



# GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS 2008

**Our Mission:** Our mission is to refresh our consumers, partner with our customers, reward our stakeholders and enrich the lives of our local communities.

- Our Values:**
- Acting with integrity and delivering on every promise
  - Committing passionately to excel at all we do
  - Competing to win, as one team
  - Ensuring our people reach their full potential
  - Treating everyone openly, honestly and with respect.

**Our corporate vision:** To become «the undisputed leader ... in every category in which we compete».

## Statement of support

I am pleased to present the second Communication on Progress of Coca-Cola Beverages Ukraine, a member of the Coca-Cola Hellenic Group, the second largest Coca-Cola bottler in the world.

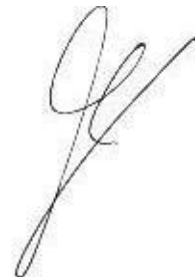
All Coca-Cola Hellenic operations are committed to acting in socially responsible ways in each of our markets and to pursuing the sustainable development of the communities we serve. The Group has supported the UN Global Compact since 2005, and Coca-Cola Beverages Ukraine became a member of the Ukraine's network in 2006.

At Coca-Cola Beverages Ukraine, we are working to make a difference. We are a Ukrainian company because our products are produced by Ukrainians using Ukrainian raw materials, for the enjoyment and refreshment of Ukrainians. Our long-term commitment to corporate social responsibility is based on a strong belief that our success depends on the success of the local community. Through support of important Ukrainian community projects such as the Country of Dreams Festival, cooperation with the Klichko Brothers' Fund, and initiation of a number of environmental events, we pursue one goal: to make a genuine contribution while promoting the values we share with the Ukrainian community.

We give extremely high importance to our employees in our effort to become the employer of choice. We offer competitive social packages and invest in training and professional development of our personnel, and we are proud that 95% of our managers have grown in our company.

I believe this new 2008 Report will be of interest to our employees, consumers, and all stakeholders as it gives a picture of our commitment to social activity in Ukraine and demonstrates the importance we give to this issue.

**Marcel Martin,  
General Manager**

A handwritten signature in black ink, appearing to be 'Marcel Martin', written in a cursive style.

<b>Company Name</b>	Coca-Cola Beverages Ukraine Limited
<b>Sector</b>	FMCG (Fast Moving Consumer Goods)
<b>Address</b>	51 <sup>st</sup> km of St. Petersburg Shosse Velyka Dymarka Kyiv Oblast 07442
<b>Country</b>	Ukraine
<b>Number of employees</b>	2200
<b>Date of joining GC</b>	15 September 2006
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<b>Date</b>	22 January 2009

#### **Brief description of nature of business**

Coca-Cola Beverages Ukraine manufactures beverage products licensed by The Coca-Cola Company. These two companies make up the Coca-Cola System in Ukraine.

Coca-Cola Beverages Ukraine produces, sells and distributes some of the most popular beverage brands in the world, including Coca-Cola, Fanta, Sprite, Coca-Cola light, as well local juices brands Rich and Dobriy, BonAqua water and others. The range of Coca-Cola beverages offered in Ukraine is continually expanding.

While some of our beverages, such as Coca-Cola, Fanta and Sprite, have universal appeal and are recognized the world over, others are created to suit the tastes, traditions and preferences of consumers in the local marketplace.

#### **Our beverages**

- Sparkling beverages: Coca-Cola, Coca-Cola light, Coca-Cola Vanilla, Fanta, Sprite, Schweppes, Fruktime
- Still and sparkling water: BonAqua (carbonated, lightly carbonated, non-carbonated), Yurske Dzherelo
- Juices and juice drinks: Rich (13 flavours) and Dobriy (10 flavours)
- Energy drinks: Burn
- Ready-to-drink teas: Nestea (4 flavours)
- Ready-to-drink coffees: Illy (3 flavours)
- Kvas Yarylo

Our company is a member of the Coca-Cola Hellenic Group, serving 550 million people across 28 countries. The Group is one of the largest bottlers of non-alcoholic beverages in the world.

## HUMAN RIGHTS

**Principle 1** Business should support and respect the protection of international human rights within their sphere of influence.

**Principle 2** Business should make sure they are not complicit in human rights abuses.

### **The Company's Commitment or Policy**

Coca-Cola Beverages Ukraine recognises the diversity of its consumers, customers, suppliers, and of its own people.

The company conducts its business in a responsible and ethical manner, respecting internationally recognised principles of human rights enshrined in the UN Universal Declaration of Human Rights and the ten principles of UN Global Compact.

Coca-Cola Ukraine Beverages is committed to the advocacy of its core values, including the principles and ethical standards outlined within the Coca-Cola Hellenic Group's Code of Business Conduct.

### **A brief description of Internal Systems in place**

*Coca-Cola Beverages Ukraine has in place a Code of Business Conduct, an Equality Policy, a Policy on HIV/AIDS, and a Human Rights Policy.*

**Human Rights:** As with all other business commitments, the company seeks to make its human rights performance one of consistent improvement. To achieve this it:

- Educates and trains employees, particularly managers, in the application and implications of the human rights policy.
- Monitors and measures its own performance against the policy.
- Systematically assesses its performance against best practice to continually improve its aspirations and performance.

**Promoting Equality of Opportunity:** It is the company's policy not to discriminate in any aspect of employment on the grounds of race, religion, colour, ethnic or national origin, age, disability, sexual orientation, political opinion, gender or marital status.

**Work/life balance:** The company acknowledges and promotes a healthy balance between its employees' working and personal lives and respects the commitments employees have outside of the work environment. The company recognises that everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

**Approach on HIV/AIDS:** Coca-Cola Beverages Ukraine strictly upholds the confidentiality of all information on the HIV status and condition of employees. The company supports voluntary testing and therefore will not at any point require new or existing employees to be screened or tested for HIV/AIDS unless there is a legal requirement to do so.

### **Actions**

Coca-Cola Beverages Ukraine is an official partner of the **Special Olympics** in Ukraine, providing financial support to the organisation. The goal of the Special Olympics is to provide every person with intellectual disabilities an opportunity to feel him/herself a welcome and useful member of society. The Special Olympics supports the healthy physical development of participants,, gives them joy and self-respect, and helps them learn about new aspects of life.



*Athletes in the Special Olympics enjoy the camaraderie of competition*

Coca-Cola Beverages Ukraine is a member of the **Global Business Coalition (GBC) Against AIDS, Tuberculosis and Malaria**, and actively supports its projects. For the International Day Against Drug Abuse and Illicit Trafficking, which is marked on 26 June, the company supported the GBC initiative “**HIV/AIDS and Drugs: What’s in Common?**” This programme was aimed at raising public awareness of the HIV/AIDS and drugs issue, and included, in particular, publication of information leaflets on HIV/AIDS and drugs issue. These leaflets were distributed in the Eastern Regions of Ukraine, where the infection rate is the highest in the country.

**ВИЧ СПИД** **и наркотики:**  
**что общего?**

**СТОСУЄТЬСЯ КОЖНОГО**

Дізнайся більше >>>  Небезпекою є не тільки зараження, а й поширення вірусу

**8 800 500 45 10**



A non-commercial advertising campaign “**Sex Must Be Protected**” became the second action organised by the GBC in partnership with Coca-Cola Beverages Ukraine, MTV, and Sanoma Magazines. A set of video and radio reels, metro lights and citylights, as well as posters and leaflets on safe sex were developed. These advertisements feature famous Ukrainian soccer player Vladislav Vaschuk, popular cultural stars, MTV anchors and representatives from the Sanoma Magazines Ukraine – all of whom are familiar to the Ukrainian general public. The paramount benefit of communicating HIV-related messages through well-known Ukrainian celebrities is that local youth can easily identify with them and realise that the HIV epidemic

affects everyone in Ukraine irrespective of their gender, social status, occupation and even HIV-negative status.

**Факти про ВІЛ/СНІД в Україні:**

- За оціночними даними, в Україні ВІЛ-позитивними є 440 тис. осіб.
- 14 025 українців померли від СНІДу, серед них 242 - діти.
- Кожного дня 49 українців інфікуються ВІЛ, з них 39 - молодші 30 років.
- 4 із 5 ВІЛ-позитивних не знають свій ВІЛ-статус.
- 4 з 5 людей, які живуть з ВІЛ, молодші 30 років.
- Зростає інфікування ВІЛ статевим шляхом: 38,4% від усіх випадків інфікування у 2007 році.

SanomaMagazines  
TV  
Coca-Cola  
Український Червоний Хрест

Цей інформаційний продукт створено спільними зусиллями видавничого дому «Саномма Медіа», телеканалу ІМТ Україна, МКО «Український Червоний Хрест» та за підтримки компанії «Кода-Колга» в рамках Українського національного партнерства з фондом «ВІЛ/СНІД».

Poster of the “Sex Must Be Protected” campaign

In 2008, Coca-Cola Beverages Ukraine supported the **European Youth Parliament – Ukraine (EYP-Ukraine)**. Human Rights became the key focus of this year’s session. The primary aims of the session were to motivate young people from Ukraine to get involved in current European issues and to raise their awareness and knowledge of current situations in the sphere of Human Rights in both Ukrainian and European dimensions. Another key objective was to confront students with a democratic decision-making process, with all its challenges and advantages, and to thereby contribute to their active engagement in democratic citizenship. This activity involved promoting and enabling inter-cultural dialogue, such as getting to know others, developing a feeling for the diversity of cultures and opinions in Europe, respecting these differences, and learning to work together for a common good.

Coca-Cola Beverages Ukraine was among the companies which signed the Global Compact **Business Address in the Support of Human Rights** issued in observance of the 60<sup>th</sup> Anniversary of the UN Declaration on Human Rights. Signing this Address, the Company has reaffirmed its adherence and observance of the UN Declaration on Human Rights.

Coca-Cola Beverages Ukraine plans to continue its partnership with the Special Olympics Ukraine, to support disabled persons through charitable programmes, and its cooperation with the GBC as well as the UN on human rights issues.

### Results and Outcomes

Sponsorship from Coca-Cola Beverages Ukraine assisted the **Special Olympics** to organize and/or participate in 5 national and 5 international sport events. Special Olympics Ukraine cover 18 regions of the country involving 17,000 athletes who have brought to Ukraine an impressive collection of gold, silver, and bronze medals from international tournaments.



*European Football Week champions*

During the “**HIV/AIDs and Drugs: What’s in Common?**” campaign on June 24-26, 200,000 informational leaflets on HIV/AIDS prevention and drug use were distributed in the city of Donetsk. Leaflets comprised addresses of centres, hospitals and organisations where people could receive HIV tests, support, assistance and consultations on HIV/AIDS and drugs use related issues in the city which ranks second in Ukraine in terms of HIV infection. As a result of the awareness-raising effort, phone calls to the hotline on HIV/AIDS increased almost two-fold.

As part of the “**Sex Must Be Protected**” campaign, on the occasion of the World AIDS Day:

- around 40,000 leaflets were distributed through the network of Kinopalace cinemas, Brocard stores, and Levi’s stores in Kyiv and oblast centres in Ukraine;
- 250 citylights were distributed and placed through the regional branches of the State Social Service for Family, Children and Youth in different regions of Ukraine
- 200 metro lights of the campaign were displayed in Kyiv metro
- Video spots also were specially adapted and placed in pre-movie shows in 17 cinemas.

More than 130 students – delegates from all regions of Ukraine -- gathered in Kyiv for the second National Session of the **EYP-Ukraine**. They formed 8 committees working on particular issues. Each of the committees adopted resolutions touching human rights issues. These documents were submitted to EYP Head office in Berlin and to Ukrainian government bodies as recommendations of the Ukrainian Youth.



*Ukrainian students take an active role in the European Youth Parliament*

### **LABOUR STANDARDS**

<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
<b>Principle 4</b>	Businesses should eliminate all forms of forced and compulsory labour.
<b>Principle 5</b>	Businesses should uphold the effective abolition of child labour.
<b>Principle 6</b>	Businesses should eliminate discrimination in respect of employment and occupation.

### **The Company's Commitment or Policy**

It is the company's policy that its operations be managed to protect the health and safety of its employees and the communities where it does business. Sound operating practices are followed to foster a safe working environment. The company has a Code of Business Conduct, an Equality Policy, a Human Rights Policy and a Health Safety Policy in place that cover labour issues. Internal procedures on training and development and on Repay Studies are implemented.

### **A brief description of Internal Systems in place**

- Coca-Cola Beverages Ukraine has established a Working Council that actively works to prevent or resolve any possible issues that might arise in the working process. The Council consists of representatives of all branches, including production, head office and warehouse employees. Its meetings take place quarterly and are aimed at discussing and making decisions on the issues related to work and recreation. Volunteer groups meet to discuss specific issues as and when necessary.
- The company has internal policies on Quality, Food Products Safety, Environment Management, Labour and Health Safety, Industrial and Technical Safety.
- There are 240 programmes and instructions on labour and health safety which provide mechanisms and guidance for identification of potential risks, rules behaviour, best practices to prevent accidents, reporting, external and internal reporting, access



- limitations to hazardous areas, a programme on corrective action plans, and a programme on risk validation, etc.
- According to implemented procedure, in the event of an accident immediate meetings are held with the company's labour safety officer, regulatory affairs manager, incident management and crisis resolution coordinator, functional heads of other departments (excluding functional head of the department where an accident took place). The team carries out an investigation and determines the action that needs to be taken. Regular Safety Committee meetings take place once per quarter.
  - Coca-Cola Beverages Ukraine respects the right to freedom of association of its employees and engages in consultation with workers and their representatives. This includes trade unions or employee representative councils. The company has a policy of communicating directly with its employees, whether a union exists or not.
  - Accident prevention is an operating responsibility. It demands the same management and control that is given to other aspects of improving efficiency in operations, and therefore, managers and supervisors are directly responsible for engaging in continuous efforts to prevent accidents. Management at all levels diligently enforces this policy.
  - Safety is the responsibility of each and every employee. Employees can prevent injury to themselves and their co-workers by always following safe work practices and reporting any unsafe conditions they observe. Many employees go beyond these basic responsibilities by participating on safety committees, giving management input on safety policies and procedures, helping conduct safety inspections or assisting with accident investigations.
  - The success of any accident prevention effort depends on the co-operative and active support of all company employees. Accident prevention and the preservation of the health and safety of employees is a co-operative effort for the benefit of all, and the company expects employees to follow safe work practices in the interest of their own safety as well as that of fellow employees.
  - Coca-Cola Beverages Ukraine seeks to provide equal opportunities for all of its employees and does not discriminate in any aspect of employment on the grounds of race, religion, colour, ethnic or national origin, age, disability, sexual orientation, political opinion, gender or marital status.
  - In all aspects of employment, recruitment, compensation and benefits, training, promotion, transfer and termination, the company treats individuals justly, according to their abilities to meet the requirements and standards of their role.
  - No employee is subject to physical, sexual, racial, psychological, verbal, or any other form of harassment or abuse. The company ensures procedures that are in place to detect failures to live up to this standard and to deal with them swiftly and effectively.

## Actions

In spring 2008 **Coca-Cola Beverages Ukraine** passed the **OHSAS 18001:1999** certification audit conducted by the international certification company SGS and became the **first in the country to pass the DSTU OHSAS 18001:2006** certification audit by the State Centre for Standardization, Meteorology and Certification and was granted Certificate # UA. O 001-08.



*The team celebrates receiving the OHSAS 18001 Certificate*

It took five years to achieve the Occupational Health & Safety certification. The company undertook a deep analysis of its operations and conditions and held several internal and external audits which resulted in the development and implementation of numerous instructions and programmes. Special training sessions were conducted, and a follow-up monitoring system was introduced to ensure that standards would be fully implemented.

Coca-Cola Beverages Ukraine provides opportunities for every employee to develop, be motivated and receive appropriate reward. Annual performance reviews are conducted which give guidelines for further personal and professional development. This process not only promotes work achievements but encourages every employee to develop his/her career within Coca-Cola Hellenic. Strategic programmes of professional development and corporate experience exchange are conducted.

In particular, in 2008 the **Excellence Across the Board** programme was successfully implemented in Coca-Cola Beverages Ukraine – among the first in the Coca-Cola Hellenic Group. The objective of this programme was to improve the performance of the sales force in order that the company become a preferred supplier to all customers.

Coca-Cola Beverages Ukraine implemented Employee Engagement Improvement Workshops which are designed to promote active dialogue between employees and management. Such events, when the Company management goes to the regions to meet the “field” employees are organised annually in two stages. At these meetings, managers present results and outcomes, give briefings on business plans, and also listen to the employees’ feedback and their input on improving the workplace environment.

Coca-Cola Beverages Ukraine cares for the health of its employees providing medical insurance. The company also cares about the health of **the employee’s children**, and gives an opportunity for active **summer camping events**, covering the larger part of the costs involved.

Coca-Cola Beverage Ukraine promotes and supports **active lifestyles for its employees**. In particular, the Company supports staff **football teams**. All fans who like football are very welcome to join the teams and participate in regular weekly training sessions and tournaments between the Company teams, inter-company tournaments in Ukraine, and tournaments between Coca-Cola bottling plants in different countries.

**The Green Day** was held at the end of April. All employees were invited to come with their families to clean a selected territory and plant trees and flowers in the village of Velyka Dymerka. Since the Coca-Cola bottling plant is located in this village community, and many residents are employed by the Company, they were very interested to have their local environment beautified..

In conjunction with the **Klichko Brothers Fund**, a charity organization with which the Company has worked for three consecutive years constructing children's sport playgrounds all over Ukraine, a sport playground was donated to the Velyka Dymerka community. Vitaliy Klichko, the World Box Champion, attended the opening of the sport playground, making it a dream event for the children and adults who in addition to planting trees and tidying the area had the opportunity to have their photos taken with Vitaliy.



*Children and adults share their new playground with Vitaliy Klichko*



*Children of Coca-Cola Beverages Ukraine employees and other residents of Velyka Dymerka try out the new playground equipment*

It is planned that the Green Day and the Family Day will be repeated in 2009.

## Results and Outcomes

Implementing OHSAS 18001 continually results in improvements in working conditions and the development and implementation of measures to prevent work safety violations.

Almost \$900,000 was spent in 2008 for the training of employees.

Around 95% of management members started their careers with the company.

There were 45 Employee Engagement Improvement workshops in 2008, covering all employees. The discussions showed that the majority of employees, over 66%, think there is a fair competition for jobs and believe they have excellent job opportunities in the company. The workshops also helped to define the areas which require further improvement and development:

- Internal Communication
- Better structured Career planning
- Constant Feedback
- Cross Functional Experience



### *Employees help make decisions on improvements*

Workshops conducted as part of the **Excellence Across the Board** programme were held in all 25 branches. Around 1,000 sales employees participated in the training sessions. It is expected that the results in time-management will be seen by the end of 2009.

Thanks to various personnel development, teambuilding and retaining programmes implemented at the company, staff turnover was just 7.7% at the plant in 2008 – the lowest in the history of Coca-Cola Beverages Ukraine.

Summer camps in the Crimea, Odesa region, Kyiv region, and Zakarpatya region were organised by the company and attended by 71 children of employees.

The **football teams of Coca-Cola Beverages Ukraine** includes around **100 people**, who work on the production lines, in warehouses, office, sales, etc. They train on a weekly basis, and participate in the annual Plant Cup . The plant team often take part in inter-company tournaments, such as the Annual Chamber Football Tournament, organised by the American Chamber of Commerce. In 2008, the Coca-Cola Beverages Ukraine football team won the tournament held among all Coca-Cola bottling plants belonging to the Coca-Cola Hellenic Group.



Families of around **300 employees** participated in the **family Green Day**. Altogether, they planted **800 flowers and 200 trees** around the newly constructed sport playground.



## **ENVIRONMENT**

**Principle 7** Businesses should support a precautionary approach to environmental challenges.

**Principle 8** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9** Businesses should encourage the development and diffusion of environmentally friendly technologies.

### **The Company Commitment or Policy**

The company has an Environmental Policy, by which it recognises its responsibility for the protection of human health, the environment and natural resources. It is the company's policy to operate its facilities and conduct its operations in compliance with all applicable environmental laws, regulations and permits, including those governing the control, transportation, storage and disposal of regulated materials. Air emissions, waste water, solid waste, hazardous waste and storm water are included among regulated materials.

### **A brief description of Internal Systems in place**

Coca-Cola Beverages Ukraine regularly identifies influences its activity might have on the environment. To monitor the influences, specific environmental indices are established.

Such indices, for example, are:

- usage of recycling and non-recycling packaging;
- usage of electric power (MJoule/litre of produced drink);
- usage of energy (MJoule/litre of produced drink);
- usage of water (litre/litre of drink);
- total volume of derived solid wastes (gram/litre of produced drink);
- amount of utilised solid wastes (gram/litre of produced drink);
- usage of diesel fuel for 1,000 litres of delivered drink (litre/litre of drink).

**The system of environmental management is an integral part of the company's general management system**

**In general, the company's policy is to:**

- Conduct operations in compliance with all applicable laws and regulations and apply high internal environmental standards.
- Implement and certify the internationally recognised environmental management system, ISO 14001, in all operations to ensure accountability and continuous protection.
- Include environmental strategies and objectives in the business planning process to ensure that management of environmental impact remains an integral part of development.
- Set environmental goals, monitor results and audit processes in order to assess performance and achievements against high environmental standards.
- Identify and implement ways to improve the efficiency with which use is made of materials and resources, while minimising emissions and recycling waste.
- Commit to conserve watersheds by saving water and treating wastewater.
- Commit to protecting the climate by reducing energy use and coolant emissions.
- Play a leading role within the beverage industry to promote sustainable packaging by light weighting and recycling beverage containers.
- Encourage and equip employees to identify and act upon opportunities to improve environmental performance and waste management in the areas where they work.

- Partner with stakeholders in seeking and developing solutions to those environmental problems on which the company can make an effective and lasting contribution.
- Communicate the company's environmental requirements and performance to stakeholders.

### Actions

A **workshop** entitled “**Bottled Drinking Water in Ukraine**” was held with the support and active participation of Coca-Cola Beverages Ukraine at the end of May, on the occasion of World Environment Day. This event gathered representatives of Ukraine Ministries and other state bodies, local self-governance authorities, scientific organisations and NGOs to discuss issues related to the quality of bottled water in Ukraine.

In May 2008 Coca-Cola Beverages Ukraine partnered in another round table – “**Political Dialogue on Integrated Water Management**”. This event was organised by the State Committee of Ukraine for Water Management with the support of the Water Initiative of the UN European Economic Commission. Such cooperation of the international organizations and European countries with the Ukrainian authorities, scientific organizations, NGOs and the bottled water producer strengthens the importance of the issue and is directed at heightened standards of water management.

Coca-Cola Beverages Ukraine is a partner of the **International Day of the Danube River**, and



supported this celebration for the third year in 2008. This event is organised under the aegis of the *International Commission for the Protection of the Danube River (ICPDR)* every year on the last week-end of June in the town of Vylkove in Odesa oblast. The celebration encompasses a number of events: scientific (school environmental classes, expo and conference), sport activities (yacht relay and bike marathon), cultural (craftsmen's fair

and festival of traditional cultures of the Danube nations).

On 3 July Coca-Cola Beverages Ukraine joined the Global Compact Campaign “**Go Green!**” by signing the Go Green Declaration and taking upon itself extra commitments towards responsible environmental treatment. “**Go Green!**” is a volunteer initiative, putting forward a goal to improve the level of environmental protection in the context of economic and social development of the state. The campaign's purpose is to encourage changes in the behavior of society in respect of ecology.

To advocate and communicate sustainable water use, Coca-Cola Beverages Ukraine initiated the **Dnipro River Day**. On 6 July 2008 it was held for the third consecutive year. It gained wide support from Global Compact and became the first practical event within the **Go Green!**



**Campaign.** Members of the Global Compact, journalists, students and Kyiv city residents gathered to clean up the bank of the Dnipro River on Trukhaniv Island, one of the favourite places for summer recreation activities in the city.

In October, members of Global Compact returned to the island to mark **International Coastal Clean-Up Day**.

Participants, armed with a pair of gloves and garbage bags, actively collected garbage. The event drew support from large numbers of city residents. Representatives of the diplomatic corps were among the most active participants of the clean-up.

In September 2008 Coca-Cola Beverages Ukraine passed another audit for compliance with ISO 14001. This was an external audit conducted by the international company CGS, a professional local auditor.

For energy preservation, Coca-Cola Beverages Ukraine continued upgrading equipment for technological processes and for absorption of products from natural gas combustion, and paid special attention to the technical servicing of vehicles and optimisation of delivery routes. For heightened accuracy, switching to electronic monitoring of production indices has been implemented.

In managing solid waste Coca-Cola Beverages Ukraine maintains separate collection of waste, recycles, and constantly minimises usage of packaging materials. With these efforts, we reduce the amount of solid waste produced and increase solid waste recycling every year.

Efficient water use and water consumption measures, water recycling, and bio purification systems for sewage are in place.

**The existing technology on intensive bio aerobic system of sewage treatment and daily monitoring of sewage indicators by a third-party organisation ensures that no crude sewage is released into the environment.**

**For 2009,**

Coca-Cola Beverages Ukraine plans to continue its activities with regard to water stewardship. Danube Day and Dnipro Day have become regular annual events for the company, as has participation in exhibitions and roundtables on the environment. The company also plans to mark World Water Day and continue support of the Stockholm Junior Water Prize in Ukraine. The company constantly directs many efforts to saving water, energy, and packaging as well as treatment of sewage and waste. In 2009 continued enhancement of achievements in these areas is planned.



## Results and Outcomes

The Danube Day celebration brings vast attention to the small town Vylkove, which is called the Ukrainian Venice.

Through this event, the problem of the Danube River and its channels is brought to the attention of the local community and further to the state authorities, encouraging everybody to be more careful with the River's environs and water resources. The festivities bring together around 200 participants in various events, and more than 1,000 people come to watch the activities.



With the Dnipro Day and the Coastal Clean-Up, the ecosystem of the Trukhaniv Island was improved. For the two events, around 400 participants gathered from the companies, State and District authorities, as well as students, journalists, and citizens. The team collected more than 2 tons of litter on the Island, and in doing so, helped to highlight the importance of responsible environmental behavior.

In 2008, the auditing team of CGS reconfirmed the company's compliance with the ISO 14000 standard. This means that the environmental management system was successfully implemented and it continues to operate effectively. In essence, Coca-Cola Beverages Ukraine's internal standards fully correspond the international and local requirements in regard to defining policy and goals, resources, raising understanding among employees and suppliers, document management, holding corrective and prevention measures, auditing, and, most importantly, the constant improvement of systems.

The company continues to calculate water used for production and water which has been already re-used in order to reduce the water usage overall. With the special rinsers installed the previous year, it was calculated that in 2008 the amount of recycled water was 1345 m<sup>3</sup>.

The safety of sewage treated at the company's plant is indicated by the fact that fish and a beaver family live in a pond fed by water released from the plant. (Please refer to our Corporate Social Responsibility Report for detailed indices on water and energy use and waste processing.)

## **ANTI-CORRUPTION**

**Principle 10** Businesses should work against corruption in all its forms including extortion and bribery.

### **Company Commitment or Policy**

Coca-Cola Beverages Ukraine has a history of succeeding through honest business competition. The company does not seek competitive advantages through illegal or unethical business practices. While it is often customary to exchange gifts and entertainment with customers and suppliers, the key to such exchanges is to maintain an arm's length relationship. It is very important that the company and its employees, executive officers and directors always deal honestly and with integrity with persons and organisations with which they transact business. The company prohibits the payment of bribes to government officials, defined as employees of any government anywhere in the world, even low-ranking employees or employees of government-controlled entities. The term "government officials" also includes political parties and candidates for political office.

### **A brief description of Internal Systems in place**

- The ban on bribes applies to third parties acting on behalf of the company, including all contractors, subcontractors and consultants.
- The company may hire government officials or employees to perform services that have a legitimate business purpose, with the prior approval of the General Manager. However, government officials are never hired to perform services that conflict in any manner or degree with their official duties or the duties and obligations of the governmental agencies by which they are employed.
- Prior to hiring a government official or employee, the General Manager must inquire if the governmental agency involved permits its employees to be hired by local businesses.
- The General Manager, CFO and the General Counsel must all approve in writing any contract to hire a government employee or official.
- Political contributions by the company are not permitted except with the prior written approval of the CFO and the General Counsel.

### **Actions**

Coca-Cola Beverages Ukraine introduced in full the Code of Business Conduct in 2007. This Code contains a chapter on Anti-Bribery Policy, and all the employees are required to be familiar with the policy and guiding principles in cooperating with the government officials as well as business counterparts and NGOs in terms of anti-bribery. All new-comers who join the company receive their personal brochure with the Code and are trained.

Coca-Cola Beverages Ukraine has a hotline operating. It is open to any complaints, including reporting of bribery / corruption cases.

Coca-Cola Beverages Ukraine is fully confident that bribery can affect the company's reputation. To protect our most valuable intangible asset, the image and reputation of our business system, Coca-Cola Hellenic maintains an Incident Management and Crisis Resolution (IMCR) Programme. It is a consistent and sustainable programme designed to create and maintain an efficient and integrated structure for preventing and managing incidents throughout the Group and is directed at building and maintaining a robust capability to protect our assets. If any case of bribery is reported, it would be thoroughly investigated and responsibly dealt with by the IMCR team.

### **Results or Outcomes**

The Code of Business Conduct is in place and update training sessions are held for all 2,200 employees.

Special clauses regarding anti-bribery policy are included in all contracts and agreements.

In 2008, there were no cases of bribery reported neither to the "hot line" or to the IMCR team.