialised committees of the Senate and the Chamber of DeputiesCentral and local public institutions: Environmental Fund Administration, National Environment Protection Agency, "Romanian Waters" National Administration, National Sanitary Veterinary and Food Safety Authority, National Agency for Mineral Resources, Romanian General Inspectorate for Emergency Situations, Department of Public Health, National Authority for Consumer Protection, National Agency for Fiscal Administration, City Councils, Local Councils and County Councils	<ul style="list-style-type: none">MeetingsPlatforms for common actionsLegislative initiativesPosition documentsStudiesEventsProgrammes, projects	<ul style="list-style-type: none">Participating in public debates (based on the projects) and at eventsSupporting local or central initiatives and/or public eventsParticipating in the meetings of commissions, committees, working groupsPartnering with governmental agencies in areas such as water and energy stewardship, recovering packaging waste, educational campaigns to raise awareness of the importance of selective waste collection, programmes regarding healthy lifestyles	<ul style="list-style-type: none">Position documents regarding: Law 31/2012 for the approval of the Government Emergency Ordinance No. 74/2018 for amending and supplementing Law No. 211/2011 regarding waste management, Law No. 249/2015 regarding packaging and packaging waste management and Government Emergency Ordinance No. 196/2005 on the Environment fundProject for amending and supplementing Law No. 54/2012 on picnic activities; European Commission Proposal for introducing a tax on plastic as EU resource in the future Multiannual Financial Framework for 2021-2027Government Emergency Ordinance project for amending and supplementing Law No. 227/2015 on the Tax code and Law No. 95/2006 on the health domain reform (tax on sugar); Government Emergency Ordinance Draft law on amending consumer protection acts; Draft law on hydromineral resources; Draft law regarding product dualitySponsorship for the Romanian Presidency of the Council of the European Union	EMBASSIES: Embassies of <ul style="list-style-type: none">the United States of AmericaHellenic RepublicIrelandGreat BritainAustriaSwitzerland in Romania	<ul style="list-style-type: none">Supporting legislative initiatives of great impactProjects regarding common interests	<ul style="list-style-type: none">Regular communication to remain informed about the status of the projects and their implementationWhenever neededWhenever an initiative or project regarding a common interest arises	<ul style="list-style-type: none">Organising partner for the reception celebrating the Independence Day of the US
				BUSINESS AND INDUSTRY ASSOCIATIONS: <ul style="list-style-type: none">American Chamber of Commerce (AmCham)Foreign Investors Council (FIC)Romanian Soft Drinks Association (ANBR)ROMALIMENTARomanian Association for Packaging and the Environment (ARAM)Romanian Society of Diabetes, Nutrition and Metabolic Diseases (SRDNBM)Mineral Water Association (APEMIN)Institute of Internal Auditors (IIA)Romanian Advertising Council (RAC)	<ul style="list-style-type: none">Partnerships for relevant mattersSupporting legislative initiatives with great impactPosition documentsMeetings with governmental representatives	<ul style="list-style-type: none">Regular participation in Associations Committees, working groups, Board of Directors, General Shareholders' Meeting (monthly or whenever needed)Constantly gaining information regarding legislative subjects of interest or with business impactAs a result of updating relevant common interest subjects and to be correctly informedParticipating, together with other interested parties, at public events and at work meetingsIntegrating sustainability principles in business relationsAnalysis of long-term public policies regarding legislation on the business environment	<ul style="list-style-type: none">Position documents regarding: Law 31/2012 for the approval of the Government Emergency Ordinance No. 74/2018 for amending and supplementing Law No. 211/2011 regarding waste management, Law No. 249/2015 regarding packaging and packaging waste management and Government Emergency Ordinance No. 196/2005 on the Environment fundProject for amending and supplementing Law No. 54/2012 on picnic activities; European Commission Proposal for introducing a tax on plastic as EU resource in the future Multiannual Financial Framework for 2021-2027Government Emergency Ordinance project for amending and supplementing Law No. 227/2015 on the Tax code and Law No. 95/2006 on the health domain reform (tax on sugar); Government Emergency Ordinance Draft law on amending consumer protection acts; Draft law on hydromineral resources.

MEDIA: <ul style="list-style-type: none"> TV media channels Digital media content creators Written press and radio stations Social media 	<ul style="list-style-type: none"> Interviews Editorial content Articles Meetings Contests Marketing actions Events 	<ul style="list-style-type: none"> Proactive communication regarding the company's priorities and our reactive response to crisis situations Communicating our initiatives Defending company reputation, supporting commercial and marketing goals 	<ul style="list-style-type: none"> Events promoting "YOUth empowered" and "Good Day! Young Volunteers' Day!" - selective waste collection event
EMPLOYEES: <ul style="list-style-type: none"> 1,494 Coca-Cola HBC employees (December 31st, 2019) 34 Coca-Cola Romania employees (December 31st, 2019) 	<ul style="list-style-type: none"> Internal communication Meetings CSR (corporate social responsibility) activities calendar Sports events Informal events 	<ul style="list-style-type: none"> At least one interaction per month Regular volunteering events 	<ul style="list-style-type: none"> Ethics and Compliance Week – the new Code of Business Conduct and Anti-Bribery Policy
BUSINESS PARTNERS: <ul style="list-style-type: none"> Key Accounts Strategic suppliers National Society for Mineral Waters (SNAM) APA NOVA 	<ul style="list-style-type: none"> Meetings Working sessions Events 	<ul style="list-style-type: none"> Constant communication (at least two times per month and whenever necessary) Engaging in long-term initiatives (such as growing supplier capacity, creating common values with clients) Integrating sustainability principles into business relations Long-term initiatives for growing supplier capacity 	
NON-GOVERNMENTAL ORGANISATIONS: <ul style="list-style-type: none"> Hospice Hope (Hospice Casa Speranței) Future Plus Association (Asociația Viitor Plus) School of Values (Școala de Valori) Save the Children (Salvați Copiii) Tășuleasa Social The Social Incubator Far by Bike Association (Asociația Cu bicicleta departe) WWF Global Shapers 	<ul style="list-style-type: none"> Partnerships regarding relevant matters Seminars Meetings Events 	<ul style="list-style-type: none"> Special events/activities CSR volunteering actions and sports, in alignment with the planning 	<ul style="list-style-type: none"> Bucharest International Marathon – supporting the patients under the care of Hospice Hope Donating medical equipment specialised in caring for premature children Training sessions for young people in the NEET (Not in Education, Employment, or Training) category, aiming to integrate them in the labour market Selective waste collection events

KEY OPINION LEADERS & ECONOMY EXPERTS: <ul style="list-style-type: none"> Economy experts Financial analysts 	<ul style="list-style-type: none"> Partnerships regarding relevant matters Expert support regarding the sustainability strategy Meetings Position documents Studies 	<ul style="list-style-type: none"> Interactions in the context of projects Engaging in long-term and complex initiatives, such as market analysis 	
CLIENTS: <ul style="list-style-type: none"> Cash&Carry HORECA Supermarkets Hypermarkets Discount stores Local & Traditional stores Kiosks BTR (Bars, Terraces, Restaurants) QSR (Quick Serving Restaurants) Distributors 	<ul style="list-style-type: none"> Meetings Working sessions Events 	<ul style="list-style-type: none"> Interactions within daily activity Collaborating constantly with retailers and other clients regarding sustainability issues Integrating sustainability principles in business relations Long-term initiatives for growing supplier capacity 	
CERTIFICATION BODIES: <ul style="list-style-type: none"> Lloyd's Register Quality Assurance Ltd (LRQA) LAREX Control Union SGS Denkstadt 	<ul style="list-style-type: none"> Meetings Audits 	<ul style="list-style-type: none"> Annually or whenever necessary 	
INVESTORS: <ul style="list-style-type: none"> The Coca-Cola Company Kertas Holding Greece Investors from the USA and Great Britain Coca-Cola HBC 	<ul style="list-style-type: none"> Meetings Phone conferences Analysis sessions E-mail Special announcements 	<ul style="list-style-type: none"> Regular meetings Annual report and CSR report Maintaining contact with all levels of the organisation 	
CONSUMERS: <ul style="list-style-type: none"> All consumers of our products 	<ul style="list-style-type: none"> Product labels Online platform Informative publications and reports Factory visits Special events CSR activities 	<ul style="list-style-type: none"> Periodic and constant communication 	<ul style="list-style-type: none"> Launch of Fanta Raspberry, Lime & Baobab Launch of Sprite Lemon Mint Launch of Schweppes Pineapple Basil



Priorities and material topics

We want to stay connected to the ever-changing expectations of our stakeholders.

That is why every two years we conduct a **comprehensive process where we consult them**, in order to update the performance indicators, we monitor and publish in the sustainability report.

We communicate the results of the consultation process (called materiality analysis below) transparently each year and adapt the form and structure of the report according to the feedback we receive from our stakeholders.

This report is based on the results of the materiality analysis, which took place in June 2020, and involved consulting all stakeholder categories, both internal (board and department managers) and external.

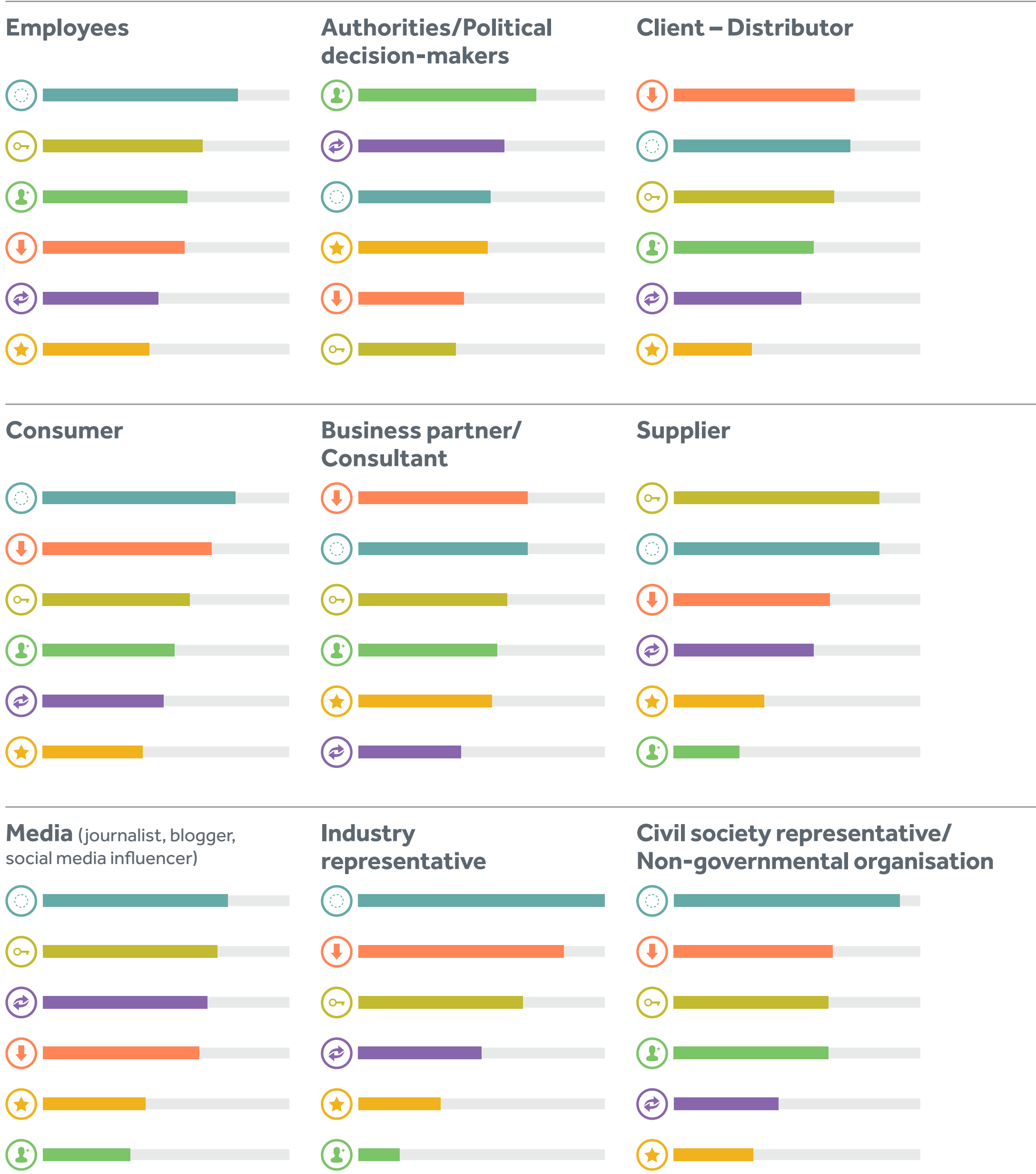
Although the social context was not favourable, we obtained 183 external responses to the questionnaire developed in partnership with a team of consultants from The CSR Agency.

The main categories of external stakeholders consulted were:

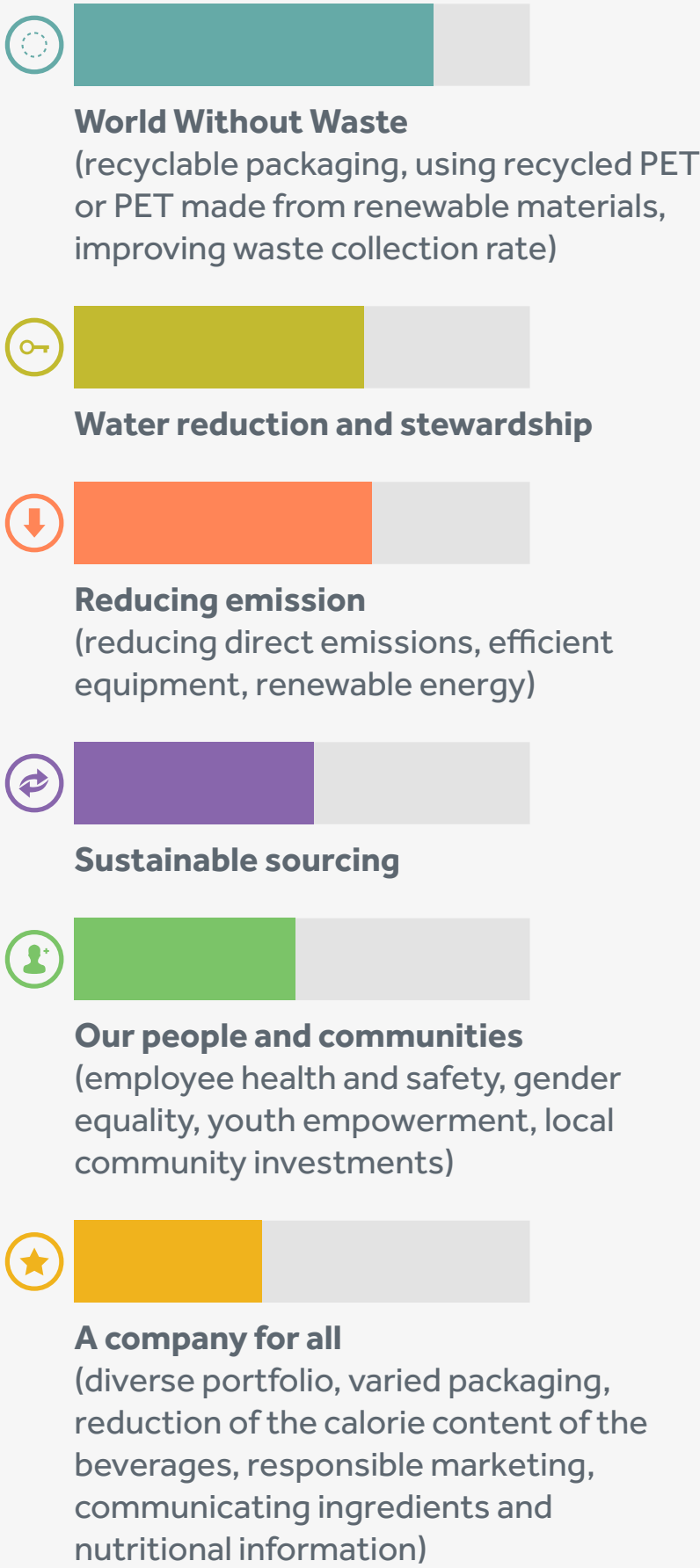
- ✓ Coca-Cola System Romania employee
- ✓ Authorities/Political decision-makers
- ✓ Client – Distributor
- ✓ Consumer
- ✓ Supplier
- ✓ Media (journalist, blogger, social media influencer)
- ✓ Business partner/Consultant
- ✓ Industry representative
- ✓ Civil society representative/ Non-governmental organisation

Results of materiality analysis:

"A series of strategic priorities are found at the core of the Coca-Cola System's sustainability strategy. Please prioritise the areas in which you consider that the Coca-Cola System should invest."



Therefore, on average, our stakeholders believe that a large part of the company's investments should be directed towards the following categories:



Material topics

Material topics are represented by those areas where the company generates significant impact (internal materiality, analysis conducted by the SMT and Top Management members of Coca-Cola HBC Romania and Coca-Cola Romania), which also considerably influence stakeholders' decisions and the way they evaluate our activity. The topics were grouped into five categories: corporate governance and economic performance, responsibility, employment, society, environment.

Corporate governance & economic performance

- 1 Anti-corruption
- 2 Sustainable management
- 3 Stakeholder engagement
- 4 Public policy
- 5 Anti-competitive behaviour
- 6 Economic performance
- 7 Market presence
- 8 Indirect economic impacts

Responsibility

- 9 Customer privacy
- 10 Customer health and safety
- 11 Marketing and labelling
- 12 Procurement practices
- 13 Supplier social assessment

Employment

- 14 Employment
- 15 Occupational health and safety
- 16 Labour - management relations
- 17 Diversity and equal opportunity
- 18 Training and education
- 19 Freedom of association and collective bargaining
- 20 Non-discrimination
- 21 Human rights assessment

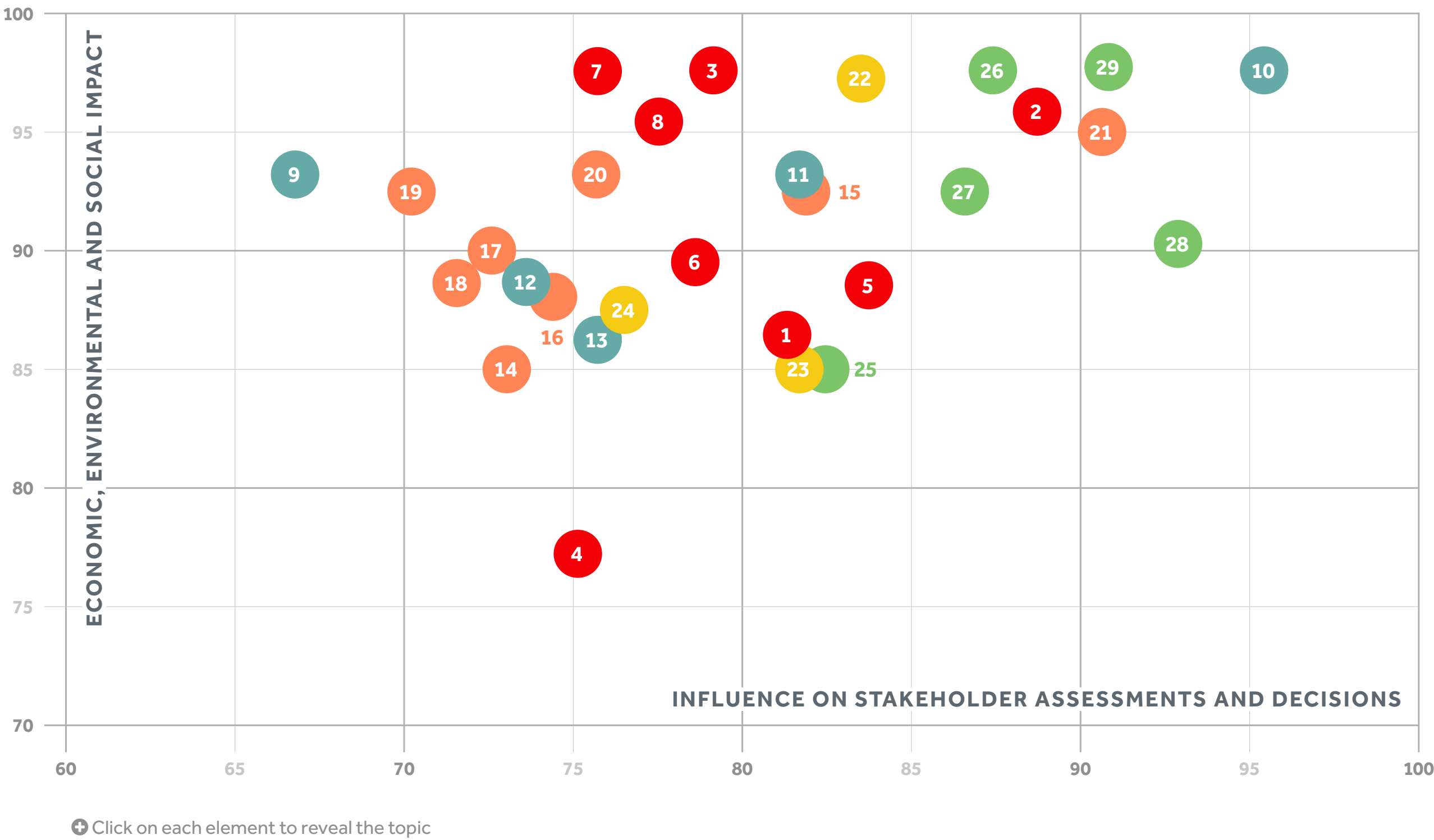
Society

- 22 Socioeconomic compliance
- 23 Local communities
- 24 Security practices

Environment

- 25 Energy
- 26 Water and effluents
- 27 Emissions
- 28 Materials and waste
- 29 Environmental compliance

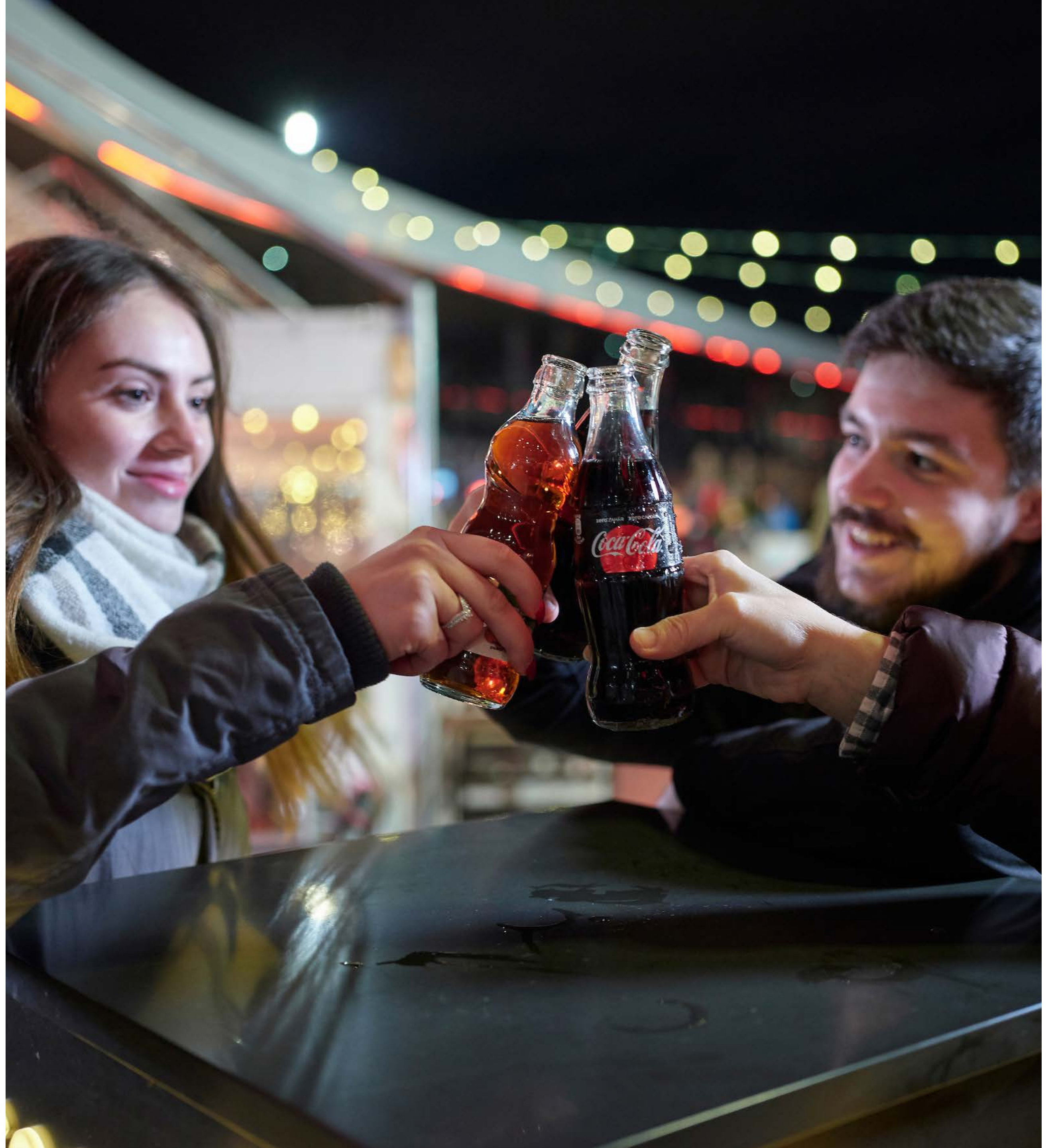
Materiality matrix



MATERIAL TOPICS		BOUNDARIES		STAKEHOLDERS									
		Direct impact*	Indirect impact**										
Corporate governance and economic performance													
1	Anti-corruption	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	<div>✓ Coca-Cola System Romania employee</div> <div>✓ Authorities/Political decision-makers</div> <div>✓ Client - Distributor</div> <div>✓ Consumer</div> <div>✓ Supplier</div> <div>✓ Media (journalist, blogger, social media influencer)</div> <div>✓ Business partner/Consultant</div> <div>✓ Industry representative</div> <div>✓ Civil society representative/ Non-governmental organisation</div> <div>*Direct impact resulting from Coca-Cola Romania System's activities</div> <div>**Indirect impact resulting from contractual relations with partners, clients and suppliers</div>
2	Sustainable management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3	Stakeholder engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4	Public policy	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
5	Anti-competitive behaviour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
6	Economic performance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
7	Market presence	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
8	Indirect economic impact	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Responsibility													
9	Customer privacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	✓	
10	Customer health and safety	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
11	Marketing and labelling	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	
12	Procurement practices	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13	Supplier social assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Employment													
14	Employment	✓	—	✓	✓	✓	✓	—	✓	✓	✓	✓	
15	Occupational health and safety	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
16	Labour – management relations	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	
17	Diversity and equal opportunity	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
18	Training and education	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	
19	Freedom of association and collective bargaining	✓	—	✓	✓	✓	✓	✓	✓	—	✓	✓	
20	Non-discrimination	✓	✓	✓	✓	✓	✓	✓	✓	—	✓	✓	
21	Human rights assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Society													
22	Socioeconomic compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
23	Local communities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
24	Security practices	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Environment													
25	Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
26	Water and effluents	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
27	Emissions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
28	Materials and waste	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
29	Environmental compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

A company for all

#3



We want to offer people the products they love, suitable for any time of the day and every lifestyle, through a diversified portfolio, from carbonated and non-carbonated beverages, including ones with low or no sugar content, to fruit juices and nectars, plant based drinks and natural mineral waters.

Diversified portfolio. Reduced sugar content

We have a 24/7 portfolio that includes various categories, to which we always add new products and flavours:

SPARKLING SOFT DRINKS

Coca-Cola
Fanta
Sprite
Schweppes

STILL DRINKS

FUZETEA
AdeZ
Cappy Pulpy

Illy ready-to-drink premium coffee range

JUICES AND NECTARS

Cappy

MINERAL WATER

Dorna
Dorna Izvorul Alb
Poiana Negri

BOTTLED WATER

Smartwater

ENERGY DRINKS

Coca-Cola Energy
Burn
Monster

COFFEE

starting 2020, we will bring the

Costa Coffee,

brand to the local market in a wide range of premium varieties that complement the Group's portfolio*

We offer more options with less or low calories, reduce package sizes for better portion control and provide clear nutrition information.

*In 2019, we ended the distribution partnership for Lavazza products.

New products launched in 2019

In 2019, we continued to invest in expanding our portfolio, bringing an innovative product to the water segment. Inspired by the natural water cycle, **Smartwater** meets various hydration needs.

Natural mineral water is converted into vapour, then condensed, and at the end mineral salts are added for a pure and fresh taste.

April 2019 brought a new product for Romanian consumers: **Coca-Cola Energy**.

In the summer of 2019, we launched **Lemonade by Cappy**, a non-carbonated soft drink with lemon juice and pulp.

Available in 3 different flavours: **Lemon, Lemon and Mint, Lemon and Raspberry**, in 400 ml and 1.25 l packs, the entire range of flavours is bottled locally in the Coca-Cola HBC Romania factory in Ploiești.

The summer of 2019 also brought our consumers a special combination of fruit flavours and plant extracts: **Coca-Cola Specialty**.

This global premiere brought a series of beverages in **collectible packaging** to the Romanian market, using the glass bottle used in the early 1900s.

In order to prevent risks from arising in our operations, during the development and addition of new products to the market, all products go through a "Cokeworks Innovation" process. This is a portfolio management tool that encourages transparency, collaboration and our capacity to expand production. At the same time, it is a platform used for managing innovative initiatives, being the tool that helps us follow projects from the earliest stage until launching.



Diversifying our portfolio

We are transforming our portfolio to meet the ever-changing expectations of consumers by:

- ⦿ Reducing the sugar content of our products
- ⦿ Diversifying the packaging range
- ⦿ Increasing the number of products with a high nutritional content
- ⦿ Transparently communicating in order for consumers to make informed choices

We are constantly investing and looking to change recipes in order to reduce the sugar content of our products. Many of our brands are available in low-calorie or sugar-free options. Therefore, we take consumer wishes, as well as the recommendations of the authorities regarding sugar consumption into consideration. We are also always searching for new packaging options, so that products are also available in smaller packages, to make it easier for consumers to control their sugar intake.

In 2019:



36.4% of the total sales volume were low-calories* or no-calories drinks (including water)**



38% of the marketing budget was directed towards promoting low-calorie or no-calorie drinks (including water)



the calorie reduction across the entire portfolio was of 1.7%

Products in our portfolio containing a high level of nutritional ingredients (fibres, vitamins, minerals): AdeZ, Cappy+, Coca-Cola Energy.

*Low energy

A claim that a food is low in energy, and any claim likely to have the same meaning for the consumer, may only be made where the product does not contain more than 40 kcal (170 kJ)/100 g for solids or more than 20 kcal (80 kJ)/100 ml for liquids. For table-top sweeteners the limit of 4 kcal (17 kJ)/portion, with equivalent sweetening properties to 6 g of sucrose (approximately one teaspoon of sucrose), applies.

**Energy-free

A claim that a food is energy-free, and any claim likely to have the same meaning for the consumer, may only be made where the product does not contain more than 4 kcal (17 kJ)/100 ml. For table-top sweeteners the limit of 0,4 kcal (1,7 kJ)/portion, with equivalent sweetening properties to 6 g of sucrose (approximately one teaspoon of sucrose), applies.

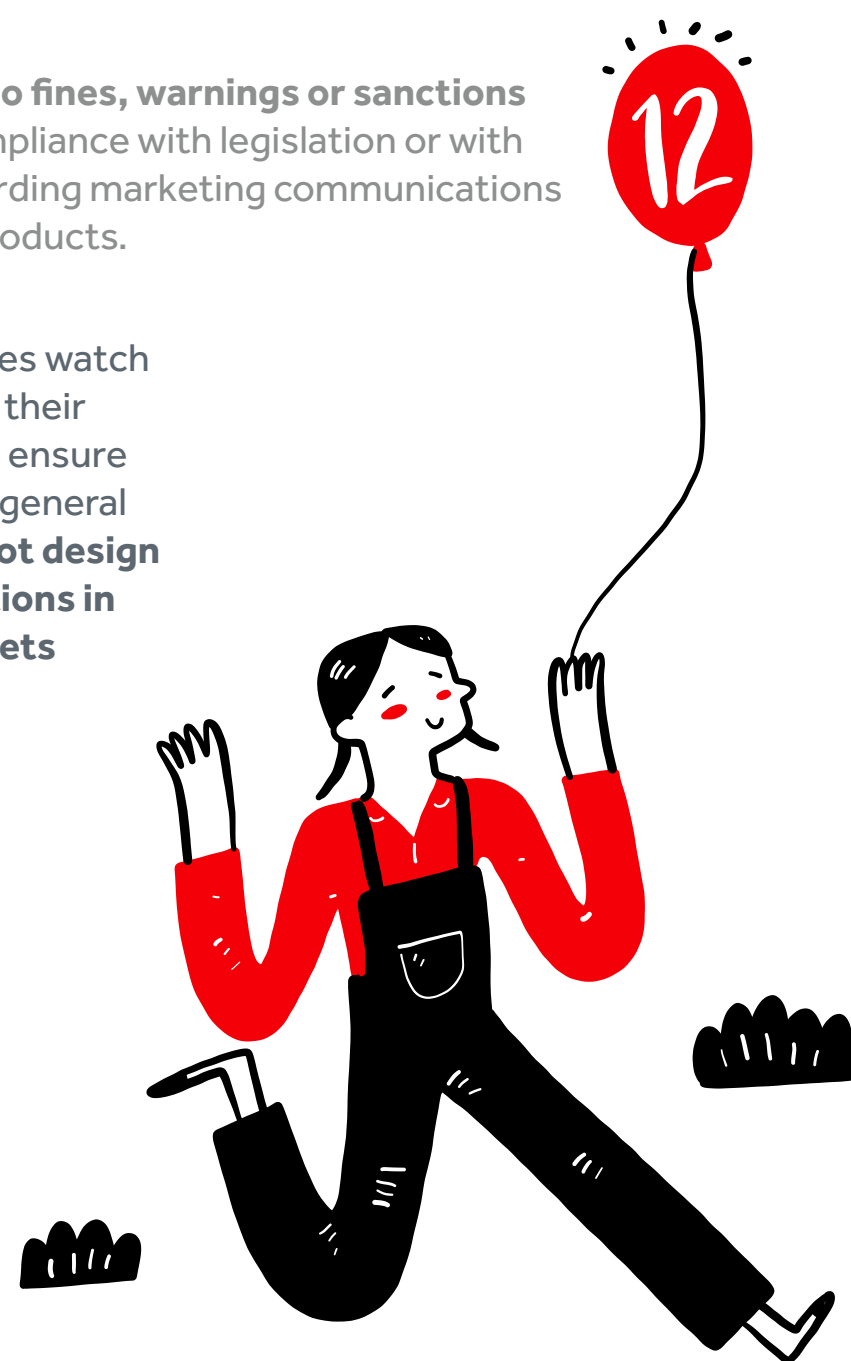
In compliance with the Regulation (EC) No. 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods

Responsible marketing

All our products are promoted according to the Responsible Marketing Policy, implemented within Coca-Cola Romania. As such, **we have committed to avoiding the publication of marketing materials on channels that have an audience comprised of children under 12 years old**, including TV shows, press, websites, social media, films and marketing through SMS/messages. Media targeting children under 12 is defined as media that has an audience made of at least 35% children under 12 years old.

In 2019, there were no fines, warnings or sanctions received for non-compliance with legislation or with voluntary codes regarding marketing communications and promoting our products.

We are aware that families watch television together with their children, and we work to ensure that ads are suitable for general audiences. We also **do not design marketing communications in a way that directly targets children under 12**.



Transparent labelling

All our products are labelled in accordance with EU Regulation 1169/2011 on consumer information, transposed locally through Government Emergency Ordinance 106/2002 on food labelling.

According to the aforementioned regulations, the following elements must be included on the labels:

- a the name of the food product
- b the list of ingredients
- c any ingredient or processing aid mentioned in annex II or which comes from a substance or product mentioned in annex II causing allergies or intolerance, that is used in the production of a food product and is still present in the final product, even in a modified form
- d the quantity of certain ingredients or categories of ingredients
- e the net quantity of food
- f minimum durability or "use by" date
- g special storage conditions and/or conditions of use
- h company name or commercial name and address of the operator within the food sector mentioned in article 8, paragraph (1)
- i country of origin or place of provenance, in the cases referred in article 26
- j instructions for use, where their omission would make the proper use of the food difficult
- k for beverages containing more than 1.2% alcohol in volume, alcohol content
- l a nutrition declaration

In addition to the requirements above, certain products also include nutritional and health claims on their labels in accordance with EU Regulation 1924/2006 on nutritional and health claims.

Furthermore, all labels comply with Government Emergency Ordinance no. 621 of June 23rd 2005 on the management of packaging and packaging waste, according to which: Economic operators producing products packaged in reusable packaging are obliged to mark or write on the packaging or label the phrase "Reusable packaging". This includes information on the nature of the packaging (e.g. PET, ALU), as well as the recommendation to be selectively collected for recycling by adding the "green dot" and "tidy man" graphic elements. Moreover, some packaging (AdeZ) includes additional information recommending the removal of the label prior to recycling.

100% of Coca-Cola HBC Romania products have been evaluated regarding compliance with these regulations.

In addition to consulting the labels, consumers can also learn about the content of the products through
INFOLINE,
 by calling
0800.080.800
 or by visiting the Coca-Cola Romania website
www.coca-cola.ro

In 2019, there were no penalties, warnings or sanctions recorded for non-compliance with the legislative regulations or voluntary codes regarding product labelling.





Product quality. Consumer health and safety

Coca Cola's success and performance would not have been possible without the trust consumers place in us every time they choose our products. In order to maintain our position at the top of their preferences, we prioritise **the quality of the products** we bring to the market.

As such, throughout the entire System, we operate following the highest food quality and safety standards and put great care and responsibility into the products we make and distribute.

Our criteria regarding food quality and safety, as well as those of our stakeholders, are communicated internally and externally, to our partners and consumers. The top management is responsible for ensuring an efficient food quality and safety management system. This highlights the care with which we address this topic.

COCA-COLA HBC ROMANIA

At Coca-Cola HBC Romania we are committed to always improving the products we distribute, through developing, implementing and maintaining food quality and safety management systems that comply with ISO 90001 and FSSC 22000 standards. Our policy in this regard is shaped by the goals we set and communicate to all levels of our organisation, that apply to all operations covered by the food quality and safety management system, which we constantly monitor, analyse and regularly review. In order to ensure the constant improvement of the system and to reach its targets, we constantly monitor and evaluate risks.

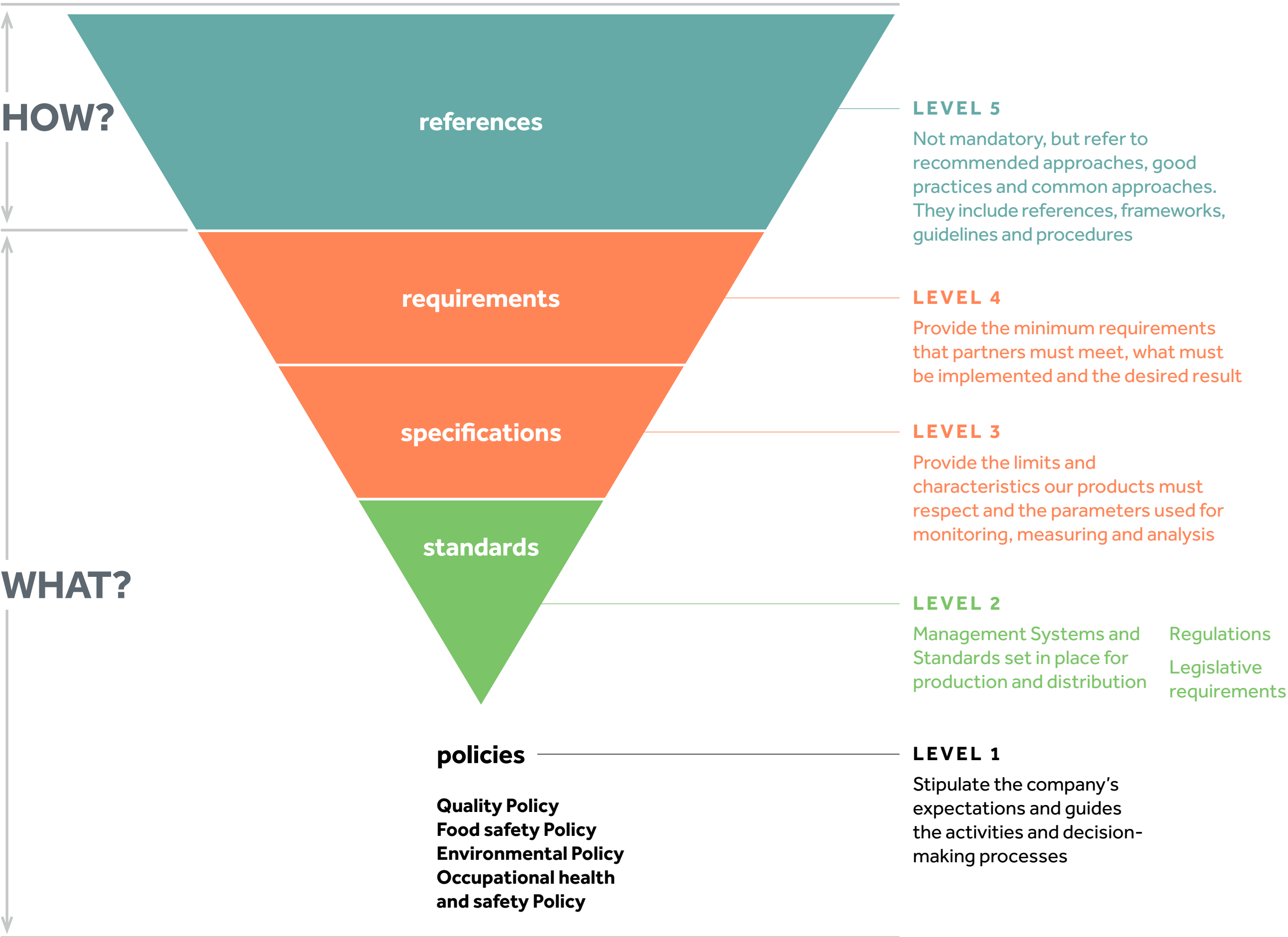
At the same time, we make sure that our employees are aware of their responsibility and we offer them trainings and development programmes in order to maintain a culture centred around quality.

More information about Coca-Cola HBC Romania's food quality and safety policy can be found [here](#).

At the same time, **the bottling process of Coca-Cola products strictly complies with local and international legislative rules and regulations in the field of food safety and quality, as well as the operating requirements of The Coca-Cola Company (KORE)**. Procedures based on the principles of Hazard Analysis Critical Control Point (HACCP) are also in place, while product compliance is evaluated through the Quality Control and Testing Programme, through procedures that include physical, chemical and microbiological tests carried out during the production cycles.

The KORE model

The Coca-Cola Company operating requirements



The operating requirements (KORE) represent the governance framework and management systems around which we build the foundations for the sustainable development of our business model, to meet customer demands and ensure efficient risk management. KORE defines policies and standards for quality management, food safety, environmental protection and occupational health and safety.

The continuous improvement process is supported by the audits we carry out on a regular basis, both within our direct operations and within our bottling partner. In 2019, a GAO* (Global Audit Organisation) audit took place at the Coca-Cola HBC Romania plant in Timișoara.

In 2019, there were no incidents of non-compliance with legislation or with Coca-Cola Romania’s standards and requirements regarding quality and customer health and safety. There were also no fines, penalties or warnings received from authorities.

Complaints received in 2019:
The total amount of complaints received in 2019 decreased significantly compared to 2018, recording a decline of 65%.

Complaints received in 2019 regarding product quality:
The total amount of complaints received regarding product quality rose by 5% compared to 2018, representing 25% of all complaints recorded.

*The Global Audit Organisation (GAO) enables us to learn valuable information about our performance regarding quality, security and environment, through focused audits of the implemented systems, the risks we face and the degree of compliance with The Coca-Cola Company standards, policies and procedures. This ensures that we are continuously protecting and improving the company's brands, people and reputation, while continuously offering products of the highest quality, developed in a safe and sustainable way.

The GAO audit is aimed at new Coca-Cola HBC plants and operations, which are introduced into the company because of merger and acquisition processes, as well as warehouses and distribution centres located near production centres. The audit is implemented globally, focuses on skills and is ISO 9001 certified.

Our plants

Our products are bottled in the three Coca-Cola HBC Romania plants in **Timișoara**, **Ploiești** and **Poiana Negrii**, following **the highest food quality and safety standards**.



€11 million invested at the Poiana Negrii plant

In April 2019, Coca-Cola HBC Romania launched a **new water bottling line** at the plant in Poiana Negrii, with a maximum capacity of producing **1.3 million litres of water per day**. The total value of this investment was 11 million euro and comprised of a **new bottling line**, **modernising another production line** and **upgrading the storage capacity**, the latter resulting in a **10% growth** in the number of available jobs.

Launched in 2019, the new bottling line has a bottling capacity **44% higher** than the previous one, at the same time maintaining energy consumption at the same level, due to **better energy efficiency**. Moreover, this investment will result in a **6% decrease** in the amount of water used during the production.

€2.6 million investment at the Timișoara plant

In 2019, an extra **2,800 m²** was added to the existing storage space. Here, a **drive-in storage system** with a capacity of **7,000 pallets** was installed. Likewise, the existing system in the original storage space was upgraded in order to obtain an extra storage capacity of **2,000 pallets**.

This investment worth 2,6 million euro enabled **significant cost reduction generated by transport and storing inventory** in spaces external to Coca-Cola HBC, hence optimising exports from the Timișoara plant to other countries in the area.

Certifications of Coca-Cola HBC Romania plants

Certification/Standard	Date of certification	Next steps
ISO 9001:2015 Quality management system ISO 9001:2015 specifies requirements for a quality management system when an organisation needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.	<div>May 31st, 2002 Ploiești plant</div> <div>July 27th, 2006 Poiana Negrii plant</div> <div>August 2nd, 2002 Timișoara plant</div> <div>January 12th, 2006 CCHBC Romania</div>	Annual re-certification and surveillance audit.
ISO 14001:2015 Environmental management system ISO 14001:2015 standard provides organisations with a framework to protect the environment and respond to environmental conditions in balance with socioeconomic needs, specifies the requirements for an environmental management system that an organisation can use to increase its environmental performance and helps organisations achieve the intended results of their environmental management system, i.e. increase environmental performance, the fulfilment of compliance obligations and the achievement of environmental objectives.	<div>January 21st, 2004 Ploiești plant</div> <div>March 27th, 2007 Poiana Negrii plant</div> <div>March 11th, 2004 Timișoara plant</div>	Annual Surveillance audit and re-certification every 3 years.
FSSC 22000 version 4.1 Food safety management system The FSSC 22000 Certification Scheme sets out the requirements for the audit and certification of the food safety management system (FSMS) of organisations in the food chain. The certification confirms that the organisation's food safety management system (FSSC 22000) complies with the requirements of the scheme. The scheme is based on publicly available standards and technical specifications: <ul style="list-style-type: none">ISO 22000 requirements for any organisation in the food chain;Relevant preliminary programmes (PRPs) based on specific technical specifications (e.g. ISO/TS 22002-1, ISO/TS 22002-4) andAdditional FSSC 22000 requirements: Service Management, Product Labelling, Food Defence, Food Fraud Prevention, Logo Use, Allergen Management, Environmental Monitoring, Transportation and Delivery.	<div>July 25th, 2011 Ploiești plant</div> <div>August 3rd, 2011 Poiana Negrii plant</div> <div>September 27th, 2011 Timișoara plant</div>	Annual surveillance and re-certification every 3 years. Transition to FSSC 22000 version 5.0 which is based on ISO 22000:2018 standard.

OHSAS 18001:2007 Occupational health and safety management system The OHSAS standard sets requirements for an occupational health and safety (OH&S) management system to enable an organisation to control its own OH&S risks and improve its OH&S performance.	<div>February 9th, 2007 Ploiești plant</div> <div>January 26th, 2011 Poiana Negrii plant</div> <div>May 13th, 2009 Timișoara plant</div>	Annual surveillance and re-certification every 3 years. Transition to ISO 45001:2018 in 2020 and 2021.
European Water Stewardship Standard (EWS) The EWS standard highlights the implementation of site-level water management, focusing on understanding and engaging in the local water catchment area, as water users share risks and opportunities related to efficient water stewardship. It is also valuable for companies which want to promote responsible water management practices in their investments.	<div>January 9th, 2014 Ploiești plant</div> <div>August 26th, 2014 Poiana Negrii plant</div> <div>December 12th, 2014 Timișoara plant</div>	Annual surveillance and re-certification every 3 years. Transition to the AWS Standard-Alliance for Water Stewardship in 2020.

RE-CERTIFICATION AUDITS CARRIED OUT IN 2019

Standard	Plant	Type of audit
ISO 14001	Dorna - Poiana Negrii	14001:2018 Re-certification
FSSC 22000	Dorna - Poiana Negrii	FSSC 22000 Re-certification
OHSAS 18001	Dorna - Poiana Negrii	OHSAS 18001 Re-certification
EWS	Dorna - Poiana Negrii	EWS Re-certification
ISO 14001	Ploiești	14001:2018 Re-certification
FSSC 22000	Ploiești	FSSC 22000 Re-certification
EWS	Ploiești	EWS Re-certification
ISO 14001	Timișoara	14001:2018 Re-certification
FSSC 22000	Timișoara	FSSC 22000 Re-certification



Our employees

#4



Working environment

The values on which the reputation of the Coca-Cola System was built are based on the most valuable resource we have: **human capital**.

Diversity, inclusion, and equal opportunities

are principles well anchored in our organisational culture, which we actively support both at the level of our organisations and along the value chain.

We promote a responsible and engaging culture where **how we work and how we interact as a team** is as important as the results we achieve together.

The constant investments we make in the development of our employees have helped us build a **motivated team** over time, a team that creates and innovates in every activity they do, helping us stay connected to the ever-changing wishes and preferences of consumers.

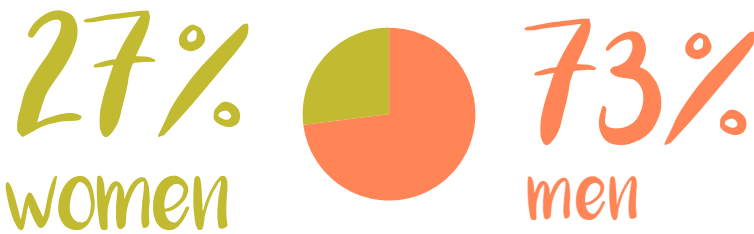




OUR EMPLOYEES // 2019

COCA-COLA HBC ROMANIA			COCA-COLA ROMANIA		
W	M	Total	Total	W	M
406	1,088	1,494	34	22	12
average age within the company					
37			39		
age and gender					
W	M			W	M
130	196	<30		3	1
221	692	30-50		19	9
55	200	>50		0	2
406	1,088	Total		22	12
contract type/working hours					
20		Fixed-term		0	
1,474		Permanent		34	
1,494		Total		34	
1.494		Full-time		34	
0		Part-time		0	
1,494		Total		34	

COCA-COLA HBC ROMANIA



COCA-COLA ROMANIA



EMPLOYEE TURNOVER // 2019

COCA-COLA HBC ROMANIA				COCA-COLA ROMANIA			
new employees		employees who have left the company		new employees		employees who have left the company	
no.	rate*	no.	rate*	no.	rate*	no.	rate*
gender							
110	27.1	65	16	Women	2	9.1	0
219	20.1	146	13.4	Men	2	16.7	0
329	22	211	14.1	Total	4	13.3	0
age group							
182	55.8	77	23.6	<30	2	50	0
144	15.8	118	12.9	30-50	2	7.1	0
3	1.2	16	6.3	>50	0	0	0
329	22	211	14.1	Total	4	11.8	0
location							
149	26.5	79	14.1	Bucharest	4	11.8	0
8	15.7	2	3.9	Cluj			
15	37.5	10	25	Constanța			
18	38.3	11	23.4	Craiova			
11	29.7	10	27	Galați			
12	23.5	8	15.7	Iași			
6	13.6	3	6.8	Oradea			
16	9.9	8	4.9	Poiana Negrii			
34	12.1	27	9.6	Ploiești			
60	27.6	53	24.4	Timișoara			
329	22	211	14.1	Total	4	11.8	0

*The rate of new employees and staff turnover for each category were calculated taking into account the number of employees who came/left for each category, relative to the total number of employees in that category (e.g. female employees turnover was calculated as: $\frac{\text{number of women who left the company} \times 100}{\text{total number of women within the company}}$).

Compared to 2018, the number of employees who left the company decreased by about 2.4%.

Human rights

Respect and **trust** are essential elements that stand at the core of the way we interact with our employees, and these qualities are proven both by our global commitments and by our local results.

The framework governing our approach to human rights is supported by strict policies and procedures, which incorporate the international principles on human rights described in the Universal Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the principles we committed to through our participation in the Global Compact.

In 2019, the Coca-Cola System Romania did not record any incidents regarding human rights violations in employee or partner relations. Likewise, no fines, sanctions or warnings were received for non-compliance with legislation and regulations on human rights.

You can learn more about our commitments and policies regarding human rights by accessing Coca-Cola HBC Romania's Policy and The Coca-Cola Company's Policies and Regulations on human rights.

Right to freedom of association and collective bargaining

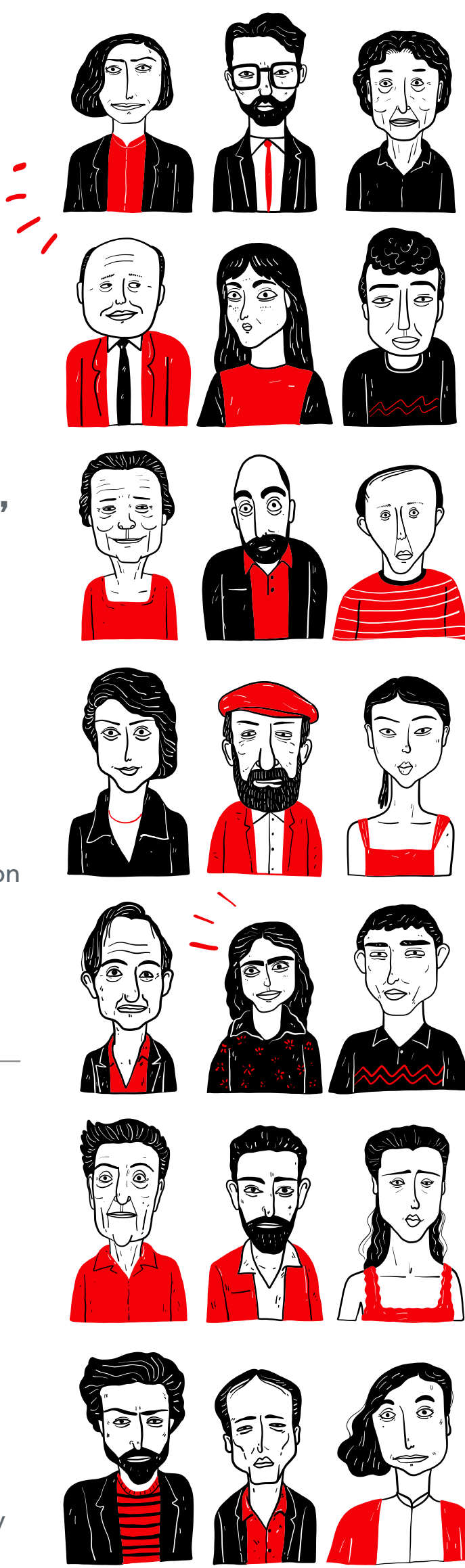
We respect the right of our employees to join a union, to form one or not to join a union without fear of retaliatory measures, intimidation, or harassment.

If employees are represented by a legally recognised trade union, we undertake the commitment to establish a constructive dialogue with their freely elected representatives and to participate in the negotiation processes in good faith. All changes or decisions which may have a major impact on employees shall be communicated to them 5 calendar days after the date of the decision, in accordance with the provisions of the collective agreement.

In 2019, Coca-Cola HBC's collective agreement was replaced by a decision of the General Manager, which maintains the same conditions. Thus, all employees benefit from these stipulations.

Union	2017	2018	2019
Company employees enrolled in unions (% of the total)	18%	15.3%	13.9%
Employees enrolled in the Coca-Cola HBC Romania Free Union	2,13%	1.75%	1.6%
Employees enrolled in the Coca-Cola HBC Romania Independent Union	15.18%	13%	11.9%
Employees enrolled in the Coca-Cola HBC Brothers' Union	1.28%	0,5%	0.4%

At Coca-Cola Romania level there are 2 colleagues chosen by our employees, who represent them in consultations/dialogue with company representatives, in accordance with the legislative provisions.



Diversity and equal opportunity

We are constantly making an effort and implementing measures to ensure that our people have an inclusive and fair working environment that enables them to develop and grow on the basis of objective criteria relating to qualifications, skills and performance.

All our employees benefit from equal opportunities, as set out in the Coca-Cola HBC Romania Inclusion and Diversity Policy. We do not tolerate harassment in the workplace in any way and we prohibit any form of discrimination on the basis of gender, age, disability, sexual orientation, civil status, race, religion, political affiliation or any other aspect governed by local law and international standards. Failure to comply with the rules laid down in the policy results in severe penalties, which may even end in the termination of the contract.

Company leaders and managers have an additional responsibility for implementing and monitoring all aspects regarding diversity, inclusion and combating discrimination, and at the same time for addressing any behaviour that violates these policies. In addition to the expectations we have of our team, all these provisions apply to our contractors, subcontractors, partners and consultants throughout the contractual period.

In 2019, there were no incidents surrounding discrimination at the Coca-Cola System Romania or any sanctions applied as a result of violating the policies on inclusion and equal opportunity.

Locally, Coca-Cola HBC Romania was one of the first signatories of the

DIVERSITY CHARTER

signing it in 2018. This initiative is committed to continuing the promotion and implementation of diversity, inclusion and equal opportunity principles, both within and outside the company.

COCA-COLA HBC ROMANIA

COCA-COLA ROMANIA

employees with disabilities

W		M		W		M
0		6		0		0
2		0		1		0
8				1		
			Blue collar			
			Professional/ White collar			
			Total			

age, gender and role within the company

<30		30-50		>50			<30		30-50		>50	
W	M	W	M	F	M		W	M	W	M	W	M
0	0	3	5	1	0	Senior Management (FH)						
24	24	48	150	10	19	Middle Management Team (MoO/FLL)						
123	177	123	369	15	59	Professionals						
7	29	37	180	14	77	Blue Collar						
154	230	211	704	40	155	Total						

Senior Management	0	0	3	2	0	1
Middle Management	1	0	13	7	0	1
White collar	2	1	3	0	0	0
Total	3	1	19	9	0	2



Benefits and the remuneration policy

Throughout the entire System, employees’ remuneration and compensation are strictly done in accordance with existing national legislative regulations.

The remuneration process is fair and is solely based on the individual performance of each employee, regardless of gender, age, race, religion, skin colour, sexual orientation, ethnic origin or nationality etc.

BENEFITS OFFERED TO EMPLOYEES // 2019

COCA-COLA HBC ROMANIA

COCA-COLA ROMANIA

type of contract

Permanent		Fixed term			Fixed term	
<1 year	>1 year	<1 year	>1 year		<1 year	>1 year
✓	✓	✓	✓	Meal vouchers	✓	✓
–	✓	–	✓	Holiday vouchers/bonuses		
✓	✓	✓	✓	Transport from/to work	n/a	n/a
–	✓	–	✓	Support for personal events (marriage, death, etc.)		
✓	✓	✓	✓	Gifts and bonuses for underage children of employees		
✓	✓	✓	✓	Easter and Christmas bonuses	✓	✓
✓	✓	✓	✓	Life and accident insurance	✓	✓
✓	✓	✓	✓	Medical subscription (for employees and first degree family members)	✓	✓
✓	✓	✓	✓	Product quota (soft drinks/water)	✓	✓
–	✓	–	✓	Additional vacation days		
✓	✓	✓	✓	Days off for various events		
				Private health insurance	✓	✓

16,064,826 lei

total value of benefits offered to employees

1,550,000 lei



We strive to keep our employees happy and healthy. That is why we provide easy access to a variety of services aimed at promoting physical and mental health. All Coca-Cola HBC Romania and Coca-Cola Romania employees benefit from life and accident insurance, as well as medical subscriptions for themselves and their families. In addition, Coca-Cola Romania employees also have access to private health insurance, while those who have been employed at Coca-Cola HBC Romania for over a year can enjoy additional vacation days.

Coca-Cola HBC Romania employees are also registered to a Benefit Systems platform, where they can access a monthly allowance and choose the services they wish to benefit from. Therefore, we facilitate workers’ access to non-occupational medical and healthcare services, offering them varied discounts to benefits such as gym subscriptions, sports medicine and physical therapy, and nutrition programmes, helping them fight the most common health issues of our times (obesity, mental health, physical activity and nutrition etc.).

PARENTAL LEAVE // 2019

COCA-COLA HBC ROMANIA		COCA-COLA ROMANIA	
W	M		
16	54	No. of employees who were entitled to parental leave	0
14	1	No. of employees who took parental leave	0
16	6	No. of employees who returned to work (in 2019) after parental leave	1
10	8	No. of employees who returned to work (in 2018) after parental leave and were still employed after 12 months (in 2019)	1
86%		Return to work rate*	100%
80%	91%	Retention	100%

*Return to work and retention are calculated as:

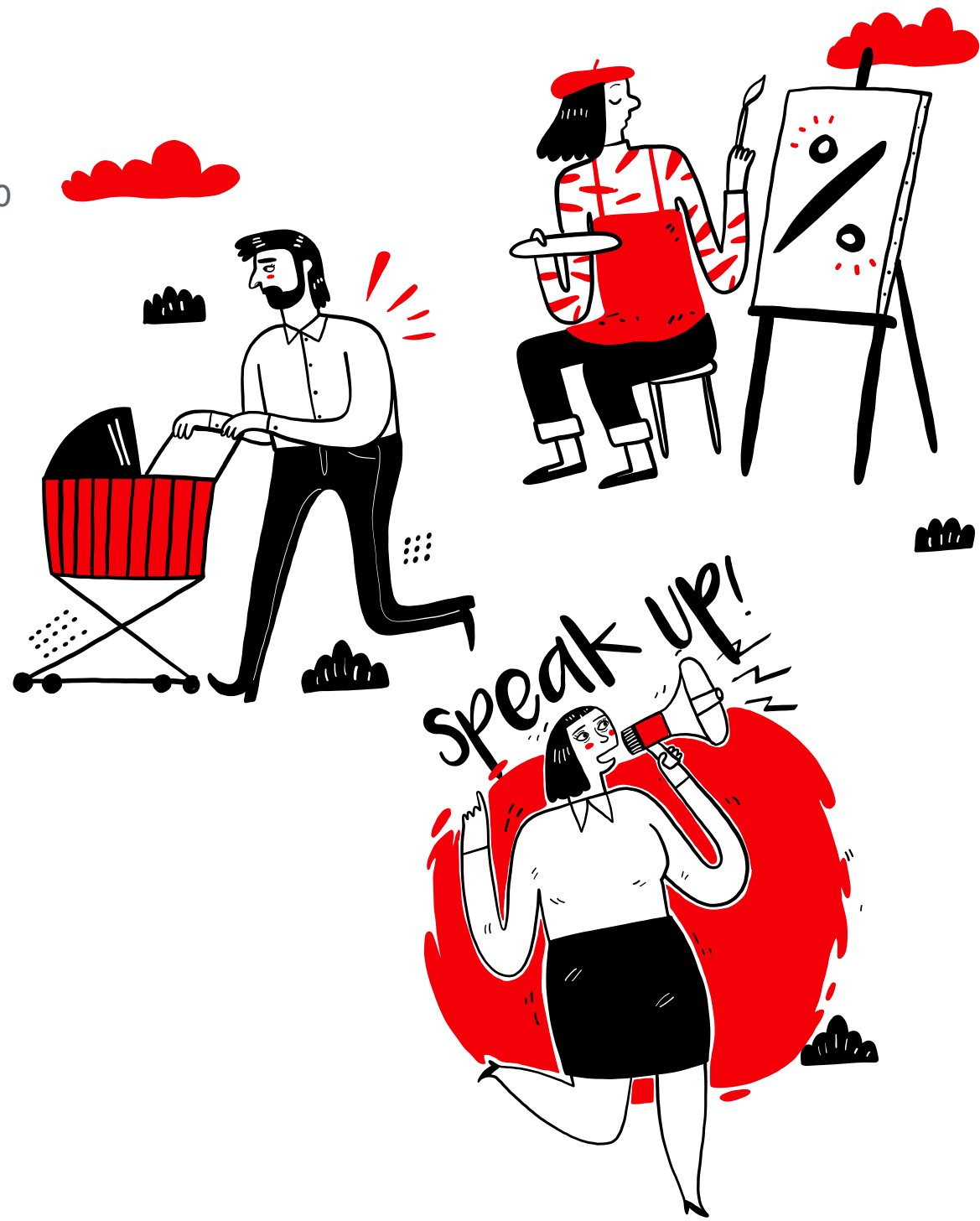
RETURN TO WORK RATE = $\frac{\text{no. of employees who came back to work in 2019 after parental leave}}{\text{no. of employees who should have come back to work after parental leave}} \times 100$

RETENTION = $\frac{\text{no. of employees who came back to work in 2018 and were still employed after 12 months}}{\text{no. of employees who came back to work in 2018 after parental leave}} \times 100$

VALUE OF BONUSES - PERCENTAGE OF SALARY // 2019

COCA-COLA HBC ROMANIA		COCA-COLA ROMANIA	
10-50%	Employees	6-10%	
15-30%	Management	15-30%	
30-45%	Top Management	>30%	

In 2019, the ratio between the average of salaries offered to men and the average of salaries offered to women within Coca-Cola HBC Romania was 0.88 (with 9,267 lei being the average salary for women and 8,236 lei the average salary for men).



Reporting and complaints

All employees are encouraged to report any conflict arising between policies and laws, workplace habits and practices whenever necessary and to report any potential violations of these policies.

Questions can be directed to Local Management, the Human Resources Department, Legal Department or Business Resilience Department. Alternatively, any reporting can also be made by using Coca-Cola HBC's Ethics and Compliance Helpline, **Speak Up!**, which enables anonymous reporting. We are committed to investigating and responding to all complaints and to taking appropriate corrective action in response to any violation.

At Coca-Cola Romania level, employees can access the www.KOethics.com platform.

Training and performance

We carefully monitor our employees' need for training and seek to always provide new programmes that motivate and inspire them, while supporting their professional and personal development.



COCA-COLA HBC ROMANIA

AVERAGE NUMBER OF TRAINING HOURS PER YEAR, BY CATEGORY // 2019

Average number of training hours per employee 36

Average number of training hours	
women	29
men	38
Professionals	35
Management	40
Middle management	35
Senior Management	48

	2017	2018	2019
Key people in key positions	92.68%	97.56%	97.62%
Number of key positions held by key people	38	40	41
Number of key positions*	41	41	42

*Key position – Framework for classifying positions within the organisation according to certain criteria:

- Impact on company results, investments towards the development of such positions, requirements regarding skills, knowledge and education needed to fill these positions
- Recruiting time and resources required
- Market availability of such positions

Key people – Employees who meet certain performance and potential criteria are considered key people.

PERCENT OF EMPLOYEES WHO BENEFITTED FROM A PERFORMANCE EVALUATION AND CAREER DEVELOPMENT PLAN, BY MANAGEMENT LEVEL // 2019

Management level	%
Senior Management	100
Middle Management	100
Professionals	100

All company employees go through a performance evaluation process regardless of their role within the company. Some go through the process formally, through the system, while others have face-to-face meetings with their direct manager.

EMPLOYEE DEVELOPMENT PROGRAMMES

Fast Forward

The **Fast Forward** programmes give employees the opportunity to accelerate their career development. These key programmes cover the most common transitions to leadership positions and are designed around the following 5 principles:

- 1 Enhancing self-awareness and developing an appropriate spirit for a senior leader
- 2 Improving leadership skills
- 3 Acquiring critical experiences for higher-level leadership
- 4 Expanding the support network to include people from superior positions
- 5 Development and search for experiences outside the comfort zone

A total of **19 employees** participated in these programmes in 2018. In 2019, the programmes registered **35 participants**.

This is Me at CCHBC App

Launched in Romania and at Group level in October 2019, the **This is ME at CCHBC** mobile app is our 360 social media platform, which allows us to connect with all colleagues at Group level. Through the **This is Me at CCHBC** app we can share authentic moments experienced individually or together, as a team, we can talk about what inspires us and what helps us become better versions of ourselves every day.

When more of us choose to share their experiences through the **This is me at CCHBC** app, by posting short notes, photos or videos, the app will undoubtedly give us an overview of how we all experience life at Coca-Cola HBC.



MyVoicePulse

Conducted in May and October 2019 and run by an independent company (Willis Towers Watson), the **My Voice Pulse** Commitment and Culture questionnaires are important tools that allow us to measure the company's "pulse" and stay permanently connected to the team. The results of these surveys help us identify those areas and aspects where we need to maintain excellent results and those that need improvement.

Management Trainee

A programme initiated by Coca-Cola HBC Romania in 2019, **Management Trainee** offers young graduates or final-year students the possibility to learn what it means to work in a multinational organisation, to understand operations in the FMCG sector and to gain experience working in teams.

In 2019, **8 Management Trainees were hired** by Coca-Cola HBC Romania (3 men and 5 women) in the Production, Quality, Financial, Commercial and Communication and Public Relations departments.

ZOOMZET

Internal Magazine

In 2019, 3 issues of the internal magazine **ZOOMZET** were released, connecting the company's employees to the most important news:

- implemented projects
- awards
- marketing campaigns
- or news from the soft drinks industry
- environmental actions

COCA-COLA ROMANIA

EMPLOYEES WHO BENEFITTED FROM A PERFORMANCE EVALUATION AND A CAREER DEVELOPMENT PLAN, BY MANAGEMENT LEVEL AND GENDER // 2019

Management level	M		W	
	nr.	%	nr.	%
Senior Management	1	33%	1	7%
Middle Management	2	67%	8	57%
White Collar	-	-	5	36%
Total	3	100%	14	100%

Coca-Cola University

Coca-Cola University (CCU) is our employee development programme, comprised of activities aimed at educating employees and developing their skills.

In 2019, Coca-Cola Romania employees participated in **60 hours** of training within **Coca-Cola University**.



Occupational safety

COCA-COLA HBC ROMANIA

We are proud of the entire Coca-Cola HBC Romania team, we are proud of the results and performance they achieve daily. That is why we take full responsibility for ensuring a safe working environment for our employees, where their health and safety are not endangered.

In order to ensure that their work is carried out safely, we strictly comply with the requirements of the applicable legislation and those of the SR OHSAS 18001:2008 standard.

Our policy states that occupational health and safety are essential values of the Company. In order to create and maintain a safe environment in our business, we continually promote and support a culture of occupational health and safety based on rules, regulations, procedures and good practices that are undertaken and respected by all our employees, as well as by our contractors, who must adopt the same safe working conditions.

Safety is the responsibility of everyone and of all employees. Employees can prevent harming themselves and their colleagues by always following safe working practices and reporting unsafe conditions when observed. Many employees go beyond these basic responsibilities by participating in safety committees, participating in joint teams in improvement projects, by engaging in the Behaviour Based Safety as observers, by informing management of safety policies and procedures, helping to carry out safety inspections at work.

Preventing work-related injuries

Therefore, as an integral part of our management system, hazard identification, risk assessments and audits take place periodically and whenever changes occur in work activities and processes. Our methods have been developed internally and apply to each location, and following the application of the evaluation methodology, action plans are established in order to improve the level of risk by taking the necessary measures in the workplace to eliminate, reduce and control risks. The hazards and risks associated with them, as well as the measures set for their control, are included in the training topics, and become inputs for the establishment of goals, targets and management programme in the field of OH&S (Occupational Health & Safety).

As set out in the company's internal Regulations and in accordance with the job description, all employees are bound by the obligation and responsibility to comply with the rules in the field of occupational safety and health and emergency situations, and to contribute to the prevention and removal of any situations that could endanger the life, bodily integrity or health of people or material goods.

For careful monitoring of compliance with occupational safety and health rules, **2,599** internal controls and inspections were carried out at the company level, resulting in preventive and corrective measures meant to avoid the occurrence of occupational accidents in the future.



According to our procedures, employees and contractors can report hazards, dangerous situations and mild incidents when they are observed, to managers, both directly and through the "Near-miss" events reporting system. Such reports shall be presented directly or through the reporting sheets submitted by any person who identifies such situations which may impact the safety and health of workers during their activity. Immediately after reporting, these situations are analysed by the managers of the jobs where they were reported, and appropriate corrective measures are applied. The information is tracked monthly through local performance indicators and reported at Group level. Quarterly, the "Near-miss" situations and the corrective and preventive measures applied are discussed at the meeting of the **Occupational Health & Safety Committee (OH&SC)**.

Work-related injuries shall be communicated in accordance with national law to the relevant authorities as soon as they occur. Following the investigation of the work-related incidents, risks are re-evaluated, and measures aimed at controlling and preventing the recurrence of incidents at work are implemented.

In 2019, **there were no work-related accidents resulting in serious injuries.**

The two accidents with temporary incapacity for work were recorded in the company's register. Following the identification of the causes of their occurrence, technical and organisational measures were taken to prevent and reduce the risks. Tools were introduced with some presenting a lower risk of injury, the equipment used was modified through automation, hence eliminating the occurrence of potential human errors. Likewise, there were no work-related injuries or fatalities as a result of exposure to occupational hazards.

	W	M
Number of fatalities as a result of work-related injury	0	0
Number of incidents with a high probability of causing serious injury (e.g. explosions, road accidents, etc.)	0	0
Number of people involved in occupational accidents	0	2

Registered accidents refer to Coca-Cola HBC Romania employees and do not include information about contractors.

Employee training and engagement

The consultation and participation of employees in matters regarding OH&S is carried out through the Occupational Health and Safety Committees set up at company level, through the participation of employees' representatives in the elaboration and application of OH&S decisions within this committee and through the suggestion programme based on the concept of innovation implemented in the locations.

The OH&SC meetings are held quarterly and the report written as a result is communicated internally to the employees and staff of the locations and, externally, to the occupational health and safety authority.

On a monthly basis, two-way information and communication sessions take place between employees and workplace managers on various aspects of OH&S, sessions organized in the work area, called "Toolbox Talks" meetings.

The topics discussed are work-related issues, assessed risks for new activities and equipment, audits, internal OH&S inspections, sharing of good safety practices and lessons from other similar areas of the country and the group, and topics of general interest for the safety and health of workers.



In 2019 we provided
46,120
hours of training for managerial roles and
97,014
hours for non-managerial positions

In June, the Quality, Food Safety, Environment and Occupational Health and Safety Awareness Campaign was held under the name of **Olympics QSE Olympics** and addressed topics of interest for colleagues from all departments in the organisation.

At the end of the year, the Company-wide Occupational Safety and Health Campaign was held under the name of **Safety Begins With Me**, during which all workers were invited to participate in the competition that launched three challenges on topics of interest, aimed at improving the level of safety at work: ergonomics, machinery safety and warehouse traffic.

Regular trainings for workers are organised at each workplace in the company. Training requirements are determined by analysing the specific hazards and risks associated with the activities and services carried out by the organisation and follow the applicable legal requirements in the OH&S field, as well as the requirements of the OH&S Management System implemented and certified at company level. Whenever external training needs are identified for specialised personnel or personnel requiring authorisation for certain occupations, participation in training and training courses is organised. Frequency and trained materials are included in training topics for all workplaces.

Occupational Health and Safety Committee

COCA-COLA HBC ROMANIA

In order to ensure the development of appropriate policies and their effective implementation, an Occupational Health and Safety Committee has been established within Coca-Cola HBC Romania, legally assembled through at least half plus one of its members being present.

The responsibilities of the Occupational Health and Safety Committee are as follows:

- a analyses and makes proposals on the occupational health and safety policy and prevention and protection plan, in accordance with the internal regulation
- b pursues the implementation of the prevention and protection plan, including the allocation of the means necessary to achieve its provisions and their effectiveness in terms of improving working conditions
- c analyses the introduction of new technologies, the choice of equipment, taking into account the consequences for the health and safety of workers, and makes proposals when identifying certain deficiencies
- d analyses the choice, purchase, maintenance and use of work equipment, collective and individual protective equipment
- e examines how to carry out the tasks of the external prevention and protection service, as well as their maintenance or replacement, where appropriate
- f proposes measures for the development of workplaces, taking into account the presence of sensitive groups, subject to specific risks
- g analyses the proposals made by workers regarding working conditions and the way in which designated people and/or the external service perform their duties
- h monitors the way in which legal requirements regarding occupational health and safety, as well as measures ordered by labour and health inspectors are applied and respected
- i analyses workers' proposals regarding the prevention of work accidents and occupational illnesses, as well as regarding the improvement of working conditions, and proposes their inclusion in the prevention and protection plan
- j analyses the aspects causing accidents at work, occupational illnesses and events and may propose technical measures in addition to the measures ordered as a result of the research
- k carries out its own checks on the application and working instructions and makes a written report on the findings made
- l debates the written report submitted to the Committee on Health and Safety at Work by the Head of the Unit at least once a year on the situation of safety and health at work, the actions that have been taken and their effectiveness in the year ended, and the proposals for the prevention and protection plan to be carried out in the following year





COCA-COLA ROMANIA

The way we operate is guided by the values and policies of The Coca-Cola Company, where long-term success depends on the safety of our employees, those who visit us and the public.

We strongly believe that a **safe working environment**, which does not endanger the health of workers, is a fundamental right and a necessary requirement in the way we operate. Maintaining a **productive workplace** in all areas of the company by minimizing the risk of wound, injury or exposure to hazards to all associates and contractors is our responsibility, as defined by the Workplace Rights Policy.

In addition, we work with our bottler partners to ensure that the health and safety risks of their employees and contractors are reduced. You can find more information on how we ensure health and safety at work here.

In 2019, Coca-Cola Romania hasn't registered any work-related accident or incident that had high probabilities of causing extreme damages to any employees.

Environment

#5



Our strategy

We are aware of the impact that our activities have, both directly and throughout the product lifecycle.

That is why we are **investing as a priority in research and innovation**, constantly seeking **new solutions to reduce our environmental footprint**.

Whether we are talking about combating climate change, conserving water resources or reducing the amount of packaging put on the market, we take responsibility for the impact we have and set clear targets that guide our path to a sustainable future.

We seek to carry out our work in a responsible manner and constantly monitor the values of environmental indicators with well-developed systems:

- Technological processes are designed to ensure continuous improvement of environmental indicators.
- The selection of suppliers is made by a complex technical-financial analysis, in which the sustainability criteria are the elimination element, and the costs are analysed during the life of the project/ equipment, considering the consumption of utilities, losses, necessary maintenance dementia, etc.
- Suppliers of products, materials, services, equipment are evaluated with external (EcoVadis platform) or internal (EHS questionnaires) prior to the contracting process.
- Through procurement contracts, suppliers are committed to complying with the environmental standards imposed by Coca-Cola HBC.
- Supplier performance is environmentally assessed.
- The critical maintenance matrix includes actions to reduce the impact on water resources, such as regular testing of the efficiency of operating drilling or inspection of wastewater collection systems.
- Conducting complex studies of the water resources vulnerability (with a frequency of not more than 5 years, or at each major technological change/infrastructure/production capacity), with the help of external experts, identifying all risks associated with water resources, from those of a strictly technical, environmental nature, to those related to suppliers, local communities, stakeholders or legislative context.

In 2019, Coca-Cola HBC Romania did not receive any monetary sanctions as a result of non-compliance with environmental legislation.

Compliance obligations, as derived from several sources, from our own technical standards to legal requirements or voluntary management systems, generate a set of environmental objectives and indicators integrated into the current activity. **Environmental objectives are achieved by establishing action plans** involving several departments. The implementation stage of action plans is analysed weekly – in factory meetings – or monthly – in managerial meetings.

Environmental objectives are assumed at company level, then converted into individual goals for managers or heads of departments. These objectives goals are often derived from the analysis of the local and European legislative context, but specific indicators (such as the water consumption index) are correlated within the company, as technological processes in different plants within the Group are similar. The process of establishing, implementing and monitoring environmental indicators is coordinated and reported at Group level, therefore maintaining good control of the company's overall performance.



Water stewardship

Considering the nature of Coca-Cola HBC Romania's activity, **water is an important resource for us**, being essential in the manufacturing process of beverages.

For the Ploiești and Timișoara plants, water is the main raw material used for producing our beverages, while at the Poiana Negrii plant natural mineral water is bottled as such.

The three plants where we bottle Coca-Cola products are not found in areas considered to be water-deficient, and **our activity does not have a significant local impact on the availability of water resources**.

In addition, water is an important vector in many technological processes that are essential to our operations, such as in sanitising the bottling equipment, in cooling the technological equipment, in heating the production premises and others. **The whole quantity of water used for any purpose is measured and managed in an efficient manner, enabling the identification and remediation of losses, ensuring meeting water quality standards, depending on use, the efficient collection of effluents and their treatment prior to being discharged into the municipal network or back into the environment.**

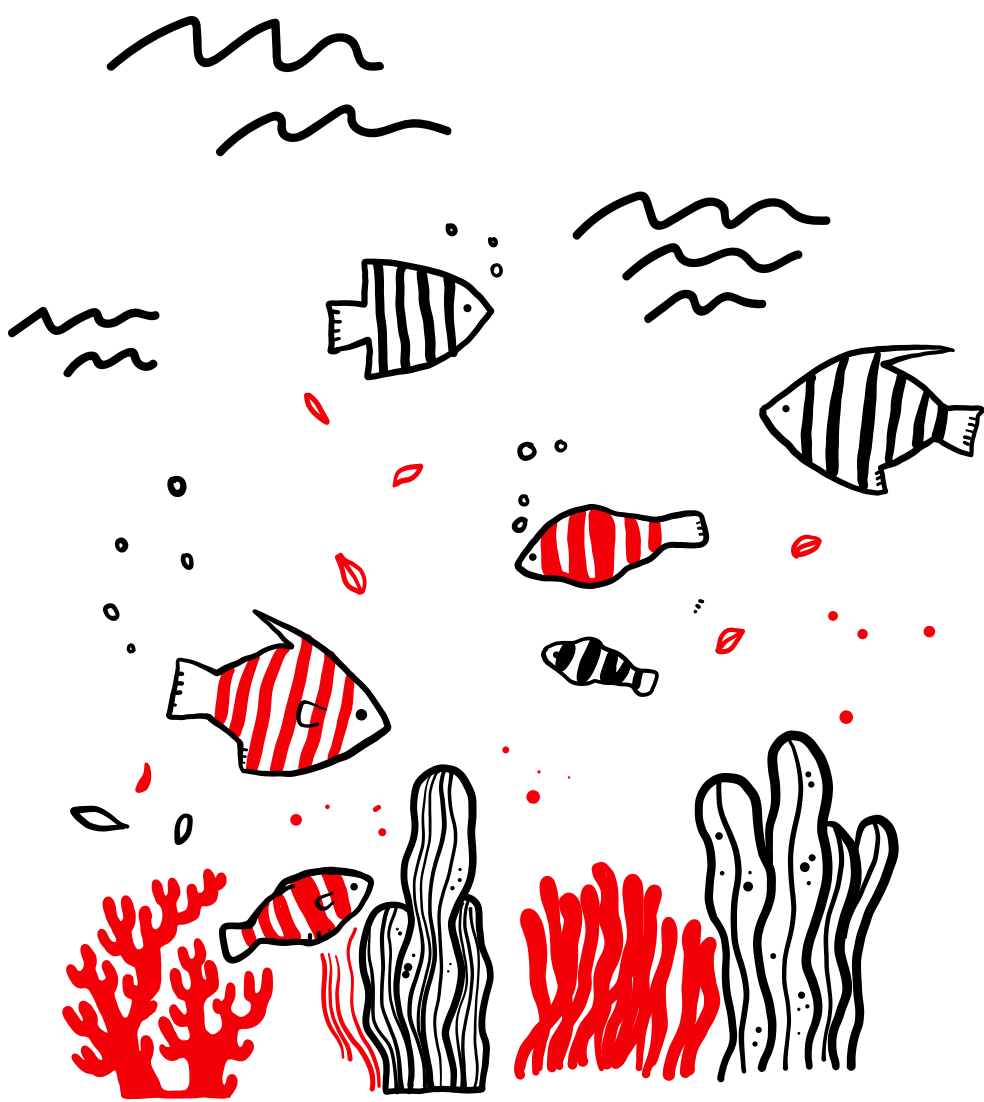
Water consumption

The entire quantity of water used in production comes from groundwater sources. The plants in Ploiești and Timișoara operate their own water drillings, while the Dorna plant uses both drillings and its own catchments of springs, as well as natural mineral water from the National Mineral Water Society (SNAM). Water sources are found in the premises of the production plants or in their proximity, water being transported through supply pipes, without being stored or transported in bulk.

Coca-Cola HBC Romania plants are found in areas with important groundwater resources. Therefore, we take care in ensuring that the operations are carried out in a way that maintains the balance of the water cycle in nature, without damaging the ecological or social role of water. In this respect, the impact on water resources is analysed for each basic activity, from internal projects subject to technical and managerial analysis (where indicators relating to water consumption are important decision-making factors), to large investment projects that require approval from the authorities (water management documentation require an analysis of the impact on water resource) or the organisational context through which the company implements policies, standards and certified and audited management systems.

Thus, in order to reduce the impact on water resources, our plants use several tools:

- Own technical standards, developed at Coca-Cola HBC Group level and implemented in each bottling plant, describing recommended and internally verified technical methods and procedures adapted to the specifics of the activity, in order to reduce water consumption.
- The quality manual, audited by The Coca-Cola Company, which ensures a quality level of water used in the manufacturing process and general conditions for treating and monitoring water.
- Use of materials and equipment that are certified by EHEDG (European Hygienic Engineering and Design Group), FDA (The Food and Drug Administration) or 3-A, to ensure the efficiency and quality of the production processes without making any changes to the natural quality of water.
- The ISO 14001 environmental management system, implemented in an integrated management system, through which we identify compliance obligations, the risks associated with each activity, we establish a plan of actions and corrective measures, as well as continuously improving of the performance of our activity.
- The European Water Stewardship (EWS) standard, which is a model for a holistic approach to water resources stewardship, from the role they play in the environment and protected areas to their efficient and sustainable use in a broad context, together with stakeholders such as local communities, authorities, suppliers, professional organisations etc.

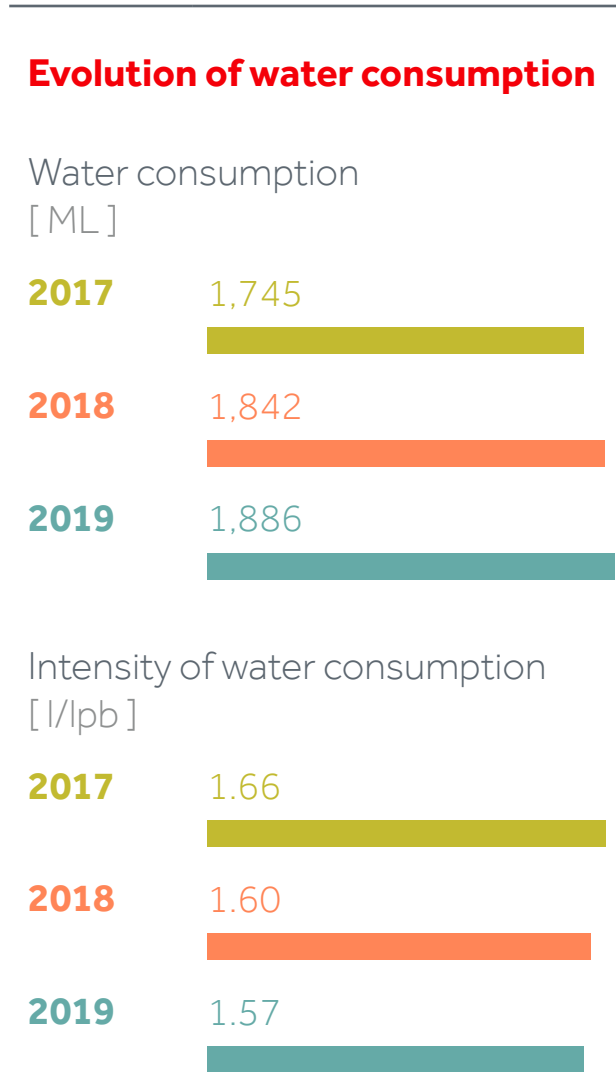


WATER CONSUMPTION // 2019

Total water consumption		Total operating areas [ML*]	Hydric stress areas [ML]
Water extracted, by source	Groundwater (total), of which:	1,886	0
	Freshwater (≤1,000 mg/L TDS**)	1,886	0
	Other types of water (>1,000 mg/l TDS)	0	0
Total water extracted	Surface water + Groundwater + Sea water + By-product water + Water from suppliers***	1,886	0

*1 ML = 1,000,000 l
**TDS = total dissolved solids
***municipal suppliers, sewage treatment plants, public or private suppliers or other organisations whose object of activity is the supply, transport, treat or manage water and effluents

Quantity of water discharged		Total operating areas [ML]	Hydric stress areas [ML]
Water discharged, by destination	Surface waters	428	0
	Groundwater	0	0
	Seawaters	0	0
	Water discharged to suppliers or other organisations (total)	406	0
	Of which water discharged and used by other organisations	0	0
Total water discharged	Surface waters + groundwater + seawater + water discharged to suppliers	834	0
Water discharge, by type	Freshwater (≤1,000 mg/L TDS)	834	0
	Other types of water (>1,000 mg/l TDS)	834	0
Water discharged, by treatment type	No treatment	0	0
	Physico-chemical and biological treatment	834	0



production volume = 1,202,580,606 l

The intensity of water consumption decreased by 1.8% in 2019 compared to the previous reporting period.

In order to increase efficiency of use, we invest in technologies that enable water recycling and recovery and re-introducing it into the production circuit, where the technological process allows it. Thus, some of the water used to wash filters from various water treatment processes is saved and recovered. Likewise, some of the water used in cleaning the production facilities is recovered and saved.



- Highly efficient PET bottling line
5,000 m³ // € 11,000,000
- Optimising technological utilities processes
2,000 m³ // € 5,000
- Implementing a system for the identification and resolution of accidental water losses
2,500 m³ // € 0

Our great interest regarding the proper use of water, our constant efforts and the investments we make to make consumption more efficient place Coca-Cola HBC Romania on a positive trend, being on time to achieve the target of reducing water consumption per litre of produced beverage, imposed at Group level.



Packaging and waste

how do we tackle the plastic problem?



We are the largest beverage producer in Romania, and we are aware that both we, as well as the whole industry have an obligation to invest significantly in addressing the problem caused by plastic pollution.

Together with our partners, **we set out to fundamentally rethink the way in which our products reach consumers, including the types of packaging we use.** Our priorities // focus on testing and developing packaging with a low environmental impact. We work to make them recyclable, to use large quantities of recycled materials in the production process, to use as little packaging as possible and we are exploring new, more environmentally friendly materials that can be used in the packaging production.

In 2019, 100% of the primary packaging we put on the market were recyclable.

At the same time, we reduced the weight of primary packaging by 10.9% compared to 2010.

At the end of 2019, we introduced

rPET 100% recycled PET

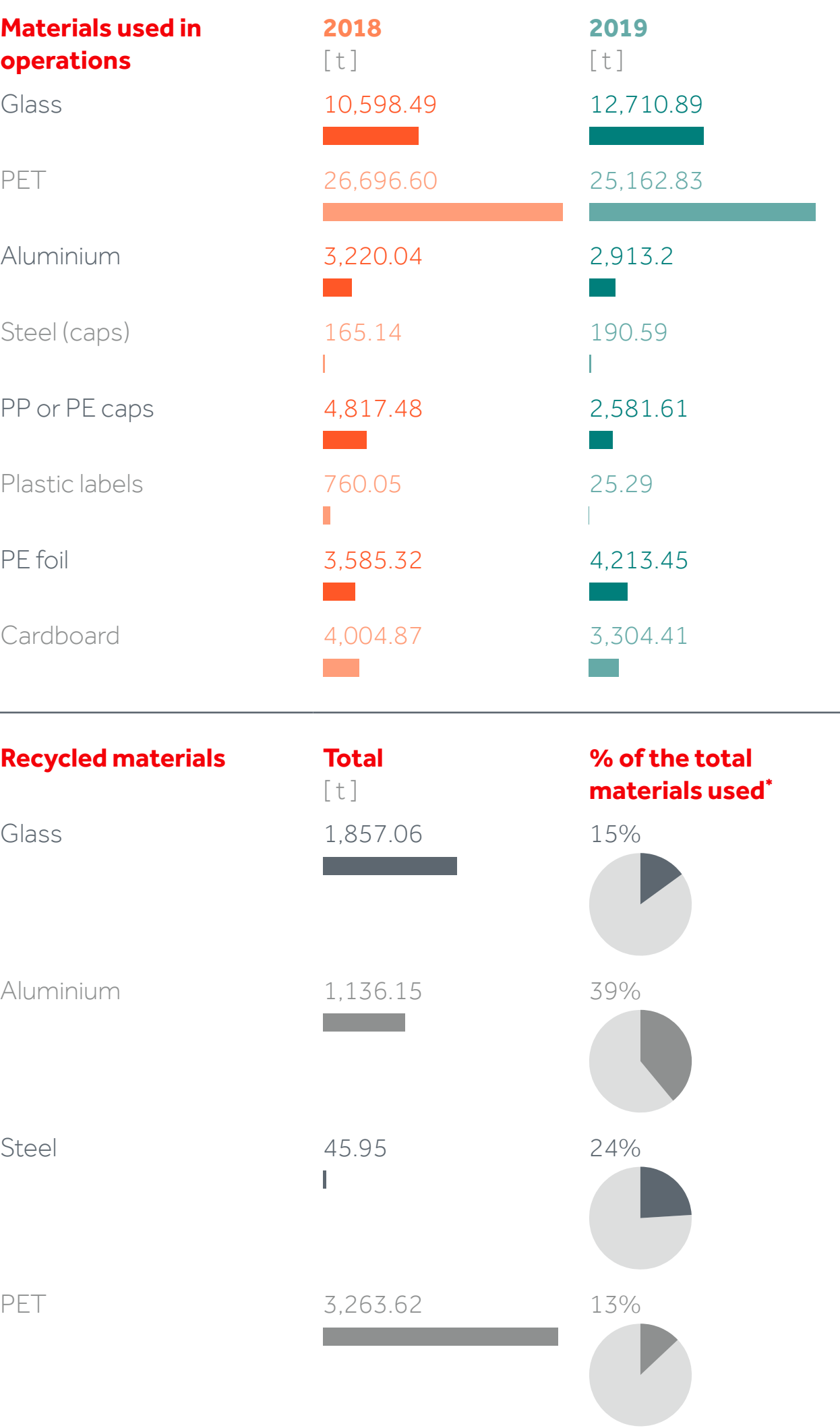
bottles and the entire water portfolio is bottled using rPET packaging.



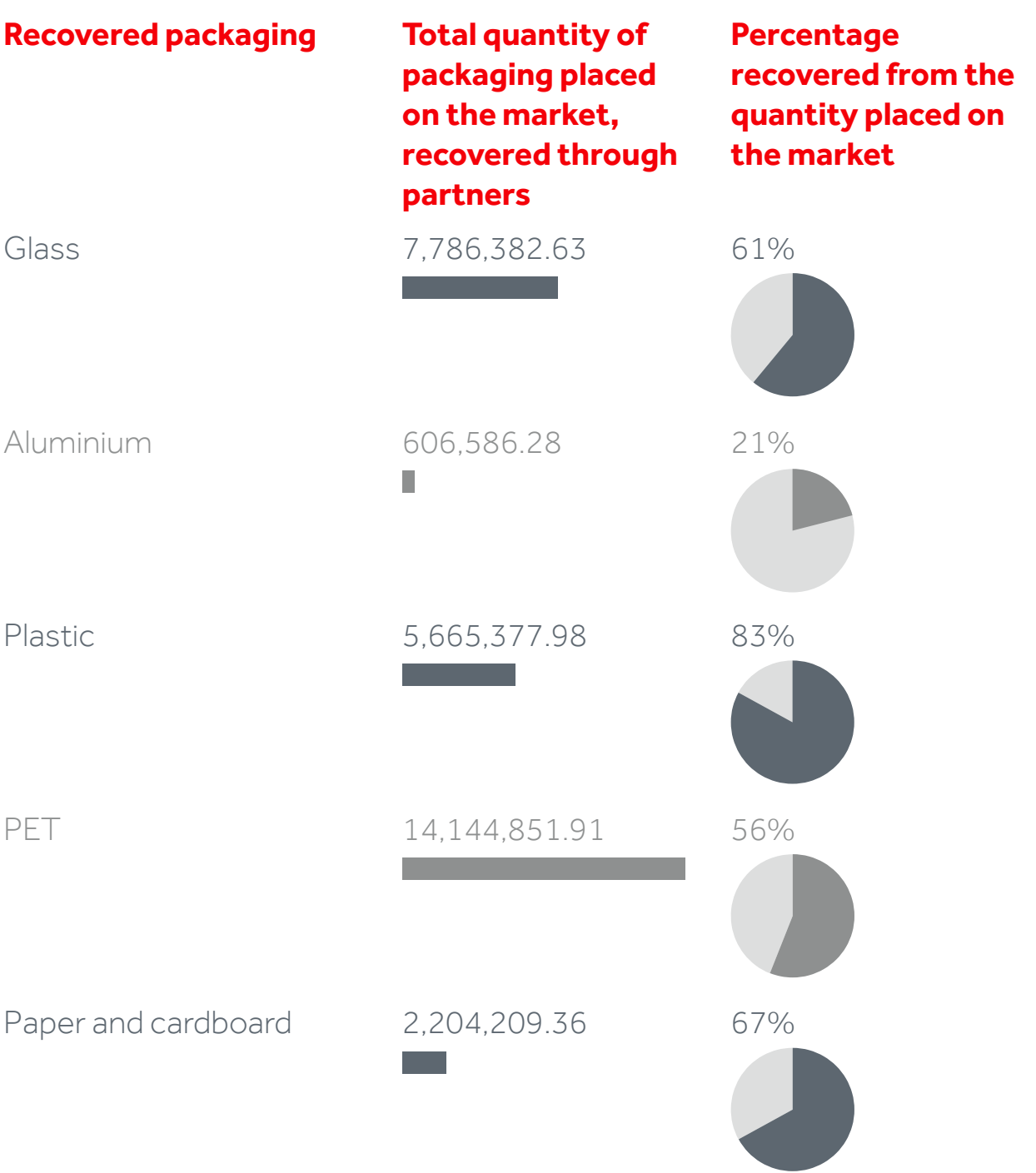
At the same time, within the Coca-Cola System, we are working to develop systems that can help us recover as much of the packaging we place on the market as possible and to recover the equivalent of 100% of the bottles or doses sold to completely close the loop by 2030.

Together with our non-governmental partners, we support programmes aimed at educating the consumer and encouraging their efforts to recycle and we engage in initiatives that promote circular economy.

Packaging



*the percentage of recycled material used is calculated based on data received from suppliers

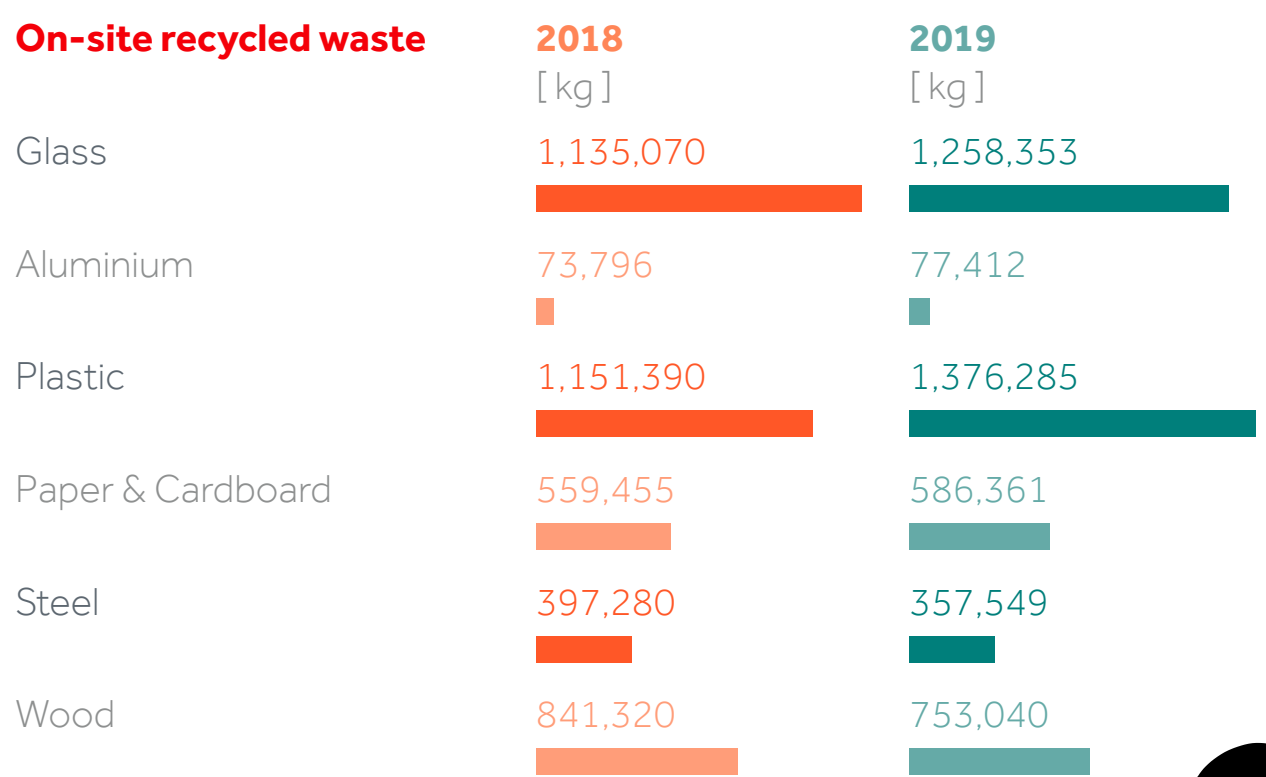


The packaging recovery targets placed on the market, set by the legislation in force, have been met.

In addition, we recovered 17,240 kg of waste electrical and electronic equipment.

Waste

The waste from plants comes mainly from the packaging of raw materials, parts and consumables purchased for current operations. Other sources are packaging waste from production defects, technological losses etc., as well as household waste or waste from cleaning and maintenance activities.



The total amount of waste generated on-site by our operations was: 4,679.88 tonnes.



Method of waste disposal	Hazardous waste [t]	Non-hazardous waste [t]
Recycling	0	4,409
Storage	0	266.11
Incineration with energy recovery	3.18	0
Total waste	3.18	4,675

Energy and emissions

Energy

Total fuel consumption from conventional sources

	2017 [GJ]	2018 [GJ]	2019 [GJ]
Petrol	68.74	154.03	193.55
Diesel	45,667.84	43,779.18	47,252.58
Natural gas	63,488.75	78,525.45	79,667.68
LPG	22,141.34	22,783.76	18,200.72
Light liquid fuel (fuel oil for the thermal power plant)*	516.75	15.6	198.67

*used only as a reserve when natural gas/propane is not available. For this reason, there are significant variations from one year to the other.

Total electric energy consumption from renewable sources

	2017 [GJ]	%*	2018 [GJ]	%*	2019 [GJ]	%*
Electricity from renewable sources	63,648.83	92%	67,901.40	93.5%	69,444.21	100%

*percentage of electricity from renewable sources out of total electricity purchased. The amount of energy mentioned above is taken from the national grid and represents 100% renewable energy. In the Ploiești and Timișoara plants, we also use energy produced internally through CHP (Combined Heat and Power – cogeneration) plants, made from conventional fuel (natural gas).



Energy consumption

	2017 [GJ]	2018 [GJ]	2019 [GJ]
Electricity (total)*	254,994.45	263,533.49	267,716.47
out of which electricity from the grid	63,648.83	67,901.40	69,444.21
Energy from CHP**	191,345.62	195,632.09	293,711.61
Thermal energy (steam, warm/hot water)***	89,254.12	88,202.97	98,067.06

*includes electricity from the grid, as well as electricity produced internally through CHP

**includes both electricity and heat – cooled water, hot water, steam

***includes production through own, conventional thermal power plants of steam and hot water

Total Energy Consumption= Fuel Consumption + Electric Energy Consumption

Total energy consumption = 461,222.89 GJ

Energy intensity

	[MJ/lpb]
2017	0.41
2018	0.39
2019	0.38

Energy intensity decreased by **2.5%** in 2019 compared to 2018.

Initiatives, projects and investments for energy efficiency

Project // Annual estimated savings // Estimated cost

- New production line sanitisation system with ECA-Water technology** (electrochemically activated water)
150,000 kWh // € 915,000
- Energy monitoring system for cooled water**
28,000 kWh // € 75,000
- LED lighting for the production area**
50,000 kWh // € 25,000
- LED lighting for the parking area**
15,000 kWh // € 50,000
- Upgrading wastewater treatment plant**
12,000 kWh // € 100,000
- Replacing chiller with more performant equipment**
120,000 kWh // € 150,000

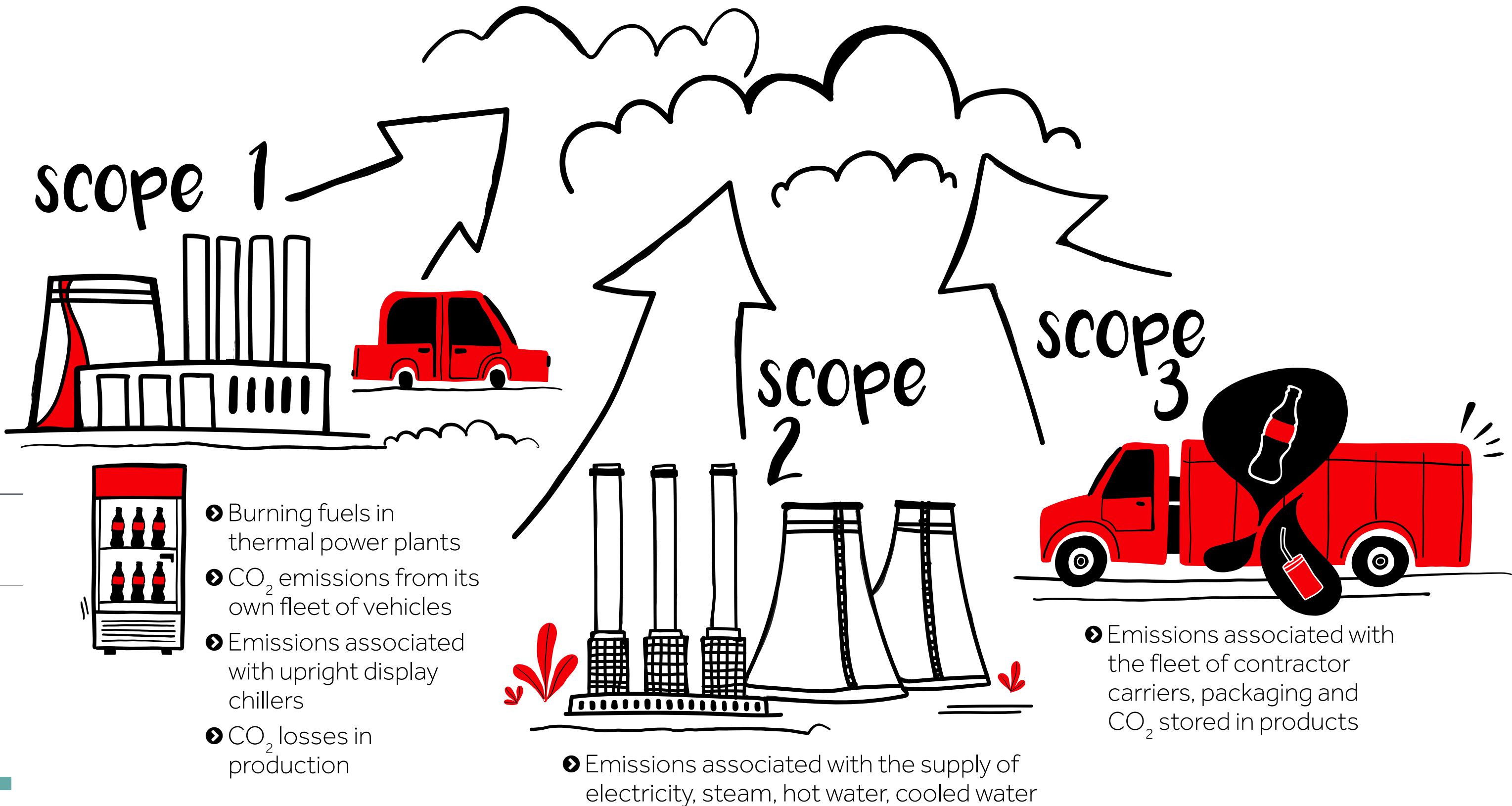


Emissions

Reducing greenhouse gas emissions is a priority in our strategy to reduce environmental impact.

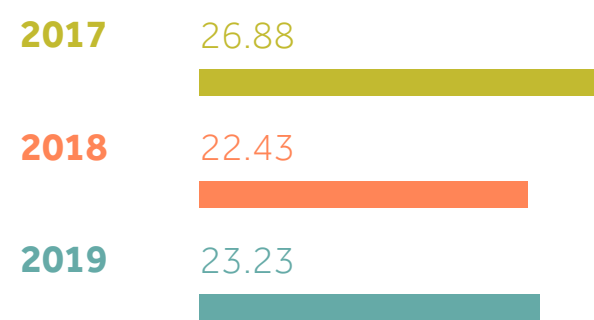
We are aware of the impact that climate change has on the entire planet, which is why our efforts are supported by continuous investments, which include, among other things, projects for energy efficiency, purchasing green energy and advanced low-emission technologies.

Emissions CO ₂	scope 1 [tonnes]	scope 2 [tonnes]	scope 3 [tonnes]
2017	12,644	15,624	233,774
2018	12,731.71	13,122.50	310,648.35
2019	14,260	13,674	324,403



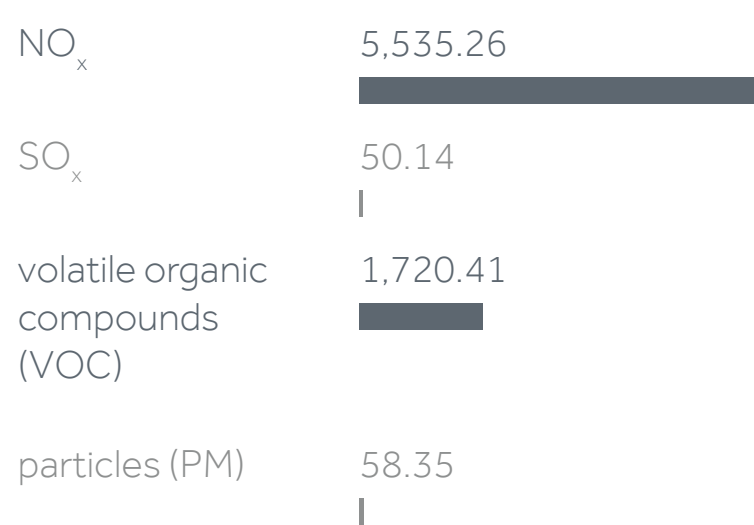
Emission intensity

[gCO₂e/litre of product]



Emissions in the atmosphere

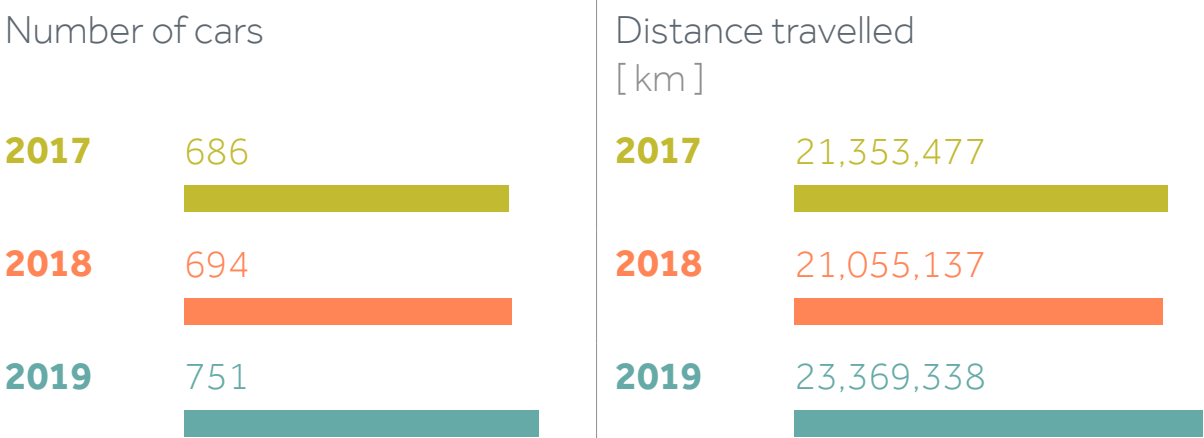
[kg]



The emission consolidation method uses the operational control approach. The methodology for calculating emissions follows the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

- Source of emission factors:**
- IPCC 2006, IPCC guidelines for national greenhouse gas inventories
 - GHG Protocol - Global Warming Potential (GWP) CO₂ values
 - CO₂ emissions from IEA fuel burning
 - IFEU LCA Study (Heidelberg Institute for Energy and Environmental Research)
 - IFEU Study conducted for The Coca-Cola Company based on EcolInvent
 - IFEU LCA Study conducted for The Coca-Cola Company packaging, based on the European Environment Agency guide (EAA 2013)
 - Worldsteel 2012 + Elec 2013
 - EcolInvent Database

Coca-Cola HBC Romania vehicle fleet



Environmental impact of Coca-Cola Romania

As part of our global commitment **World Without Waste**, we work locally with Coca-Cola HBC Romania for responsible packaging waste management.

We are supporting the **100% collection** target, aiming to help consumers understand what, how and where to recycle. We support the collection of packaging within the industry, including bottles and cans from other companies.

At the same time, in order to achieve our objective, **we constantly invest in improving the packaging used**, such as the initiatives already implemented: the use of plant-based resins in PET packaging, using rPET packaging or reducing the amount of plastic used for each packaging.



Materials

Materials used in operations	2018 [kg]	2019 [kg]
Paper	250	220
Cardboard	70	70

Waste disposal method	Non-hazardous waste [kg]
	20182019
Reuse	70 cardboard14 cardboard
Storage	50 paper – legal and financial documents50 paper – legal and financial documents
Total waste	12064

Total fuel consumption from conventional sources	2018 [GJ]	2019 [GJ]
Petrol	128.03	49.74
Diesel	1,054.93	1,237.84

Total energy consumption	2018 [kWh]	2019 [kWh]
Electricity	92,656	87,732

Coca-Cola Romania's vehicle fleet	2018 [no. of cars]	2019 [no. of cars]
Diesel	23	25
Petrol	2	2
Total	25	27

In order to support The Coca-Cola Company's efforts on sustainability and environmental protection, purchased vehicles must simultaneously comply with the following requirements:

- ✓ fuel consumption < 6l/100 km
- ✓ emissions < 160g CO₂/km

Also, the purchase of hybrid, electric or LPG vehicles is encouraged.

Our partners

#6





Suppliers

The quality and integrity of our products are highly dependent on how well we collaborate with our suppliers along the supply chain. We work closely with them to procure **high-quality, sustainably grown ingredients, raw materials** and the equipment and services we need in our production processes.

The fact that we are the largest producer of soft drinks in Romania also brings us great responsibility. We constantly implement measures and programmes to support our suppliers and at the same time we try to convey to them the rules, principles, standards and values that characterise us.

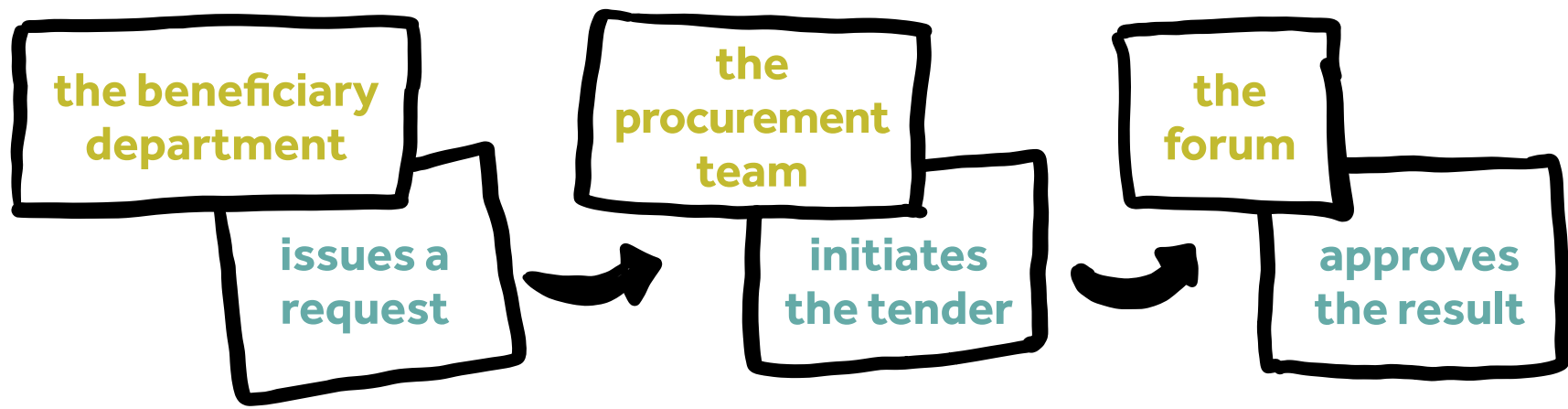
Responsibility along the supply chain

COCA-COLA HBC ROMANIA

Integrity is at the heart of our activities, always guiding us. That is why the procurement process is designed to ensure compliance with our policy in this regard and with the expectations we have from all partners we work with.

Thus, the procurement process begins with the issuance of a request from the beneficiary department, based on which the procurement team conducts an auction. The criteria, which also include specific environmental requirements, are defined according to the nature of the acquisition. According to the **CoA** (Chart of Authority), its result is subject to the approval of a forum consisting of budget manager, procurement manager, a representative of the legal department and a representative of the financial department. The approval process is intended to ensure that the supplier principles of conduct are included in the contract.

Procurement process



There are many criteria defined when selecting suppliers, depending on the specifics of the acquisition. The selection of our suppliers for bottling lines and equipment is based on complex criteria, which include, in addition to commercial aspects, the consumption of resources arising in the operational phase: water consumption, electricity, heat, other consumables, chemicals, etc.

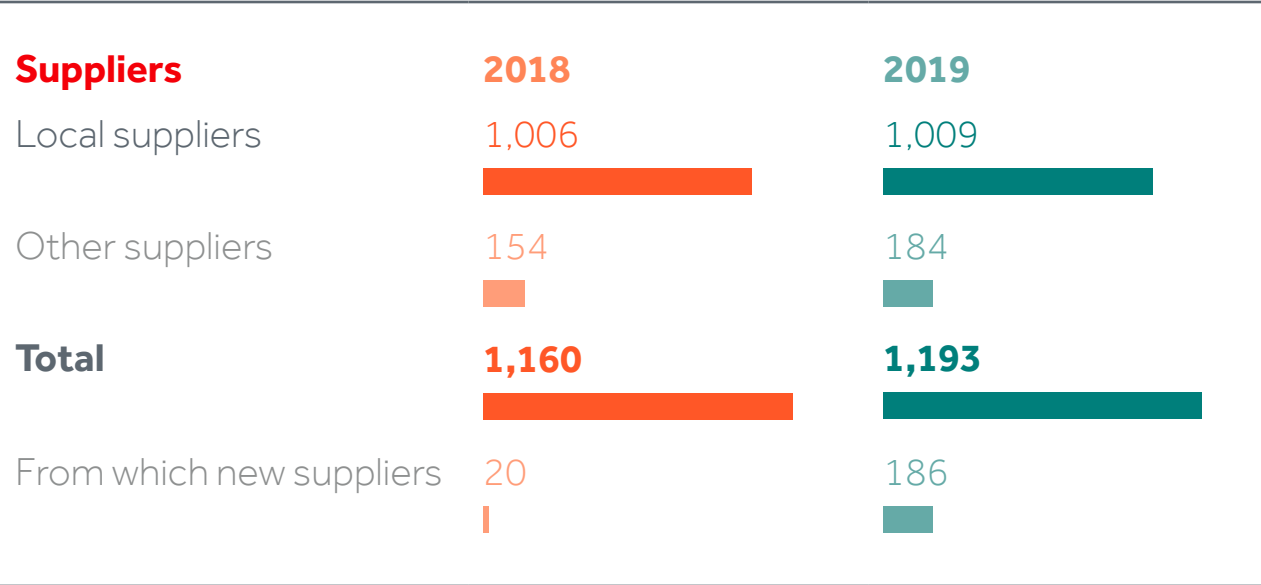
Governed by deeply-rooted ethical principles, we try to create lasting partnerships with suppliers who share our values and take steps to ensure that our partners comply at least with the requirements of applicable laws. A set of Supplier Guiding Principles is defined at the Coca-Cola HBC Romania level, with the role of ensuring that we avoid indirect contribution to social abuse, such as non-compliance with human rights or environmental legislation. At the beginning of any partnership, suppliers are required to accept and comply with these rules.

In addition, we want our suppliers to operate taking the environment and the impact they have on society into consideration and to constantly seek to improve in this regard. Therefore, the strategic suppliers of Coca-Cola HBC Romania are invited to register on the EcoVadis platform, in order to evaluate their performance in four areas: Environment, Ethics, Labor and Human Rights and Sustainable Procurement. After filling out the forms and submitting supporting documents, such as policies, certifications, sustainability reports etc., the company receives a score for its performance on corporate social responsibility.

In 2019, 26 suppliers were checked through the EcoVadis platform, and 5 were rated with a score of less than 40 points, not complying with our requirements. They were informed about our expectations and the areas they need to improve. We know that improving indicators is a long-term process that requires constant investments, which is why we stand with our partners on their path to sustainable development and support them in this endeavour. Therefore, we have not terminated out contractual relations with them, but they will be reassessed after 12 months.

95% of PEQ and MRO suppliers were selected through tenders that included environmental criteria.

PEQ - Professional Equipment
MRO - Maintenance, Repair and Operations



*at an average exchange rate of 1 Euro = 4.7435 lei

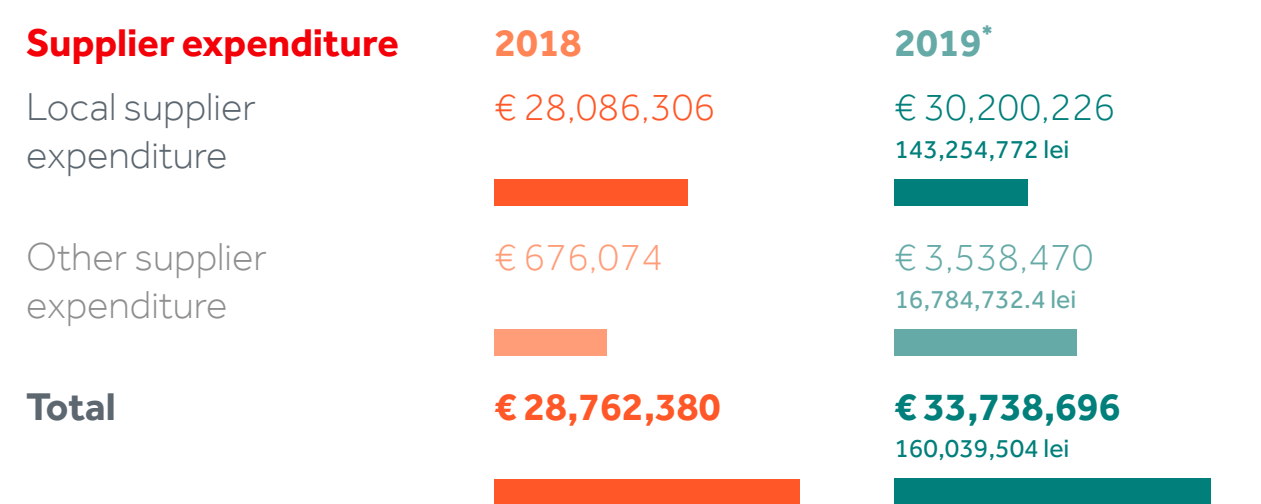
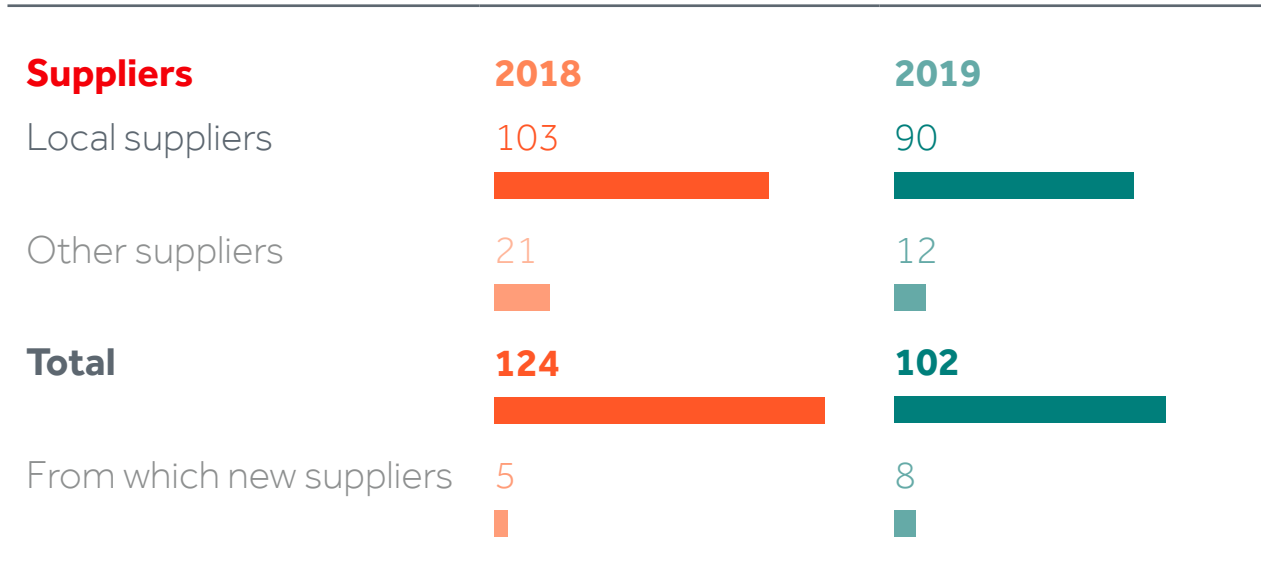
We want to help the communities in which we operate, and one of the ways we can do that is economic support. That's why we always prioritise local suppliers in our partnerships. However, in 2019, local suppliers accounted for 84.6% of all Coca-Cola HBC suppliers, a slight decrease from 2018 (86.7%). The proportion of the budget directed to local suppliers also decreased, representing 42% of the total value of the procurement budget (compared to 67% in 2018).

COCA-COLA ROMANIA

All our suppliers signed the Code of Business Conduct and are committed to fully complying with the principles and standards set out regarding workplace safety, product quality, human rights, anti-corruption and environmental protection.

At the same time, we are committed to working with our suppliers to implement sustainable agricultural practices and to guide and help them achieve the highest standards on human rights, work environment, environmental protection, responsible crop management, as stipulated in the **Coca-Cola Romania Guide on Sustainable Agricultural Practices**. We carefully monitor the implementation of supplier-level principles through regular audits of suppliers and bottlers by independent accredited bodies. Where breaches are found, our goal is to work with the partner to facilitate the performance improvement process.

In 2019, 4 Romanian suppliers went through this complex audit.



*at an average exchange rate of 1 Euro = 4.7435 lei

Local community investments

We want a better future, both for ourselves and for the communities in which we operate. In addition to our direct contribution to supporting the local economy, we annually invest in projects implemented with our civil society partners.

We support long-term initiatives that bring about significant changes in the lives of beneficiaries or at the level of the communities in which they are implemented.

COCA-COLA HBC ROMANIA

Our Community investment strategy focuses on three major directions, closely linked to our business model and the values that characterise us:

- 🌱 **Water stewardship and environmental protection**
- 👤 **Youth empowerment**
- 🔄 **Community development**

Every year, we measure the impact that our projects have on communities and beneficiaries. Thus, we report our results and our contribution to the Coca-Cola HBC Group, following the methodology of the London Benchmarking Group (LBG).

We support and encourage our employees to engage in volunteering activities and in the projects we implement together with our non-governmental partners.

Volunteers among employees	2017	2018	2019
No. of employees (during working hours)	90	115	165
Total hours (during working hours)	520	783	592

In 2019, our community partners were:

- 🌱 The Social Incubator Association
- 🌱 ViitorPlus
- 🌱 Tășuleasa Social
- 🌱 School of Values
- 🌱 Save the Children



DUPĂ NOI } Strângem tot noi

O inițiativă a  |  România

The **După Noi, strângem tot noi** campaign is an educational programme that aims to raise awareness and encourage **selective waste collection** and a **responsible attitude towards the environment and what we leave behind**.

PROJECT GOALS



Attracting and involving as many audience categories as possible, giving them specific solutions, depending on their attitude towards separate collection. As such:

- **For active audiences:** those that are well-informed, interested in the subject, that usually collect separately, but complain about the lack of solutions and infrastructures, we aim to come up with concrete actions that support access to collection solutions.
- **For dormant audiences:** those that know the basics about selective collection, rarely collect, usually expect others to do so, we aim to turn them into active audiences, through education/information and an easy-fun approach.
- **For inactive audiences:** those who are simply not interested, underestimating the subject, because they believe that there are more pressing matters, do not collect separately, because they do not see their own actions as a catalyst in making a difference, we aim to turn them into latent audiences through a friendly approach.



Encouraging people to become promoters of the selective collection habit/or even building this new habit in communities where they are missing.



Educating on the importance of protecting the environment in general and collecting separately in particular.



Supporting the increase of the amount of packaging waste collected.



Raising awareness of the **After Us** platform and it's waste collection initiatives, including growing the **After Us** Social Community.



Attract NGOs and authorities as supporters.

PROJECT ACTIVITIES

The **După Noi, strângem tot noi** campaign brought a new approach, namely an action plan for three big challenges:



CHALLENGE #1:

poorly developed selective collection infrastructure

SOLUTION & ACTIONS: Coca-Cola HBC Romania started a strategic partnership with District 3 Town Hall – through the Sanitation Department – and GreenPoint Management Organisation, through which **30 smart containers** (15 containers dedicated to the collection of recyclable waste and 15 containers for household waste) were installed in the central area of the Capital (Union Square – University Square) to encourage selective collection. Each container has a capacity of 570 litres, 5 times greater than regular bins, thanks to the built-in compaction system.



CHALLENGE #2:

lack of information and education

SOLUTION & ACTIONS: the launch of **Harta Reciclării** (Recycling Map - www.hartareciclarii.ro) platform in partnership with ViitorPlus Association - the first national, interactive platform that allows the identification and localisation of selective collection points for recyclable waste in Romania, giving users the opportunity to contribute to the map's database by adding new selective collection points - if they do not already exist, or by reviewing existing ones if their description is not accurate.



CHALLENGE #3:

low interest, especially among young people, for whom selective collection and recycling packaging waste are boring topics

SOLUTION & ACTIONS: launch of the **#dunkitlikeaboss** project, a contest that challenged the community of teenagers and young adults to throw a recyclable waste item (cans, PET, cardboard glass, etc.) into a trash can intended for selective collection, "like a boss" – a memorable/epic throw. The project kicked off with the launch of an attractive online challenge for young people under the hashtag **#dunkitlikeaboss**. The online challenge was carried on and correlated with the presence of the project at the largest music festival on the Black Sea coast - **Neversea**.





RESULTS ACHIEVED BY INSTALLING Big Belly containers:



94% efficiency in the frequency with which packaging waste is collected - while a traditional container needs to be emptied up to 5 times a day on average, a Big Belly container needs a single collection every 10 days



Reduction of CO₂ emissions and the amount of fuel consumed in the collection process



15 selective collection bins collected 45 tonnes of recyclable waste, during February 3 – December 1, 2020



Almost 55% of the packaging collected in recyclable bins complied with recycling standards



90% decrease in the amount of plastic bags used for traditional collection

RESULTS ACHIEVED THROUGH THE Recycling Map:



Just hours after the launch - nearly 1,500 unique users accessed the site, with over 5,700 page views and over 2,500 separate sessions



Over 7,800 collection points marked on the map



51 educational articles published on the site



130,000 users visited www.hartareciclarii.ro



298 users added collection points



4,600 hours of volunteering



We organised educational sessions in 37 schools



15,500 students and 550 professors participated



We met with over 27,000 Romanians interested in recycling

FESTIVAL COLLECTION RESULTS – Neversea and Untold:



150 tonnes of recyclable materials

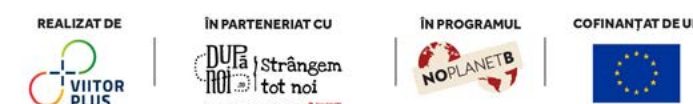
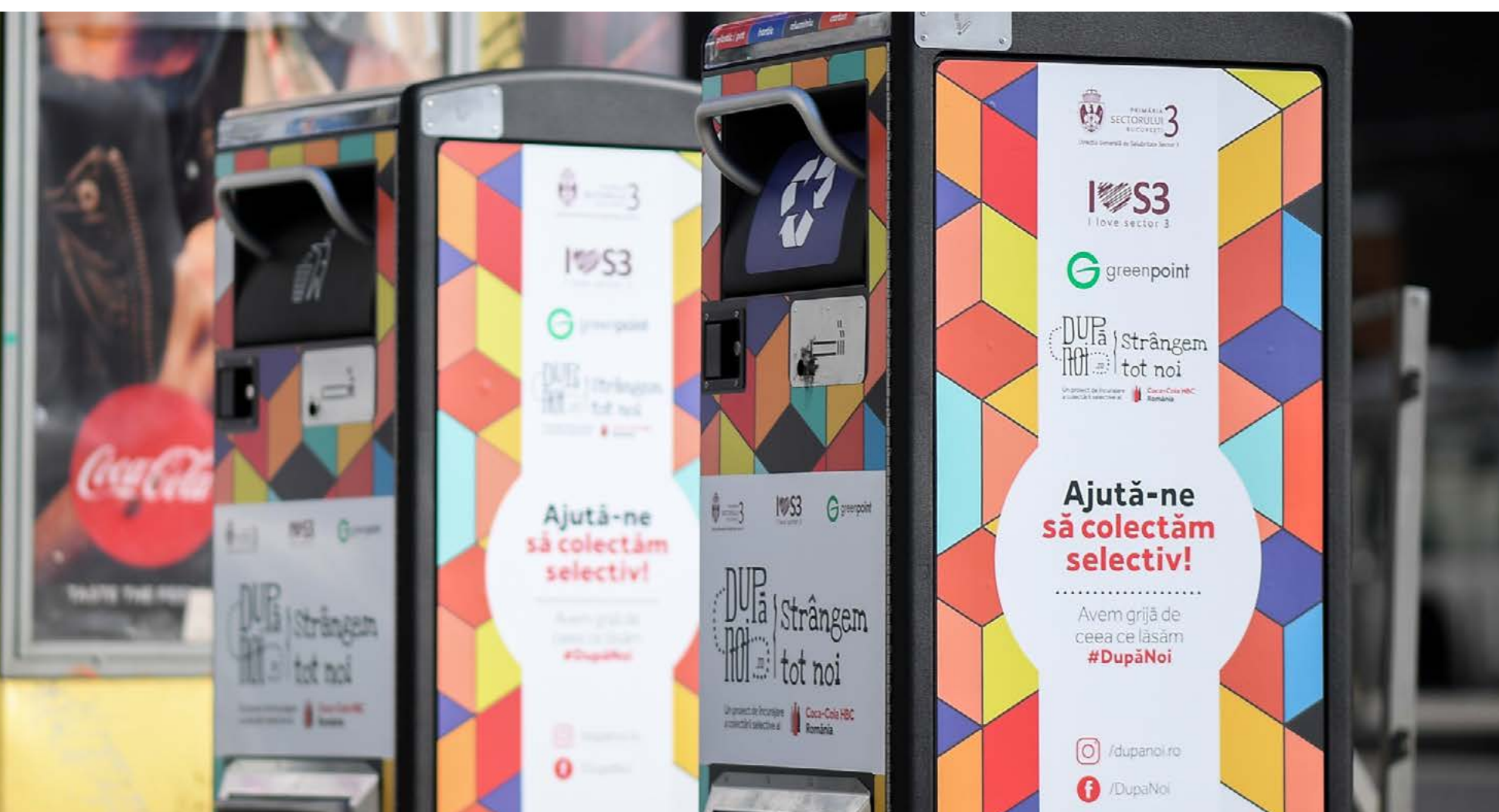
RESULTS ACHIEVED THROUGH THE #dunkitlikeaboss project:



85 participants have recorded their own video in which they support the campaign and throw packaging waste in the bin



15 participants won, by drawing lots, tickets to the Neversea festival



more information about the programme



Designed as a support programme aimed mainly at young people from disadvantaged backgrounds, **YOUth Empowered** is an inclusive programme that aims to equip young people with the skills and capabilities needed to succeed.

PROJECT GOALS



The project aims to provide free of charge personal and professional development tools for young Romanians in the NEETs category, interested in strengthening the skills needed to complete their studies or to find a job. Beyond live and online personal and professional training sessions, the YOUth Empowered programme aims to give young people the opportunity to create long-term personal and professional relationships with other young people, as well as with potential employers.

PROJECT ACTIVITIES



The programme brought together a team of passionate psychologists, teachers, mentors and trainers who collaborated to create training sessions aimed at contributing to the personal and professional development of young people – those in the NEETs category not only need training, but also need to gain self-confidence in order to be able to realise their potential. The programme was conducted in the form of live training sessions, offered free of charge to all participants, with the aim of helping to improve the lives of young people not only by increasing their chances of finding a job, but also by stimulating their ability to make decisions that positively influence their future. For this reason, mentors and trainers are of crucial importance to the project, as the programme is centred around the expertise of mentors and trainers who work with young people and adapt to their needs.



An additional strategic tool, in addition to live workshops, is the e-learning platform, Digi Hub (now also available as a mobile app). Digi Hub was, on the one hand, a learning tool made available to those participating in live training sessions, but it also became a useful tool for an even greater number of young people – those who failed to join these sessions.

Number of beneficiaries (direct and indirect):

5,390

young people enrolled in the project in 2019

8,300

young people enrolled in the project since the launch of the programme (2017-2019)

RESULTS



Our plan was to use what we learned in previous years and help even more in the 2019 edition. At the same time, we have set a key goal for young people who took part in the YOUth Empowered programme: the promotion of the baccalaureate exam and the choice of either continuing their studies or getting a job. In the context of low promotion in recent years, with at least a third of high school graduates failing to pass the baccalaureate, YOUth Empowered has become a tool through which young people not only wanted to succeed but realised that they can actually do it.



We turned 6 of our graduates from previous editions into ambassadors of the initiative. They helped us share our messages to their friends, young people like them. They became the ones who motivated and inspired others, because those around them were able to relate to their stories and began to believe that they too could succeed with the help of the programme. We have sought to have as many NEETs as possible join us, to provide them with the necessary tools to be better prepared to continue their studies or to enter the labour market.

In just three years since its launch, the programme has grown significantly and reached all regions of Romania – from just 3 counties in 2017 to more than half of the country in 2019. Over the three years, the programme reached more than 8,300 young people in the NEETs category – 3,600 young people through live training sessions and over 4,700 young people through the online platform. The training courses provided through the programme totalled up to more than a year (396 days).

As one of Coca-Cola HBC Group's 2025 goal is to support 1 million NEETs in all 28 countries where it operates, the programme will continue in the following years. In Romania, the programme continues in 2020 with live workshops, updated content on the educational platform Digi Hub and a new mobile app, available on iOS and Android, therefore creating another channel used to reach young people.



Together with our partners from The Social Incubator Association, we managed to reach thousands of young people who took part in the YOUth Empowered programme, in more than half of Romania's counties:

- 25 counties: Alba, Bacău, Bistrița-Năsăud, Botoșani, Brașov, Brăila, București, Călărași, Dolj, Galați, Giurgiu, Hunedoara, Ialomița, Iași, Ilfov, Neamț, Olt, Prahova, Suceava, Teleorman, Timiș, Tulcea, Vaslui, Vâlcea, Vrancea
- 3,541 young people joined the online platform, along with 150 teachers involved in more than 110 career guidance sessions, and more than 35 educational partners
- >20 new partnerships with institutions involved in the implementation of the programme
- partnership agreement with the Ministry of Youth Affairs and Sports to organise workshops for 270 young people from disadvantaged backgrounds
- 1,849 young people took part in live personal and vocational training sessions
- 213 days of training – which means that trainings were organised in almost 6 days of every 10 days in 2019

Two thirds of the young people who took part in the programme in 2019 decided to take the baccalaureate exam. Compared to the number of participants in 2019, a third passed the exam and either chose to continue their studies or got a job after graduating high-school.

In addition to the thousands of young people who took part in the programme in 2019, the initiative managed to reach small communities in Romania, young people in difficulty who heard about the programme and decided to enrol. It managed to reach disadvantaged areas in the country, where teenagers were told as clearly as possible that they could dream and that they could succeed with little effort.



Școala de Mers pe Munte

Hiking School

Școala de Mers pe Munte is a project that gives adults the opportunity to acquire the necessary knowledge for hiking, while also promoting local tourism.

PROJECT GOALS



The main objective of the **Școala de Mers pe Munte** programme, carried out in partnership with Tășuleasa Social, is to promote an active and healthy lifestyle among people in Romania, starting from a simple human need: movement is beneficial to the body and Romanians have the opportunity to be active in numerous natural areas.

PROJECT ACTIVITIES



Arriving at the fifth edition in 2019, the **Școala de Mers pe Munte** project continued to reach people interested in being active outdoors, shaping a community interested in hiking on the mountains, without omitting encouraging those involved to adopt an environmentally responsible behaviour.



Activities involved organising live and online workshops to inform participants about the basic rules of hiking, as well as organising practical workshops, where participants learned hiking techniques, setting up camp etc., also organising actual hiking trips.

RESULTS



In 2019, the **Școala de Mers pe Munte** expanded and reached a wider audience than in previous editions, managing to promote an active and healthy lifestyle among communities in Romania. More than 700 people have signed up for the project, from 55 localities in Romania, 200 more than in 2018, of which 150 people were selected for hiking in the Călimani Mountains.

Specifically, the results of the project consisted in:

- **Conducting 7 workshops** (out of which 5 in different cities than previous editions - Suceava, Bacău, Alba-Iulia, Mediaș, Reghin, Sighisoara, Deva), with the purpose of teaching participants the basic rules of hiking.
- **Live broadcast of 5 workshops** to promote responsible and informed behaviour regarding hiking.
- **Selecting 150 people** to participate in the **6** projects.
- **Organising 4 days of workshops and hiking** with experienced instructors; 2 days in which participants learn how to hike (hiking techniques, setting up camp, rules etc.) and 2 days of expedition in which they applied what they learned.
- **Promoting through:** organising the base camp in Călimani Mountains, hiking in this area and sharing information and materials about the Călimani National Park, its resources, as well as those of the Țara Dornelor area.
- **Visiting the Pedagogical Forest** and communicating on environmental or community initiatives.

Beyond the tangible results, **Școala de Mers pe Munte** has managed to become a real inspiration for participants and those involved in the project. For the social partner of the project, Tășuleasa Social, **Școala de Mers pe Munte** became the most important source of volunteers, most of the participants choosing to return as volunteers in later editions of the project or in other projects carried out by the organisation.

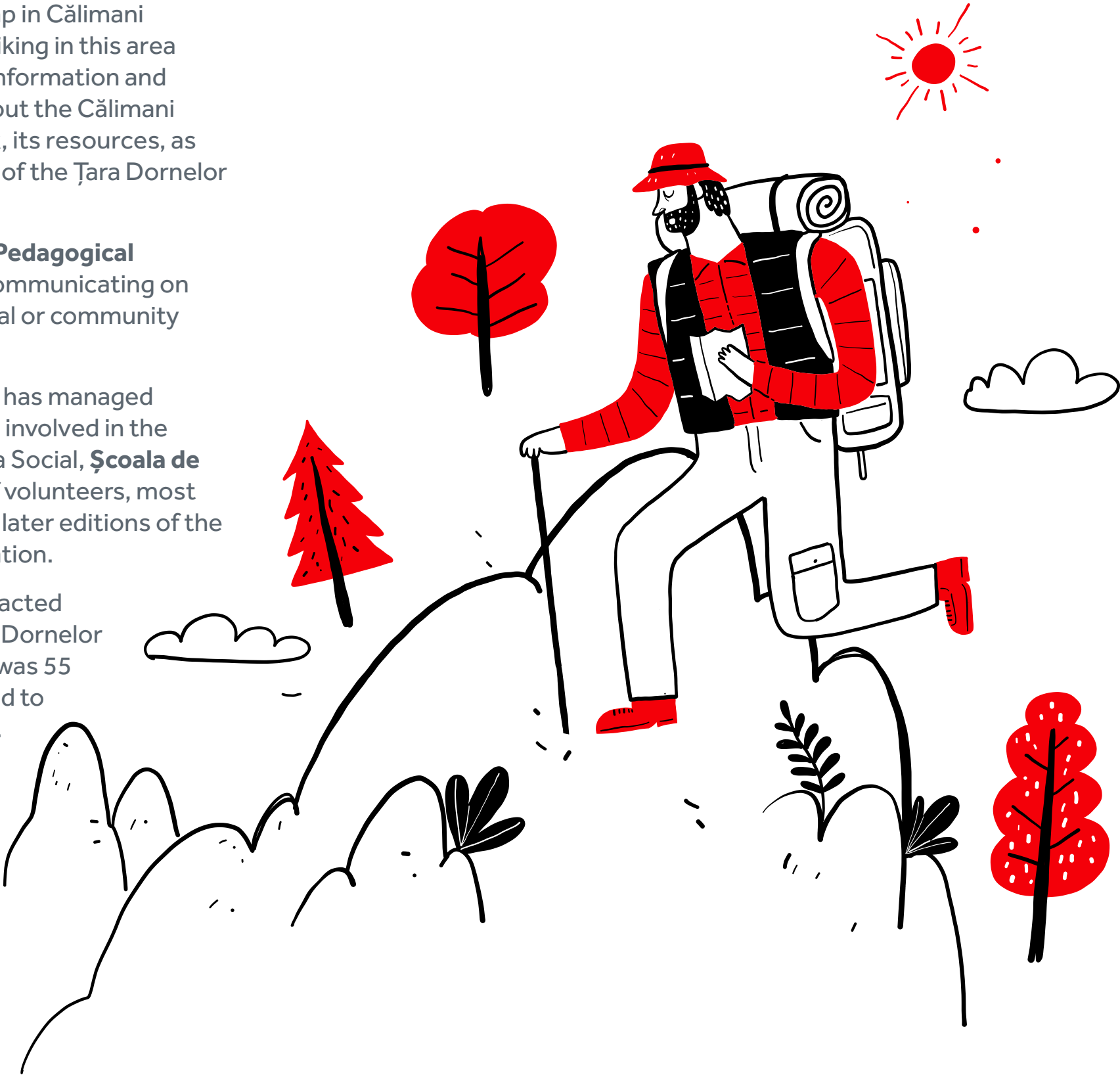
At the community level, **Școala de Mers pe Munte** attracted hundreds of participants who interacted with the Țara Dornelor and Călimani Mountains areas. The oldest participant was 55 years old and the longest distance someone travelled to participate in the project was over 700 kilometres.

In 2019, **Școala de Mers pe Munte** had its first blind participant.

Cumulatively, over the course of the five editions, more than 1,200 people participated in the programme, out of a total of 4,200 people enrolled. The 96 hiking activities were carried out with the help of more than 350 volunteers, following more than 1,000 hours of training.



Tășuleasa Social



more information about the programme

In addition to the 10 professional instructors, Școala de Mers pe Munte benefitted from the participation of **30 volunteers**, who participated in previous editions

Number of beneficiaries: **150 direct participants** in hiking trips in the Călimani Mountains.

OUR PROJECTS



Good Day – Young Volunteers’ Day

Every year, more than 20,000 children from the central and northern counties of Romania (Bistrița-Năsăud, Suceava, Mure, Cluj, Sălaj) receive Christmas gifts from same-age students in Germany, through a programme run by Tășuleasa Social and German organisation Die Johanniter.

Together with Tășuleasa Social, Coca-Cola HBC Romania has set out to **involve the over 20,000 children in programmes through which they offer their time and enthusiasm to give something back to their local communities**. Annually, Ziua Bună – Ziua Voluntarilor Mici includes activities where young people are involved in ecological or redevelopment actions, and actions for waste collection or promoting cultural heritage of areas they come from.







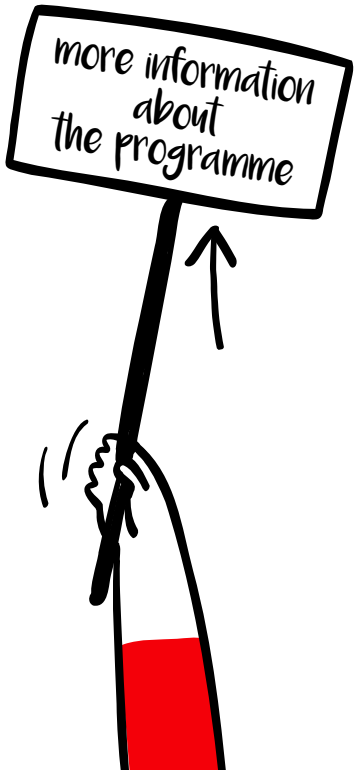
PROJECT GOALS



In 2019, the **Ziua Bună – Ziua Voluntarilor Mici** programme involved its volunteers in the national project Via Transilvanica (long distance road for travellers, cyclists, tourists etc.), in order to make them responsible for the part of the road that passes through their community. In this respect, each student will be able to make his mark in building and keeping the touristic roads clean.

PROJECT ACTIVITIES

-  Organising an informational caravan in more than 50 schools on the negative effects of plastic waste on the environment.
-  Familiarising children with the concept of "responsible tourism" within the caravan.
-  Each student helped create a customised terminal for each participating school in the project.
-  Organising an **Open Day in Tășuleasa Social** on May 25th, with the participation of **more than 650 teachers and students from partner schools**.



RESULTS



The project reached **more than 15,000 children, parents and teachers from 117 schools in Romania**. The caravan organised by the project’s team reached 61 schools and informed participants about the negative environmental effects of waste, thus encouraging the adoption of responsible behaviours from an early age, as well as shaping responsible attitudes among the adults present in children’s life – parents and teachers alike.



The project was carried out in **6 counties** in Romania (Bistrița-Năsăud, Cluj, Maramureș, Sălaj, Suceava, Sibiu), with most of the schools in these counties actively participating in the project through sustainable actions either in their local communities or along Via Transilvanica. More than 100 volunteers got involved in the project and facilitated the participation of students, parents and teachers. **80% of participating schools organised cleaning projects in their local communities**.



More than 650 students and teachers from the 15,000 involved in the project visited Tășuleasa Social on the **Open Day** on May 25th, and installed custom terminals specially designed to mark the route on Via Transilvanica.

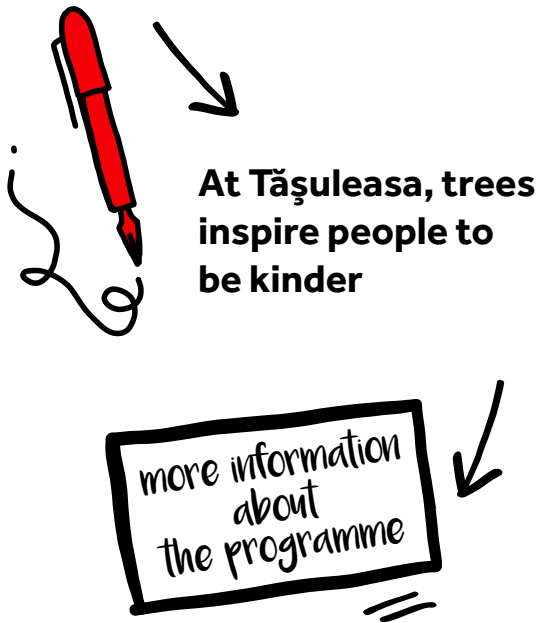
Pădurea Pedagogică

Educational Forest

Launched in July 2019, at the Tășuleasa Social Association in Bistrița-Năsăud county, near Tihuța Pass, the **Pădurea Pedagogică** project aims to create **a place where young people and children over 10 years old can acquire practical knowledge about the environment in a playful and friendly manner.**

Volunteers from Vatra Dornei, Bistrița, Dorna Candrenilor, Bacău, Galați, Bucharest, Republic of Moldova and Germany contributed to the construction and development of the site; among the volunteers there were biologists, rangers, sociologists, foresters. In total, **more than 400 volunteers** worked on this project. Pădurea Pedagogică covers an area of **three hectares** and includes **29 practical elements** that help young people understand the role of clean water in nature, the relationship of water with people and the forest, but also how these three elements coexist.

Every year, Coca-Cola HBC financially supports the Pedagogical Forest maintenance, so that young visitors have a unique experience.

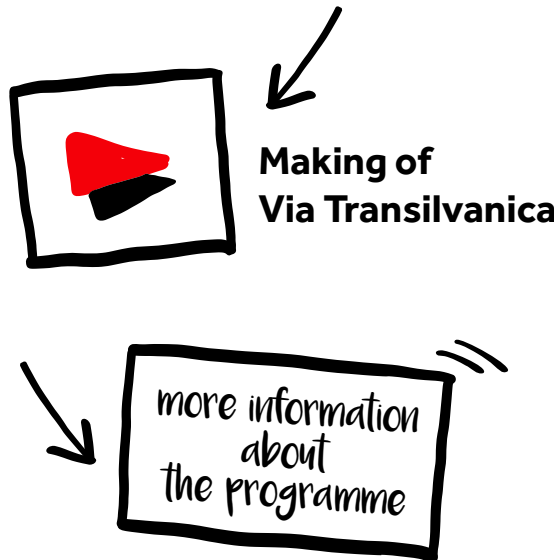


Via Transilvanica

Because in Romania there are no tourist circuits that can be travelled other than by car, Tășuleasa Social has planned to set up a road that will start from Putna, will cross Transylvania and all its cultural treasures and will reach Drobeta Turnu-Severin. **The total route is 1,000 km** and can be fully covered in a few weeks or partially, in a few days. The Via Transilvanica infrastructure will provide information on accommodation and restaurants, as well as historical and cultural information of different geographical areas.

The road is to be **marked with specific identification elements, made of durable materials**, enabling good orientation of the traveller along the way.

In 2019, Coca-Cola HBC Romania contributed to **the development of 50 km of the circuit.**



COCA-COLA ROMANIA

Year after year, we implement local projects with the support and contribution of **the Coca-Cola Foundation**.

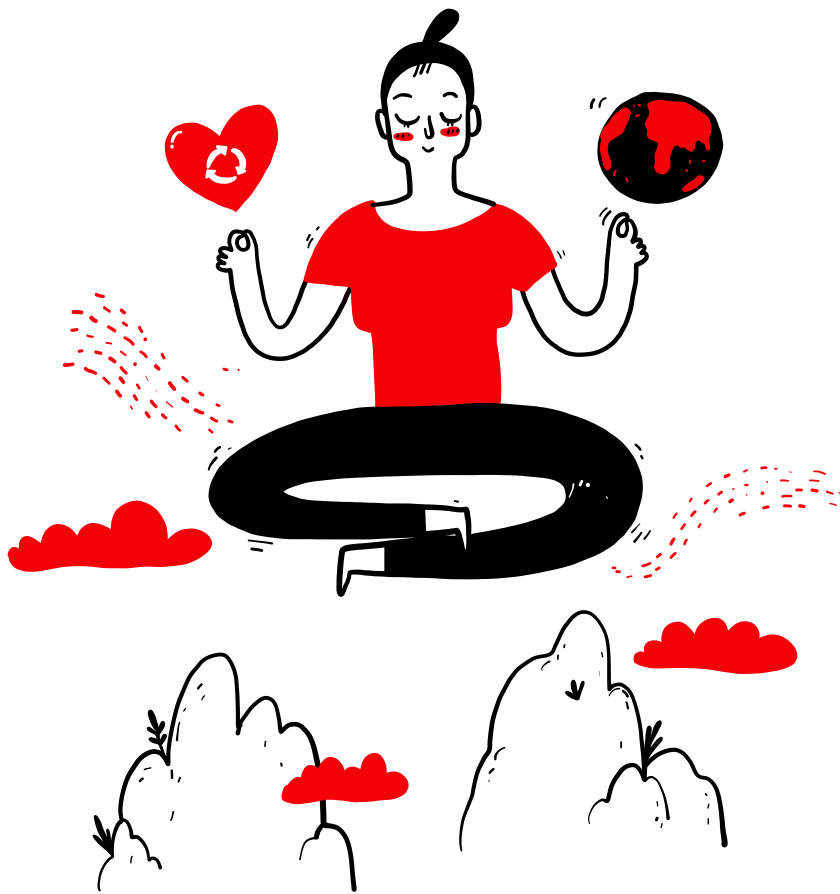
The three priority areas of our community investment efforts focus on:



In 2019, investments made by the Coca-Cola Foundation at local level were worth
3,643,746.42 lei*



Empowering women
economic empowerment
and entrepreneurship



Enhancing communities
education, youth development
and other community and
civic initiatives



Protecting the environment
access to clean water,
water conservation and recycling

- In 2019, our community partners were:
- CSR Nest
 - WWF
 - Global Shapers

*Or 859,800 USD, at an average exchange rate of 1 USD = 4.2379 lei. The value of community investments also includes 209,000 USD allocated to the **Azi pentru Măine în Școală** project, that takes place throughout the 2019 – 2020 school year.



OUR PROJECTS

Future Makers

It is an educational programme dedicated to young entrepreneurs between the ages of 20 and 29, who are **interested in starting a business**. The aim of the project is to inspire young people to become **entrepreneurs and self-employed professionals** by promoting similar, success stories. While involved in the project, they have access to information, knowledge and a community that is ready to support them.

Future Makers is funded by the Coca-Cola Foundation and implemented by Global Shapers Bucharest Hub and Social Innovation.

PROJECT GOALS

The second edition of the project, conducted in 2019 in partnership with the Global Shapers Community Bucharest Hub and Social Innovation Solutions, aimed to:



Organise entrepreneurship workshops with a focus on:

- understanding entrepreneurship
- shaping and planning businesses
- designing the impact



Update the resource library with case studies, methodologies, up-to-date research, entrepreneur profiles, free funding and learning opportunities.



Organise the business ideas competition and select the best 150 ideas to enter in the incubator programme (for the business development plan with the support of the designated mentor and in close connection with the business community).

RESULTS



30 entrepreneurial workshops (with **2,000** young participants) in 23 cities



130 ideas submitted



55 finalist ideas (**150** young people) benefitted from **4** months in the business incubator programme



7 winners received funding





OUR PROJECTS

Azi pentru Mâine

Today for Tomorrow

Azi pentru Mâine is an **awareness and engagement** project centred around **selective waste collection**. Funded by the Coca-Cola Foundation and implemented by the CSR Nest, the project encourages partnerships aimed at making separate waste collection a habit, tackling three critical pillars: **involvement in developing the necessary infrastructure, education** and **actions meant to encourage behavioural changes**.



| Pe Plajă

On the Beach

| În Școală

In School

Azi pentru Mâine pe Plajă is an **environmental education** project focusing on **selective collection of waste** (plastic, PET, aluminium, paper, cardboard and glass) on 4 of the busiest beaches on the Romanian coast: Mamaia, Eforie (North and South), Venus and Saturn.

The length of the four beaches is about 17 kilometres.

RESULTS

- ✓ ~130 volunteers got involved in actions regarding cleaning and increasing the level of environmental education on the beach
- ✓ 49,600 informed tourists
- ✓ 7 million people became aware of the project
- ✓ >50 HoReCa members informed, of which 32 have made partnerships for selective collection with Green PC Ambalaje, authorized collector for recyclable waste
- ✓ 62 selective collection containers supplied, and more than 7 tonnes of recyclable waste recovered in 2 months

The aim of the **Azi pentru Mâine în Școală** project is to increase the level of understanding surrounding the concept of zero waste and selective waste collection and recycling in Romania.

The project includes two components:

- ➊ educating pupils in grades 5-8 in the urban area regarding environmentally-responsible behaviour
- ➋ pupils collecting waste selectively

All local communities participating in the programme were included in the **Recycling Map Platform**, a ViitorPlus Association project, developed in partnership with Coca-Cola HBC Romania.

RESULTS

- ✓ 19,000 students, parents and teachers were informed regarding the selective collection of recyclable waste and its importance
- ✓ 33 selective collection & recycling containers offered to local schools
- ✓ 33 schools included in the project
- ✓ 56 tonnes of recyclable waste collected since the beginning of March 2020, when the Romanian authorities declared a state of emergency due to the SARS-CoV2 pandemic and schools closed



more information about the programme



H2O – Helping to Obtain Water

H2O (water) – Helping to Obtain Water is a project funded by the Coca-Cola Foundation through The New World Programme, in partnership with the Global Water Challenge (GWC). The project is implemented in the **commune of Mischii**, in South-West Romania, the Oltenia region, a flat and arid area near the Danube.

Mischii has 1,760 inhabitants and consists of five villages: Mischii/ Mlecănești, Călinești, Gogoșești, Motoci and Urechești.

Through this project, we aim to increase access to fresh drinking water from safe sources and hygiene for the inhabitants of the village, as well as to improve the efficient use of water as a limited natural resource. This goal was achieved by digging four deep wells in the Mischii village. In addition, the project also involved public education activities on responsible water use, with the aim of helping to prevent and reduce waste.

The target group of these educational activities was mainly represented by women and young people from Mischii village.

more information about the programme

RESULTS

- ✓ 4 wells drilled in Mischii commune (1 in Mischii, 2 in Călinești, 1 in Gogoșești), enabling 1,800 inhabitants to benefit from drinking water
- ✓ 70 local school pupils were informed on the responsible water consumption and its importance to the environment
- ✓ 630 pupils from 2 schools in Craiova were informed regarding the same subject
- ✓ 900 women and 130 young people from Mischii were included in the educational campaign



Together for a Living Danube

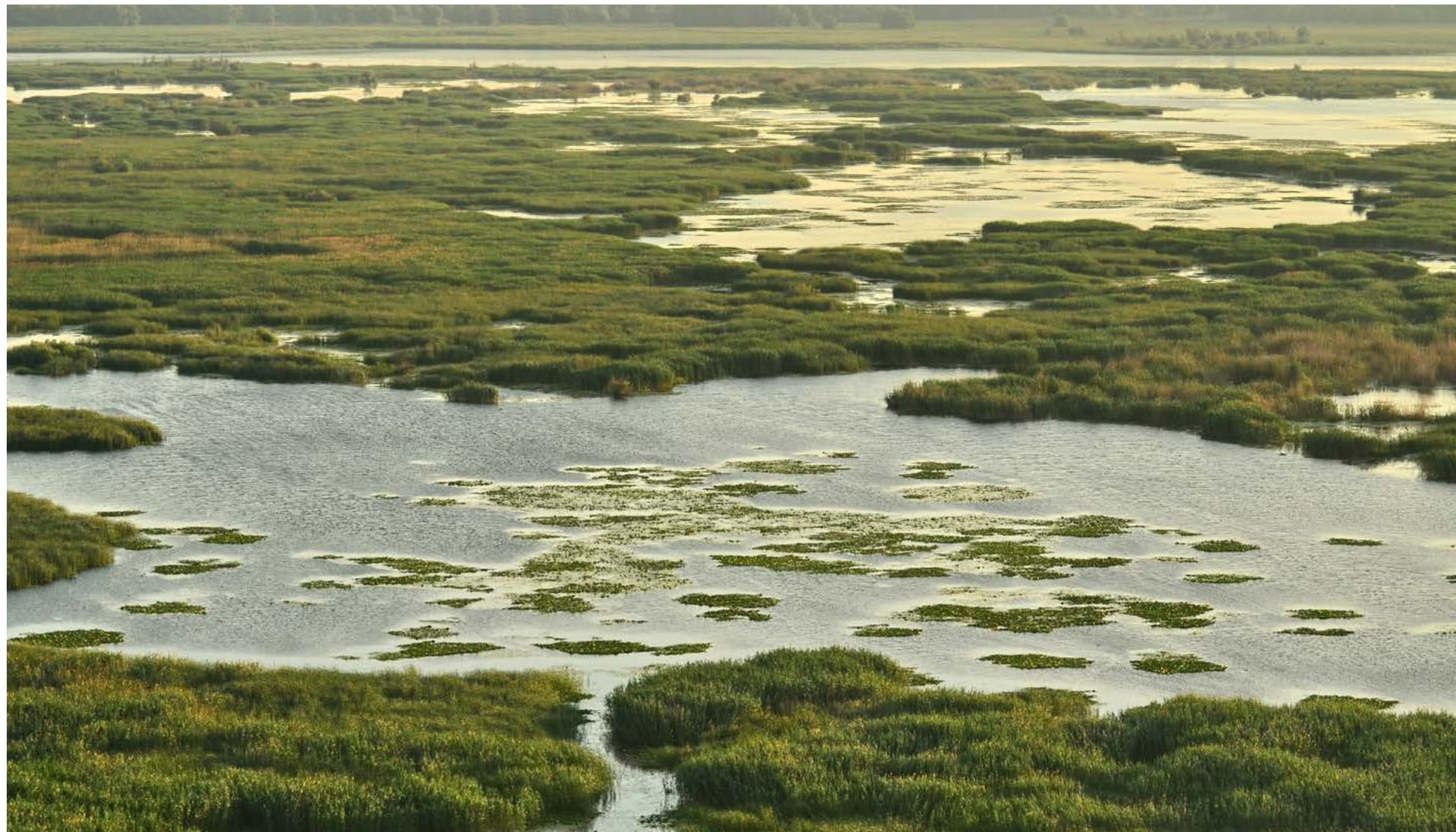
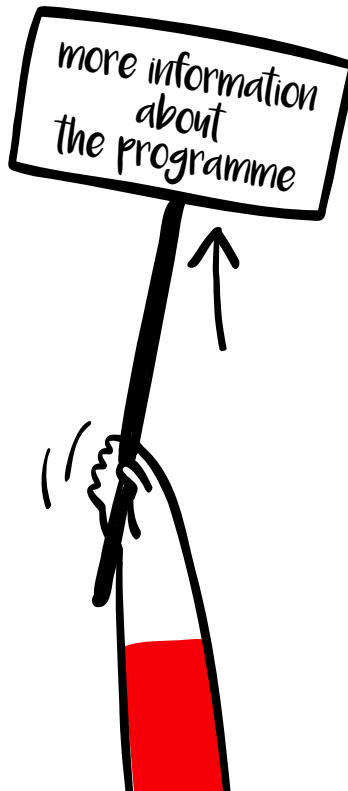


The **Together for a Living Danube** project aims to **restore and preserve wetlands and floodplains along the Danube and its tributaries.**

The programme is supported by the Coca-Cola Foundation through a **\$4.4 million** investment and is carried out in **six European countries**, including Romania.

Implemented in 2014-2020, together with our partners from the World Wildlife Fund (WWF), in Romania the project consists of ecological reconstruction works carried out along the Danube, between the towns of Gârla Mare and Vrata, in Mehedinți county.

Together for a Living Danube is an initiative that is part of the Coca-Cola System's 2020 commitment to bring back to the community and restore an equal quantity of water to the one used in its beverages.











GRI Content Index

GRI Content Index



For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.




GRI Standard	Information	Sustainable Development Goal	Page number(s) and/or direct answers	Omission
GRI 101: Foundation 2016				
General disclosures				
GRI 102: General disclosures 2016	Organisational profile			
	102-1 Name of the organisation		4	
	102-2 Activities, brands, products and services		8, 33	
	102-3 Location of headquarters		4	
	102-4 Location of operations		4, 7, 39	
	102-5 Ownership and legal form		11	
	102-6 Markets served		8, 38	
	102-7 Scale of the organisation		10, 11, 38, 42	
	102-8 Information on employees and other workers	 8.5	42	
		 10.3		
	102-9 Supply chain		8, 61, 62	
	102-10 Significant changes in the organisation and its supply chain		No significant changes	
	102-11 Precautionary principle or approach		15, 16, 17, 34, 37, 53	
	102-12 External initiatives		15, 18, 22, 43, 58	
	102-13 Membership of associations	 17.3	18	

Strategy				
102-14	Statement from senior decision-maker		3	
102-15	Key impact, risk, and opportunities		15, 16, 17, 20, 22, 23, 28, 29, 30, 31, 52	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behaviour		16.3	12, 13, 14, 18, 43
102-17	Mechanism for advice and concerns about ethics		16.3	13, 45
Governance				
102-18	Governance structure		12	
102-22	Composition of the highest governance body and its committees		5.5	12
			16.7	
Stakeholder engagement				
102-40	List of stakeholder groups		26, 27, 28, 29	
102-41	Collective bargaining agreements		8.8	43
102-42	Identifying and selecting stakeholders		26, 27, 28, 29	
102-43	Approach to stakeholder engagement		26, 27, 28, 29	
102-44	Key topics and concerns raised		29, 30, 31	
Reporting practice				
102-45	Entities included in the consolidated financial statements		4	
102-46	Define report content and topic Boundaries		28, 29, 30, 31	
102-47	List of material topics		30, 31	
102-48	Restatements of information		There are no restatements of information.	

102-49	Changes in reporting		There are no changes in the reporting process.
102-50	Reporting period		12.6 4
102-51	Date of most recent report		12.6 Published in september 2019 for 2018 financial year.
102-52	Reporting cycle		12.6 Annual.
102-53	Contact point for questions regarding the report		4
102-54	Claims of reporting in accordance with the GRI standards		12.6 4
102-55	GRI content index		46-80
102-56	External assurance		The report was not externally audited.

Material topics

CORPORATE GOVERNANCE AND ECONOMIC PERFORMANCE

Anti-corruption				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	31	
	103-2	The management approach and its components	12, 13, 14, 17	
	103-3	Evaluation of the management approach	13, 14	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	 16.5	17, 62
	205-2	Communication and training on anti-corruption policies and procedures	 16.5	14
	205-3	Confirmed incidents of corruption and actions taken	 16.5	14

Sustainable management					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		20, 22, 23	
	103-3	Evaluation of the management approach		22, 23, 24, 25	
Stakeholder engagement					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		26, 27, 28, 29	
	103-3	Evaluation of the management approach		26, 27	
Public policy					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		14	
	103-3	Evaluation of the management approach		14	
GRI 415: Public policy 2016	415-1	Political contributions		16.5	14
Anti-competitive behavior					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		14	
	103-3	Evaluation of the management approach		14	
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		16.3	14
Economic performance					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		11	
	103-3	Evaluation of the management approach		11	
GRI 201: Economic performance 2016	201-1	Directly economic value generated and distributed		8.1	11
				8.2	
				9.1	
				9.4	
				9.5	
	201-2	Financial implications and other risks and opportunities due to climate change		13.1	15, 16, 17

Market presence					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		12	
	103-3	Evaluation of the management approach		12	
GRI 202: Market presence 2016	202-2	Proportion of senior management hired from the local community		8.5	12
Indirect economic impacts					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		22, 23, 63, 70	
	103-3	Evaluation of the management approach		22, 23, 65, 66, 67, 68, 69, 71, 72, 73, 74	
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported		5.4	63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74
				9.1	
				9.4	
				11.2	
	203-2	Significant indirect economic impacts		1.2	64, 65, 66, 71, 74
				1.4	
				3.8	
				8.2	
				8.3	
				8.5	



RESPONSIBILITY

Customer privacy					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		14	
	103-3	Evaluation of the management approach		14	
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		16.3 16.10	14

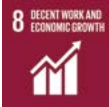
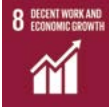

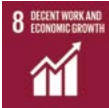


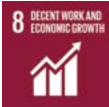





Customer health and safety					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		22, 23, 33, 34, 35, 36, 37, 39	
	103-3	Evaluation of the management approach		34, 37	
GRI 416: Customer health and safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		16.3	37
Marketing and Labeling					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		35	
	103-3	Evaluation of the management approach		35	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling		12.8	35
	417-2	Incidents of non-compliance concerning product and service information and labeling		16.3	35
	417-3	Incidents of non-compliance with marketing communications		16.3	35
Procurement practices					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		61, 62	
	103-3	Evaluation of the management approach		62	
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers		8.3	62
Supplier social assessment					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		31	
	103-2	The management approach and its components		61, 62	
	103-3	Evaluation of the management approach		62	
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria		5.2	62
				8.8	
				16.1	

	414-2 Negative social impact in the supply chain and actions taken		5.2	62
			8.8	
			16.1	

EMPLOYMENT

Employment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		31	
	103-2 The management approach and its components		41, 42, 43, 44, 45	
	103-3 Evaluation of the management approach		45	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		5.1	42
			8.5	
			8.6	
			10.3	
	401-2 2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		3.2	44
			5.4	
			8.5	
	401-3 Parental leave		5.1	45
			8.5	








Occupational health and safety			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		31
	103-2 The management approach and its components		48, 49, 50
	103-3 Evaluation of the management approach		48, 49, 50

GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system		8.8	48, 49
	403-2 Hazard identification, risk assessment, and incident investigation		8.8	48, 49, 50
			3.6	
	403-3 Occupational health services		8.8	48, 49
	403-4 Worker participation, consultation, and communication on occupational health and safety		8.8	49
			16.7	
	403-5 Worker training on occupational health and safety		8.8	49
	403-6 Promotion of worker health		3.3 3.5 3.7 3.8	44
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		8.8	17, 37
	403-9 Work-related injuries		3.6 3.9	48, 50
			8.8	
			16.1	

Labor/Management relations				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			41, 43
	103-3 Evaluation of the management approach			43, 45
GRI 402: Labor/Management relations 2016	402-1 Minimum notice periods regarding operational changes		8.8	43

Diversity and equal opportunity			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		31
	103-2 The management approach and its components		41, 43
	103-3 Evaluation of the management approach		12, 43, 45

GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees		5.1 5.5	12, 42
			8.5	
	405-2 Ratio of basic salary and remuneration of women to men		5.1	45
			8.5	
			10.3	

Training and education				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		31	
	103-2 The management approach and its components		41, 46	
	103-3 Evaluation of the management approach		46, 47	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee		4.3 4.4 4.5	46
			5.1	
			8.2 8.5	
			10.3	
	404-2 Programmes for upgrading employee skills and transition assistance programmes		8.2	47
	404-3 Percentage of employees receiving regular performance and career development reviews		5.1	47
			8.5	
			10.3	

Freedom of association and collective bargaining			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		31
	103-2 The management approach and its components		43, 61, 62
	103-3 Evaluation of the management approach		62







GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		8.8	62
Non-discrimination				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			41, 43
	103-3 Evaluation of the management approach			43, 45
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		5.1	43
			8.5	
			10.3	
Human rights assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			43
	103-3 Evaluation of the management approach			43, 45
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments		5.2	43
			8.5	
			8.8	
			10.3	
			16.2	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		5.2	43
			8.5	
			8.8	
			10.3	
			16.2	

SOCIETY

Socioeconomic compliance

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			13, 14
	103-3 Evaluation of the management approach			13, 45
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		16.3	13, 14, 35, 37, 43

Local communities






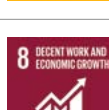



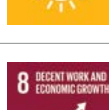


GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			63, 70
	103-3 Evaluation of the management approach			63, 70
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes		4.4	63, 64, 65, 66, 67, 68, 69, 70, 71
			11.2	
			17.17	
	413-2 Operations with significant actual and potential negative impacts on local communities		4.4	53, 58, 66
			11.2	
			17.17	

















Security practices
















GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			43
	103-3 Evaluation of the management approach			13, 45
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures		16.3	13

ENVIRONMENT

Energy

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31	
	103-2 The management approach and its components			23, 52, 59	
	103-3 Evaluation of the management approach			23, 57, 59	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		7.2 7.3	57, 59	
			8.4		
			12.2		
			13.1		
	302-3 Energy intensity		7.3	57	
			8.4		
			12.2		
			13.1		
	302-4 Reduction of energy consumption		7.3	57	
			8.4		
			12.2		
			13.1		
	Water and effluents				
	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
		103-2 The management approach and its components			22, 23, 39, 52, 53, 54
		103-3 Evaluation of the management approach			23, 54

GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource		6.3 6.4 6.A	53, 54
			12.4	
	303-2 Management of water discharge-related impacts		6.3	53
	303-3 Water withdrawal		6.4	54
	303-4 Water discharge		6.3	23, 54
	303-5 Water consumption		6.4	23, 54
Emissions				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
	103-2 The management approach and its components			52, 58
	103-3 Evaluation of the management approach			23, 58
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		3.9	58
			12.4	
			13.1	
			14.3	
			15.2	
	305-2 Energy indirect (Scope 2) GHG emissions		3.9	58
			12.4	
			13.1	
			14.3	
			15.2	

305-3 Other indirect (Scope 3) GHG emissions		3.9	58
		12.4	
		13.1	
		14.3	
		15.2	
305-4 GHG emissions intensity		13.1	58
		14.3	
		15.2	
305-5 Reduction of GHG emissions		13.1	23, 58
		14.3	
		15.2	
305-7 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions		3.9	58
		12.4	
		14.3	
		15.2	

Materials and waste			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		31
	103-2 The management approach and its components		52, 55, 59
	103-3 Evaluation of the management approach		23, 55

GRI 301: Materials 2016	301-1 Materials used by weight or volume		8.4	56, 59	
			12.2		
	301-2 Recycled input materials used		8.4	23, 55	
			12.2 12.5		
	301-3 Reclaimed products and their packaging materials		8.4	56	
		12.2 12.5			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31	
	103-2 The management approach and its components			23, 53, 55, 59	
	103-3 Evaluation of the management approach			23, 55	
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination		3.9	54	
			6.3 6.4 6.6		
			12.4		
			14.1		
	306-2 Waste by type and disposal method		3.9	56	
			6.3		
			12.4 12.5		
	Environmental compliance				
	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			31
		103-2 The management approach and its components			52
103-3 Evaluation of the management approach				52	
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations		16.3	52	

