

# Sustainable values. Sustainable living.

Social Responsibility Report **2011**



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Consumer health



Water stewardship



Energy and climate change



Packaging and recycling



Employee development



Supplier engagement



Community involvement



## About our reporting

This report marks the ninth year of social, environmental and ethical reporting by Coca-Cola Hellenic.

In preparing this report, we were guided by the three principles of the AA 1000 Assurance Standard: materiality, inclusiveness and responsiveness. We measure and report our performance using leading standards and methodologies. These include the Global Reporting Initiative (GRI), Greenhouse Gas Protocol, Global Water Footprint Standard, Eco-Indicator 99 and LBG Model.

For the second consecutive year, this report has been independently audited. In addition, environmental, quality, health and safety management systems and data are audited annually by third-parties at all 76 bottling plants. Both suppliers and Company-owned operations are subject to independent assessments of workplace conditions. Community investment data are submitted to London Benchmarking Group (LBG). Our compliance with industry codes on responsible sales and marketing is also independently audited.

This report includes full data related to the bottling, distribution and sales activities in all 28 countries of operation for calendar year 2011. The following investments are not considered here: our brewing interests in the Former Yugoslav Republic of Macedonia (FYROM) and Bulgaria, Greek snacks company Tsakiris, vending businesses in Hungary and Ireland, and the distribution of premium spirits. None of these represents more than 1% of volume.

More information about our strategy and programmes, including Disclosures of Management Approach, can be found on the corporate website. Country-level websites and sustainability reports are another source of information.

This report was independently assessed to meet GRI application Level A+. This report also serves as our Communication on Progress (COP) to the United Nations Global Compact (UNGC) and we deem it to meet the criteria for GC Advanced level. Our self-assessment is available on the Global Compact website.



# Message from the Board



Dear Stakeholders,

The year 2011 was challenging for Coca-Cola Hellenic. Economic growth was sluggish or worse, and consumer confidence fell in many of the countries in which we operate. Costs of raw materials soared. Despite this, we made several important strides in reducing our environmental impact

and encouraging community environmental stewardship.

In such difficult conditions, good governance and policies for sustainability retain all their importance. The challenges posed by climate change and pressure on resources have not diminished. When our CEO Dimitris Lois reaffirmed our Company's commitment to sustainability, it was therefore no mere gesture but a strong reaffirmation of one of our core values.

The importance that we attach to sustainability at all levels of our business was acknowledged by the listing of Coca-Cola Hellenic for the fourth successive year in the Dow Jones Sustainability Indexes (World and STOXX). This places us among the top 10% of companies worldwide for sustainability. Our managers and employees can take pride in this, with no sense of complacency because there is still much to be done to improve our performance.

Our sustainability programmes are long-term investments, building value over time for our business and communities. For example, in 2003 we undertook that all Company wastewater would be treated to levels that supported aquatic life. In 2011, we achieved this goal, having built 44 on-site wastewater treatment plants in countries where wastewater is not adequately treated. Another major programme that will be completed in 2012 is the certification of all bottling plants against internationally recognised management system standards for environment, quality, food safety, occupational health and safety.

We continued to work towards our goal to build 20 combined heat and power (CHP) plants by 2015. This is the largest CHP programme in our industry. On completion it will reduce carbon emissions overall, in the community and our own operations, by a calculated 250,000 tonnes each year from which our operations will benefit in proportion. I look forward to seeing our latest CHP plant inaugurated at Kiev in early June.

As programmes in our own operations become better established, we can turn more attention to our supply chain, where the greatest environmental and social impacts of our business are to be found. We have set targets to reduce carbon emissions throughout our value chain and have begun work with suppliers to address water use in agriculture. Sustainability plays a growing part in creating value for customers, too. Increasingly we see in surveys that traditional purchase decisions based on price, quality

and convenience are influenced by trust, honesty and environmental considerations, and our customers know this.

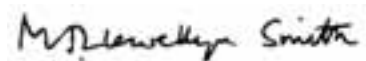
In the workplace we have seen significant improvement in performance with regard to Health and Safety, but further work is needed to achieve our goal of establishing a world-class safety culture.

We are extending our efforts beyond our own operations also in the drive against corruption. According to Transparency International, some of the countries in which we operate are perceived as being among the most corrupt in world rankings. As a company committed to ethical values and integrity we will not turn a blind eye to examples of corrupt practices in business. We therefore support initiatives which address this issue in a growing number of countries. In 2011, I was able to present our zero-tolerance approach to corruption to a distinguished group of investors in Switzerland and to discuss some of these questions with them.

Another major social issue that we must help to address concerns energy balance: calories in versus calories out, and the increasing growth in the level of chronic disease. Efforts are being stepped up to tackle this issue and promote better consumer health. The key to good nutrition and diet is balance and moderation. It is estimated that improved diet alone could result in a 28% reduction in cardiovascular disease\*, a 24% reduction in Type 2 diabetes \*\* and a 20% reduction in some cancers\*\*\*. Industry and civil society must work together to achieve these goals.

It remains a part of our mission to improve the quality of life in local communities, especially in developing and emerging economies. In such countries, regulations and laws may require less than the minimum standards we accept for our business. As a result, we are ready where necessary to take a lead, and projects such as our wastewater treatment plants or certifications are the first to be introduced in some of the countries in which we operate. To help promote sustainability and corporate responsibility, we support local networks of the Global Compact and other business initiatives.

The world's population is expected to reach nine billion by the year 2050, with almost all growth in the less developed regions. Emerging economies already represent almost half of our sales volume and are home to 400 million people. By 2050, the population of just one of these countries - Nigeria - will reach this same figure. These are striking figures. We need to look forward, to plan, and to understand the implications of economic, social and environmental change for our business and for the future of the communities we serve.



Sir Michael Llewellyn Smith  
Chairman, Social Responsibility Committee

\* H.-C. Hung 2005 (J Nat Cancer Ins) \*\* FB. Hu 2001 (New Eng J Med) \*\*\* WHO 2003

# Business overview

Coca-Cola Hellenic is one of the largest Coca-Cola bottlers globally in terms of revenue. Across 28 countries with diverse cultures and geographies, we serve a population of approximately 570 million people. The Company owns and operates 76 bottling plants as well as 365 warehouses and distribution centres. By sourcing and manufacturing locally, we remain close to our customers and consumers, while generating local employment and other benefits.

**€877** million  
EBITDA

**76** bottling plants

**2.08** billion  
unit case  
sales

**41,302** employees



## Beverages and brands

We offer a wide range of non-alcoholic beverages: waters, juices and juice drinks, ready-to-drink coffees and ice teas, sports and energy drinks in addition to our core sparkling soft drinks. Our portfolio of global brands, such as Coca-Cola, Fanta and Sprite, is complemented by leading national brands designed to meet local tastes.

We produce and distribute beverages under licence agreements. Brands of The Coca-Cola Company accounted for about 90% of sales in 2011. A further 7% came from brands owned by other companies, such as Nestea, illy café, Dr Pepper, Schweppes and Tuborg. Coca-Cola Hellenic's own brands, including Amita juices and Avra mineral water, represented the remaining 3%.

## The Coca-Cola System

Coca-Cola Hellenic is one of approximately 300 bottlers of

Coca-Cola beverages around the world. Together with The Coca-Cola Company, these bottlers comprise the Coca-Cola business system. The Coca-Cola Company owns the brands and manufactures and sells concentrates, beverage bases and syrups to bottling partners who manufacture, package, merchandise and distribute the finished beverages to customers.

## Ownership

Our Company's largest shareholders are the Kar-Tess Group and The Coca-Cola Company. Coca-Cola Hellenic is listed on the Athens Stock Exchange, with a secondary listing on the London Stock Exchange. American Depositary Receipts are listed on the New York Stock Exchange.

## Sustainability

Coca-Cola Hellenic has been included on the Dow Jones



## Emerging markets

Armenia

Belarus

Bosnia and Herzegovina

Bulgaria

FYROM

Moldova

Montenegro

Nigeria

Romania

Russia

Serbia

Ukraine

## Developing markets

Croatia

Czech Republic

Estonia

Hungary

Latvia

Lithuania

Poland

Slovakia

Slovenia

## Established markets

Austria

Cyprus

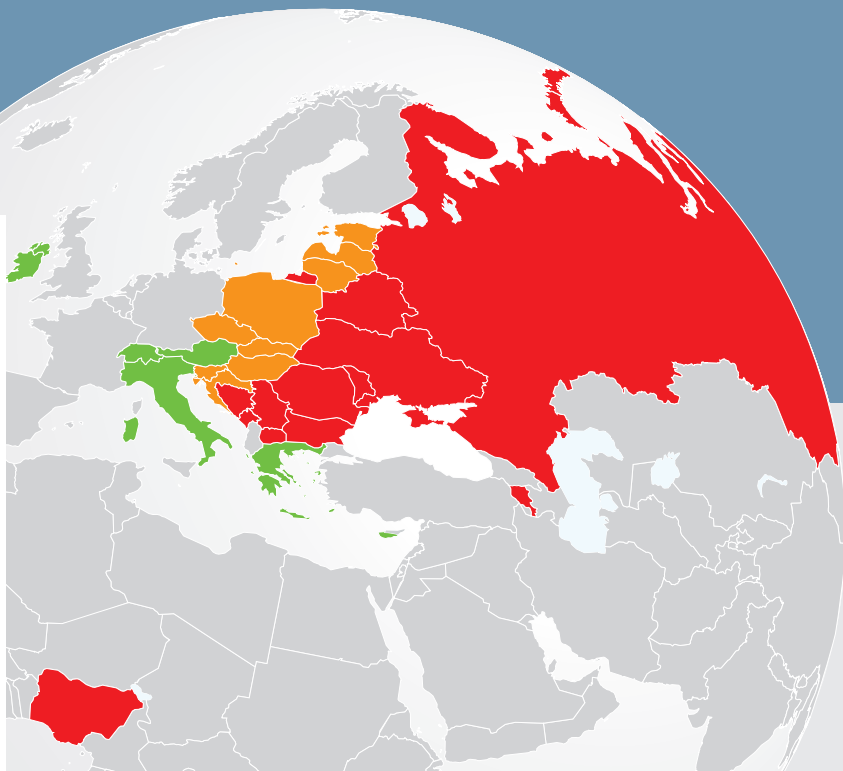
Greece

Italy

Northern Ireland

Republic of Ireland

Switzerland

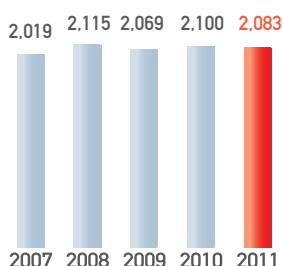


Sustainability Indexes (World and STOXX) since 2008. This places us among the top 10% of companies worldwide for sustainability. We are one of only three beverage companies on the DJSI World Index, and one of two in the DJSI Europe.

We have also been included in the FTSE4Good since 2001. In the Index's new Environmental, Social and Governance (ESG) ratings, we scored 4.15 out of 5, giving a 93% rating in our global supersector.

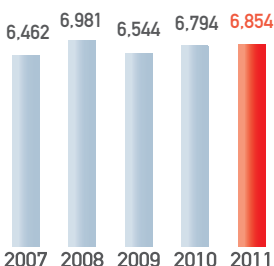
### Volume

(million unit cases)



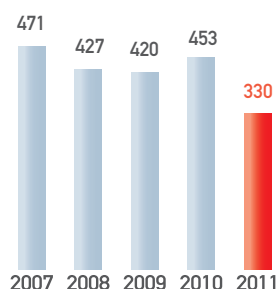
### Net sales revenue

(million €)



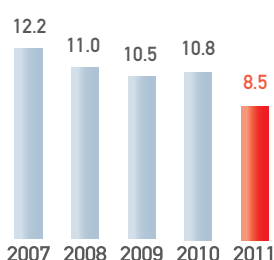
### Comparable net profit

(million €)

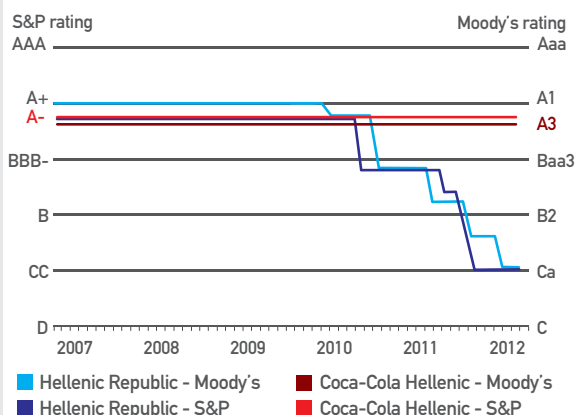


### Comparable return on invested capital

(percent)



## Sustained credit rating



Another aspect of a company's sustainability is its long-term financial solidity. Credit ratings help investors, analysts and banks to ascertain the financial strength of a company. Since establishment in 2000, Coca-Cola Hellenic has been rated 'investment grade' by S&P and Moody's (A and A3 respectively). This is based on our financial rigour and strong growth prospects, as well as our close business relationship with The Coca-Cola Company. Our credit rating has withstood the economic turbulence of recent years (see graph). In May 2011, S&P took the unusual step of announcing that the rating of Coca-Cola Hellenic remained unaffected by the significant downgrade of Greece, where the Company is headquartered, since most revenue derives from markets outside Greece. Moody's issued a similar announcement although the Company was placed on negative outlook in November 2011.

# Sustainability milestones

## 2011

First GRI A+ CSR report in European beverage industry



Completed construction of wastewater treatment plants, ensuring that 100% of wastewater is now treated



Built three additional CHP units

All 76 bottling plants now certified to ISO 9001



Purchased and installed 29,000 eco-friendly coolers



## 2010

Signed Consumer Goods Forum resolutions on deforestation and refrigeration

Launched solar energy programme

Stepped up commitment to build 20 CHP units

Third consecutive year of absolute water reduction

Launched carbon-efficient fleet of commercial coolers, commitment to buy only such coolers from 2015

New anti-corruption training rolled out across all operations

Employer of choice awards in 16 countries

13-point rise in employee engagement since 2007

Founding member of European Water Footprint Sounding Board for sugar

First Stakeholder review of CSR report

Over 99% of volume produced by ISO 9001 certified plants

## 2009

Started construction of 15 CHP units to reduce CO<sub>2</sub> from bottling operations by over 20%

First absolute reductions in water, energy and waste in operations

Over two-thirds of operations certified ISO 9001, ISO 14001, OHSAS 18001 and ISO 22000

First submission to Carbon Disclosure Project

First report on implementation of CEO Water Mandate and Caring for Climate

First corporate water footprint

## 2008

Included in the Dow Jones Sustainability Index

Launched Stakeholder Panel

Launched the "Business friends of the Danube" fund

Extended Safe and Eco driving courses to all countries

Increased use of recycled PET by 70% versus previous year

Launched three year Safety plan

Acquired Southern Italy Coca-Cola bottling operations

## Long-term goals

### 2004 baseline

Water ratio in plants (l/lpb)	2.86	-22%
Total water use in plants (billion litres)	27.8	-6%
Water footprint (billion litres)	51.7	-58%
Energy ratio in plants (MJ/lpb)	0.73	-21%
Total energy use in plants (MJ)	6.5	+3%
CO <sub>2</sub> ratio (g CO <sub>2</sub> /lpb)	98.5	-32%
Total CO <sub>2</sub> emissions (thousand tonnes)	792	-2%
Landfilled waste ratio (g/lpb)	5.0	-75%
Total waste landfilled (million tonnes)	41.7	-65%

\* Will be equal to (actual production volume) x (target use ratio).

2007	2006	2005	2004	2002
Signed CEO Water Mandate, Caring for Climate statement and the Bali Communiqué	Annual sales of waters and juices exceeded 33% of sales for first time	Launched Green Danube Partnership with ICPDR	First CSR Policies ratified for Human Rights, Equality of Opportunity, HIV/AIDS, Health & Safety, Environment and Quality	FTSE4Good listing confirmed
Launched GDA labelling	Stopped using HFCs in insulation of cold drink equipment	Signed the UN Global Compact	First GRI report in the non-alcoholic beverage industry	Launched WWF Water Savers tool
Opened 1st industry owned PET-to-PET recycling plant in Europe	Named Notable Reporter by the UNGC	Ratified the UNESDA commitments	Acquired mineral water company Gotalka in Croatia	Acquired Baltics Coca-Cola operations
Launched Green IT initiative	Launched front-of-pack nutritional labelling in EU countries	Acquired mineral water companies Bankya in Bulgaria and Vlasinka in Serbia and fruit juice company Multon in Russia		Acquired mineral water companies Valser in Switzerland and Dorna Apemin in Romania
Joined London Benchmarking Group (LBG)	Acquired mineral water company Fonti del Vulture in Italy, fruit juice company Fresh&Co in Serbia and beverage and dairy company Lanitis in Cyprus		2003	2001
Joined CSR Europe			Formed Social Responsibility Committee of the Board and executive-level council	First country operation certified ISO 14001 - commitment to certify all operations
First country operations certified ISO 22000, commitment to certify all operations			First country operations certified OHSAS 18001 - commitment to certify all operations	Acquired Russian Coca-Cola operations
Acquired beverage company Aquavision in Russia			Acquired mineral water companies Römerquelle in Austria and Multivita in Poland	2000
				Creation of Coca-Cola Hellenic Bottling Company S.A.

 **Business milestones**  
[www.coca-colahellenic.com/aboutus/history/milestones/](http://www.coca-colahellenic.com/aboutus/history/milestones/)

2011 improvement	2011 result	2012 target	2020 goal vs 2004
-2.3%	2.24	-4.7%	-40%
-5%	26.0	*	+0%
-11%	21	-2%	-75%
+2%	0.580	-10%	-40%
-0.4%	6.7	*	+0%
-5%	66.9	-2%	-40%
-7%	776	-2%	-20%
-16%	1.2	-1.6%	-90%
-18%	14.5	*	-80%

# Managing our impacts

As we consider our wider economic, social and environmental impacts, we are expanding sustainability efforts further into our value chain. We recognise that these indirect impacts are significantly greater than those of our own operations. As we do so, we work with our partners in growth, The Coca-Cola Company in particular. We also endeavour to manage the broader impacts on our communities.

## Suppliers

Our network of around 84,000 suppliers accounts for 36% of our ecological impacts. Packaging is one of the largest sources of carbon emissions in our supply chain, around one-third of our total carbon footprint. Similarly, sugar production is the biggest contributor to our total water footprint and represents 47% of grey water. We work with suppliers, The Coca-Cola Company and others to address these impacts. In addition, we develop innovative technologies with suppliers, most notably climate-friendly refrigeration and quad-generation CHP plants.

To promote workplace rights, suppliers are subject to independent audits against our Supplier Guiding Principles. Approximately 90% of our supplier spend remains within our territories, thereby generating local economic benefit.

## Bottling plants

Coca-Cola Hellenic operations span 76 bottling plants, as well as 365 warehouses and distribution centres and corporate offices. All bottling plants are now certified to ISO 9001 and will reach full certification against internationally recognised management system standards for food safety, environment, health and safety by end 2012.

All Company wastewater is now treated to levels that support aquatic life. Forty-four of our plants are equipped with an on-site wastewater treatment system, the others are connected to municipal systems. To reduce CO<sub>2</sub> emissions, we have commissioned nine combined heat and power (CHP) units, committing to build 20 by 2015. Our relative energy and water use has dropped by 21% and 22% respectively since 2004.

More than 41,300 people work in our business. Our core values include caring for our people and learning and we aim to help employees to reach their potential. Developing a world-class safety culture is another key focus. Accidents fell a further 27% in 2011.

## Fleet and transportation

We own or lease around 19,000 trucks, cars and vehicles and most products are delivered by road. Nevertheless, our transportation footprint is relatively small due to local manufacturing and sourcing. In 2011, our vehicles consumed 69 million litres of fuel and accounted for 3.6% of our total carbon footprint. Through efforts to reduce this, we avoided 41,000 tonnes of CO<sub>2</sub> in 2011 compared to 2010.

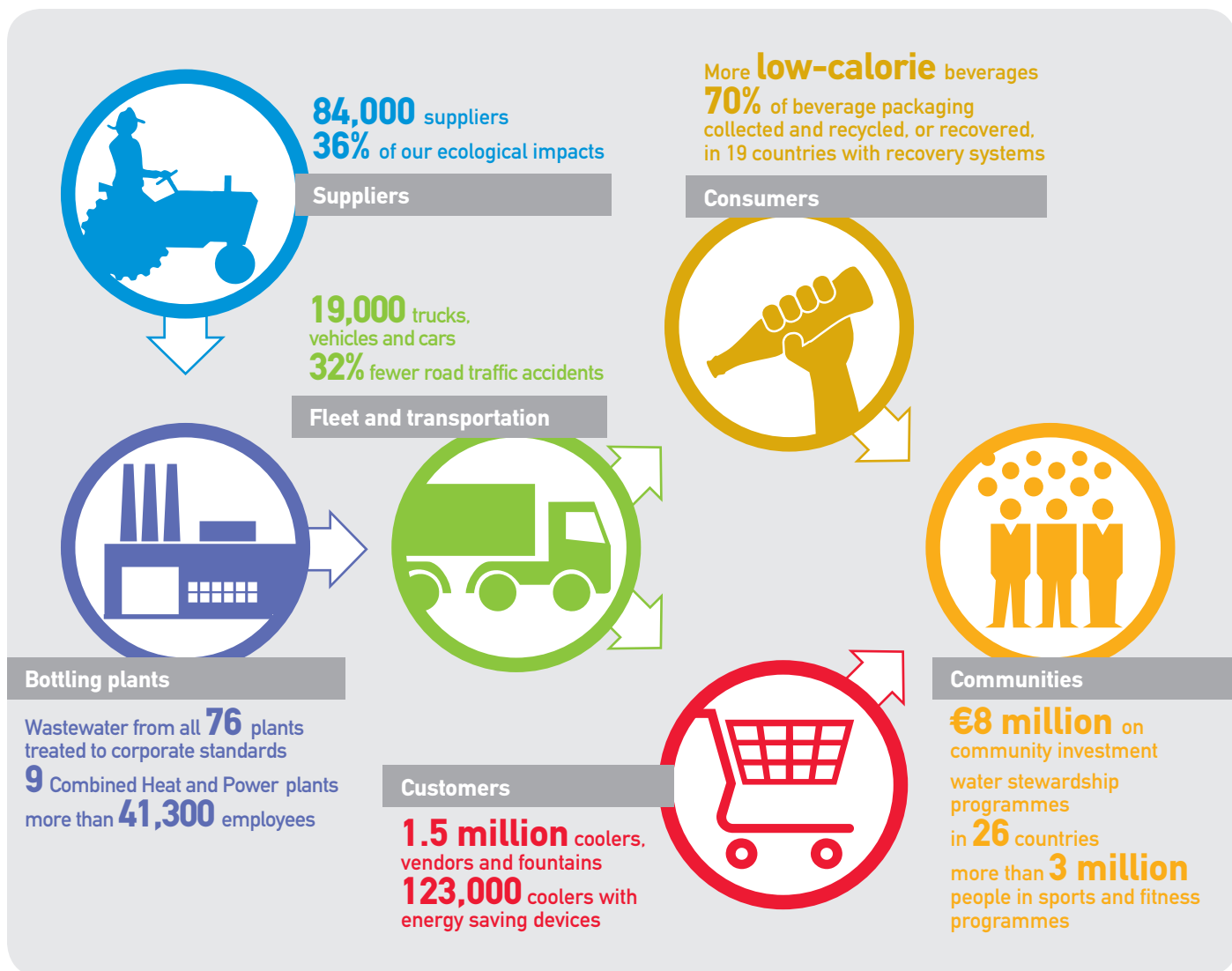
Road safety is a priority, particularly in emerging and developing markets. Although road traffic accidents fell by a further 32% in 2011, they claimed the lives of two employees and two contractors, out of a total of six fatalities.

## Customers

The cold drink equipment on customer premises is one of the biggest contributors to our total carbon footprint. More than 1.5 million coolers, vendors and fountains chill our beverages for immediate consumption. New cooler models are free of hydrofluorocarbons (HFCs) and are up to 63% more energy-efficient than in 2004. We also improve the energy efficiency of existing equipment, retrofitting 13,000 energy management devices in 2011.

As part of creating shared value, we work increasingly on joint sustainability programmes





with customers. Smaller independent customers and distributors also receive our help to grow their businesses.

countries with recovery systems already active. Company-sponsored music, sports and other events collect packaging for recycling.

### Consumers

By offering more reduced-calorie and nutritionally enhanced beverages, we aim to meet growing health and wellness concerns of consumers. In a leadership role, we now have nutritional information on front-of-pack labels in every country of operation. We also abide by stringent codes on responsible sales and marketing.

We encourage consumers to place empty packages into the collection and recovery systems we have helped to set up in 20 countries. During 2011, an average of 70% of beverage packaging was collected and recycled or recovered in 19

### Communities

We support local communities through our core business activities, as well as corporate community investment. In 2011, we spent €8 million on these community programmes, representing 1.5% of pre-tax profits.

Our watershed protection programmes span 26 countries. More than three million people took part in our sports and fitness programmes. Our growing partnership with the Red Cross Red Crescent societies ensures that we deliver emergency relief as needed to local communities.

# Engaging stakeholders

We must listen and respond to the needs of our stakeholders, those who affect our business or who are affected by us. By helping them to achieve their goals, we benefit our own business, too. From caring for employees and building community trust to winning with customers and driving consumer preference, our underlying aim remains the same: to create shared value. This is embedded in our new business strategy and values.

## Our approach

We cannot achieve our sustainability goals alone. Instead, we engage with others in the following ways:

- Integrating sustainability into core business relationships
- Developing strategic partnerships to address key sustainability issues
- Raising awareness and promoting action
- Seeking expert input on our sustainability strategy and reporting.

Public-private partnerships are increasingly acknowledged as the only way to solve key sustainability issues, from climate change to the obesity epidemic. We therefore build long-term partnerships with NGOs, UN agencies, governments and others, thereby gaining access to technical expertise and on-the-ground networks.

Since 2005, our Green Danube partnership with the ICPDR has spawned conservation programmes, awareness and education campaigns in 11 countries. Coca-Cola Hellenic was invited to address national environment ministers of the five Tisza River basin countries and our partnership was cited as best practice. We were also invited to participate in the 6th biennial International Waters Conference, organised by the GEF and UNDP.

In addition, we support broader industry platforms. As a longstanding participant of the UN Global Compact, we have also signed the CEO Water Mandate and Caring for Climate. Across our business, we support local networks of the Global Compact and other initiatives to promote corporate responsibility and sustainability.

## Engagement by stakeholder groups

During 2011, we worked with all key groups of stakeholders to advance sustainability initiatives.

## Employees

Our Company's new set of corporate values have been developed following an extensive internal consultation process. Two of these values focus specifically on employees: Caring for Our People and Learning. This new framework was introduced to senior management in 2011 and is being cascaded across our business during 2012.

Initiatives are also underway to address concerns raised in our latest employee survey. These include promoting work-life balance and expanding opportunities for employee input into the business. In the 2010 survey, our overall engagement score rose 13 points to 56%.

Efforts to engage employees in our sustainability strategy took a step forward with a series of events in 2011, including our Company's first Group-wide Health and Safety Week, EU Sustainable Energy Week and Live Positively Week.

## Customers

Joint value creation teams will help our drive to be our customers' preferred partner. Helping to meet customer sustainability goals is part of this. By certifying all bottling plants against international food safety standard certification FSSC 22000, we are addressing a priority issue for customers.

At country level, joint awareness campaigns have included active lifestyle events, recycling exhibitions and promotions. We also work together on efficiency programmes that deliver environmental benefits, such as backhaul programmes in which long distance hauler trucks return with full loads.

## Consumers

Health and wellness represents an issue of concern among consumers. In response, we continue to introduce more reduced-calorie beverages, as well as

implementing front-of-pack nutritional information and responsible marketing practices.

We also use our brands to engage consumers on other sustainability issues. On-pack information is used increasingly, from limited-edition polar bear cans with WWF in Russia to water sustainability information included with multi-packs in Serbia. Cause-related marketing and promotions offer other engagement opportunities. In Hungary, for example, Tesco shoppers received a free bottle of our local mineral water in exchange for returning empty PET bottles for recycling. Across our business, we support awareness campaigns to encourage consumers to recycle.

### NGOs and IGOs

We are challenged and guided by NGO partners and their technical expertise. Partners in our water stewardship programmes include the ICPDR, WWF, Water Footprint Network and UN agencies such as UNDP and UNESCO. We are also expanding our collaboration with the IFRC, the world's largest humanitarian organisation, to implement

joint disaster preparedness plans in our countries of operation.

### Governments

In almost every country, we work with government agencies to implement sustainability programmes. These include: establishing packaging management schemes, promoting water stewardship and integrating active lifestyles and sustainability education into school curricula.

We aim to keep governments informed and to be transparent about the positions we take. For example, we call for urgent government action on climate change, including raising EU emissions reduction targets from 20% to 30%, and we champion the producer responsibility principle as we establish packaging management schemes across our business.

Although we aim to play our part, we oppose measures that single out products or industries, such as soft drink taxes or bans on bottled water. We also challenge proposals that seem motivated more by short-term financial gain than long-term sustainability.


### Groupwide partnerships

UNGC	United Nations Global Compact CEO Water Mandate Caring for Climate
ICPDR	International Commission for the Protection of the Danube River



### Country partnerships

WWF	World Wide Fund for Nature
IFRC	International Federation of Red Cross and Red Crescent Societies
UNDP	United Nations Development Programme
GWP	Global Water Partnership
UNESCO	United Nations Educational, Scientific and Cultural Organisation

 International Federation of Red Cross and Red Crescent Societies



# Engaging stakeholders

Dealings with politicians and government agencies are governed by our Code of Business Conduct. In 2011, we complied with our prohibition on political contributions.

## Suppliers

We work increasingly with suppliers to address the indirect impacts of our business. Areas of focus include water use in our agricultural supply chain, as well as carbon and energy management among packaging suppliers. Since many smaller suppliers struggle to gain credit during the economic crisis, we have developed innovative programmes to allow them to obtain cheaper and more readily available financing.

## Communities

We continued to invest in community projects throughout the recession, responding to local needs. During 2011, we invested more than €8 million, or

1.5% of pre-tax profit. We also encourage local communities to become informed and involved in sustainability issues. Community volunteers helped us to clean up 750 kilometres of riverbanks and beaches, while hundreds of thousands took part in our high-profile river festivals. In addition, over three million people took part in our sports and fitness activities. During 2011, 62,000 people visited our bottling plants, seeing quad-generation CHP, wastewater treatment and other sustainability initiatives in action.

## Investors

During 2011, Coca-Cola Hellenic met with investors to discuss our strategies on anti-corruption and water stewardship (see below). In addition, we engage with ratings agencies, SRI analysts, investors and the Carbon Disclosure Project. The Fondation Guilé provides an annual assessment of our sustainability performance and reporting. Coca-Cola Hellenic was voted by

## Engaging with investors on sustainability

During 2011, we presented our sustainability performance at an investor roundtable organised by Swiss-based fund manager PPT&Co. The meeting showed mainstream investors how active stakeholder engagement can positively impact a company's sustainability strategy. Sir Michael Llewellyn Smith, Chairman of our Social Responsibility Committee, presented the Company's efforts to prevent corruption. Investors also learned about our water stewardship and financial performance. The Fondation Guilé, advisor to the Guilé Funds, promotes adherence and improvement towards the Ten Principles of the UN Global Compact. Coca-Cola Hellenic is one of 45 companies worldwide selected as a member of the Guilé Emerging Markets Fund.



analysts as among the top three in Europe for investor relations.

### Our Stakeholder Panel

Our Stakeholder Panel meets annually to discuss current and emerging sustainability issues and to challenge us to take a leadership role. Members include NGOs, academia, investors, trade associations, supplier representatives and CSR specialists.

In 2011, discussions focused on the scale of global sustainability challenges by the year 2050. Coca-Cola Hellenic was encouraged to adopt the mindset of a 'One Planet Business', as presented by WWF, recognising that although we have only one planet's worth of resources, we collectively use significantly more at present.

The Panel noted that Coca-Cola Hellenic is already among CSR leaders but making the leap to being a One Planet Business will involve leadership, innovation (transforming our industry), restoration (making a net positive contribution to the environment) and transformation of systems (lobbying for green economy policies). In addition, we were encouraged to focus on creating shared value.

The Panel provided feedback on our reporting, too, commending the use of independent assurance and external commentary. Our greater coverage of compliance, anti-corruption and diversity issues also gained positive feedback. Nevertheless, we were encouraged to disclose yet more information. Specific recommendations by the Panel and Fondation Guilé are listed below, along with our actions in response. The Panel also produced a review of this report (see p.66).

What stakeholders said	How we responded
<b>Show the process and criteria used to identify topics for inclusion in reporting</b>	We include a materiality matrix to show how we identify topics to include in this report (see p.13).
<b>Discuss negatives as well as positives</b>	We report more on the challenges encountered in our sustainability programme: the gaps, dilemmas and trade-offs. In 2011, most difficulties were due to the economic challenges faced by our business as well as the countries in which we operate.
<b>Provide longer-term targets</b>	We now include targets until 2020 and have started to set broader targets that extend through our value chain.
<b>Include benchmarking against others</b>	Although comparable information is not always available, we provide more benchmarking than in previous reports.
<b>More detail on preventing corruption, especially in developing and emerging markets</b>	We describe external anti-corruption initiatives we support, particularly those in developing and emerging markets.



# Integrating sustainability

The mission of Coca-Cola Hellenic requires that the Company grows in a way that contributes to the quality of life in local communities. Our new business strategy and core values go a step further, recognising the critical importance of creating shared value: for employees, consumers, customers and communities, too. To achieve this, sustainability must be deeply embedded into our business.



## Our approach

We have worked to integrate sustainability throughout our Company. During our first decade, we:

- Established governance structures for sustainability, from Board of Directors to bottling plants
- Identified material issues and developed strategies in response
- Adopted world-class standards and demanding targets
- Assigned accountability throughout our business and developed training programmes
- Set up rigorous reviews of performance and compliance, reporting results externally.

Sustainability is now clearly part of how we do business. As we continue to embed sustainability into our business, our focus now is to:

- Establish longer-term thinking and longer-term targets
- Further embed sustainability into business processes and decision-making
- Ensure sustainability is every employee's responsibility
- Expand efforts deeper into our value chain.

## Governance and management

At corporate level, our sustainability agenda is driven by the cross-functional Group CSR Council. This body identifies stra-

tegic risks, sets standards and targets and reviews performance. The Council reports quarterly to the CSR Committee of the Board, which reviews risks, strategy and performance.

Region Directors and Country General Managers are responsible for social and environmental performance in their territories. They are supported by cross-functional CSR teams at country level, as well as health, safety and environmental coordinators at each bottling plant. We have also built up internal networks of specialists in the areas of water, energy, packaging and safety.

Corruption-related risks are reported directly to the Audit Committee by our Internal Audit function. Each operation is assessed for risk every two to three years; those in higher-risk countries are audited more frequently.

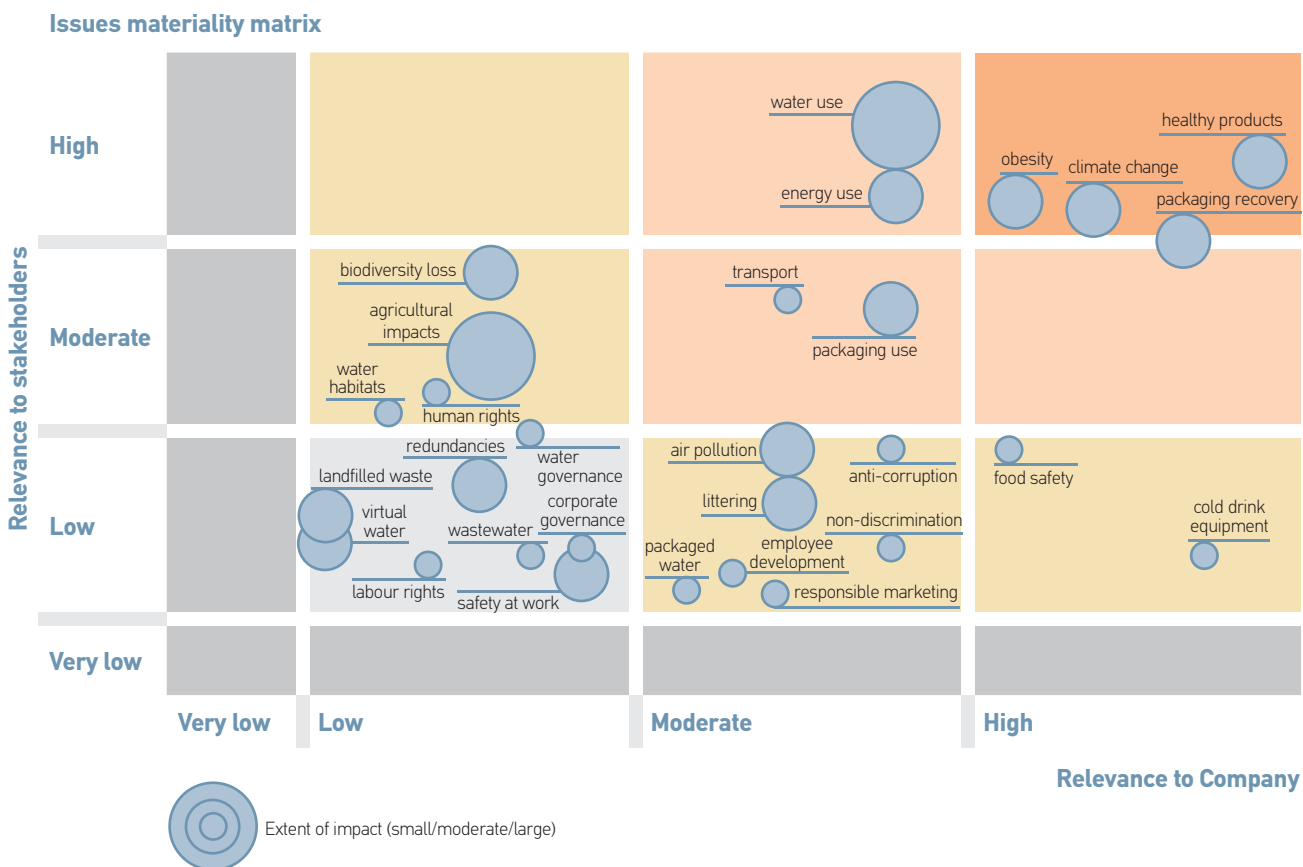
We work closely with The Coca-Cola Company on our sustainability agenda. Joint governance structures include the global Environment Council and the Corporate Responsibility and Sustainability Board in Europe. The Coca-Cola Company also works on behalf of our business system to address such issues as sustainable agriculture and human rights at global level.

## Addressing material issues

Coca-Cola Hellenic focuses its sustainability strategy and reporting on the most important issues to internal and external stakeholders. To identify issues, we rely on three main sources of information:

- Ongoing analysis of trends – from media coverage, research and other sources
- Interviews with decision-makers across our Company and business system
- Engagement with external stakeholders - including our Stakeholder Panel (see p. 11), as well as surveys and direct interviews.

We prioritise these issues using a materiality assessment process developed in line with GRI guidance to identify which CSR topics are of greatest concern to our business and our stakeholders. The CSR Council regularly reviews these priorities in light of changing issues and expectations.



## Systems and standards

Coca-Cola Hellenic has adopted internationally recognised management systems to guide the Company's approach. We have also developed a framework of sustainability-related policies (see p.15) which are periodically reviewed and updated by the CSR Council.

### Code of Business Conduct

Our Code of Business Conduct defines how employees are expected to do business. The Code has been reviewed and updated to take into account the new UK Anti-Bribery Act. In addition to mandatory training, each employee receives an annual letter from our CEO underlining our zero-tolerance approach to corruption.

### Management systems

By 2012, all bottling plants will be certified to internationally recognised management system standards. These include standards for quality (ISO 9001), environment (ISO 14001),

health and safety (OHSAS 18001) and food safety (ISO 22000 and FSSC 22000).

In 2011, we achieved full ISO 9001 certification of all 76 bottling plants. We are close to full certification for environment, health and safety and food safety, too (see graph p.14). Particular progress has been made in food safety, with 36 plants acquiring FSSC 22000 certification in 2011 alone.

As we near completion of this major certification programme, we are assessing certifications for sustainable buildings. Although ISO 26000 is not a certification standard, we have also begun to follow its guidance.

### Ensuring compliance

Regular reviews check that we adhere to all applicable laws and regulations, our Code of Business Conduct and internal standards. Compliance and continuous improvement are also integral to our management systems. Annual certification confirms that we are in legal compliance, processes are well implemented, targets are set and reached and reporting is timely and accurate. Coca-Cola Hellenic received no sig-

nificant fines<sup>1</sup> for non-compliance with laws and regulations in 2011.

Another way that we assess compliance with internal standards is through our whistleblower confidential hotline and email system. This system is widely publicised and all concerns or grievances raised are independently investigated with findings reported to our Audit Committee. The system is also subject to independent auditing. All violations of our Code result in disciplinary action, even dismissal.

## Everyone's responsibility

Every employee of Coca-Cola Hellenic has a role to play in making our business and communities more sustainable. We therefore train and equip our people so that they can fulfil their responsibilities.

At the most fundamental level, all employees must follow our Code of Business Conduct and undergo practical training to ensure they understand its requirements. Online training and certification is offered in the 14 most widely used languages across our business. To date, over 80% of employees have gained certification and 8,000 renewed their re-certification in 2011. Those who work without email currently receive in-person training.

Depending on their roles, employees also trained and involved in key aspects of sustainability. Drivers are trained in safe and eco-driving programmes, while our salesforce are trained in competition law and responsible marketing.

CSR is one of seven key results areas in our Leadership Pipeline and all leadership development programmes incorporate sustainability components. In addition, we conduct dedicated training for country management teams. All managers have sustainability-related objectives in their performance appraisal. These contribute to both variable compensation and career progression.

## Engaging employees

We encourage employees to learn about sustainability issues and to participate in our programmes. In 2011, we conducted high-profile safe driving campaigns in all 28 countries (see p.45). During EU Sustainable Energy Week, employees took part in the 32 events held across our business to promote energy efficiency. We also promote volunteering activities and more than 5,000 employees participated in our environmental and social projects during 2011.

## Embedding into business processes

Sustainability considerations continue to be integrated into key business processes. From developing products and packaging to managing risk, developing our leadership pipeline to managing supplier relationships, we aim to embed sustainability into decision-making.

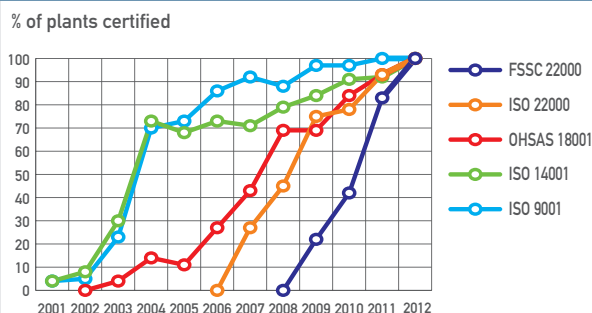
We also work to resolve trade-offs and dilemmas that emerge. In response to growing consumer demand for juices and nutritionally enhanced beverages, we invested in aseptic technology since this allows optimum safety and flavour without the need for added preservatives – another consumer preference. Nevertheless, the technology uses significantly more water and energy than traditional production lines. We are therefore working with suppliers to develop ways to compensate for this.

Further improvements in our environmental performance will likely require significant capital investment. Yet water-saving projects do not typically have a short-term payback since water currently has a low financial value. To help our business evaluate and prioritise future investments in water-savings projects, we intend to develop a new green accounting methodology.

## Extending into our value chain

The greatest impacts of our business lie in our supply chain. We work increasingly with suppliers and others to understand and address such issues as water use in our agricultural supply chain. In addition, we have begun collaborative work with customers on joint sustainability initiatives. Together with The Coca-Cola Company, we are now setting long-term sustainability targets for our business that include our supply chain in a lifecycle approach.

## Certifications of bottling plants



By 2012, we expect all bottling plants to be fully certified for quality, environment, health and safety as well as food safety.

1. Fines of €1 million or more are deemed significant by financial auditors.

## Standards and policies

Issue	External standards	Internal policies
Overall	<ul style="list-style-type: none"> <li>• UN Global Compact</li> <li>• GRI Reporting Guidelines</li> <li>• ISO 14001</li> </ul>	<ul style="list-style-type: none"> <li>• Mission and values</li> <li>• Code of Business Conduct</li> </ul>
Water stewardship	<ul style="list-style-type: none"> <li>• CEO Water Mandate</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental policy</li> <li>• Water Stewardship policy</li> </ul>
Energy and climate	<ul style="list-style-type: none"> <li>• Caring for Climate</li> <li>• GHG Protocol</li> <li>• CGF Resolutions</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change policy</li> <li>• Environmental policy</li> </ul>
Packaging and recycling	<ul style="list-style-type: none"> <li>• UNGC – Environment</li> <li>• EU Packaging Waste Directive</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging Waste policy</li> </ul>
Consumer health	<ul style="list-style-type: none"> <li>• ICBA Guidelines</li> <li>• EU Pledge &amp; UNESDA commitments</li> <li>• ISO 9001, FSSC 22000</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Wellness policy</li> <li>• GMO Statement</li> </ul>
Employee development	<ul style="list-style-type: none"> <li>• UNGC – Human Rights, Labour, Anti-Corruption</li> <li>• UN Declaration of Universal Human Rights</li> <li>• OHSAS 18001</li> <li>• UN Guiding Principles for Business &amp; Human Rights</li> <li>• ILO Codes</li> </ul>	<ul style="list-style-type: none"> <li>• Human Rights policy</li> <li>• Equality policy</li> <li>• Health and Safety policy</li> <li>• HIV-AIDS policy</li> <li>• Fleet Safety policy</li> </ul>
Supplier engagement	<ul style="list-style-type: none"> <li>• UNGC – Environment, Human Rights, Labour, Anti-Corruption</li> <li>• Supplier Guiding Principles</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Business Conduct</li> </ul>
Community involvement	<ul style="list-style-type: none"> <li>• UNGC – Environment, Human Rights, Labour Standards, Anti-Corruption</li> <li>• LBG Model</li> </ul>	<ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Code of Business Conduct</li> </ul>
Anti-Corruption	<ul style="list-style-type: none"> <li>• UNGC – Anti-Corruption</li> <li>• UN Convention against Corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Business Conduct</li> <li>• Code of Ethics</li> <li>• Code for Dealing in Shares</li> <li>• Supplier Guiding Principles</li> </ul>

## Building sustainability into brands



Sustainability is part of the DNA of Austrian water brand Römerquelle. The bottling plant works with local farmers to protect the water source from pesticides and fertilisers. Renewable energy provides 100% of the Römerquelle plant's electricity and the brand's bottles now include 45% recycled PET content. The brand is certified to the EU's Eco-Management and Audit Scheme (EMAS) and was the first company worldwide to present an eco-audit in 1986. In 2011, Römerquelle was named one of only 11 Green Brands in Austria by a high-ranking jury and independent brand-marketing organisation Green Brand.

# Consumer health

Ageing populations and smaller households are among the ways that our societies are changing. People lead on-the-go lifestyles and demand greater convenience. For our business to grow, we must meet consumers' changing needs and demands.

**All** sparkling beverages carry front-of-pack calorie information in all EU countries

**26%** of our sales volume is low or no-calorie

multiple sports and physical activity programmes in **27** countries

with more **3** million participants than in 2011

We also recognise concern about rising levels of obesity. According to the World Health Organisation, 2.3 billion adults will be overweight by 2015, more than 700 million of them obese. Obesity is a complex issue with no single cause and no simple solution. Combating the problem effectively will require innovative and sustained multi-sectoral collaboration.

## Our approach

Coca-Cola Hellenic aims to provide refreshment for every occasion: hydration, energy, nourishment, relaxation and enjoyment. We are also determined to play our part in tackling obesity and provide leadership on the issue. In doing so, we work closely with The Coca-Cola Company and the European Beverage Association, UNESDA.

Our strategy focuses on:

- Offering greater beverage choice, with a focus on reduced-calorie options
- Reducing the calorie content of products
- Providing clear nutritional information on the front of packages
- Marketing and selling beverages responsibly
- Promoting active lifestyles.

We work with governments, sports and nutrition experts to educate and empower consumers. At international level, we support the EU Platform on Diet, Physical Activity and Health through industry association UNESDA.

## Offering more choice

Our growing range of beverages includes waters, juices, iced teas and ready-to-drink coffees, sports and energy drinks. Nevertheless, sparkling beverages remain the heart of our business. As consumer needs evolve, we are expanding our reduced-calorie options. Yet with balance and moderation, all of our beverages can have a place in a healthy diet.

### Our product portfolio

[www.coca-colahellenic.com/aboutus/productportfolio/](http://www.coca-colahellenic.com/aboutus/productportfolio/)

### European Hydration Institute

[www.europeanhydrationinstitute.org/partners\\_and\\_collaborators.html](http://www.europeanhydrationinstitute.org/partners_and_collaborators.html)

### Beverage Institute for Health and Wellness

[www.beverageinstitute.org/en\\_US/pages/](http://www.beverageinstitute.org/en_US/pages/)

## Reduced calorie content

The sugar in our beverages provides energy in the form of calories. Yet if people do not expend these calories, they may gain weight. As we increase our range of reduced-calorie beverages, we replace some or all of this sugar content with non-nutritive sweeteners.

Although the taste of Coca-Cola is enjoyed around the world, the full-calorie version is not for everyone. We now offer Coke Zero, which has the same great taste but zero calories, in addition to Coca-Cola Light/diet Coke. Two-thirds of our beverages already have a low- or no-calorie option and we plan to launch reduced-calorie versions of others.





Other full-calorie beverages are being reformulated to become mid-calorie beverages.

During 2011, reduced-calorie sparkling beverages accounted for 6% of volume while waters represented another 20%. Consequently, the average calorie content of our beverages has fallen by 19% since 2001.

By 2020, we will reduce the calorie content of our sparkling soft drinks by a further 10%.

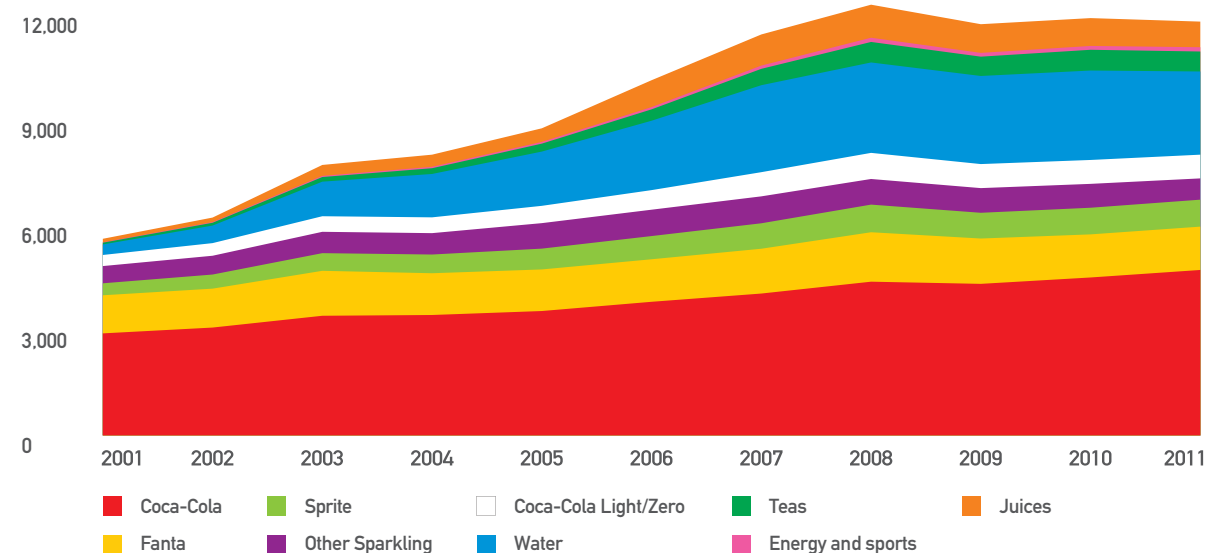
The zero-calorie stevia sweetener will be key, driv-

ing further innovation. Derived from the stevia plant, the sweetener was approved for use by the EU in 2011 although already in use elsewhere. Nestea with stevia was introduced in Switzerland in 2011 and stevia-sweetened beverages will be distributed in eight countries in 2012.

We will also actively market reduced-calorie beverages. Since research shows that the benefits of zero-calorie, zero-sugar beverages are not yet widely understood, we need to expand consumer education.

## Growth of our beverage categories

(sales volume in million litres)





More than three million young people took part in our sports and fitness programmes during 2011.

We also encourage retailers, restaurants and other customers to offer these options consistently alongside regular beverages.

## Varied serving sizes

Another way that we help consumers to manage calorie intake is by offering a range of package sizes. During 2011, we launched smaller 200ml bottles, 150 and 250 ml cans in Ireland and Italy, in addition to traditional 250ml bottles and 330ml cans.

## Nutritionally enhanced beverages

In response to growing interest in health and wellness, we are marketing juices, juice drinks and nectars in most territories. Some also include added vitamins, minerals and other wellness benefits, from prebiotics and fibre to omega-3 and antioxidants. We also offer low-cost options to meet the needs of lower-income consumers, too.

## Natural ingredients

To meet rising demand for juices, we have invested significantly in aseptic technology. This allows us to produce juices and other still beverages without adding preservatives. Other beverages have been reformulated to meet growing consumer preference for natural ingredients. Fanta soft drinks now contain only natural flavours and colours.

## Nutritional information

Since balance and moderation are key to healthy diets, we aim to give consumers the information

they need to make appropriate choices. Key nutritional information is on front-of-pack labels of our bottles and cans.

In Europe, we have pioneered the use of Guideline Daily Amounts (GDAs) on front-of-pack labels since 2009. These show calorie and sugar content in absolute values and as a percentage of daily intake. Front-of-pack labelling of calorie content is now in the final stages of being rolled out across non-EU countries of operation, too.

## Responsible sales and marketing

To ensure our beverages are marketed and sold in a responsible manner, we have adopted industry codes of practice. These include:

- EU Pledge on advertising to children
- UNESDA Commitments to the EU Platform
- Global Guidelines on Marketing to Children of the International Council of Beverage Associations (ICBA).

Common premises include respect for the authority of parents and caregivers as well as a commitment not to target marketing at children under the age of 12. Codes have been implemented throughout our business and industry compliance is independently verified.

In 2011, Accenture's annual audit of these guidelines found that compliance ranged from 95.7% for television to 100% for print and internet. Similar compliance rates with European codes were presented to the EU Platform in 2011.

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 **UNESDA commitments**  
[www.unesda.org/](http://www.unesda.org/)

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 **International Council of Beverage Associations**  
[www.icba-net.org/](http://www.icba-net.org/)

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## Promoting active lifestyles

Helping consumers manage their calorie intake is only part of the energy balance. It is equally important to help them lead active lifestyles. In Europe, more than half of the population is not active enough to meet health recommendations.

Coca-Cola Hellenic has a long tradition of supporting sports and fitness programmes. During 2011, more

than three million people actively participated in our projects which span many sports and range from grassroots events to national tournaments. Football is a particular focus and we conduct programmes in 19 countries.

Many programmes promote participation among people of all ages and abilities. Since its start-up in 2005, the Coca-Cola Wake Your Body active lifestyle programme has created opportunities for over three million people to engage in leisure sports in over 500 occasions and over 50 diverse sports, including running, biking and various fitness activities. Our employees actively participate in these events, too, as part of our Workplace Health programme. As a recognition of the work the Coca-Cola System has done in leisure sports, we were invited to present our programme at the World Sports for All Conference and we are honoured to be part of the Leisure Sports section of the Hungarian Olympic Committee.

Employees are encouraged to take part in these activities, as well as workplace programmes.

### Schools

Developing exercise habits at a formative age is important. We therefore support schools programmes together with government agencies, sports and nutritional experts. In Greece, our Moderation-Balance-Diversity programme has reached 73,000 students in 1,088 schools.

We support broader industry partnerships, too. Now in its fifth year, the Polish Keep Fit initiative has involved more than three million teenagers.

We also provide safe and fun areas for children to be active. To date, we have provided nearly 120 playgrounds and sports grounds in Russia, Armenia, Ukraine, Belarus, Bosnia and Bulgaria.

### Maintaining high quality standards

Food safety is of paramount concern to customers; it is also fundamental to consumer trust.

Coca-Cola Hellenic has adopted international food safety management system standards. To date, 67 bottling plants have been certified to FSSC 22000; 70 have gained ISO 22000 certification. All plants will achieve full certification within 2012.

If products do not meet quality standards, they may be removed although safe to consume. During 2011, we experienced two instances of non-compliance. In Slovakia, labels on isolated batches of beverages were incomplete. In Serbia, a harmless precipitate formed over time in a batch of local mineral water. In each case, we worked with the authorities to take corrective action. No food safety risk was involved in any issue.

In 2011, we received only 0.26 consumer complaints for every million containers that we sold.

Following the precautionary principle, Coca-Cola Hellenic does not use ingredients which are genetically modified or derived from GMOs or nanotechnology until proven safe and accepted by the public in our territories.

#### Quality and Food Safety policy, GMO statement

[www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)

### Zero-calorie stevia sweetener opens door to innovation

Stevia sweetener contains zero calories and is derived from the stevia plant, which has been used to sweeten drinks in its native Paraguay for over 200 years. First introduced commercially 40 years ago in Japan, stevia sweetener is today used in more than a dozen countries in Europe as well as in the USA. Coca-Cola Hellenic has already launched Nestea with stevia in Switzerland with 30% less calories. Following EU approval in 2011, we aim to launch stevia-sweetened beverages in Italy, Romania, Baltics and Poland in 2012. This new addition to our range of sweeteners will allow greater innovation as we develop more reduced-calorie beverages.



# Water stewardship

Freshwater is a renewable but finite resource. As the world's population grows, demands for freshwater compete. In some areas, there may not be enough to meet domestic, agricultural, industrial and ecological needs. Climate change will exacerbate this as water stress grows.

**100%** of our wastewater is now fully treated

cleared **750** km of river banks and beaches

operational water footprint is **58%** smaller than 2004

supporting watershed conservation and policy engagement in **26** countries

Continuing to mitigate the risk of water issues resulting from climate change requires meaningful participation by all stakeholders. Coca-Cola Hellenic is committed to playing its part. By 2020, we will reduce our relative water consumption by 40% compared to 2004. We are also working to raise awareness of water sustainability, tackle water use in our supply chain and protect our watersheds.

## Our approach

As a beverage manufacturer, our business is about hydrating and refreshing consumers. Around half of the water we use goes into our beverages; the other half is used in manufacturing and cleaning

processes, after which it is cleaned and returned safely to the environment.

Since water stewardship is critical to our ability to grow, we have a comprehensive strategy which focuses on:

- Ensuring the sustainability of our water extraction
- Minimising our water use
- Ensuring 100% of our wastewater is treated
- Addressing water use in our supply chain by working with others
- Protecting the local watersheds in which we operate
- Promoting awareness of water issues in our communities.

## Water availability in our watersheds



### Annual water supply levels

- Location of bottling operations
- Extreme scarcity < 500 m<sup>3</sup>/person/year
- Scarcity 500–1,000 m<sup>3</sup>/person/year
- Stress 1,000–1,700 m<sup>3</sup>/person/year
- Sufficient 1,700–4,000 m<sup>3</sup>/person/year
- Abundant > 4,000 m<sup>3</sup>/person/year

Although most plants are in water-abundant river basins, eight are in areas facing baseline water stress (Source: WBCSD Water Tool).



In 2011, we reached a major milestone: 100% of our wastewater across all 28 countries of operation is now treated to levels that support aquatic life.

Our strategy is underpinned by the CEO Water Mandate, of which we are a founding member, and ISO 14001 certification, which all bottling plants will achieve within 2012.

 **CEO Water Mandate**  
ceowatermandate.org/

 **Our progress on Water Mandate**  
[www.coca-colahellenic.com/sustainability/progressperformance/](http://www.coca-colahellenic.com/sustainability/progressperformance/)

## Understanding water risks

Since water is an inherently local issue, all bottling plants monitor the availability and quality of supplies. We recognise that water is a human right and commit not to negatively impact the water available to meet the basic needs of local communities.

Although most plants operate in water-abundant river basins, eight are in areas that face baseline water stress, such as the Vistula and Dniepr basins. Others in the eastern Mediterranean and northern Nigeria experience seasonal water scarcity. Water stress is likely to worsen in southern and eastern regions as climate change takes hold.

During 2011, each bottling plant completed an in-depth assessment of source vulnerability, analysing risks to supplies; plant use vis-à-vis

## Water use ratio

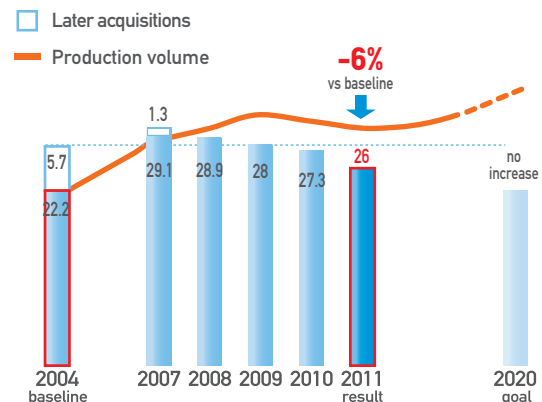
(litres / lpb)



Our relative water use in bottling operations (normalised for production) has decreased significantly due to water-saving activities.

## Total water use

(billion litres)



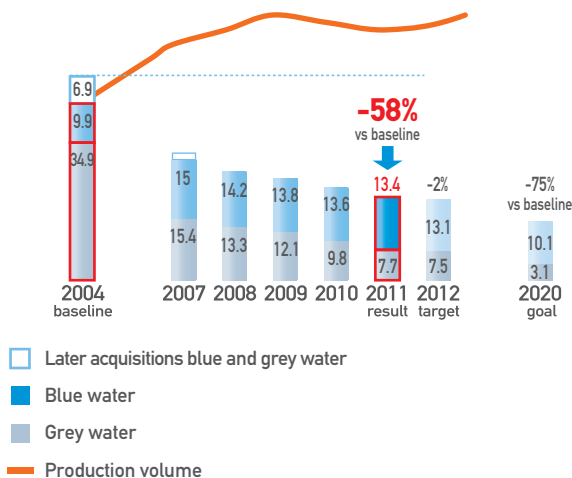
The absolute water use of Coca-Cola Hellenic in bottling operations is gradually decreasing. Much of the early increase resulted from strong business growth as well as the acquisition of bottling businesses and the internalisation of their water use. When correcting for these acquisitions, the total 2011 water use is 6% below 2004.



other users; and engagement on water issues. Based on these assessments, each plant will develop comprehensive source water protection plans within 2012. Plan implementation will be reviewed by the CSR Council.

## Water footprint from bottling operations

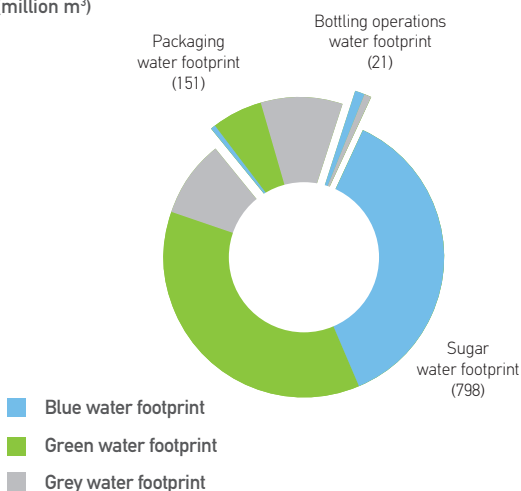
(million m<sup>3</sup>)



The water footprint of our bottling plants has decreased by 58% since 2004, although production volume has increased by 55% in the same period. The blue water footprint measures water that is extracted but not returned to the watershed – in our case the water in the beverages. The grey water is an indicator of water pollution, resulting from wastewater – in our case considerably reduced by the wastewater treatment systems put in place.

## Wider water footprint of our supply chain

(million m<sup>3</sup>)



Most of our global water footprint lies in our supply chain. The blue water footprint results from the irrigation of sugar beet, cane and corn. The green water footprint corresponds to rain water used by sugar beet, cane and corn, and the trees that were used to make pallets and cardboard. The grey water footprint indicates the pollution linked to agriculture and packaging manufacture. Our own operations account for only 2.2% of our wider water footprint while sugar accounts for 82%.

## Improving our efficiency

Water is not only a key beverage ingredient; it is also used in cleaning and other manufacturing processes. Nevertheless, our industry is a highly efficient user of water.

Since 2004, we have reduced relative water consumption by 22%. On average, we use 2.24 litres to produce one litre of beverage. Although we narrowly missed our year-on-year target, we are on track to meet our 2020 goal of a 40% reduction. Since our business will continue to grow, absolute water use must remain stable.

Our internal network of experts helps to identify water-saving opportunities and technologies. Following trials in 2011, we are introducing electro-chemically activated water for cleaning since it uses 20% less water than conventional processes. We are also investigating how to compensate for the water-intensive cleaning required by aseptic production lines. Although we previously reported that trials had successfully recovered aseptic rinse water, the approach could not be scaled up due to inherent technical and cost limitations. We are now investigating alternative methods.

In 2012, we will launch a more detailed version of the efficiency survey we developed with The Coca-Cola Company. By installing flow meters on individual production lines and key equipment, we aim to identify further water savings opportunities.

As we develop plans, one challenge we face is that water does not currently have much financial value. As a result, existing processes to evaluate projects by investment and payback do not adequately prioritise water efficiency projects: the capital investment is significant, financial savings are low and payback periods considerable.

In 2011, we used 26 billion litres of water. This represents 0.014% of freshwater use in the EU 27 countries or 16% of the water used by the city of Budapest.

## Treating 100% of wastewater

In 2011, we met our longstanding goal to ensure that all Company wastewater is treated to levels that support aquatic life. Since wastewater infrastructure is inadequate in many countries of operation, we had to construct 44 on-site treatment plants.

Our new wastewater treatment plants in FYROM and Armenia were the first such systems in the country. To promote wastewater management, we demonstrate the technology to local businesses, government and others.

The COD load of our wastewater is now 76% lower than in 2003. Wastewater volume has also fallen by 12% as volume production grew by 75%. As a result, our water footprint has shrunk by 58% since 2004 (see opposite).

### Reducing indirect water use

Water use in our operations is only a fraction of our total water footprint. Sugar represents the single greatest part (82%).

To better understand water use in our supply chain, we support the European Water Footprint Sustainability Assessment Sounding Board for Sugar. This group comprises suppliers, The Coca-Cola Company, Water Footprint Network and others. In 2011, a pilot methodology assessed the sustainability

**T**he Effluent Treatment Plant was built for the Ilorin Plant in 2011.

It is easy to operate, very energy efficient and reduces BOD and COD to 11mg/l and 30mg/l respectively.

A fish pond is used to verify that the treated waste water can support aquatic life before discharge to the natural environment. »



**Obi Emmanuel**  
WWTP Technician, Ilorin Plant, Nigeria

In 2004, Coca-Cola Hellenic committed to ensure that all its bottling operations must be connected to wastewater treatment plants that meet the highest standards. In Nigeria, this meant to construct them at 13 bottling facilities.

The construction and installation for all NBC bottling plants was completed with the construction of the units at Ilorin, Kaduna and Jos in 2011.

### Comparing the water footprint of our beverages



The average water footprint for a bottle of Coca-Cola produced by Coca-Cola Hellenic is significantly less than for other food and drink. (Source: internal data for Coca-Cola; National Geographic for other foodstuffs: <http://environment.nationalgeographic.com/environment/freshwater/embedded-water/>)



In Belarus, we worked with government agencies to plant over 40,000 tree seedlings around the Krylovo water storage basin, the main source of fresh water for Minsk.

of our sugar beet's water footprint. Although the methodology and data are still imperfect, this pioneering work helps to focus future efforts. We also held workshops at six Nigerian bottling plants to explore how water can be used more efficiently in local agriculture.

At a global level, The Coca-Cola Company addresses indirect water use as part of sustainable agriculture programmes with Bonsucro (formerly the Better Sugarcane Initiative) and the Sustainable Agriculture Initiative.

## Our water footprint

The total water footprint of Coca-Cola Hellenic includes freshwater used in our operations and throughout our supply chain. Using the Water Footprint Network

methodology, we calculated this footprint to be 970 billion litres in 2011. Our operational water footprint is calculated to be 58% smaller than in 2004.

### [Water footprint sustainability assessment](http://www.thecoca-colacompany.com/citizenship/pdf/2011_europe-water-report.pdf)

[www.thecoca-colacompany.com/citizenship/pdf/2011\\_europe-water-report.pdf](http://www.thecoca-colacompany.com/citizenship/pdf/2011_europe-water-report.pdf)

## Promoting sustainable watersheds

Our water stewardship activities extend well beyond our operations and value chain. In 26 countries, we have built long-term partnerships with NGOs, government and UN agencies to benefit local eco-systems and communities.

Since 2005, we have partnered with the International Commission for the Protection of the Danube River (ICPDR), conducting conservation, advocacy, awareness and education in 11 countries<sup>1</sup>. In 2011, we launched a new programme with ICPDR and UNDP in Bosnia to restore the Vrbas River.

Our work with ICPDR to reduce plastic pollution in the Tisza River has also aided unprecedented cooperation among five countries in the river basin. In 2011, environment ministers from Ukraine, Slovakia, Hungary, Romania and Serbia signed a memorandum on strengthening partnership in the basin. Coca-Cola Hellenic was invited to address the conference and our partnership with ICPDR was cited as best practice. We also presented the partnership to governments and technical experts at the 6<sup>th</sup> GEF biennial International Waters Conference.

### [Our environmental partnerships](http://www.coca-colahellenic.com/sustainability/community/waterandenvironment/envpartnerships/)

[www.coca-colahellenic.com/sustainability/community/waterandenvironment/envpartnerships/](http://www.coca-colahellenic.com/sustainability/community/waterandenvironment/envpartnerships/)

### [International Commission for the Protection of the Danube River](http://www.icpdr.org/)

[www.icpdr.org/](http://www.icpdr.org/)

## Education and awareness

We continue to raise awareness of water issues. In 2011, Danube Day celebrations included 230 events, involving 440 schools, 750 partners and tens of thousands of participants. Similar festivals celebrate the Volga, Dnieper, Sava, Tisza and Vistula.

1. Austria, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia, Slovenia, Ukraine



We encourage community involvement in watershed protection, from one-off clean-up activities to longer-term community-owned projects.

### Water and sanitation

Although governments are responsible for ensuring access to safe water and sanitation, one-third of the world's population still lack access. Where appropriate, we provide support. In Nigeria, in partnership with The Coca-Cola Africa Foundation, Diageo, TY Danjuma Foundation, Water Health International and Global Environment and Technol-

ogy Foundation, we are developing a network of community-operated water health centres across the country.

Water scarcity is a growing challenge in established markets, too. In Greece, our rainwater harvesting programme with Global Water Partnership-Mediterranean now yields around 4.5 million litres of water annually.

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 **Rainwater harvesting programme in Greece**  
[en.coca-colahellenic.gr/Towardssustainability/MajorCSRPrograms/MissionWater/](http://en.coca-colahellenic.gr/Towardssustainability/MajorCSRPrograms/MissionWater/)

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## Reaching our goal to treat 100% of wastewater

Our corporate standard requires that all Company wastewater is treated to a level that supports aquatic life. Yet many of our operations are in developing and emerging countries, where municipal treatment facilities are inadequate or even non-existent. An estimated 90% of all wastewater in developing countries is discharged untreated into rivers, lakes and oceans. Following an eight-year investment programme, we now have 44 on-site wastewater treatment plants. In 2011, we commissioned facilities in our Armenia and FYROM plants, meaning that 100% of our wastewater in all 28 countries of operation is now treated.



Government officials mark the opening of our new wastewater treatment plant in the Former Yugoslav Republic of Macedonia. The plant, which treats wastewater to levels that support aquatic life, is the first of its kind in the country. This marks the 44th wastewater treatment facility in Coca-Cola Hellenic.



In Greece, our rainwater harvesting programme with GWP-Med yields 4.5 million litres of freshwater annually for Cyclades islands residents.



Our Green Danube partnership with ICPDR spans 11 countries. Projects include Danube Day, education, conservation and policy development.



In Romania, we helped win a €1 million EU grant to develop a management plan for Calimani National Park.



At Yelnya Bog in Belarus, groundwater levels have risen and forest fires ceased due to our restoration efforts.



Our work with WWF to rehabilitate Poland's Vistula River includes reintroducing over 1.4 million salmon fry.



As part of our Living Volga programme with UNESCO, over 3,000 participants cleared waste along 159 km of riverbanks in 2011.



We tackle pollution of the Tisza with ICPDR and five environment ministries. Projects include pioneering waste collection in rural Ukraine.



The award-winning Our Beautiful Sava campaign includes an annual series of fairs celebrating traditional arts, crafts and cuisines across Croatia.

# Water stewardship projects



## Northern Ireland and The Republic of Ireland

- Coca-Cola Clean Coast Programme and Green Coast Awards

## Czech Republic

- Danube Box

## Austria

- Green Danube partnership
- Danube Challenge
- Danube Box

## Slovenia

- You are my River
- Green Danube partnership

## Italy

- The Mystery of the Disappearing Water (book and touring stage play)
- Otter House

## Nigeria

- World Water Day activities
- Building Water Health Centres – Safe Water for Africa
- Boreholes



### Russia

- Living Volga
- Volga Day
- Baikal Clean Shores
- Green Teams
- National Sponsor of the Stockholm Junior Water Prize

Volga

### Estonia

- Let's do it! Beach clean-up

### Latvia

- Juglas lake-side clean-up

### Lithuania

- Galve Lake-bed cleaning with divers

### Poland

- Vistula Rivers for life
- Vistula Day
- Kropla Beskidu Fund and Partnership

Vistula

Yelnya Bog

### Belarus

- Let's Save Yelnya Bog
- Meadow of Turov clean-up
- National Sponsor - Stockholm Junior Water Prize

### Ukraine

- Green Danube partnership
- Danube Day
- Tisza River project
- Green Teams

Dniepr

### Slovakia

- Green Danube partnership
- World Water Day

Tisza

### Hungary

- Liberty Island conservation
- Danube Day
- Danube Box

### Croatia

- Our Beautiful Sava
- Danube Day
- Green Danube partnership

Sava

Calimani

### Romania

- Calimani National Park
- Green Danube partnership
- Adopt a River programme
- Water for Vatra Dornei residents
- Clean-ups in Vatra Dornei
- Water Education Centre

### Armenia

- Every Drop Matters
- Clean-ups in Dilijan

### Bosnia

- River bank clean-ups – Vrbas
- River restoration

### Serbia

- Green Danube partnership
- Danube Day
- Danube Box

### Bulgaria

- Green Danube partnership
- My Green City
- River Petrovksa clean-up
- Water supplies in Kostinbrod

### Greece

- Mission Water
- Rainwater harvesting programme
- Protection of the wetlands in Crete
- Protect the coastal ecosystem in Greece.

### Cyprus

- Emergency potable water following explosion at naval base

# Energy and climate change

Climate change is one of the greatest threats facing the planet; and it is already a reality. To avoid dangerous levels, global temperatures must be capped at 2°C above pre-industrial levels. This will require transformative change.

**9** Combined Heat and Power plants commissioned

relative CO<sub>2</sub> emissions from operations **32%** lower since 2004

solar power generated equivalent to emissions from **one** bottling plant

new coolers on average **50%** more energy efficient than in 2004

With business making up 70% of greenhouse gas emissions<sup>1</sup>, effective action on climate change must involve the private sector. Through collaboration, innovation and leadership, business can help drive the transition to a low-carbon economy.

## Our approach

Climate change represents significant potential risks to Coca-Cola Hellenic, including increased energy costs, water and stable availability of agricultural raw materials such as sugar and fruit. We are taking decisive action to address the risks and opportunities presented by climate change.

We aim to take a leadership role, particularly in developing and emerging markets. Our strategy focuses on:

- Increasing the energy efficiency of our operations
- Switching to cleaner energy sources
- Reducing emissions in our value chain
- Championing low-carbon technologies
- Promoting awareness and action
- Adapting to climate change.

By 2020, we aim to reduce relative emissions from operations by 40%. Since absolute reductions matter most, we have set a 20% reduction

1. Carbon Disclosure Project



## Our carbon footprint

- **Carbon emissions from operations (scope 1 and 2, from manufacturing and fleet) amounted to 776,377 tonnes of CO<sub>2</sub> in 2011, 7% lower than the previous year.**
- **Indirect carbon emissions in the value chain (scope 3) were 4.18 million tonnes of CO<sub>2</sub> in 2011, 0.8% decrease over the previous year. Cold drink equipment, ingredients and packaging represent our greatest source of indirect emissions.**

target for absolute emissions. To achieve this, we must continue to decouple business growth from an associated rise in emissions.

Our next challenge is to tackle emissions throughout our value chain. By 2020, we aim to reduce the total carbon footprint of our beverages, including ingredients, packaging, manufacturing and cooling by 20%.

Our submission to the Carbon Disclosure Project provides more detail.



### Carbon Disclosure Project submission

[www.cdproject.net/CDPResults/CDP-2011-Europe-300-Report.pdf](http://www.cdproject.net/CDPResults/CDP-2011-Europe-300-Report.pdf)





### Energy use ratio

(MJ / lpb)



Our bottling plants are now 21% more energy-efficient than in 2004 due to energy-savings programmes.

### Total energy use

(billion MJ)

— Production volume  
□ Later acquisitions



Total energy use in our bottling plants has been broadly stable the past five years, following a significant early increase linked to strong business growth and business acquisitions. When correcting for acquisitions, total 2011 energy use is only 3% above 2004.

### Climate change policy

[www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)

### Our progress on Caring for Climate

[www.coca-colahellenic.com/sustainability/progressperformance/](http://www.coca-colahellenic.com/sustainability/progressperformance/)

## Reducing our emissions

Over the past seven years, we have reduced relative emissions from fleet and bottling plants by 38%. In 2011, absolute emissions have decreased by 9% as production volume declined by 2%.

Consequently, we are on track to achieve our 2020 reduction targets. The game-changer behind our progress is our major CHP construction programme.

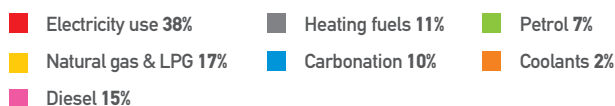
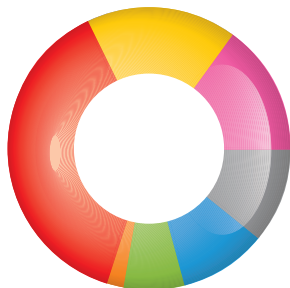
### Quad-Generation power

Coca-Cola Hellenic has committed to build 20 Combined Heat and Power (CHP) units by 2015. On completion, these will cut total CO<sub>2</sub> emissions by over 250,000 tonnes each year.

In 2011, we constructed a further four CHP units in Nigeria, Ukraine and Poland. As a result, nine bottling plants in seven countries are powered by on-site CHP. Quad-generation technology produces electricity, heating, cooling and beverage carbonation. Plants using this innovative technology have reduced emissions by up to two-thirds.

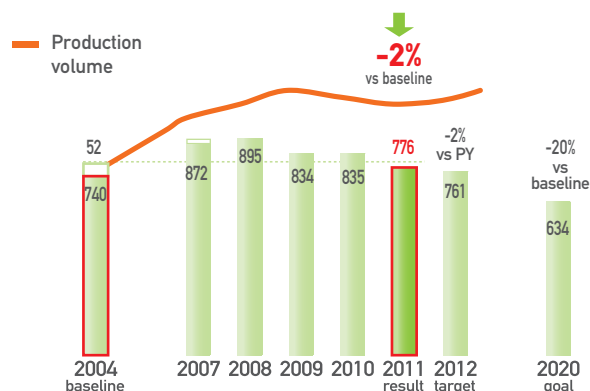
Difficulties in obtaining necessary permits have greatly contributed to delays and declining gov-

## CO<sub>2</sub> emissions from operations (bottling and distribution)



## CO<sub>2</sub> emissions from operations

(tonnes CO<sub>2</sub>)



Total carbon emissions from operations (bottling and fleet) have decreased for the third year in a row, following an early increase due to strong business growth and business acquisitions. When accounting for these acquisitions, 2011 CO<sub>2</sub> emissions are 2% below 2004 levels.

ernment feed-in tariffs are a newer challenge. Nevertheless, we will commission our tenth CHP unit in 2012, reaching the halfway mark towards our target.

 **Combined Heat and Power plants programme**  
[www.coca-colahellenic.com/sustainability/environment/energyandclimate/heat\\_and\\_power\\_plant/](http://www.coca-colahellenic.com/sustainability/environment/energyandclimate/heat_and_power_plant/)

### Improving energy efficiency

An internal network of energy-savings experts helps bottling plants to identify ways to reduce or recover energy. In 2011, we completed 211 ef-

iciency projects in 71 plants; a further 165 are in progress. Projects include LED lighting, centralising control of compressors and evaporating CO<sub>2</sub> using cooling water. In 2012, we will launch our latest energy efficiency toolbox, designed together with Siemens.

### Fleet and transportation

Most products are delivered by road and our fleet comprises almost 19,000 vehicles. Since 2007, we have worked to reduce our transportation footprint.

We purchase the smallest practical engine and vehicle size and set maximum fuel consumption standards for each vehicle. Drivers are trained in our Safe and Eco-Driving programme and performance is monitored monthly. In addition, route management systems allow us to optimise the routing and scheduling of deliveries.

In 2011, fleet emissions fell by 41,000 tonnes. By fitting all new Company vehicles with mobileye technology we expect to further improve performance. Although primarily a safety device, the technology improved fuel efficiency by 5% in trials.



We are also expanding backhauling arrangements, using the return journey of customer trucks to collect products. This is not yet common practice in developing and emerging markets. We plan to expand existing arrangements with Tesco and Metro in Slovakia, Czech Republic and Bulgaria.

In a few locations, we transport products by rail. Air freight is not routinely used.

### Green IT

Information technology is the enabler of many energy-saving programmes but IT infrastructure itself contributes to emissions. Now in its fifth year, our Green IT programme has led to a step-change in infrastructure and mindsets. By promoting conferencing services and levying an internal carbon tax on corporate flights, we have reduced business travel by 14%. In 2011, Green IT avoided 1,465 tonnes of CO<sub>2</sub>.

### Switching energy sources

As fossil fuel reserves become constrained, our energy mix must include more renewables.

Six Italian bottling plants now have photovoltaic rooftop panels. In their first seven months of operation, these generated almost three million kWh of electricity, more than the electricity consumption of the country's Monticchio plant in the same period. We aim to expand the programme to Greece. As with CHP, permitting delays and declining government support of green energy present challenges.

In Hungary, our first geothermal project recovers heat energy from natural springs. Our Zalaszentgrót bottling plant has thereby reduced its natural gas usage by 60%. In summer, we pass excess heat to a community-operated thermal spa.

We aim to switch our CHP programme from natural gas to biogas when sufficient, reliable sources become locally available. Although we have trialled alternative fuels in our fleet, small, clean diesel vehicles remain the most eco-efficient option.

Renewable energy accounted for 20% of electricity and 7% of energy use in 2011.

**“Based on extensive energy audits at the Knockmore Hill bottling plant, I have defined a strategic energy management plan in partnership with the Carbon Trust. The result is a portfolio of energy saving projects such as energy-efficient lighting schemes, compressed air recycling and utilisation, heat recovery, free cooling systems and employee awareness programmes. Additionally, our innovative quad-generation CHP plant delivers cleaner energy and has reduced CO<sub>2</sub> emissions by 65%.”**



**Paul Carson**  
Engineering Services Manager,  
Coca-Cola HBC Northern Ireland

Since the energy management plan's conception in 2009, energy usage at the Knockmore Hill plant has decreased by 20% and overall CO<sub>2</sub> emissions have been reduced by 70%.

Paul won the 'Best Energy Manager' award at the 2011 Sustainable Ireland Awards.



During 2011, we constructed our first three CHP units in Nigeria. These on-site facilities are part of our commitment to implement the quad-generation technology at 20 bottling plants by 2015.

## CO<sub>2</sub> reduction programmes

Programme	Start of programme (baseline)	CO <sub>2</sub> reduced in 2011 vs 2010 (tonnes)	CO <sub>2</sub> reduced in 2011 vs baseline (tonnes)	Sum of CO <sub>2</sub> reductions cumulated each year since start of programme (tonnes)
Energy-savings activities in plants	2004	37,441	367,939	1,846,213
Combined Heat Power	2006	4,989	22,989	93,989
Packaging reduction	2004	6,100	167,140	760,242
Corporate flight offsetting	2006	294	1,811	12,053
Climate-friendly coolers	2008	77,411	93,315	156,062
Green IT	2007	1,465	4,805	11,833
<b>Total</b>		<b>127,701</b>	<b>657,999</b>	<b>2,880,392</b>

## Reducing indirect emissions

Since cold drink equipment and beverage packaging represent approximately two-thirds of indirect emissions, these are another important element in our climate strategy.

To reduce the impact of our 1.5 million coolers, we are increasing the energy efficiency of new and existing equipment. New coolers are up to 63% more energy-efficient than in 2004 due to improved insulation, LED lighting and energy management devices. We are retrofitting these energy-saving devices in existing coolers, too, fitting another 13,000 in 2011.

We have also led the development of coolers that

are free of hydrofluorocarbons (HFCs). In 2011, these coolers represented 49% of purchases. We are on track to meet our target that all new equipment will be HFC-free by 2015.

To reduce the climate impact of our packaging, we minimise material use and include recycled content. We also invest significantly in collection, recovery and recycling. In 2011, these efforts avoided 81,000 tonnes of embedded carbon (see Packaging and recycling). We have now begun to assess the sustainability performance of packaging suppliers, including carbon footprinting and energy management.

## Caring for Climate

[www.unglobalcompact.org/issues/environment/climate\\_change](http://www.unglobalcompact.org/issues/environment/climate_change)



In Hungary, our Zalaszentgrót plant recovers heat energy from natural springs, reducing the plant's natural gas usage by 60%.

## Promoting climate action

We promote climate action, showcasing our low-carbon technologies with customers, governments, employees and others. During EU Sustainable Energy Week, we held 32 events.

Increasingly, we communicate directly with consumers about climate change. In Russia, we partnered with WWF to launch limited-edition Coca-Cola cans that draw attention to the plight of polar bears in the Arctic.

Coca-Cola Hellenic is active on the international stage, too. We signed the 2°C Challenge Communi-



qué, as well as the joint business declaration recommending that the EU's 2020 emissions reduction target be raised from 20% to 30%. We are a founding signatory of the Global Compact's Caring for Climate initiative.

### Supporting adaptation

We must adapt to the changing climate, building resilience to the likely impacts on our business and communities. Water stewardship is our main approach to date since this represents the most immediate impact (see Water stewardship). Given the increased likelihood of extreme weather

events, we are also creating joint disaster preparedness plans with the IFRC.

Our next priority is to conduct an analysis of the potential impacts of climate change on our business, communities and ecosystems, and to develop a comprehensive adaptation strategy.

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 **The Consumer Goods Forum**  
[www.theconsumergoodsforum.com/](http://www.theconsumergoodsforum.com/)

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 **2° Challenge Communiqué**  
[www.2degreecommuniqué.com/](http://www.2degreecommuniqué.com/)

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 **EU business initiative**  
[www.theclimategroup.org/](http://www.theclimategroup.org/)

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## Supporting EU Sustainable Energy Week

Coca-Cola Hellenic supported the 2011 EU Sustainable Energy Week holding 32 events across eight countries. More than 3,000 employees, students, journalists and other stakeholders took part in open days and other activities that promoted energy efficiency. Our bottling plants demonstrated CHP technology, high-bay warehousing and photovoltaic panels. In Austria, we organised an open day at the PET-to-PET recycling facility we co-own. Our CHP programme was previously named Official Partner to the Sustainable Energy Europe Campaign.



Visitors to our Italian bottling plants learnt how we are improving energy efficiency during EU Sustainable Energy Week.

# Packaging and recycling

Packaging is an essential part of modern life. Our multi-packs of family-size PET bottles offer affordability at the supermarket; our cans and single-serve PET bottles provide convenient on-the-go refreshment; while the iconic glass contour bottle instantly differentiates Coca-Cola from other brands.

recycled or recovered **87%** of production waste

**70%** of packaging waste recovered and recycled in 19 countries with recovery systems

some PET bottles now include up to **50%** recycled content

**57,000** tonnes of PET avoided through lightweighting since 2005

The fundamental role of packaging is to allow our beverages to be delivered safely from production line to consumer without spoilage or contamination.

By helping to reduce food waste, packaging has a key role in helping society live more sustainability. Typically, ten times more energy and resources go into producing food and goods than their packaging. Nevertheless, packaging itself incurs environmental impacts from manufacturing to recycling and disposal.

## Our approach

As our packaging evolves to meet changing consumer and customer needs, we also address en-

vironmental impacts at every stage of its lifecycle. We do so by:

- Optimising the packaging we use
- Increasing recycled and renewable content
- Promoting recycling and recovery
- Minimising waste in our own facilities.

We close the loop by recovering and recycling packaging materials. Each year, in Austria, 20,000 tonnes of PET (polyethylene terephthalate) bottles are recycled into new bottles.

Given our geographic reach, progress varies significantly. We continue to work closely with governments, recyclers, suppliers and others to advance



In Austria, the expansion of our co-owned PET-to-PET recycling plant has enabled us to increase the recycled content of Römerquelle water bottles from 25% to 45%.



technological solutions and develop economically sustainable collection and recovery systems.

We are also deepening our approach to address the embedded carbon of packaging throughout our value chain. By 2020, we aim to reduce the carbon footprint of the product in our consumer's hand by 20%.

### Optimising packaging

Since 2004, we have worked continuously to optimise our total packaging. Optimisation does not simply mean using the lightest possible packaging. Instead, we must balance material reduction with other vital considerations, such as maintaining our safety and quality standards or meeting the needs of customers and consumers.

Each of our key packages now uses significantly less material than in 2004.

- **Lighter PET bottles** In 2011, we piloted a new two-litre PET plastic bottle that is 9% lighter than its predecessor and one of the lightest in the global Coca-Cola System. This initiative will now be rolled out in other markets. During 2011, lightweighting projects eliminated 6,100 tonnes of PET.

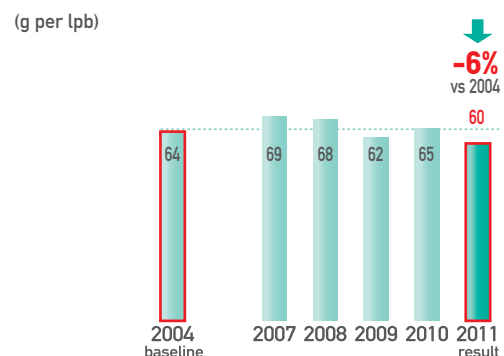
- **Short-height plastic closures** We have now converted over 59% of bottle closures to short-height caps. These closures use less material and allow bottle necks and closures to be shorter and lighter. During 2011, this initiative avoided over 500 tonnes of material.

### Packaging material used



The total amount of packaging material used to manufacture our products is below the past four years. As it is closely linked to production volume, in 2011, it was 22% above 2004.

### Packaging material use ratio



The amount of packaging material used to manufacture our products, per litre of produced beverage, has slightly decreased. In 2011, it was 6% below 2004.

## Lightweighting of packages



**PET 500ml**  
(sparkling)

Year	Weight
2011	<b>20.7 g.</b>
2005	<b>28 g.</b>



**Glass 330ml**

Year	Weight
2011	<b>210 g.</b>
2005	<b>263 g.</b>



**PET 500ml**  
(still)

Year	Average weight
2011	<b>16 g.</b>
2005	<b>28 g.</b>

We have significantly reduced the material content of all key packages.

- **Light-weight glass bottles** In 2011, we saved 6.82 tonnes of glass from projects that included a new standard water bottle across the Group, the expansion of light-weight glass in Nigeria and Switzerland and lighter bottles in Italy and Russia.
- **Cans** With thinner walls, ends and tabs, our cans avoided 232 tonnes of metal in 2011.

We also work with customers to reduce shrink wrap, stretch film and other secondary packaging. Innovative solutions include pre-merchan-

dised products that can be rolled straight onto the shopfloor.

Coca-Cola Hellenic used 700,000 tonnes of packaging in 2011. This includes beverage containers as well as the packaging used to deliver them.

## Recycled and renewable content

A further way we reduce the impact of packaging material is to include recycled or renewable content. Coca-Cola Hellenic works with suppliers to increase the recycled content of packages while The Coca-Cola Company advances plant-based packaging innovation for our business system.

Using recycled instead of virgin material is much less energy-intensive, 85% less for PET and 95% for aluminium. Recycling of metal and glass is already well-established, with recycled content accounting for around half of the material in our cans and bottles. We therefore focus on the recycled content of our PET bottles.

During 2011, we increased our use of recycled PET (rPET) by 10% to 7,228 tonnes. Since demand for PET bottles continues to grow, we must further expand the collection and recycling of these packages. By improving the availability and affordability of rPET, we can increase the amount we use. In Austria, for example, the recent expansion of our co-owned PET-to-PET recycling plant enabled us to increase the recycled content of R  emerquelle water bottles from 25% to 45%.

## Plant-based PET

Developed by The Coca-Cola Company, Plant-bottle™ was the first fully recyclable PET bottle made with up to 30% plant-based material. Although we planned to introduce the package during 2011, this will now happen in 2012.

## Promoting recycling

Coca-Cola Hellenic closely works with industry and government to increase the collection, recovery and recycling of post-consumer packaging.

During 2011, we set up our 20<sup>th</sup> recovery organisation. Once operational, EKOPAK will cover the Federation of Bosnia and Herzegovina. Work is also underway to set up an organisation in Montenegro.



The recovery organisations we set up provide over 133 million people with access to collection and recycling infrastructure. In some rural areas, this represented the first residential collection of any waste stream.

In 2011, these organisations collected, recovered and recycled on average the equivalent of 70% of our beverage packaging. All legal recovery and recycling targets were met or exceeded in EU member state territories.

The amount of PET bottles collected for recycling across Europe has risen by more than 6%, after latest figures. Almost half are now recycled, making PET the most widely recycled plastic. Recycling of aluminium beverage cans also rose in Europe, reaching 64.3%.

Since the performance of recovery organisations varies, we conducted a governance review in 2011 with the aim to benchmark performance and close gaps. We also chair a new EU-level working group of global food and beverage companies to develop a 2020 strategy for industry-owned recovery organisations to ensure consistency in approach.

In 2011, we contributed €35.5 million in collection and recovery fees, totalling €43 million including taxes and deposits.

Although we have supported the set-up of recovery organisations in 20 of the 28 countries we serve, some of our highest-volume emerging

**“From 2009 we developed a waste management system in the Zakarpattya region where plastic waste in rivers used to cause flooding. Coca-Cola Beverages Ukraine supported the initiative by deploying successful environmental programmes in the region. A local awareness campaign was aimed at engaging residents in hands-on activities such as cleaning riverbanks, removing waste from waterways and plastic recycling.”**



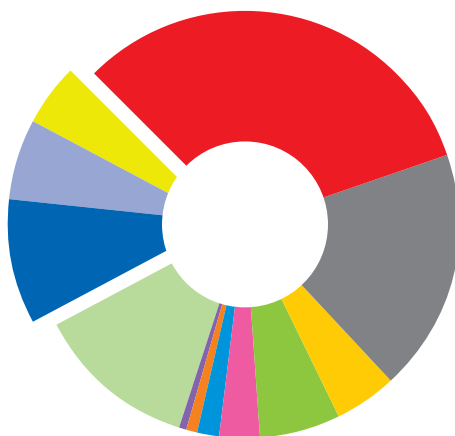
**Olena Marushevska**  
Project manager  
Zakarpattya branch of All-Ukrainian Ecological League

Our Ukrainian operations provided waste containers for PET bottles for several villages and organised volunteering events which collected more than 16 tonnes of PET bottles for recycling. In 2011, the company funded the clean-up of Latorica river, which removed 60 m<sup>3</sup> of plastic waste for recycling.

## Packaging use

### Secondary packaging 23%

- PE shrink films 5%
- Cardboard 7%
- Wood pallets 11%



### Primary packaging 77%

- PET bottles 37%
- Composite carton bricks 5%
- Aluminium cans 7%
- PE & PP closures 4%
- Steel closures & cans 2%
- Plastic labels 1%
- Paper labels > 1% 0.2%
- White PE bottles > 1% 0.1%
- Glass bottles 21%

## Packaging and recycling



Each year, more than 10,000 employees of our Russia operations take part in our Green Teams, which clean up seas, lakes, rivers and other water sources.



To celebrate National Recycle Week in Northern Ireland, we donated a fully functioning greenhouse made entirely from PET bottles as a novel way to raise awareness of recycling.



In Cyprus, our new recycling programme includes schools resources, beach-cleaning activities, an awareness-raising campaign and joint activation with key account Alfa Mega.

markets are not yet included. In such markets as Russia, Ukraine and Nigeria, we are systematically working to establish packaging collection schemes to divert packaging from landfill.

In Russia, we chair the packaging association RUSPEC which has supported development of the packaging legislation currently going through parliament. We also established the first industry-led PET collection programme in 2011. In Ukraine, we support a new pilot project which aims to collect and recycle 20% of the packaging waste to put on the market by project sponsors.

In Nigeria, we have supported collection schemes which channel used PET packages into the fibres market. We are now working to broaden the scheme by involving other industries and expanding collection channels for PET recycling.

In developing and emerging markets, waste collection is typically undertaken by the informal sector. Collectors can face health and safety hazards as well as exclusion from the formal systems. In 2011, Pakomak, the new co-owned recovery organisation in FYROM, launched a scheme to offer employment contracts to improve collectors' working conditions, incomes and status.



## Mobilising consumers

The participation of consumers is critical to the recycling loop. If they do not place cans and bottles into collection systems, these packages become landfill or litter, rather than feedstock for recycling.

We conduct education campaigns on the importance of recycling and how to separate waste. In 2011, these activities reached 3.2 million people in seven countries. We also support recycling education in schools in five countries and have held exhibitions with customers in Cyprus, Italy and Russia.

Through on-pack communication, we also use our brands to encourage consumers to recycle. During 2011, we collected and recycled 94 tonnes of packaging at Company-sponsored sports, music and other events.

## Supporting anti-littering

If packaging waste is discarded irresponsibly, it can result in litter - waste in the wrong place - and can pose environmental hazards.

Since 2009, we have partnered with the ICPDR to address plastic pollution of the Tisza River. Together with environment ministries in the five basin countries, we cleared litter and set up mechanisms to prevent a recurrence.

The source of the river - and problem - lies in Romania and Ukraine. Since rural waste collection systems were non-existent, municipal waste often ended up in the river. We pioneered the first collection schemes, educated residents on waste separation and involved them in clean-ups.

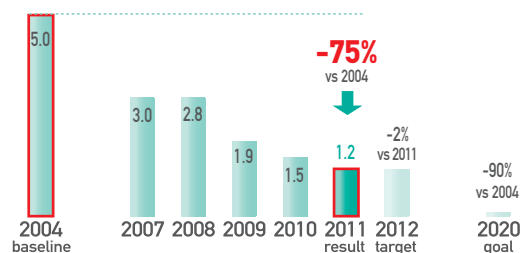
During 2011, we supported clean-up initiatives in 16 countries, encouraging employees and communities to take part. In Russia alone, our Green Teams involved 1,500 volunteers in clean-ups across 12 cities. We also support national campaigns. In 2011, we were a key sponsor of Hungary's biggest action to date.

## Minimising plant waste

To ensure that we lead by example, Coca-Cola Hellenic has committed that all bottling plants

## Landfilled waste ratio

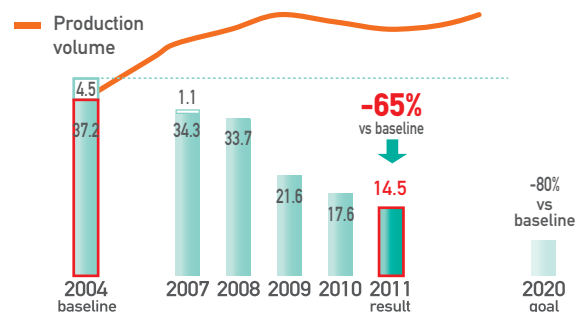
(g/lpb)



The amount of waste from plants that is sent to landfill, relative to the volume produced, is now 75% below 2004 levels. This results from reducing total waste and increasing recycling rates.

## Total landfilled waste

(million kg)



Total waste from bottling plants that is sent to landfill is now 65% below 2004.

will recycle or recover at least 90% of production waste. We are on track to meet this target, with 39 plants already meeting this target.

During 2011, we diverted 95,000 tonnes of waste from landfill. This means that we have reduced the amount of waste we send to landfill by nearly two-thirds since 2004.

[Packaging and Packaging Waste policy](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)  
[www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)

[PET-to-PET Recycling Plant](http://www.pet2pet.at)  
[www.pet2pet.at](http://www.pet2pet.at)

[Green teams in Russia](http://en.coca-colahellenic.ru/Towardssustainability/Community/Waterandenvironmentp/)  
[en.coca-colahellenic.ru/Towardssustainability/Community/Waterandenvironmentp/](http://en.coca-colahellenic.ru/Towardssustainability/Community/Waterandenvironmentp/)

# Employee development

The business success of Coca-Cola Hellenic depends every day on employees. Caring for these people is one of our core values and we endeavour to live this value in our day-to-day business. Learning is another Company value and we are committed to helping employees achieve their potential.

Learning and caring for our people are **core values**

**27%** fewer serious accidents than 2010

**All** managers assessed for CSR

**97%** of employees are of local origin

## Our approach

Coca-Cola Hellenic aims to attract, develop and retain the necessary talent for our business to succeed today and in the future. We focus on:

- Helping employees to develop professionally and personally
- Protecting and promoting their health, safety and well-being
- Embracing diversity in our workforce
- Engaging with employees openly and honestly
- Respecting human rights
- Recognising and rewarding performance.

## A safe and healthy workplace

We aim to develop a world-class safety culture at Coca-Cola Hellenic and continue to make significant progress towards this goal.

In 2011, serious accidents fell by a further 27% with no lost-time accidents in Belarus, FYROM, Latvia or our Multon operations in Russia. Fleet safety performance improved, with road traffic accidents down by almost one-third (32%). Our lost-time incident rate is now less than half the soft drinks industry average. In addition, 70 bottling plants are now certified to OHSAS 18001. By 2012, all plants will be fully certified.

One goal that remains unmet is to eliminate fatali-

ties. Unfortunately, there were six deaths in 2011. Two employees and two contractors lost their lives in road traffic accidents. In Nigeria, two contractors died in circumstances beyond our control: one was killed in election violence while another was fatally injured in an armed robbery. Any loss of life is unacceptable. In-depth investigations are conducted, with remedial actions and lessons shared across the Group.

## Fleet safety

Since road traffic accidents account for most fatalities, improving fleet safety remains a key focus. During 2011, we audited all 28 country operations



## Our workforce

- **Coca-Cola Hellenic employed 41,302 people at the end of 2011**
- **97% of employees are of local origin; 80% are from emerging and developing economies**
- **Almost 83% of our leadership are local nationals**
- **Permanent employees account for 94% of our workforce**



for compliance with our Fleet Safety Policy, taking corrective action for all shortcomings identified.

In a global first for the food and beverage industry, Coca-Cola Hellenic made the in-vehicle safety device Mobileye a requirement in all new or newly leased vehicles. The move follows trials which showed a marked decrease in accidents. In early 2012, we also began trials of the web-based 'AlertDriving' defensive driver behavioural training programme.

Coca-Cola Hellenic signed the European Road Safety Charter in 2011. Safe Driving was also the theme of our first Health and Safety Week. During 2011, high-profile campaigns in all 28 countries promoted safe driving. This builds on our ongoing programme to train all Company drivers in safe and eco-driving.

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 **Health and Safety policy, Fleet Safety policy**  
[www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)

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### **Safety – everyone's responsibility**

Management commitment and involvement is pivotal as we build a world-class safety culture. At executive level, a member of our Operating Committee champions our health and safety programme and personally conducts safety reviews.

Employee engagement is also critical. During 2011, we focused on near-miss incident reporting, encouraging our people to see a near-miss as an

opportunity to prevent a future accident. All team leaders now hold regular 'Toolbox Talks' about local safety issues. Managers conduct 'Walk the Talk' inspections, observing and discussing safety in day-to-day business. We track these proactive measures, assessing overall performance using both leading and lagging indicators.

We also engage employee representatives. Joint management-worker health and safety committees represent 61% of our workforce. Health and safety topics are covered in formal agreements with trade unions.

Our comprehensive safety training curriculum was further expanded in 2011 with a revised Permit to Work programme. This ensures checks and balances are in place before hazardous non-routine jobs can be undertaken.



To mark 2011 World Day for Health and Safety at Work, our Czech operations focused on hearing protection in the workplace and everyday life.

# Employee development

	<b>Fatalities (employees and contractors)</b>		<b>Incidence rate</b>	<b>Sickness</b>	<b>Average sickness days</b>
	(including to/from work accidents)	(excluding to/from work accidents)	(no. of accidents with >1 day absence per 100 employees)	(absence days)	(per full-time equivalent)
2007	15	13	2.4	231,210	5.34
2008	28	25	3.8	282,309	5.75
2009	5	5	1.4	262,537	5.76
2010	9	9	1.1	233,898	5.36
2011	6	6	0.9	210,956	5.05

## Health and wellbeing

Helping employees to lead healthy, active lifestyles is another important responsibility. Preventative health programmes include diabetes and cancer screening, as well as cholesterol and blood pressure monitoring. Increasingly, active lifestyle, nutrition, stress management and fitness are included, too. In 2011, more than 31,000 employees in 21 countries participated.

We conduct HIV/AIDS awareness and education programmes in countries with high incidence. In Nigeria, we provide voluntary counselling, testing and free anti-retroviral medicines for employees and dependants. We continue to support the Roll Back Malaria campaign, distributing a further 5,000 insecticide-treated nets to employees and communities in 2011.

had been undertaken in pilot countries. The tracker will now be rolled out.

Annual People Development Forums in each country confirm that the right people are in the right positions and that people are being developed for future opportunities.

Such opportunities are not limited to leaders. Line Operators have clearly defined and recognised career progression, through capability development.

Our Learning Centre of Excellence offers an extensive curriculum of training programmes. During 2011, employees received on average 19 hours of training (16 hours in emerging countries, 29 hours in developing and 19 in established). In addition, more than 430 managers have been trained in coaching, while 28 are externally certified coaches.

## People development

Coca-Cola Hellenic invests significantly in learning and development. We also encourage and empower employees to take responsibility for their career development.

The foundation is our career planning framework which clearly outlines the seven core areas in which aspiring leaders must excel: Business and Financial Results, Management, People Development, Leadership, Relationships, Growth and Innovation, as well as Corporate Social Responsibility. For each area, we define the performance standards and experience required at every layer of leadership.

Each employee from team leader upwards creates and manages a development plan. During 2011, we began tracking implementation of actions in these plans, finding that between 76% and 97% of actions

## Employee engagement

Under our new CEO, we undertook a major consultation process to redefine the Company's values. In our drive to be a values-led organisation, we have launched a campaign to cascade these values throughout our operations, bringing them to life in our day-to-day business. We will measure performance against each value, with employee feedback through our biennial engagement survey playing a key role.

Our most recent survey showed an overall engagement score of 56% in 2010, exceeding the median



score among peers. In every country, action plans are underway to address survey findings, from providing greater opportunities for employee input to rewarding innovative ideas. Our next survey will be in 2012.

## Equality and diversity

Building a diverse workforce helps us to connect with consumers and customers across our territories. Our leadership pipeline must also be diverse so as to draw from the widest pool of talent available.

In our new values, diversity is enshrined as part of 'Caring for Our People'. It is also embedded in our talent management and people processes.

We are committed to developing local leaders, and 83% of country leadership positions are filled by people of local origin. Almost half (48%) of expatriate managers are from emerging and developing economies. During 2011, our diverse workforce spanned 72 nationalities. Our Operating Committee has people of six different nationalities, as does our Board of Directors.

We still aim to create greater gender balance in our business, particularly in key positions. In 2011, women represented 22% of managers and 28% of senior managers.

Since women are significantly under-represented in our Commercial function, country operations are tackling local obstacles to improve this. In Switzerland, initiatives include targeted job advertisements, extended maternity leave and help to resolve childcare, care for aged rela-

**“At** a Workers' Council meeting in January 2011, the country operation announced the shutdown of production in the bottling plant in Solin. It was a regrettable decision which led to 52 job cuts.

After months of negotiations, the Workers' Council and the trade union reached a restructuring agreement with an acceptable outcome. It was well managed and production was ensured until the end of August 2011.

Given the economic situation and high unemployment in Croatia, the company must invest efforts and find solutions to preserve existing jobs in the future.”



**Sanda Marelić-Tomljanović**  
President of the Workers' Council, Coca-Cola HBC Croatia

The bottling plant that was closed is located in Solin, on the Dalmatian coast of Croatia, an area with limited local economy. The trade union was particularly concerned that it would be a challenge for those dismissed to find new employment. Additional financial packages were provided as well as relocation assistance, outplacement support and other legal and financial support.

tives and homecare issues. In Russia, a survey of managers found that the challenges related more to misconceptions among those who had been hired. A pilot project with targets for improvement aims to address these issues. Projects are underway in other countries, too. In Serbia, female market developers have more than doubled since 2009.

Workforce breakdown in 2011	Managers	Non-Managers	Total
Total	2,211	39,091	<b>41,302</b>
Male	72.2%	79.5%	<b>79.1%</b>
Female	27.8%	20.5%	<b>20.9%</b>
Nationals	82.8%	97.7%	<b>96.9%</b>
Non-nationals	17.2%	2.3%	<b>3.1%</b>
Under 30	4.6%	33.9%	<b>32.3%</b>
30-50	85.1%	57.8%	<b>59.3%</b>
Over 50	10.3%	8.3%	<b>8.4%</b>



In response to work-life balance concerns expressed in our engagement survey, a growing number of countries offer flexible working. As our Corporate Office positions become location-free, this family-friendly initiative potentially opens up development opportunities without the need for international relocation.

Although women are still under-represented in Coca-Cola Hellenic, they enjoy salary parity (within 1%) with men of the same job grade. Recruitment, promotion and remuneration are based on merit; gender and other diversity indicators play no role.

In 2011, there were no breaches of our Equality Policy or related legislation.

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 **Equality of Opportunity policy, Human Rights policy**  
[www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)

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## A fair workplace

Respecting the basic rights of people in our workforce, supply chain and communities is fundamental to being a good employer and a responsible business. Our Human Rights policy and Supplier Guiding Principles uphold these rights.

In practice, there can potentially be conflict in countries where human rights are compromised. We keep abreast of the country contexts in which we operate. Our zero-tolerance approach to corruption is also made clear to employees and suppliers (see Integrating sustainability).

Our operations self-assess their adherence to our commitments and are also independently audited. A further 17 bottling plants were audited in 2011. Suppliers are also subject to audits (see Supplier engagement).

Concerns can be raised through various mechanisms, including our confidential whistleblower hotline and email system. All contacts are investigated and results are reported to the Audit Committee. Our whistleblower system is independently audited each year. We are committed to protecting employees who raise concerns in good faith from retaliation.

During 2011, there were no breaches of our Human Rights policy or related legislation.

On behalf of our business system, The Coca-Cola Company formally endorsed the new UN Guiding

Principles for Business and Human Rights. The company also participates in the Global Business Initiative on Human Rights.

## Employee relations

We respect the rights of employees to join, or not join, unions or works councils.

Approximately half (52%) of employees are covered by collective bargaining agreements and 25% belong to independent trade unions. Formal communications protocols with all trade unions and works councils are designed to ensure regular and open dialogue and consultation.

In five countries, representing 7% of our workforce, there are neither unions nor works councils. In Moldova, Armenia, Belarus, FYROM and Hungary, we communicate with employees directly and through bodies such as our employee-elected Social Committee in Hungary. Independent audits and engagement surveys have not revealed concerns. Our businesses in Belarus and Moldova were among four country operations to gain employer of choice awards in 2011.

## Responsible restructuring

In the current economic climate, we have systematically implemented wide-ranging cost-cutting measures to minimise job losses. Nevertheless, strategic restructuring initiatives led to 1,723 people across 21 countries being made redundant in 2011.

We consulted with unions, works councils and, where appropriate, the Select Committee of the European Works Council. Comprehensive severance packages met and, in most cases, substantially exceeded statutory requirements. We also assisted affected employees with CV preparation, training and outplacement advice.

Against a backdrop of recession and austerity measures, our Greek operations experienced short-lived industrial action related to redundancies and salary freezes. Working time lost due to strikes and industrial disputes was insignificant in 2011.

## Rewarding performance

We aim to reward employees fairly and competitively, benchmarking compensation packages



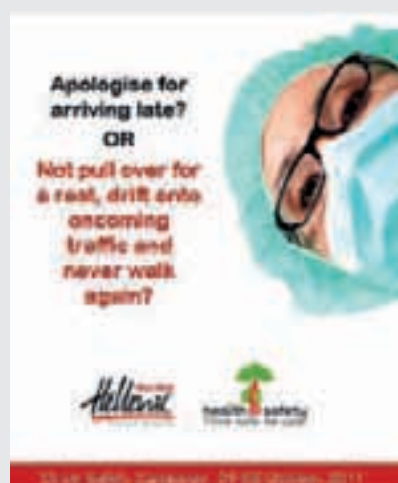
against leading companies. On average, entry-level employees receive 50% more than the minimum wage where one exists. We aim to provide pension and retirement provisions that are appropriate for the long-term.

Variable compensation rewards performance in

all Key Results Areas – including CSR, people development and innovation – in addition to financial performance. Coca-Cola Hellenic paid €1,184 million in salaries and benefits in 2011. Our Annual Report and Accounts detail costs and pension plans.

## Encouraging safe driving in all 28 countries

Each year, 1.3 million people are killed and 50 million are injured on the roads, with 90% of casualties in developing countries. To coincide with launch of the UN Decade of Action for Road Safety, we held a major campaign to promote safe driving. A turnkey campaign sent to all operations included posters, videos, talks, email and SMS alerts. Using shock tactics, the campaign tackled key risk factors, from not wearing seatbelts to using a mobile phone while driving. Country operations partnered with local traffic police, road safety NGOs, driving schools, customers and others. Among employees surveyed, 93% found the campaign beneficial, while 69% had changed their driving behaviour. The Safe Driving campaign of Coca-Cola Hellenic was recognised as an international winner at the 2012 Inspiring Safety awards.



# Supplier engagement

The social and environmental impacts of our supply chain are far greater than those of our own operations. Consequently, our business can only become sustainable once we have built a sustainable supply chain.

**All** suppliers must follow Code of Business Conduct & Supplier Guiding Principles

**127** supplier sites assessed for compliance to date

supplier partnerships develop low-carbon technologies

Coca-Cola Hellenic sources ingredients, packaging and equipment from approximately 84,000 suppliers, from small independent firms to large international companies. In 2011, our supplier spend amounted to € 4,200 million.

Although we do not own or control these entities, we have a clear responsibility to help address the sustainability challenges inherent to our supply chain. We endeavour to work in partnership with suppliers, mitigating risks, improving efficiencies and promoting innovation.

## Our approach

The challenge of building a sustainable supply chain is immense. We must therefore address the highest priority issues first. Based on the

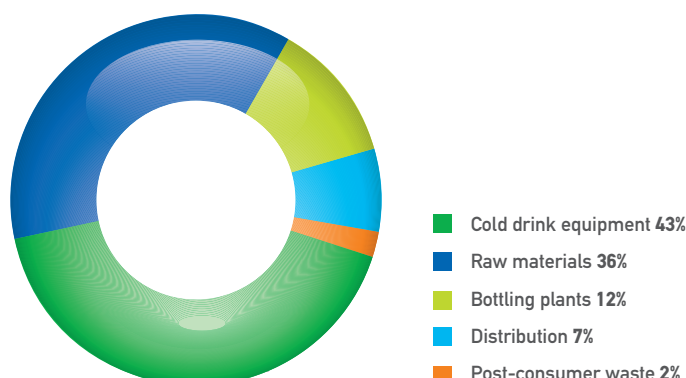
Eco-Indicator 99 methodology, more than three-quarters of our ecological impacts are due to agricultural crops, packaging and cold drink equipment. These three areas are therefore the focus of significant work with suppliers.

Collaboration is also pivotal. Working together with suppliers, NGOs and others, we focus on:

- Deepening understanding of our indirect impacts
- Addressing the use of water in our agricultural supply chain
- Tackling our greatest source of indirect emissions: coolers and packaging
- Developing innovative low-carbon technologies
- Improving working conditions for those in our supply chain

## Environmental impacts in our value chain

Bottling plants account for only 12% of our total environmental impacts. By contrast, packaging, agricultural crops and cold drink equipment represent more than three-quarters. Coca-Cola Hellenic calculates its broader ecological footprint using the eco-indicator 99 method.





- Generating economic benefit for suppliers and local communities.

From coolers and packaging to vehicles and IT equipment, our purchasing specifications include environmental requirements. During 2011, we tested a new scorecard which also takes supplier sustainability strategy into account, specifically energy management, carbon footprinting and packaging material reduction.

### Agriculture and water use

Agriculture poses significant sustainability challenges. With the world's population expected to reach nine billion by 2050, global food production will need to double in the next forty years.

Sugar and fruit juice are the main agricultural raw materials sourced by Coca-Cola Hellenic. Securing supplies is already a core business issue; this is likely to worsen with population growth and climate change unless we take mitigating action.

Agricultural crops account for the bulk of our water footprint, with sugar at 82%. The pesticides and fertilisers used to grow these crops represent 47% of our grey water footprint. Although we work with sugar refiners and juice suppliers, not directly with farmers, we have a responsibility to help tackle these impacts.

In 2011, our multi-stakeholder partnership with sugar suppliers, the Water Footprint Network

and others piloted a new methodology to assess the sustainability of our beet sugar's water footprint in different European contexts. This study by the European Water Footprint Sustainability Assessment Sounding Board for Sugar is available online.

In parallel, we aim to reduce the overall environmental impacts of the sugar we use. EU sugar reform is helping us do so, as production in Europe becomes more efficient and sustainable. More than half (54%) of the sugar we use derives from local beet and we are working to increase this. One-third of our sugar comes from imported cane while the remainder is high-fructose syrup.

On behalf of our business system, The Coca-Cola Company works with WWF and others to address the environmental and social challenges involved in sugarcane production. The company helped to promote the development and implementation of the Bonsucro production standard.

#### **European Water Footprint Sustainability Assessment Sounding Board for Sugar**

[www.thecoca-colacompany.com/citizenship/pdf/2011\\_europe-water-report.pdf](http://www.thecoca-colacompany.com/citizenship/pdf/2011_europe-water-report.pdf)

#### **Bonsucro Standard**

[www.bonsucro.com/](http://www.bonsucro.com/)

### Developing low-carbon technologies

We innovate with suppliers in order to develop technologies to tackle the greatest contributors to



In a concerted programme to boost our use of local beet sugar, we committed in 2011 to raise the proportion from 35% of our sugar use in Russia to 60% by 2014.

our total carbon footprint. Our most significant and ongoing projects include:

- Reducing the material content of our beverage packages
- Implementing quad-generation CHP technology at our bottling plants
- Introducing energy-efficient coolers that are free of hydro-fluorocarbons (HFCs).

## Climate-friendly refrigeration

We continue to roll out the new HFC-free coolers that were developed in partnership with suppliers. In 2011, 49% of new cold drink equipment was free of HFCs, keeping us on track to meet our goal that all new equipment will be HFC-free by 2015. In addition, new coolers are equipped with energy management devices, LED lighting and improved insulation.

## Reducing the impact of packaging

We work with packaging suppliers to reduce the material content of our cans and bottles, increase their recycled content and to recover or recycle these packages after use.

By introducing new lighter-weight beverage packages, we avoided 6,100 tonnes of PET material in 2011. In addition, we used 10% more recycled PET than the previous year. Packaging suppliers are also involved in the packaging waste management schemes that we help to set up.

Our end-goal is to close the recycling loop. In Austria, where we co-own a PET-to-PET recycling plant, we close the recycling loop. Following the plant's expansion programme, we increased the recycled content of local PET water bottles from 25% to 45% in 2011 (see Packaging and recycling).

## Quad-Generation CHP technology

The other major innovation to emerge from supplier partnerships has been our quad-generation CHP technology. The first in the beverage industry, these on-site CHP units generate power, heating and cooling and provide highly purified CO<sub>2</sub> for use in beverage carbonation.

By using energy four-fold, our bottling plants can reduce CO<sub>2</sub> emissions by up to 60%. Excess electricity is provided to national grids; surplus CO<sub>2</sub> can also be sold. In Ireland, we now supply our former supplier of CO<sub>2</sub> fully meeting their local customer demand and thereby replacing CO<sub>2</sub> previously imported through the UK from Norway or Holland.

During 2011 we finalised construction of a further four CHP plants.

## Bringing economic benefit

The financial crisis has hit our suppliers hard, too. In particular, smaller suppliers found it difficult to gain credit, leading to liquidity issues.

We have explored various solutions to help our partners and are now working with suppliers and banks to expand supply chain finance programmes. This relatively new financing concept (also known as 'reverse factoring') allows suppliers to use our credit lines with banks, obtaining



cheaper and more readily available financing. This can benefit us with better pricing or payment terms.

We also help to develop new suppliers to our business, working with them to achieve our system's quality standards. In 2011, we signed contracts with sugar suppliers in Russia as part of our commitment to increase the proportion of local beet sugar from 35% to 60% by 2014.

### Upholding workplace rights

All suppliers to our business must comply with our Supplier Guiding Principles. These outline the workplace conditions we expect our suppliers to provide their employees. Child labour and forced labour are clearly prohibited.

Independent audits assess how well our suppliers comply with the Supplier Guiding Principles. In a joint programme with The Coca-Cola Company, assessments were conducted at a further 10 supplier sites in 2011.

Seven of the ten sites audited were fully compliant. Non-compliance issues at two sites involved minor health and safety issues, such as incomplete first aid kits. Moderate non-compliance issues at the final site included a blocked fire exit, which was rectified during the audit itself.

Sites with medium and high-risk findings also require a follow-up audit to verify that corrective actions have been implemented. During 2011, three sites were subject to follow-up audits due to previous findings on health and safety and excessive overtime hours. All three sites are now fully compliant.

To date, 127 supplier sites have been assessed. These include major suppliers of sugar, primary packaging and equipment. Nine of these were assessed and accepted through the AIM-PROGRESS programme of mutual recognition. In total, 94% were found to be fully compliant or with only minor non-compliance issues.

**“The long-standing partnership with Coca-Cola Hellenic, dating back to 1988 when we first supplied concentrated juice for the production of Amita, is unique in Greece.**

**The Company's unwavering sourcing of local ingredients during the past 24 years, even when alternatives were competitively priced, has been crucial for the survival of the Greek orange industry and its continued contribution to the economy. I consider Coca-Cola Hellenic as a partner more than a customer.”**



**Michael Moros**  
Commercial Director, Hellenic Juice Industry Aspis S.A.

Coca-Cola Hellenic has been purchasing Greek concentrated orange juice for the production of Amita and Fanta from Hellenic Juice Industry Aspis since 1988. With annual production volumes of thousands of tonnes of juice concentrate, represent a significant proportion of total national production.

The Coca-Cola Company also conducts screening programmes for higher-risk items, such as promotional and marketing materials, and higher risk markets, such as China or India.

 **Coca-Cola Hellenic Supplier Guiding Principles**  
[www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/](http://www.coca-colahellenic.com/sustainability/ourapproach/sustainabilitypolicy/)

 **TCCC Supplier Guiding Principles**  
[www.thecoca-colacompany.com/citizenship/pdf/SGP\\_Brochure\\_ENG.pdf](http://www.thecoca-colacompany.com/citizenship/pdf/SGP_Brochure_ENG.pdf)

 **Towards Sustainable Sugar Sourcing in Europe**  
[www.thecoca-colacompany.com/citizenship/pdf/2011\\_europe-water-report.pdf](http://www.thecoca-colacompany.com/citizenship/pdf/2011_europe-water-report.pdf)

 **Sustainable Agriculture Initiative Platform**  
[www.saiplatform.org/activities/projects](http://www.saiplatform.org/activities/projects)

 **AIM-Progress**  
[www.thecoca-colacompany.com/citizenship/aim.html](http://www.thecoca-colacompany.com/citizenship/aim.html)



# Community involvement

Coca-Cola Hellenic can only be successful if our communities are healthy, thriving and sustainable. Our mission states that we will improve the quality of life in local communities. Building and maintaining community trust is one of our key business strategies. By contributing to their sustainable development, we also invest in our own future.

over **€ 8** million of investment  
or **1.5%** pre-tax profit

more than  
**3 million** participants  
in our sports and fitness programmes

more than **5,000** employee volunteers  
participated in  
programmes in 2011

reforested over  
**200,000 m<sup>2</sup>**

## Our approach

Coca-Cola Hellenic's primary contribution is through core business activities. Employee salaries, supplier payments and government taxes are among the ways that we generate local economic benefit.

In addition, we help to tackle local environmental and social issues through community partnerships and projects. Our corporate community investment strategy focuses on:

- Addressing issues of importance to our communities and our business
- Developing long-term partnerships that deliver measurable results

- Encouraging volunteerism among employees and communities.

## Our strategy

Across our business, there are four areas of strategic focus to our community programmes:

- Water and environmental protection
- Sports and physical activity
- Youth development
- Emergency relief.

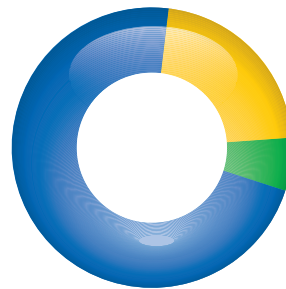
In 2011, 71% of community investment was directed to these four areas which are critical to

### Focus of community investment



■ Sports and physical activities **30.5%** ■ Youth development **17.5%**  
■ Other **29.3%** ■ Disaster relief **0.2%**  
■ Environment and water **22.5%**

### Type of contribution



■ Community investment **72%**  
■ Commercial initiative **22%**  
■ Charitable gifts **6%**



both Coca-Cola Hellenic and our communities. Protecting watersheds is part of our water stewardship strategy, for example, while supporting active lifestyles is integral to our consumer health strategy. We also have a duty to support young people since they represent the majority of our consumers.

To ensure programmes are effective, we work in partnership with NGOs, government agencies and CSR experts. Our most longstanding collaboration is with the International Commission for the Protection of the Danube River (ICPDR).

Programmes	Partners (at country level)
Watershed protection	ICPDR; UNESCO; UNDP; WWF; local NGOs, environment ministries
Youth development	AIESEC; Junior Achievement; SIFE; SOS Kinderdorf; local NGOs and children's homes
Sports and fitness	Sports associations; education ministries
Emergency relief	Red Cross Red Crescent societies; emergency services



To teach schoolchildren about water sustainability, we have provided classroom resources and extra-curricular activities in 12 countries.



In Nigeria, we sponsor 100 young women each year to train as automobile mechanics.

In 2011, Coca-Cola Hellenic contributed over €8 million to community programmes, representing 1.5% of pre-tax profits. This compares favourably to the average among London Benchmarking Group (LBG) members of 1.2%.

We also leverage our skills and resources to make our support more impactful. Our marketing expertise is helping to raise awareness of water sustainability while our bottled water and distribution network can prove invaluable to emergency relief efforts.

Employee participation is another important component of programmes. Volunteering strengthens ties between our Company, our people and local communities. In 2011, more than 5,000 employees in 23 countries actively participated in our programmes.

### Water and the environment

Coca-Cola Hellenic supports community water projects in 26 countries, covering all major river

basins in our territories. As part of our broader water strategy, we work with environmental ministries and NGOs to protect watersheds (see Water Stewardship).

We also help to raise awareness and have set up annual celebrations of key rivers, including the Danube, Sava, Vistula, Dniepr and Volga. Danube Day alone involved 230 events with 750 partners and 440 schools.

Education about water sustainability is another important aspect. We have provided classroom resources and extra-curricular activities in 12 countries.

### Youth development

Unemployment among young people rose disproportionately during the global economic crisis. To help improve youth employability, we support enterprise education programmes in 12 countries and offer internships in 15 countries. In Serbia, our partnership with a leading university helps 500 students a year gain employment



skills. In 2011, the project won the new European Employee Volunteering Award. We partner with leading youth organisations, such as Junior Achievement, SIFE and AIESEC, in 14 countries.

Underprivileged or marginalised young people are a particular focus. We are sponsoring 100 women in Nigeria to train as car mechanics while in Hungary, we support a programme to develop leaders from the Roma community. In the Republic of Ireland, we help school-leavers from underprivileged areas prepare for job applications and interviews.

Since large numbers of children grow up in care homes in our Eastern European territories, we have built relationships with these organisations in 14 countries. We especially support family-care projects, working with SOS Children's Villages in seven countries.

Our support also extends to providing physical infrastructure. In Nigeria, we renovated three more schools in 2011 and helped to refurbish

schools in a further five countries. Across our business, we have built or refurbished almost 120 playgrounds and sports grounds so that children have a safe place to play.

### Sports and physical activity

Encouraging people to be physically active is another strategic focus. More than three million people took part in our sports and fitness programmes in 2011. Part of our Consumer Health strategy, projects range from grassroots activities to nationwide tournaments (see Consumer health).

Football has long been a focus and we hold tournaments and training in 19 countries. In Poland alone, more than 3,800 teams took part in the Coca-Cola Cup during 2011, with girls representing more than one-third of teams.

We also support many other sports and events. In Hungary, Austria and Northern Ireland, our schemes offer a wide variety of activities to en-



Our Bike to Work project in Croatia provides bicycles free of charge to employees, encouraging them to lead more active lifestyles and reduce their environmental impacts.





As our work with national Red Cross societies deepens, we collaborate on projects ranging from disaster preparedness and emergency relief to healthcare and blood donation.

courage people of any age or ability to become more physically active.

Schools are an important channel for health promotion. We partner with government, nutrition and sports experts to teach schoolchildren about healthy diets and active lifestyles. We support the Polish Keep Fit initiative which has involved 3.8 million schoolchildren and 31,000 schools since it began in 2006.

### Emergency relief

Heavier rainfall, fiercer storms and intensifying droughts will become more likely as climate change takes effect. As part of our adaptation strategy, we provide swift relief to local communities in times of emergency. Safe drinking water is an immediate need. We provide supplies, mobilising our fleet and employee volunteers to help with distribution.

As we deepen our relationship with national Red

Cross societies, we are preparing joint disaster preparedness plans. In early 2012, an extreme cold wave swept across central and eastern European countries, leaving more than 550 people dead. We worked with Red Cross societies to install heating and to distribute blankets, warm clothing and hot meals. Our country operations have previously supported a wide range of local Red Cross projects, from landmine awareness campaigns to vaccination programmes and other preventative healthcare.

Our relief efforts also extend to longer-term rehabilitation and recovery. Following the 2009 earthquake in Abruzzo, Italy, we helped to finance a new earthquake-proof student centre which opened in 2011. In Greece, we continue to support reforestation following the wildfires of 2007. We have adopted five forested areas, planting and tending over 26,000 trees. In 2011, we introduced a new programme to clean up forests in seven locations and 1,630 volunteers cleared 17.6 tonnes of waste.

### Creating economic benefit

By manufacturing locally, Coca-Cola Hellenic generates economic benefit in our communities. We directly employ 41,302 people and our tax payments amounted to €192 million in 2011.

New socio-economic impact studies in four countries show that our business system supports many more jobs in our value chain.

We aim to create value for our customers, a commitment that extends to small-scale businesses, too. In Nigeria, we have helped to establish hun-

dreds of small distribution outlets in areas that conventional distribution cannot easily reach. We also support local suppliers.

In developing and emerging markets, Coca-Cola Hellenic helps to transfer technology. We train local people in management systems standards, energy-efficient technologies and wastewater treatment. In addition, we share our experiences with local businesses, government, students and others.

#### Our commitment in action

[www.coca-colahellenic.com/sustainability/community/](http://www.coca-colahellenic.com/sustainability/community/)

### Volunteering in our communities

More than five thousand employee volunteers supported our community projects in 2011. They worked to clear riverbanks, plant trees, visit local orphanages and renovate schools. We also promote volunteerism among local businesses and communities. To mark European Year of Volunteering in 2011, we shared our experience at major public events in Poland, Hungary and Austria, while in Estonia, we partnered with the Ministry of Internal Affairs to pilot a volunteerism programme. We received the new European Employee Volunteering Award in Serbia during 2011 and gained further awards for volunteer programmes in five other countries.



Company volunteers in Hungary worked together to build a forest gym trail in the Duna-Ipoly national park.

# Supporting the UN Global Compact

With over 8,700 participants from over 130 countries, the UN Global Compact is the world's largest corporate responsibility initiative. By joining the UNGC, Coca-Cola Hellenic committed to implement and promote core values in the areas of human rights, labour standards, the environment and anti-corruption.

## Our approach

Since 2005, we have endeavoured to fulfil our commitments by:

- Implementing the 10 Principles into Company operations and strategy
- Working to make our supply chain more sustainable
- Championing development of Local Networks
- Supporting the Compact's global platforms
- Contributing to broad UN development goals
- Reporting transparently.

The Fondation Guilé provides an annual assessment of our performance and this report serves as our Communication on Progress.

## Promoting local networks

Local networks play an essential role in the expansion of the Global Compact and its Ten Principles. Coca-Cola Hellenic actively supports Local Networks in 15 countries.

In Ukraine, for example, we serve on the Steering Committee and the Alliance of the Global Compact, signing the Declaration on Responsible Business Partnership in 2011. We are also on the CSR Committee working group in the Ukrainian parliament, supporting the National Concept for CSR Strategy development.

## Supporting broad UN goals

As a founding member of the CEO Water Mandate and Caring for Climate initiatives, Coca-Cola Hellenic has committed to address water conservation and CO<sub>2</sub> emissions in our operations, supply chain and beyond.

We also engage with UN agencies, including UNDP, UNEP and UNESCO, to tackle sustainability issues. Partnerships focus on such issues as: improving access to water and watershed conservation; youth development and education; entrepreneurship

and job creation; HIV/AIDS and malaria; disaster relief and rehabilitation. Directly or indirectly, these partnerships support the Millennium Development Goals.

In 2011, the UN launched 'A Decade of Action for Road Safety' to reduce global road deaths. To coincide, our first Health and Safety Week focused on Safe Driving. We have now conducted hard-hitting awareness programmes in all 28 countries, working with road traffic police, road safety NGOs and others. We also signed the European Road Safety Charter. These efforts complement ongoing fleet safety programmes.

## Anti-corruption

According to Transparency International, some countries in which we operate suffer from high levels of corruption. Coca-Cola Hellenic's zero-tolerance approach to corruption is made clear to employees, suppliers, governments and others. Increasingly, we work with Global Compact Local Networks and others to conduct anti-corruption initiatives.

In 2011, we signed the Slovenian network's Declaration of Fair Cooperation, which requires inclusion of anti-corruption clauses in business contracts and reporting of potential violations. In Ukraine, we participated in the local network's survey on the role of business in fighting corruption in the country.

We also support campaigns directed at students and young adults. In Latvia, we marked UN International Anti-Corruption Day with an innovative video contest while in Armenia, we supported a competition among university students.

## Reporting transparently

According to our self-assessment, the sustainability reporting of Coca-Cola Hellenic qualifies for GC Advanced level. This is the highest reporting level under the new Differentiation programme and recognises companies which have adopted best practices in sustainability governance and management. Our self-assessment is available on the Global Compact website.

## Supporting anti-corruption efforts in Armenia

In Armenia, we are part of the Global Compact Local Network Steering Committee to reduce corruption.

We also work with the Organisation for Security and Cooperation in Europe (OSCE) to support their Student Working Group to address corruption in Armenian higher education. During 2011, we helped to organise a student competition to devise an anti-corruption slogan for students. The winning entry was 'Buying your education, you sell your future'.



## How Coca-Cola Hellenic promotes the 10 Principles

The 10 Principles	In operations	In supply chain	In communities
<b>Human Rights</b>			
<p><b>Principle 1:</b> <i>Businesses should support and respect the protection of internationally proclaimed human rights.</i></p> <p><b>Principle 2:</b> <i>Make sure that they are not complicit in human rights abuses.</i></p>	<ul style="list-style-type: none"> <li>• Policies: Human Rights, Equal Opportunity, Occupational Health and Safety</li> <li>• Part of management system and training</li> <li>• Third-party audits</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Guiding Principles</li> <li>• Third-party audits</li> <li>• Industry initiatives, e.g. AIM-PROGRESS</li> </ul>	<ul style="list-style-type: none"> <li>• Support of education and entrepreneurship</li> <li>• Projects to improve access to safe water and sanitation in Nigeria, Hungary, Romania</li> </ul>
<b>Labour Rights</b>			
<p><b>Principle 3:</b> <i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</i></p> <p><b>Principle 4:</b> <i>The elimination of all forms of forced and compulsory labour.</i></p> <p><b>Principle 5:</b> <i>The effective abolition of child labour.</i></p> <p><b>Principle 6:</b> <i>The elimination of discrimination in respect of employment and occupation.</i></p>	<ul style="list-style-type: none"> <li>• Human Rights policy</li> <li>• Part of management system and training</li> <li>• Unions and/or works councils in 23 countries</li> <li>• Formal communications protocol in 23 countries</li> <li>• Third-party audits</li> <li>• Gender diversity initiatives</li> <li>• Salary parity</li> <li>• Pay for entry-level positions significantly above minimum wage</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Guiding Principles</li> <li>• Third-party audits</li> <li>• Industry initiatives, e.g. AIM-PROGRESS</li> <li>• Improvement of working conditions in informal packaging collection systems</li> </ul>	<ul style="list-style-type: none"> <li>• Support of diversity initiatives, e.g. by Roma youth development in Hungary</li> </ul>
<b>Environment</b>			
<p><b>Principle 7:</b> <i>Businesses should support a precautionary approach to environmental challenges.</i></p> <p><b>Principle 8:</b> <i>Undertake initiatives to promote greater environmental responsibility.</i></p> <p><b>Principle 9:</b> <i>Encourage the development and diffusion of environmentally friendly technologies.</i></p>	<ul style="list-style-type: none"> <li>• 72 bottling plants are ISO 14001-certified</li> <li>• Policies on water stewardship, climate change, packaging</li> <li>• Since 2002, annual targets for water, energy and waste reduction</li> <li>• 100% of wastewater now treated; 44 on-site wastewater treatment plants</li> <li>• Programme to build 20 CHP plants; 9 now operational</li> <li>• Renewable energy initiatives (e.g. photovoltaic panels, geothermal)</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in innovative partnership to address water use in sugar production</li> <li>• Switch to climate-friendly refrigeration</li> <li>• Development of quad-generation CHP technology with suppliers</li> <li>• Integrating sustainability performance into supplier scorecard</li> </ul>	<ul style="list-style-type: none"> <li>• Set up 20 national recovery organisations</li> <li>• Recycling and anti-litter campaigns</li> <li>• Community water programmes in 26 countries</li> <li>• Mobilisation of volunteers from workforce, communities, other businesses</li> <li>• Host visits to our wastewater treatment facilities</li> <li>• Promotion of low-carbon technologies, e.g. at launch of each CHP unit</li> <li>• Founding signatory of CEO Water Mandate and Caring for Climate</li> </ul>
<b>Anti-Corruption</b>			
<p><b>Principle 10:</b> <i>Businesses should work against corruption in all its forms, including extortion and bribery.</i></p>	<ul style="list-style-type: none"> <li>• Code of Business Conduct reviewed and updated mandatory training and certification</li> <li>• Confidential reporting mechanisms</li> <li>• Whistle-blower protection</li> <li>• Regular risk assessment by Internal Audit</li> <li>• Reporting to Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers subject to Code of Business Conduct</li> <li>• Supplier Guiding Principles</li> <li>• Third-party audits</li> </ul>	<ul style="list-style-type: none"> <li>• Support anti-corruption initiatives e.g. Ukraine, Armenia, Lithuania, Latvia</li> </ul>



# Environmental data table

	GRI Indicator	Total amount 2011	Relative amount 2011	Relative amount 2010
<b>Production</b>		million litres beverages		
Total beverage production		11,599		
<b>MATERIALS</b>		tonnes	g/lpb	g/lpb
<b>Materials used</b>	<b>EN1</b>			
Sugar and fructose syrup		876,640	75.6	71.6
Concentrate		55,121	4.8	6.6
PET (bottles)		258,665	22.3	24.3
Plastic (closures)		25,106	2.2	2.3
Metal (crowns)		13,617	1.2	2.0
PE (labels and stretch / shrink film)		43,112	3.7	3.5
Glass (bottles)		147,216	12.7	9.5
Aluminium (cans)		48,094	4.1	3.2
Paper (labels)		1,698	0.1	0.1
Cardboard		47,493	4.1	3.4
Wood (pallets)		76,194	6.6	12.6
Percentage of materials from recycled sources	<b>EN2</b>	See CSR Report p. 36		
<b>ENERGY</b>		million MJ	MJ/lpb	MJ/lpb
<b>Direct energy use (plants and fleet)</b>	<b>EN3</b>	<b>10.841</b>	0.93	0.96
Electricity		2,700	0.23	0.23
Light heating oil		1,079	0.09	0.10
Heavy heating oil		158	0.01	0.01
Natural gas		2,267	0.20	0.18
LPG		192	0.02	0.02
Others in plants (steam, district heating, own power)		295	0.03	0.04
Diesel		1,591	0.14	0.16
Petrol		879	0.08	0.10
Estimated diesel in 3 <sup>rd</sup> -party fleet		1,680	0.14	0.14
<b>Primary energy use</b>	<b>EN4</b>			
Electricity		7,980	0.69	0.67
Fossil fuels		1,527	0.13	0.13
<b>Energy use of Cold Drink Equipment</b>				
Total cooling equipment electricity consumption		16,887		
• Coolers		16,098		
• Venders		355		
• Fountains		434		
<b>Energy saved in bottling plants</b> (vs. baseline 2004)	<b>EN5</b>	1,776	-26.0%	-27.1%
Initiatives for energy efficiency and renewable energies	<b>EN6</b>	See CSR Report pp 29-30		
Initiatives to reduce indirect energy consumption	<b>EN7</b>	See CSR Report pp 31-32		
<b>WATER</b>			litres/lpb	litres/lpb
<b>Total water received</b>	<b>EN8</b>	26,035 million l.	2.24	2.30
Water used		25,545 million l.	2.20	2.24
Water unused (discharged unaltered)		489 million l.	0.04	0.06
Water withdrawal by source (% from municipal sources)		31%		
Water habitats affected by withdrawal of water	<b>EN9</b>	none		
Total recycling and reuse of water	<b>EN10</b>	1,008 million l.	0.1 l/lpb	0.1 l/lpb
<b>BIODIVERSITY</b>				
Total amount of land owned	-	917 ha		
Land owned in protected habitats	<b>EN11</b>	none		
Major impacts on biodiversity	<b>EN12</b>	none		
Changes to natural habitats resulting from operations	<b>EN14</b>	none		
Programmes to protect habitats	<b>EN13</b>	See CSR Report pp 22-27		
Red List species with habitats affected by operations	<b>EN15</b>	none		

	GRI G3 Indicator	Total amount 2011	Relative amount 2011	Relative amount 2010
<b>EMISSIONS, EFFLUENTS AND WASTE</b>		tonnes	g/lpb	g/lpb
<b>Greenhouse gas emissions from operations</b>				
CO <sub>2</sub> from energy used in plants (scope 1)	<b>EN16</b>	224,237	19.3	18.7
CO <sub>2</sub> from electricity used in plants (scope 2)	<b>EN17</b>	311,287	26.8	28.5
CO <sub>2</sub> from fuel used in company vehicles	<b>EN16</b>	179,837	15.5	18.6
coolant emissions from Cold Drink Equipment (CO <sub>2</sub> eq)	<b>EN16</b>	14,564	1.3	2.0
CO <sub>2</sub> for product carbonation (CO <sub>2</sub> losses)	<b>EN16</b>	34,877	3.0	2.8
CO <sub>2</sub> from supplied heating & cooling (scope 2)	<b>EN17</b>	11,575	1.0	0.9
<b>Total emissions (scope 1 and 2)</b>		<b>776,377</b>	<b>66.9</b>	<b>71.6</b>
<b>Indirect greenhouse gas emissions</b>				0
CO <sub>2</sub> from electricity use of cold drink equipment	<b>EN17</b>	2,042,483	176.1	175.4
CO <sub>2</sub> embedded in packaging	<b>EN17</b>	1,525,350	131.5	135.1
CO <sub>2</sub> from sugar		405,207	34.9	33.0
CO <sub>2</sub> from 3rd-party transports		124,334	10.7	10.3
CO <sub>2</sub> from head office flights	<b>EN17</b>	1,811	0.2	0.2
CO <sub>2</sub> from product carbonation		82,846	7.1	6.6
Programmes to reduce greenhouse gas emissions	EN18	See CSR Report p. 32		
<b>Ozone-depleting substance emissions</b>	<b>EN19</b>			
CFCs and HCFCs		0.108	<0.001	<0.001
<b>Other significant air emissions</b>	<b>EN20</b>			
NO <sub>x</sub>		4,728	0.41	0.38
SO <sub>2</sub>		3,264	0.28	0.27
Particulate matter		516	0.04	0.04
<b>WASTE</b>		tonnes	g/lpb	g/lpb
<b>Amount of solid waste</b>	<b>EN22</b>			
Total amount		109,587	9.4 g/lpb	10.1 g/lpb
Recycling and energy recovery		95,112	87%	85%
<b>Hazardous waste</b>				
Hazardous waste generated	EN24	1,214	0.10 g/lpb	0.14 g/lpb
<b>EFFLUENTS</b>				
<b>Discharges to water</b>				
Quantity of waste water discharged	<b>EN21</b>	12,828 million l.	1.1 l/lpb	1.2 l/lpb
Total COD (Chemical Oxygen Demand) produced	<b>EN21</b>	5,036 t O <sub>2</sub>	434 mgO <sub>2</sub> /lpb	483 mgO <sub>2</sub> /lpb
Total COD reaching the environment	<b>EN21</b>	434 t O <sub>2</sub>	37 mgO <sub>2</sub> /l	88 mgO <sub>2</sub> /l
Water habitats affected by water discharges	EN25	0		
<b>Spills of chemicals, oils, fuels</b>	<b>EN23</b>	0.5 t	0.00004 g/lpb	0.014 g/lpb
<b>PRODUCTS AND SERVICES</b>				
Significant environmental impacts	<b>EN26</b>	CFCs and HCFCs		
Percentage reclaimable products	<b>EN27</b>	3rd party carriers		
Rate of returnable packaging		11%		11%
Possible rate of packaging recycling		See CSR Report pp 36-37		
Achieved rate of packaging recycling		See CSR Report pp 36-37		
<b>COMPLIANCE</b>				
<b>Incidents and fines</b>	<b>EN28</b>	4		
<b>TRANSPORT</b>			ml/lpb	ml/lpb
Environmental impacts of transport	EN29	See CSR Report pp 6-7, 30		
Number of vehicles		18,723		
Fuel consumption (litres)		68,948,857 l	5.9 ml/lpb	7.2 ml/lpb
<b>EXPENDITURES</b>				
Total environmental expenditures	EN 30	not public		

Note: **Core GRI indicators** are indicated in bold typeface. Additional GRI indicators are indicated in normal typeface

# Social and economic data table

GRI	TOPIC	2010	2011
<b>EMPLOYEE DEVELOPMENT</b>			
LA1	Total workforce (no. of employees)	43,189	41,302
	Full Time Equivalents (FTEs)	43,570	41,715
	Permanent employees	>95%	>95%
LA2	Employee turnover	16%	15%
<b>Training and Development</b>			
LA10	Average training hours per employee	21	19
<b>Human Rights</b>			
HR4-7	No. of workplace accountability audits	2	17
HR4-7	No. of human rights violations resulting in litigation against the Company	0	0
<b>Equality and Diversity</b>			
LA13	Women in management	24%	27.8%
LA14	Male-to-female salary equality	2%	2%
EC7	Managers of local origin	91%	82.8%
HR4	Breaches of equality legislation	0	0
<b>Labour Rights</b>			
LA4	Employees covered by collective bargaining	48%	52%
LA4	Employees belonging to independent trade unions	27%	25%
<b>Health and Safety</b>			
LA7	Fatalities (includes contractors)	9	6
LA	Accident incidence (accidents with >1 day absence per 100 employees)	1.1	0.9
LA7	Sickness absence (days absent)	233,898	210,956
LA7	Average Sickness Days per FTE	5.36	5.05
	No. of plants with OHSAS 18001 certification	65	70
	% of production volume covered	93%	92%
<b>CONSUMER HEALTH</b>			
	Percentage of still beverages (juices, waters, etc.)	36%	32%
	Average calorie content (per 100ml)	30	30.7
PR3	Rollout of GDA labels in EU territories	100%	All sparkling beverages, most others
PR5	Consumer complaints (per million containers sold)	0.28	0.26
	No. of plants with ISO 9001 certification	75 plants (99.6% of volume)	76 plants (100 % of volume)
	No. of plants with ISO 22000 certification	60 plants (78% of volume)	70 plants (92% of volume)
<b>SUPPLIER ENGAGEMENT</b>			
HR2	No of independent SGP audits	61	10
EC1	Total supplier spend	€4,030 million	€3,955 million
EC6	Spending within local territories (includes EU)	90%	90%
<b>COMMUNITY</b>			
EC1	Economic benefits		
	Total taxes	€279 million	€192 million
	Salaries & benefits	€1,163 million	€1,184 million
	Supplier spend	€4,030 million	€4,200 million
	Investment in community projects	€9.5 million (1.4% pre-tax profit)	€8 million (1.5% pre-tax profit)
EC1	Employee volunteers	6,000	5,000
	Political contributions	0	0

# GRI Index

The index below lists the disclosures and performance indicators covered in this report and in our Annual Report (AR). Text in italics refers to additional indicators. Disclosures on Management Approach can be found on the Coca-Cola Hellenic website, as well as further information on programmes.

Indicator	page	Indicator	page	Indicator	page
<b>Strategy &amp; analysis</b>		<b>Environmental</b>		<b>Labour practices &amp; decent work</b>	
1.1	1	EN1	58	LA8	42
1.2	1, 2, 6-7, 14, 17, 20, 27, 35	EN2	36, 58	LA9	41-42
<b>Organisational profile</b>		EN3	29, 58	LA10	42
2.1	Front cover	EN4	58	LA12	42
2.2	2, 3, 16-19	EN5	29-33, 58	LA13	43
2.3	2, 3, backcover	EN6	32, 48, 58	LA14	44
2.4	4	EN7	48, 58	FP3	44-45
2.5	3, 4	EN8	21, 58	<b>Society</b>	
2.6	3	EN9	58	S01	20-21, 50-55
2.7	4	EN10	22, 58	S02	12-13, 56
2.8	3, 6	EN11	58	S03	13
2.9	1, 2	EN12	58	S04	13
2.10	62, 63	EN13	58	S05	9-10, 20, 24
<b>Report parameters</b>		EN14	58	S06	None
3.1	Front cover	EN15	58	S07	None
3.2	Contents	EN16	28-30, 59	S08	12
3.3	Contents	EN17	32, 59	FP4	16-19
3.4	Back cover	EN18	28-33, 59	<b>Product responsibility</b>	
3.5	Contents, 12, 13	EN19	59	PR1	16-19
3.6	Contents	EN20	59	PR2	19
3.7	Contents	EN21	22-25, 59	PR3	18
3.8	Contents	EN22	39, 59	PR4	19
3.9	Contents, 15, 22	EN23	59	PR5	8-9
3.10	N/A	EN24	59	PR6	18
3.11	Contents	EN25	59	PR7	18
3.12	61	EN26	34-39, 59	PR9	19
3.13	Contents	EN27	35-36, 59	FP5	14, 19
<b>Governance, commitments, engagement</b>		EN28	59	FP6	16-18
4.1	12-15	EN29	59	FP7	18
4.2	AR	EN30	59	FP8	18
4.3	AR	<b>Human rights</b>		<b>Economic</b>	
4.4	8-13	HR1	NA <sup>1</sup>	EC1	58
4.5	14, 45	HR2	46, 49	EC2	28
4.6	AR	HR4	None	EC3	44
4.7	AR	HR5	None	EC4	€0.4 million
4.8	12-15	HR6	None	EC5	45
4.9	10-11, 12-13	HR7	None	EC6	6
4.10	14-15	HR8	N/A	EC7	43
4.11	28, 57	HR9	N/A	EC8	50-55
4.12	15	<b>Labour practices &amp; decent work</b>		EC9	49
4.13	9	LA1	43		
4.14	8-11	LA2	43		
4.15	8-13	LA4	44		
4.16	8-11	LA5	8.5 weeks		
4.17	11-13	LA6	41-42		
		LA7	42		

1. The Company has made no significant investment agreement in 2011.



# Awards and recognition

## Overall

- **Austria** Green Brand Austria 2011/2012 - Römerquelle
- **Belarus** Best Entrepreneur, Council of Ministers, Belarus
- **Belarus** Commendation Diploma, Ministry of Natural Resources & Environmental Protection; Commendation Diploma, State Ecological University
- **Bulgaria** Greenest Business in Bulgaria, Ministry of Environment and Waters
- **Bulgaria** Overall CSR Policy, *Forbes* magazine
- **Bulgaria** Investor in Environment, CSR Awards, Bulgarian Business Leaders Forum
- **Croatia** CSR Index, Croatian Business Council for Sustainable Development and Croatian Chamber of Economy
- **FYROM** CSR Recognition, Ministry of Economy & National Coordinating Body for CSR
- **Estonia** CSR Index, 2<sup>nd</sup> place
- **Greece** Corporate Responsibility Index, GOLD distinction
- **Greece** Gold Award for Business Ethics, European Business Ethics Network
- **Latvia** Silver Award in Sustainability Index 2011
- **Nigeria** Most Socially Responsible Company & Most Environmentally Friendly Company, SERA 2011 Awards
- **Poland** Responsible Business Leader 2011, Employers of Poland
- **Serbia & Montenegro** Belgrade Winner, Belgrade Chamber of Commerce
- **Ukraine** Leader in Environmental Protection, Ministry of Environmental Protection
- **Group** Best Investor Relations Department, *Institutional Investor*

## Environment

- **Croatia** PR News CSR Award & PR News Platinum PR Award, *PR News*
- **Croatia** CBTour Award, Sigma Investors' Society and Croatian Chamber of Economy – European Enterprise Network Croatia
- **Ireland & Northern Ireland** Silver Pride Award for Best Community Relations and Best Corporate Responsibility, Chartered Instituted of Public Relations
- **Ireland & Northern Ireland** Best Energy Manager, 2011 Sustainable Ireland Awards, *Sustainable Ireland*
- **Bulgaria** Best CSR project: My Green City, Bulgarian Association of Human Resources
- **Poland** Responsible Initiative of the Month for Kropla Beskidu new eco-bottle, Portal CSR.pl
- **Poland** Retail Hit 2011 Award for Coca-Cola 2L PET bottle, *HANDEL*

## Consumer health

- **Armenia** Best Healthy Lifestyle Promotion, Armenian Centre of PR Development
- **Belarus** Commendation Diploma, Belarus Athletic Federation
- **FYROM** Best Corporate Supporter of Sport, Aces choose Aces
- **Russia** Best Commercial Organisation for Contribution to Sports, Central district of Moscow
- **Poland** Champion of the Year 2011 - Patron of Youth Sports, *Przegląd Sportowy*
- **Ukraine** Excellence mark for Rich Apple - Scientific Research Centre of Independent Consumers' Expertise TEST

Poland



Romania



Bulgaria



Nigeria



Ukraine



Armenia



Ireland



Belarus



Serbia

## Employee development

- **Belarus** Best Employer 2011, Best Brand contest
- **Bosnia and Herzegovina** Most Desirable Employer, AIESEC
- **Bosnia and Herzegovina** Most Desirable Employer, www.posao.ba
- **Croatia** Key Difference Award for Diversity Management in Human Resources, Croatian Government Agency for Human Rights
- **Czech Republic** Most Desirable Company, AIESEC
- **Hungary** Bicycle-Friendly Workplace Award, Ministry of Rural Development and of National Development
- **Hungary** Most Desired Workplace, Aon Hewitt, AIESEC
- **Ireland & Northern Ireland** Gold Pride Awards for Best Internal Communications & Best Internal Magazine, Chartered Institute of Public Relations
- **Romania** Best Human Resources Projects - Forming & Developing People and Organisational Development, HR Club
- **Russia** Grand Prix, Internal HR-brand, www.headhunter.ru
- **Slovenia** Respected Employer, www.mojedelo.com
- **Switzerland** HR Award, *HR Today*
- **Serbia and Montenegro** Most Desirable Employer, and Best HR project in Serbia

## Community involvement

- **Hungary** Volunteering Award, KÖVET Association; Corporate Volunteer Programme of the Year, Volunteer Centre Foundation; CSR Best Practice Award - Corporate Volunteer Programme, Hungarian PR Association
- **Italy** Aretè Prize, Confindustria
- **Latvia** Socially Responsible Partner in Entrepreneurship Education Development 2011. Junior Achievement, Young Enterprise Latvija
- **Latvia** Award of Honour, School of Business Administration Turība Student Self Government
- **Latvia** Good Star in Riga, NGO Trepes
- **Ireland & Northern Ireland** Model of Excellence, Royal National Institute for the Blind
- **Russia** Corporate Volunteer of 2011, Deputies Council of Novosibirsk
- **Serbia and Montenegro** ISKRA Award for Philanthropic Excellence, NGO Staze
- **Serbia and Montenegro** Certificate of Appreciation, SOS Village Kosovo, Best Business Award, American Chamber of Commerce & UNDP
- **Serbia and Montenegro** European Employee Volunteering Award

 *More awards and recognitions can be found at our countries websites, visiting*  
[www.coca-colahellenic.com/Interactivemap/](http://www.coca-colahellenic.com/Interactivemap/)

Latvia



Switzerland



Italy



Czech Republic



Estonia



Slovenia



Russia



Austria



Bosnia and Herzegovina



Lithuania

# Validation statement

## Independent assurance report on the 2011 CSR Report

To the management and the stakeholders of Coca-Cola Hellenic Bottling Company S.A.,

denkstatt GmbH has been commissioned by the Coca-Cola Hellenic Bottling Company S.A. (hereinafter referred to as "the Company") to carry out an independent thirdparty assurance engagement in accordance with the AA1000AS (2008) Assurance Standard on the printed and downloadable pdf versions of the Company's 2011 Corporate Social Responsibility (CSR) Report (hereinafter referred to as "the Report"). We have reviewed both the contents of and data included in the Company's Report for the 2011 financial year. The assurance engagement covered the nature and extent of the Company's incorporation of the inclusivity, materiality and responsiveness principles on stakeholder dialogue contained in the AA1000 Accountability Principles Standard 2008 [AA1000APS (2008)]. The application levels of the Guidelines of the Global Reporting Initiative (GRI G3 1.0), as well as Food Processing Sector Supplements were checked. Furthermore, relevant core topics of the international ISO26000 guideline were considered in the audit.

## Management responsibilities

The Company's Management is responsible for preparing the Report and related website text, and the information and statements within it. They are responsible for identifying stakeholders and material issues, defining commitments with respect to CSR performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Furthermore, Management is also charged with establishing data collection and registration, and internal control systems to ensure reliable reporting, specifying acceptable reporting criteria and choosing data to be collected for intended users of the Report. Its responsibilities also extend to preparing the Report in accordance with the GRI Sustainability Reporting Guidelines.

## Assurance provider's responsibilities

On the basis of our work, our responsibility is:

- To express a conclusion and make recommendations on the nature and extent of the Company's adherence to the AA1000APS (2008) principles.
- To express a conclusion on the reliability of the information in the Report, and whether it is in accordance with the criteria of the GRI Guidelines.

Our team of experts has extensive professional experience of assurance engagements related to non-financial information. In addition, our team is skilled and experienced in assessing non-financial information and sustainability management, making it qualified to conduct this independent assurance engagement. During 2011 we did not perform any tasks or services for the Company or other clients which would lead to a conflict of interest, nor were we responsible for the preparation of any part of the Report.

## Scope, standards and criteria used

We have fulfilled our responsibilities to obtain appropriate assurance that the information in the Report is free of material misstatements. Furthermore, we planned and performed our work based on the GRI G3 guideline and in accordance with AA1000 AS (2008). We used the

criteria in AA1000APS to perform a Type 2 engagement and to obtain a moderate level of assurance regarding the nature and extent of the Company's adherence to the principles of inclusivity, materiality and responsiveness.

## Methodology, approach, limitation and scope of work

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary in relation to the above scope. Our work included the following procedures based a range of evidencegathering activities which are further explained below:

- Inquiries and interviews with members of the Executive Management, staff from the Sustainability Department, the Reporting Department, as well as various Group-level functional managers, regarding the Company's adherence to the principles of inclusivity, materiality and responsiveness. This includes Management's commitment to the principles, the existence of systems and procedures to support adherence to the principles, and the embedding of the principles at corporate level. Furthermore interviews conducted in national headquarters in Armenia, Croatia, Italy, Nigeria, the Republic of Ireland and Russia, in order to guarantee the completeness of the information required for the audit.
- Understanding relevant documentation
- Site visits to nine bottling plants, with a focus on emerging markets:
  - Established markets: Belfast (Northern Ireland) and Marcianise (Italy)
  - Developing markets: Zagreb (Croatia)
  - Emerging markets: Multon St. Petersburg and St. Petersburg CSD, Moscow CSD (all Russia), Yerevan (Armenia), Ikeja and Enugu (both Nigeria)
- Inquiries and spot checks aimed at obtaining evidence of implementation of the Company's policies (at plant, national level and corporate level)
- Inquiries and spot checks regarding selected documentation required to assess the current data collection systems, and the procedures implemented to ensure reliable and consistent reporting from the plants to the corporate level
- Checking the GRI index in the Report to ensure consistency with the requirements of GRI application level A+ The scope of the assurance covered the whole Report and focused on Company systems and activities during the reporting period, with the following exceptions:
- Verification of financial data (p. 2-3), the sustainability milestones (p. 4-5), as well as the Awards & Recognition chapter (p.62-63)

## Findings and conclusions

### Inclusivity

- The Company's Management is strongly committed to inclusivity and stakeholder engagement. In addition, the Company has introduced effective systems to encourage stakeholder participation in the organization's response to sustainable development issues, particularly in the shape of the corporate-level stakeholder panel.
- In addition, it is important to react to changing social trends when appointing stakeholder panels and working groups. Consequently, it is recommended that topics such as consumer health and employees play an increasingly important role in stakeholder groups in the future.



- The selection criteria for stakeholders, and the need for bespoke issue management processes at national and local (plant) level could be made clearer to ensure balanced representation and effective long-term relationships.

### Materiality

- The Company has a process in place to determine material issues at management level. Furthermore, the Company has a number of senior management governance bodies charged with discussing, evaluating and determining the materiality of sustainability issues on an ongoing basis (CSR Committee and CSR Council).

However, the criteria for assessing materiality are more informal, which could lead to inconsistent assessments between operating companies. Emerging issues could also be better addressed within the materiality assessment.

### Responsiveness

- The Company was found to be especially responsive to external stakeholder concerns and expectations. This was achieved through the Company's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms used regularly. Internal dialogue, and the detailed structure of the channels used to inform and communicate with employees are supported by numerous measures, and represent an improvement on the previous Report.
- The Company's group policies and guidance on management of material issues are comprehensive. Although issue management is very highly developed, exceptions can be found in relatively new topics and in policies that were published quite recently. Increased integration of topics such as climate change and equality policy statements in national-level strategy is also required.

### Performance information

- The findings of the assurance engagement highlight the effectiveness of the systems and processes used for managing and reporting information on sustainability performance. Data trails are identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origins and interpretation of data.
- The majority of the data and information presented were found to be accurate. In general, the quality of reporting was high, as was the compliance of environmental data. Data for community involvement and fleet management indicate that there is still room for further improvement in terms of traceability, respectively reliability.
- The Company has excellent sustainability management processes, with long-term goals for water and energy. The Company has taken a number of steps designed to enhance water efficiency and move towards increasingly low-carbon operations.

Based on our review, we believe that the information presented in the Report of the Company is free of material misstatements and has been stated in accordance with the criteria outlined above. Furthermore, nothing has come to our attention which suggests that the Company does not adhere to the AA1000APS (2008) principles or the requirements of the GRI G3 guidelines application level A+.



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000-86



## Recommendations

The following is an excerpt from the observations and recommendations designed to encourage continuous improvement, as reported to the Management of the Company. However, these do not affect our conclusions on the Report.

### Inclusivity

- Important national stakeholders are identified. We recommend further enhancing strategic communications in this area, in particular regarding stakeholder mapping in combination with effective issue management systems. Examples of best practice in stakeholder management should be shared across the group.
- The company should work with national level stakeholders in relation to jointly recognized materiality issues and make effective use of mapping to enter into a long-term dialogue. Important inputs for such an approach include joint projects and programmes that satisfy common needs.
- The plants have only a limited idea of which stakeholders should be identified and included. As a result, formal structures or processes might help to improve stakeholder management.

### Materiality

- There are a number of interpretations of corporate volunteering within the Company. In order to strengthen commitment to such activities, we recommend establishing of clear guidelines for the internal implementation of the Corporate Volunteering Program.
- In order to permanently integrate sustainability issues at plant and national level, long-term goals (2020) should be identified for each level.

### Responsiveness

- In order to reflect the topical issue of obesity, we recommend increased integration of external stakeholders from the field of consumer health in platforms such as the stakeholder panel. We also recommend strengthening the focus on internal stakeholder concerns by involving local unions and works councils in the stakeholder panel.
- Additional information on key issues like corruption prevention and the effectiveness of anticorruption measures should be included in the Report.

### Additional recommendations

- National CSR activities are the responsibility of crossfunctional teams. A more effective approach is necessary to ensure that the members of these teams are more clearly identified.
- Long-term consumer health, employee development, supplier engagement and community involvement goals should be introduced.
- Formal data calculation processes would ensure reliability of information across the Company, especially with regard to vehicle fleets and anti-corruption initiatives, and in relation to community involvement and corporate volunteering.

Vienna, 2 May, 2012  
denkstatt GmbH

Willibald Kaltenbrunner  
Lead Auditor, Managing Director denkstatt



# Stakeholder review statement

For the second year, a panel of external stakeholders was commissioned by Coca-Cola Hellenic to review its sustainability reporting. The statement below represents the panel's assessment of the company's 2011 Social Responsibility Report. We express our collective view as individuals, not on behalf of our organisations.



in corporate responsibility, Coca-Cola Hellenic is expected to continue viewing indirect impacts as its direct responsibilities. In understanding the structure of these impacts, however, it would be useful to set out the global Coca-Cola System, including Coca-Cola Hellenic's position therein. It would also be necessary to distinguish clearly between upstream impacts (supply chain and production) and downstream impacts (distribution and sales). The value chain could be illustrated by displaying both social and environmental issues representing the company's negative externalities along the value chain. The stakeholders deemed to benefit from the new shared value approach could similarly be mapped. Breaking down information in this manner would increase transparency and allow for better evaluation of Coca-Cola Hellenic's progress. We shall observe with interest how Coca-Cola Hellenic will continue to improve the management and monitoring of these issues.

## Identification of material topics

Coca-Cola Hellenic's report is complete. It balances the three pillars of corporate responsibility and reflects the company's responsiveness to its stakeholders. By implementing a recommendation of the previous stakeholder review, Coca-Cola Hellenic introduced a materiality matrix that plots stakeholder concerns in relation to business relevance. Compared to previous reports, the identification of relevant issues is now more systematic and explicitly includes stakeholder perspectives. It would, however, be valuable if the process by which this is done were described. We recommend listing the stakeholders involved as well as introducing the members of relevant internal committees. The way in which Coca-Cola Hellenic works with this materiality matrix and the priorities derived could also be explained in more detail. How the materiality matrix evolves over time would also be interesting for Coca-Cola Hellenic and its stakeholders as an indication of upcoming trends.

## Responsibilities within the company's sphere of influence

We appreciate the increasing focus on Coca-Cola Hellenic's extensive value chain as a means of better evaluating the direct and indirect impact of its activities. As an industry leader

## Upcoming challenges

As suggested by the previous stakeholder review, Coca-Cola Hellenic addresses two upcoming challenges that will be of ever increasing relevance to the company: consumer health and demographic change. We welcome the fact that consumer health has moved to the top of Coca-Cola Hellenic's agenda, as indicated by the new order of topics in this report. However, fewer targets and concrete actions to promote and monitor consumer health are presented than for in any of the environmental issues. We recommend formalising reporting on this issue. We would also encourage the company to collaborate with key stakeholders in defining its strategy to confront obesity and diabetes. Similarly, demographic change has been recognised by the company as an upcoming challenge. Whether the company has analysed the issue and developed a strategy is not apparent in the report. We recommend that this issue is addressed in future reports.

## Quantity and quality of data

The amount of data presented in the report is impressive and the reliability of the entire set of non-financial performance data is independently assured (a moderate level of assurance). While the quality of reporting is well advanced, we recommend seeking high-level assurance for at least some

data in future reports. As the quality of data is firmly established, another question arises: will the amount of data help the readers understand Coca-Cola Hellenic's achievements and challenges? We recommend increasing reader guidance in future reports. The "bigger picture" should be explained first: relevance of issues covered, corporate responsibility strategy and vision. Performance data should be confined to subsequent chapters. With regard to highly complex data, calculation and estimation methods should be better explained. Information boxes explaining environmental impact assessment, water footprint methodology and carbon footprint calculation could be useful for many readers. Targets should be presented in context for the reader to understand the level of Coca-Cola Hellenic's ambition. We recommend adjusting key performance indicators according to key sustainability challenges (e.g. more ambitious reduction of water use in water stress areas) in order to make sure the company improves in the most relevant fields. To clearly demonstrate achievements, performance increasingly needs to be compared to relevant benchmarks, which is so far only selectively done,

e.g. the water footprint comparison. Lastly, a more scientific analysis of the data could be presented for specialised readers, which would add credibility and back up the claims made in the report.

## Conclusion

Coca-Cola Hellenic's 2011 Social Responsibility Report demonstrates that the company takes its corporate responsibility management and sustainability reporting very seriously. We encourage Coca-Cola Hellenic to continue looking beyond legal requirements and ahead of industry. In order to maintain a leadership position, we recommend adopting a more forward looking approach in future reports. While we appreciate that many long term goals have been set for the environmental sector, we would like to see indicators for change for the medium and long term covering all the key issues included in this report. By tackling the most controversial issues, Coca-Cola Hellenic will truly influence the entire industry for the better.

## Participants and process

In October 2011, the Stakeholder Panel met to discuss Coca-Cola Hellenic's sustainability programmes in advance of the 2011 report's development. In May 2012, the panelists individually assessed the draft 2011 Social Responsibility Report. During a telephone conference they discussed the draft Stakeholder Review Statement, which was prepared by the chair based on input from all panelists. This Stakeholder Review Statement was endorsed by each panelist.

The members of the Stakeholder Panel have no financial interests relevant to the business of Coca-Cola Hellenic. An honorarium was offered to all panelists for their contribution to the review statement.

The Stakeholder Panel included the following individuals:

- Marcio Amazonas, Plastic Technologies, Inc.
- Alain Beaumont, AGEF Association Management
- Prof. Geoffrey Boulton, University of Edinburgh
- Salvatore Gabola, The Coca-Cola Company
- Dr. Aileen Ionescu-Somers, IMD's Center for Corporate Sustainability Management
- Andrea Kammerer-Schünke, Fondation Guilé (Chair)
- Stuart Orr, WWF International
- Stephan Savic, AGRANA Beteiligungs-AG
- Philip Weller, International Commission for the Protection of the Danube River (ICPDR)

# Glossary of terms

**AIESEC:** the world's largest student-run organisation that focuses on providing a platform for youth leadership development.

**Bottlers:** Business entities that sell, manufacture, and distribute beverages of The Coca-Cola Company under a franchise agreement

**Bottling plant:** A beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations

**Caring for climate:** This framework allows UNGC participants to advance practical solutions to climate change and help shape public policy and public attitudes

**CEO Water Mandate:** Launched by the UNGC, this is a call to action and a strategic framework for companies to address water sustainability in their operations and supply chains

**Coca-Cola Hellenic:** Coca-Cola Hellenic Bottling Company S.A. and, as the context may require, its subsidiaries and joint ventures. Also referred to as "the Company" or "the Group"

**Coca-Cola System:** The business system comprising The Coca-Cola Company and its bottling partners

**Cold Drink Equipment (CDE):** Coolers, vending machines and fountains in the marketplace that cool beverages for immediate consumption

**Combined Heat and Power (CHP):** A power generation system that can produce power, heat, cooling and in some cases CO<sub>2</sub> in a combined process

**Consumer:** Person who drinks Coca-Cola Hellenic's beverages

**Customer:** Retail outlet, restaurant or any other business that sells or serves Coca-Cola Hellenic products to consumers

**CSR:** Corporate Social Responsibility

**Distribution:** Getting the product from bottling plant to marketplace; includes sales, delivery, merchandising and local account management

**Energy use ratio:** The KPI used by Coca-Cola Hellenic to measure energy consumption in the bottling plants, expressed in megajoules of energy consumed per litre of produced beverage (MJ/lpb)

**EU Platform for Action on Diet, Physical Activity and Health:** A multi-stakeholder initiative to combat overweight and promote physical activity

**GDA:** Guideline Daily Amount

**Global Reporting Initiative (GRI):** The GRI sustainability reporting guidelines are the most widely used framework for reporting CSR performance

**Greenhouse Gas (GHG) Protocol:** This widely used international accounting tool allows organisations to quantify and manage greenhouse gas emissions

**Hydrofluorocarbon (HFC):** Chemical compound used in cooling equipment, which contributes to global warming

**ICPDR:** The International Commission for the Protection of the Danube River is our partner in the Green Danube programme

**ISO:** International Standards Organisation

**KPI:** Key Performance Indicator

**Landfilled waste:** Waste from bottling operations which is not recycled, re-used or incinerated with heat recovery, but which is sent to landfill for disposal

**LBG (London Benchmarking Group) Model:** This tool is used by leading businesses to measure corporate community involvement

**Lightweighting:** Reducing the amount of raw materials used to produce lighter packaging

**Litres of produced beverages (lpb):** Unit of reference for environmental indicators

**Operations:** Manufacturing activities (bottling plants) and distribution activities (vehicles) under our operational control

**PET (Polyethylene Terephthalate):** A form of polyester used to make lightweight, shatter-resistant bottles for beverages, food and non-food. PET can be recycled into new containers, clothing, carpeting, automotive parts and industrial materials

**PET-to-PET or Bottle-to-Bottle:** A recycling system for post-consumer PET bottles. Used bottles are collected, sorted, cleaned, ground and transformed into new material for manufacture in PET bottle preforms

**Plant:** Also referred to as bottling plant, a beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations

**Supplier Guiding Principles (SGPs):** Coca-Cola Hellenic's social and environmental requirements for suppliers

**Supply chain:** Relates to our suppliers and upstream impacts

**SIFE:** An international non-profit organisation that works with business and higher education to help students become socially responsible business leaders

**The Coca-Cola Company (TCCC):** The world's leading producer of non-alcoholic concentrates and syrups used to produce nearly 400 beverage types under licence agreements

**UNESDA:** The Union of European Beverages Associations is the European trade association representing the non-alcoholic beverages industry

**UN Global Compact (UNGC):** The world's largest corporate citizenship initiative provides a framework for businesses to align strategies with its ten principles promoting labour rights, human rights, environmental protection and anti-corruption

**Value chain:** Relates to both our suppliers and customers, the upstream and downstream impacts of our business

**Waste ratio:** The KPI used by Coca-Cola Hellenic to measure waste generation in the bottling plant, expressed in grammes of waste generated per litre of produced beverage (g/lpb)

**Waste recycling:** The KPI used by Coca-Cola Hellenic to measure the percentage of production waste at bottling plants that is recycled or recovered

**Water use ratio:** The KPI used by Coca-Cola Hellenic to measure water use in the bottling plant, expressed in litres of water used per litre of produced beverage (l/lpb)

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### Emerging markets

Armenia	Montenegro
Belarus	Nigeria
Bosnia and Herzegovina	Romania
Bulgaria	Russia
FYROM	Serbia
Moldova	Ukraine

### Developing markets

Croatia	Lithuania
Czech Republic	Poland
Estonia	Slovakia
Hungary	Slovenia
Latvia	

### Established markets

Austria	Northern Ireland
Cyprus	Republic of Ireland
Greece	Switzerland
Italy	



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