

*Coca-Cola*

 **Coca-Cola HBC  
Baltics**



# Sustainability Report

2021



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# Letter from the General Managers of the Coca-Cola System

[102-14]

Dear Sir or Madam,

The year 2021 passed marked by the COVID-19 pandemic, continuing the great uncertainty among citizens and businesses. Despite so many challenges and the need to respond to the changing reality, we can proudly say that we have achieved very good business results, which are the consequence of diligently focusing on key priorities and the great commitment of our employees, partners, and customers who every day choose our products. Our appreciation and thanks are directed precisely at you.

The priority of our business strategy was, and still is, sustainable development, in terms of which we continued our actions last year. From the European perspective, we have worked primarily on our Net Zero commitment, which we announced last October. We have pledged to achieve net-zero emissions throughout the value chain by 2040.

We are also really proud of obtaining the internationally renowned Alliance for Water Stewardship (AWS) certificate, which was

granted to Varena plant as the only gold certificate awarded in Lithuania. This means that not only our own operations are up-to world class sustainability standards, but also it appreciates our attention to environment that surrounds us and cooperation with local community, various stakeholders – from schools and municipality to various NGOs and state governance.

We have introduced an innovation in terms of packaging to our portfolio, which constitutes one of the main pillars of our "World Without Waste" strategy. Paper packaging based on the @KeelClip technology stands for a greener and easier to recycle alternative to shrink film applied to multi-pack cans.

In line with the "World Without Waste" strategy, 2021 has marked an important milestone in Latvia. Since October 2019 the Parliament adopted the amendments to the Packaging Act, prescribing to introduce a deposit system for beverage packaging in Latvia from 1 February 2022, CCHBC Latvia together with

other producers and the recycling company established "DIO" - beverage packaging deposit system operator. Thereby in Baltics we have closed the loop having well organized and consumer friendly beverage deposit packaging systems in all three countries to collect our beverage packages for recycling. We have also directed our efforts towards further developing our portfolio, in accordance with the adopted 24/7 strategy, thanks to which we can offer consumers beverages for every occasion and time of day. Last year we introduced a new version of Coca-Cola Zero with Lime and two new Fanta Zero flavors.

We also remain consistent in our commitment to invest in our people – their potential, as well as personal and professional development through various educational and development programs.

We know that with such employees, partners, and clients we can look into the future with confidence and pride. Together, we want to

continue to have a positive impact on our socio-economic environment and continue to reduce our impact on the environment and climate. It was a year full of challenges, but also successes and that is why we are proud to present you with the Sustainability Report for 2021.



**Jaak Mikkel,**  
General Manager,  
Coca-Cola HBC Poland and Baltics



**Natalia Stroe,**  
General Manager,  
Coca-Cola Poland and Baltics



# The Coca-Cola System



# Coca-Cola around the world



The global Coca-Cola System comprises The Coca-Cola Company and about 300 partner companies, including the Coca-Cola HBC AG Group.

The Coca-Cola Company is the largest and most famous company in the beverage industry in the world. The company's products are sold in over 200 countries. The company's headquarters are located in Atlanta, Georgia in the United States.

Coca-Cola Poland Services is a subsidiary of The Coca-Cola Company, an owner of the world's leading soft drink brands, represented in more than 200 countries.

Coca-Cola HBC Poland is a division of the Coca-Cola Hellenic Bottling Company, the Coca-Cola Company's second-largest beverage bottler in the world, serving more than 700 million consumers.

The Coca-Cola Company produces and sells concentrates, beverage bases and syrups for bottlers, also is the trademark owner and is responsible for marketing consumer brands.

The main global headquarters of the Coca-Cola HBC Group are located in Switzerland, and the company itself is listed on the London Stock Exchange, as well as on the stock exchanges in Athens and New York under a secondary listing.

In 2021, S&P Global's *The Sustainability Yearbook 2021* and the Dow Jones Sustainability Index (one of the world's leading rankings of sustainable companies) once again **recognised Coca-Cola HBC as the most sustainable beverage company in Europe.** For the eleventh time in a row, the company has also found itself among the top three beverage producers in the world.

The sustainable development of the entire Coca-Cola System depends on cooperation, as well as sharing the values and experience gained by The Coca-Cola Company and its individual companies, which is why all of them support one another at every stage of doing business.



# Coca-Cola Poland and Baltics

[102-1] [102-2] [102-3] [102-4] [102-5] [102-6]

Coca-Cola is one of the most recognisable global brands with a business footprint in over 200 countries around the world. In each location it operates it has the same structure: the brand owner, i.e. The Coca-Cola Company, and a bottling company. Our business unit, Coca-Cola HBC Poland and Baltics, is responsible for the production, distribution, and sale of beverages in four countries: Estonia, Lithuania, Latvia, and Poland.

We are a strategic partner of The Coca-Cola Company and serve over 30 million customers. As Coca-Cola HBC, we offer beverages for every occasion around the clock. We produce, sell and distribute sparkling soft drinks of the most famous brands, including Coca-Cola, Coca-Cola Zero, Sprite, and Fanta. Our offer also includes water, juices, iced teas, plant-based drinks, and energy drinks. In 2020, Costa Coffee was also added to our portfolio, with its at-home offering, as well as

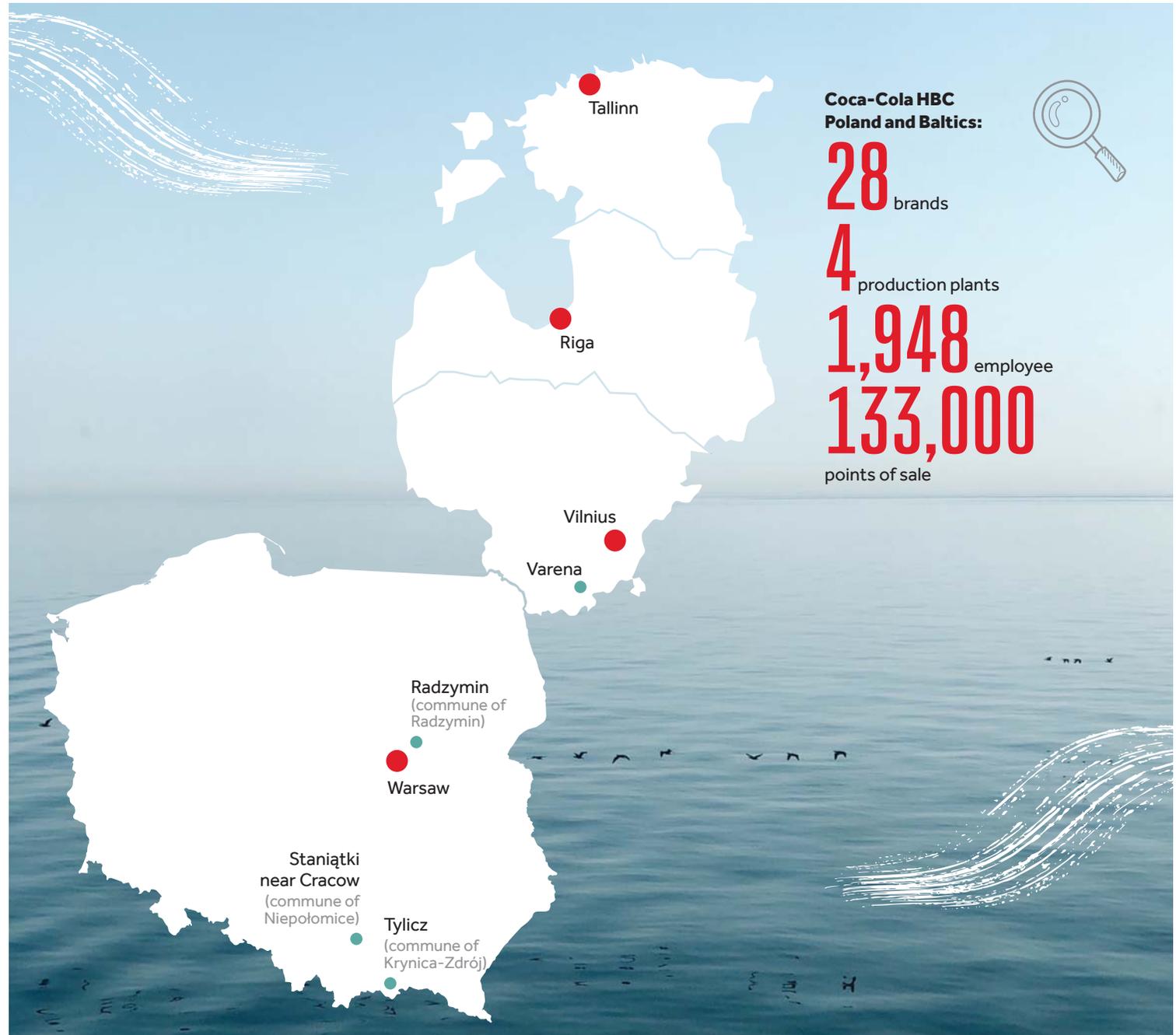
premium spirits from brands such as Brown Forman, Edrington, and Campari, which we distribute. We combine the knowledge, experience, and brand recognition of The Coca-Cola Company with our competitive advantage, infrastructure, and experience in production and sales, to create value for our customers and business partners.

Coca-Cola HBC Poland and Baltics is owned by the Coca-Cola HBC AG Group. The company's headquarters are in Warsaw, and the other regional offices are in Vilnius, Riga, and Tallinn. We employ a total of 1,948 people in four countries, and 285 in Estonia, Latvia and Lithuania

*Take a look at  
our portfolio*



[102-7]



## The financial results

of Coca-Cola HBC Poland are presented collectively in the Integrated Annual Report of the Coca-Cola HBC Group.



# Responsible management

At Coca-Cola HBC Poland and Baltics we strive to respond to the most pressing challenges of the contemporary world by launching and getting involved in important environmental and social initiatives. A sustainable approach to the company's development is an essential aspect of our business strategy and organisational culture.

We included the commitments of Coca-Cola HBC Poland and Baltics in our Mission Sustainability 2025. We created it based on our strategic priorities and values. The mission is aligned to the United Nations Sustainable Development Goals (SDGs) and is based on six pillars.

Moreover, in 2021, the Coca-Cola HBC Group announced a strategy to achieve climate neutrality by 2040 (more on this topic in the Environment chapter of this report).



## PILLARS OF MISSION SUSTAINABILITY 2025

1. Emissions reduction
2. Less water consumption and water stewardship
3. World Without Waste
4. Sourcing
5. Nutrition
6. Our people and communities

### MISSION SUSTAINABILITY 2025 COMMITMENTS

**EMISSIONS REDUCTION**

1. LESS EMISSIONS IN OUR OPERATIONS  
Reduce direct carbon emissions ratio by **30%**
2. LESS EMISSIONS IN CUSTOMER OUTLETS  
**50%** of our refrigerators in customer outlets will be energy efficient
3. MORE RENEWABLES  
**50%** of total energy used in our plants will be from renewable and clean sources
4. 100% RENEWABLE AND CLEAN ELECTRICITY  
**100%** of the total electricity used in our plants in EU and Switzerland will be from renewable and clean sources

**WATER REDUCTION & STEWARDSHIP**

5. LESS WATER CONSUMPTION IN WATER-RISK AREAS  
Reduce water use in plants located in water risk areas by **20%**
6. 100% WATER SECURITY IN WATER-RISK AREAS  
Help secure water availability for all our communities in water risk areas

**WORLD WITHOUT WASTE**

7. 100% RECYCLABLE PACKAGING  
**100%** of our consumer packaging will be recyclable
8. MORE RECYCLED PET  
Source **25%** of the total PET we use from recycled PET and/or PET from renewable material
9. MORE WASTE COLLECTION  
Help collect the equivalent of **75%** of our primary packaging

**SOURCING**

10. SOURCING  
Source **100%** of key agricultural ingredients in line with sustainable agricultural principles

**NUTRITION**

11. LESS CALORIES ACROSS SSD PORTFOLIO  
Reduce by **25%** the calories per 100ml of sparkling soft drinks

**OUR PEOPLE & COMMUNITIES**

12. PROMOTING SAFETY FOR OUR WORKFORCE  
Target zero fatalities and reduce (lost time) accident rate by **50%**
13. FULL GENDER BALANCE  
**50%** of manager positions will be held by women
14. SUPPORTING OUR COMMUNITIES TO LEARN  
**10%** community participants will join first-time managers' development programmes
15. SCALE UP #YE FLAGSHIP PROGRAMME  
#Youth Empowered - train 1 million young people
16. ZERO WASTE COOPERATION  
Engage in 20 Zero Waste partnerships (city and/or coast)
17. VOLUNTEERING  
**10%** of employees will take part in volunteering initiatives

**Coca-Cola Hellenic Bottling Company**

**Corporate governance**

[102-18]

As a Swiss corporation listed on the London Stock Exchange and the Athens Stock Exchange, Coca-Cola HBC ensures its corporate governance systems comply with the best international practices. The standards and procedures of corporate governance are constantly reviewed and updated to incorporate the changes in regulations in the United Kingdom, Switzerland, and the EU.

Coca-Cola HBC is managed by a Board of Directors appointed by the shareholders. Committees operate within the Board, one of which is the Corporate Social Responsibility Committee. The General Manager (GM) is in charge of the company's operations,

and is appointed by the Board of Directors. The Board reviews the Group's performance in terms of its long-term strategy, oversees the GM's work, is responsible for setting the company's goals and strategy, and supports the implementation of its long-term sustainable vision. Individual business units, such as Coca-Cola HBC Poland and Baltics, are managed by the Management Team with the General Manager as its leader.

The key corporate governance document of Coca-Cola HBC Poland and Baltics is the Code of Conduct. It regulates both ethical issues as well as those related to compliance and safeguarding the organisation's assets.

**Ethics and values**

[102-16]

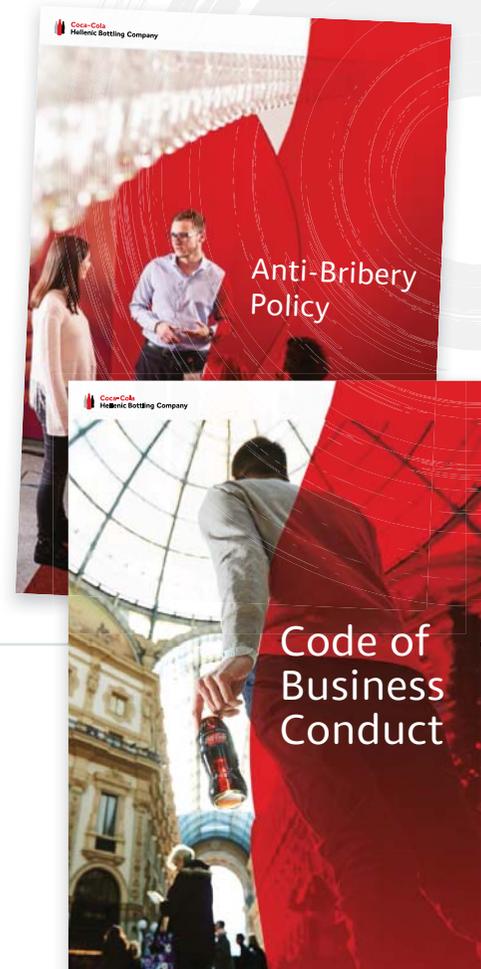
At Coca-Cola HBC Poland and Baltics we foster a corporate culture with clearly defined values. We pass them on to employees during training and we make every effort to ensure that they serve as a guiding light in everyday work for all employees.



**Code of Business Conduct regulations:**

- Protection of non-public information;
- Safeguarding company assets;
- Maintaining accurate records;
- Preventing money laundering;
- Avoiding conflicts of interest;
- Gift policy and transparency of relationships;
- Fair competition;
- Counteracting corruption and bribery;
- Maintaining confidentiality and not trading on inside information;
- Respecting human rights;
- Being responsible for the environment.

The Ethics and Compliance Committee is responsible for enforcing the Code within the organisation on a daily basis. The Committee is composed of members of the company's senior management. Supervision over the Committee is exercised by the Finance Director, the general counsel, and the Audit Committee in the Board of Directors.



As of 31 December 2021, the Management Team of Coca-Cola HBC Poland and Baltics consisted of 12 directors:



- **Jaak Mikkel**, General Manager and Chairman of the Board;
- **Konstantinos Vairlis**, Finance Director;
- **Izabela Wanatowska**, Sales Director;
- **Michał Proszewski**, Coffee Business Director;
- **Tomasz Prorok**, Premium Spirits Director;
- **Tomasz Krzyżewski**, Legal Director;
- **Nataša Jošić**, Marketing Director;
- **Rafał Palczak**, Commercial Strategies Development Director;
- **Ksenia Todic**, Supply Chain Management Director (since 1 September);
- **Katarzyna Borucka**, Public Affairs and Communication Director;
- **Liza Shybanova**, HR Director;
- **Dimitris Zacharopoulos**, Digital & Technology Platform Director.



**[103-1, 103-2, 103-3 disclosures: Counteracting corruption] [205-3]**

We act ethically. Everyone at Coca-Cola HBC must follow the Code of Business Conduct. Its provisions concern, most importantly of all, product quality, occupational health and safety, data protection and potential conflicts of interest. The Code prohibits corruption and bribery in any form. This issue is also regulated by a separate anti-bribery policy in place at Coca-Cola HBC Poland, which helps employees avoid undesirable behaviour and situations. The anti-bribery policy and the Code of Business Conduct equip our employees with the right knowledge and tools to identify and prevent corruption. Zero cases of corruption were identified in Coca-Cola HBC in Poland and Baltics in 2021.

**[205-2]**

All members of the Board of Directors are familiar with Coca-Cola HBC's anti-bribery policy and procedures. These are also communi-

cated to all employees – every two years each employed person is required to complete anti-bribery refresher training, which helps prevent any form of corruption. Employees who interact with external partners are also required to complete such training every year. The anti-bribery policy is also presented to all new hires during the onboarding process. As a result, 100% of our employees have up-to-date anti-corruption knowledge.

**[205-1]**

We deal fairly and we expect the same from our business partners. We only work with companies that agreed to comply with the anti-bribery policy and our Code of Business Conduct. Appropriate provisions in this regard are included in the agreements signed by the company with its partners and suppliers.

**In 2021, we reviewed 0 operations for corruption in Coca-Cola HBC Baltics.**

*The anti-bribery policy*

and the Code of Business Conduct are public documents that are available on corporate websites



**GOOD PRACTICE**

[102-17]



We expect our entire organisation to act strictly ethically. We facilitate reporting suspicions or concerns regarding potential violations of our ethical principles in an

easy, quick, and confidential manner. Submissions are accepted through a special SpeakUp Line, online, or by phone. We are also committed to protecting employees from any kind of retaliation after they have made a submission in good faith.

**[102-17]**

**Reporting on ethical and legal issues and organisational integrity matters made by SpeakUp Line**

Number of submissions

	2021	2020	2019
Total number of submissions	11	8	20
Submissions broken down into categories	x	x	x
Fighting bribery and corruption	0	0	2
Business and financial documentation	1	1	5
Conflict of interest	1	0	2
Fair treatment of employees	2	5	6
Safeguarding company assets	2	n/a	n/a
Other	1	2	5
Total number of inquiries – requests for advice	4	2	0
GRAND TOTAL	11	10	20

The procedure was simplified in 2020 in terms of the requirement to obtain additional authorisation. The introduction of the Gift and Entertainment Policy reduced the number of submissions registered through the Code of Business Conduct portal.

# Supply chain

**103-1, 103-2, 103-3 disclosures: Procurement practices, environmental and social assessment of suppliers [102-9] [204-1]**

As a manufacturing company, the supply chain plays a key role in our sustainable business.

Our suppliers deliver ingredients, packaging, equipment, and services to our factories and offices – we work with 560 companies in all Coca-Cola HBC Baltics locations. They are both small local businesses and large multinationals. Most of our purchases (83%) are made locally in the Baltic states. This also applies to key raw materials and packaging.

**[308-1] [414-1]**

We want to build a responsible supply chain, which is why we set high standards for all suppliers. We expect companies that want to cooperate with Coca-Cola HBC Poland and Baltics to be certified to the following standards:

- ISO 9001 (quality);
- ISO 14001 (environment);
- OHSAS 18001 (health and safety).

Companies that supply us with ingredients and packaging must also obtain FSSC 22000 certification for food safety and the Global Food Safety Initiative (GFSI).

In addition, strategic suppliers are also verified and authorised by The Coca-Cola Com-



pany. The process of additional verification ensures the highest standards of sustainable development and guarantees the same taste of beverages and the same high-quality parameters of the products.

We also verify our suppliers in terms of their environmental and social activities. We expect them to be guided by the same values in cooperation with Coca-Cola HBC Poland and Baltic. These values have been summarised

in the Principles Programme for Suppliers – in 2021 they were accepted by all key suppliers who are responsible for 90% of the company's purchases.

During strategic purchases, all suppliers are additionally assessed in terms of meeting the ESG criteria, i.e. environmental, human rights, labour rights, health and safety, working conditions, and social and environmental issues. We also use the expert evaluation provided by

the EcoVadis portal and encourage our suppliers to evaluate their companies for sustainability on this platform. In 2021, around 12% of new suppliers were evaluated according to ecological and social criteria.

# Risk management



[102-11]

At Coca-Cola HBC Baltics we apply the precautionary principle. The corporate risk management and Incident Management and Crisis Resolution (IMCR) system in place at the company allows for early recognition of threats and the avoidance of dangerous situations, and in the event of a crisis it enables us to quickly take appropriate action.

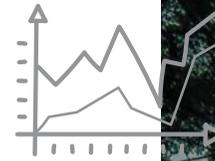
The risk map is updated once a month in a dedicated corporate system, and is discussed monthly by the management board. For each individual risk an action plan is created and a person responsible for executing it is assigned. The risk map and updates on actions are reported to the Coca-Cola HBC Group risk officer twice a year. In the risk management process, we also take into account environmental issues, which we manage to global standards. The ISO 14001 compliant Environmental Management System was implemented in all our production plants many years ago.

Corporate risk in the Coca-Cola HBC Group is managed through the SmartRisk programme. The purpose of the SmartRisk programme is to encourage managers to pro-actively identify and understand threats as soon as possible, and to find ways to turn potential challenges into opportunities or, if this is not possible, to reduce negative impacts. Risk management across all Coca-Cola HBC business units is coordinated by the Chief Risk Officer. Records on risk are presented to the Coca-Cola HBC Business Resilience Team. Twice a year, the Business Resilience Team holds a dedicated Coca-Cola HBC Risk Resilience Meeting where risk owners and risk coordinators are informed about key trends and emerging potential threats within the organisation.

*For more information on corporate risk management*

at Coca-Cola HBC, including a detailed risk map, see the Integrated Annual Report at:





[102-18]

### Climate risk management

Climate-related risks and opportunities are assessed under the Enterprise Risk Management Programme. Coca-Cola HBC has a holistic and integrated approach to managing key risks. The impact of climate change and emissions is linked to water management programmes, sustainable sourcing of raw materials and a responsible packaging waste policy. The management of climate-related risks and opportunities is carefully supervised and is the responsibility of the Social Responsibility Committee (SRC). The SRC is responsible for laying down the principles of managing the environment, climate impact and water safety, and for ensuring effective processes and systems are in place to pursue our sustainability strategy. SRC regularly monitors the accomplishment of goals related to the environment, climate, water, and social impact, and ensures that the sustainability goals are fully integrated into Coca-Cola HBC's business strategy.

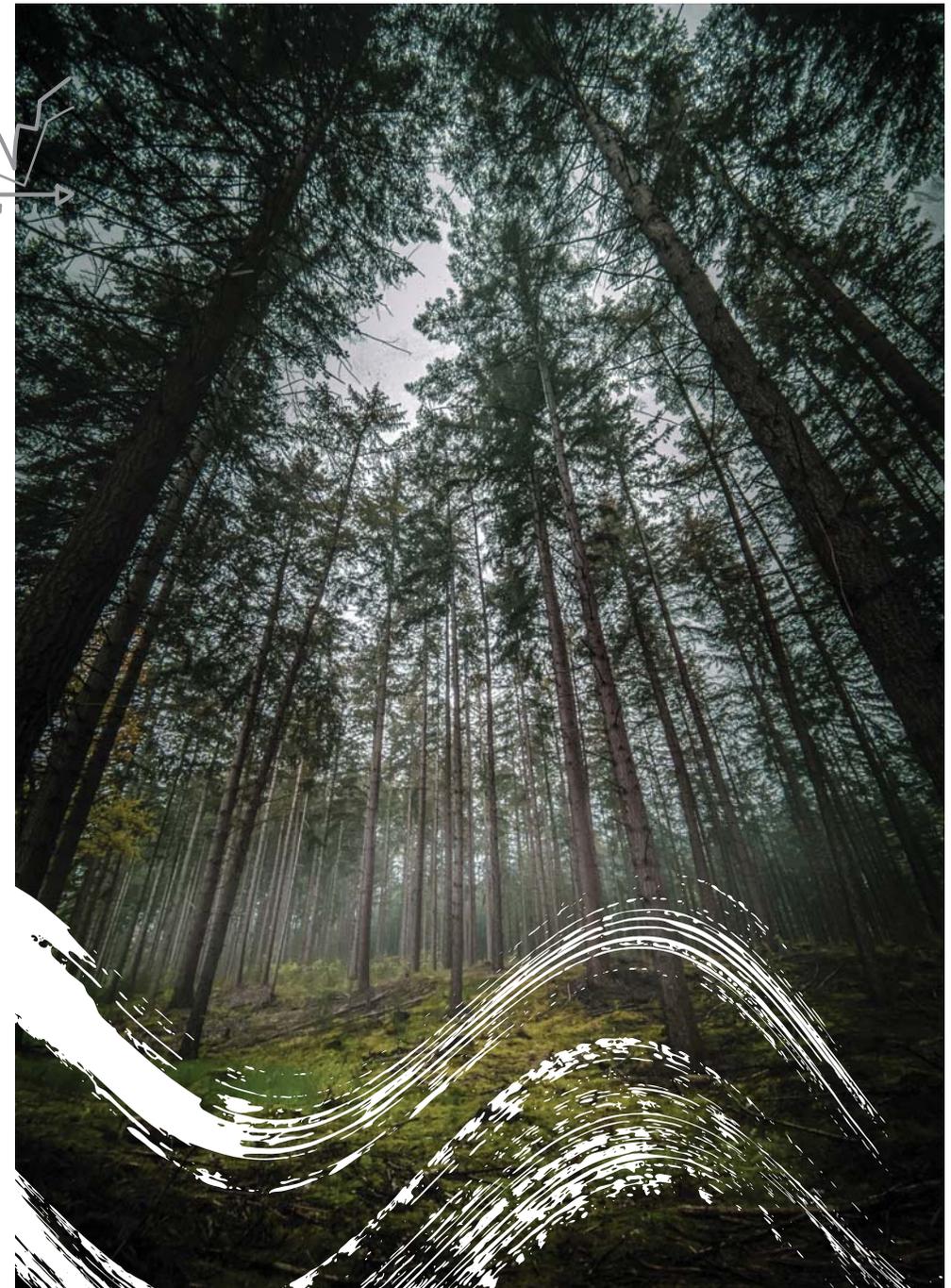
At Coca-Cola HBC, climate risks are analysed in different timeframes integrated with business planning processes. Short-term risks (1–2 years) are associated with annual business planning cycles, medium-term risks (3–5 years) with strategic planning, and long-term risks (6–10 years) with the long-term planning process.

The climate risk management process considers the unique character of the individual regions in which Coca-Cola HBC operates. The company's own data and information provided by reputable third-party centres are analysed. Data and analyses produced on this basis are shared with the individual business units, helping build resilience to climate change across the entire chain of operations.

Information on

### *climate-related risk management*

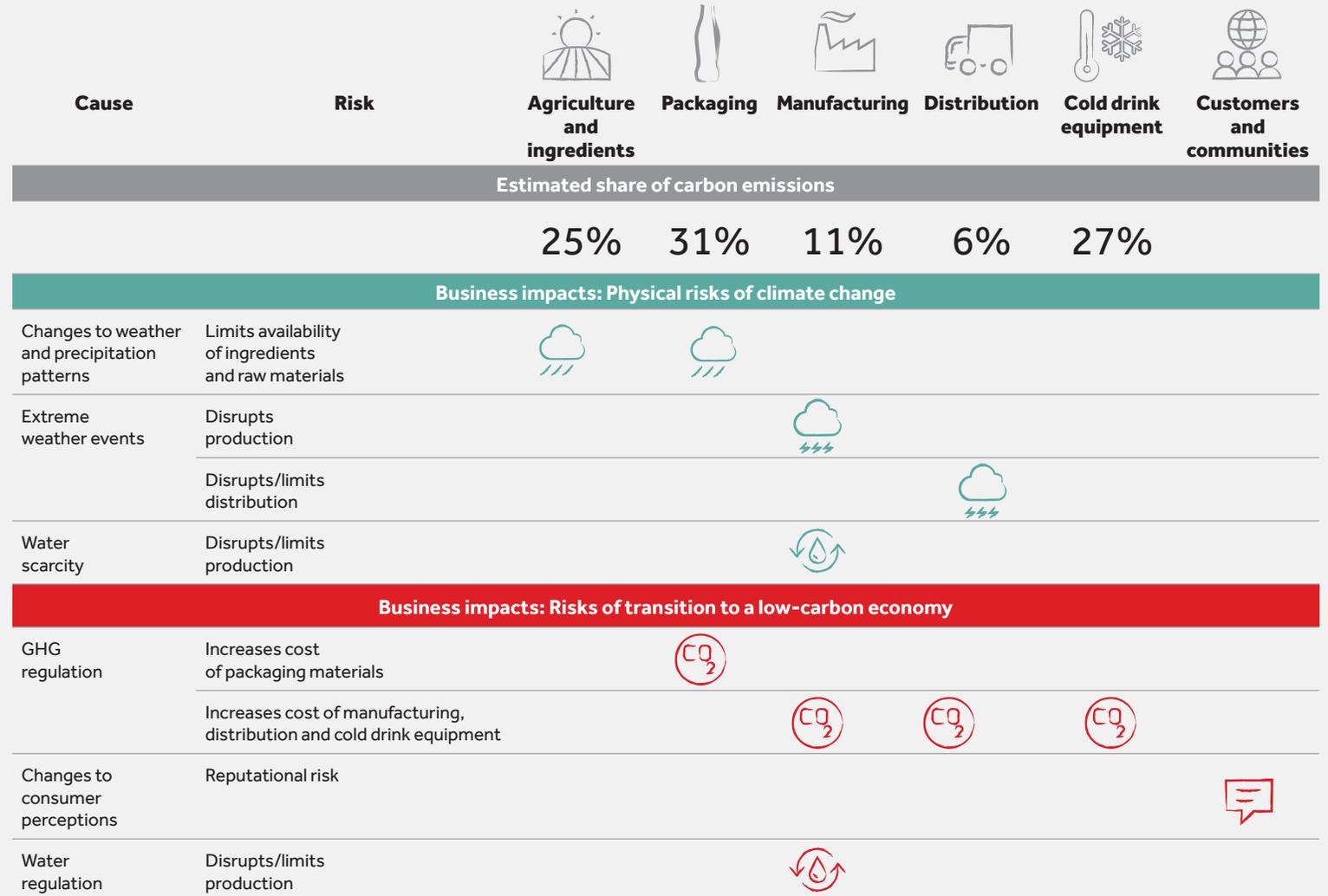
prepared in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) has been published in the Coca-Cola HBC Integrated Annual Report, on page 67



**At Coca-Cola HBC, we identify eight major climate risks:**

- Extreme weather causes disruption to manufacturing;
- Extreme weather causes disruption to distribution;
- Water scarcity causes disruption or inability to produce;
- Impact on cost and availability of ingredients;
- GHG regulation increases costs across our value chain;
- Increase in the cost of packaging materials;
- Water regulation increases costs of and disrupts operations;
- Damage to the reputation of the beverage sector.

These risks have been explained in detail in Coca-Cola HBC's Integrated Annual Report.



# Impact on the Economy



# Market

**[SDG'S 8]**

285 people work at Coca-Cola HBC Baltics. We support the economies of Estonia, Latvia and Lithuania by paying taxes to local and central budgets. We create valuable jobs directly and increase employment indirectly by cooperating with Estonian, Latvian and Lithuanian suppliers of products and services.

The only Coca-Cola HBC production plant in the Baltic states is the Neptūnas natural mineral water plant located in Lithuania. The plant exclusively produces natural mineral water and manages four natural mineral water wells in Varėna. Since 2020, Neptūnas has had the Alliance for Water Stewardship Gold Certificate for responsible use of water resources. The plant sustainably and efficiently manages water consumption processes, complying in full with European and domestic legal regulations. The natural mineral water plant, operated by the Coca-Cola System, is the first company in Lithuania to receive Alliance for Water Stewardship (AWS) certification.



Coca-Cola HBC Baltics in 2021

28

brands

285

employees

1

production plant

Varena plant

# Product

The portfolio of products offered by Coca-Cola HBC in Lithuania, Latvia, and Estonia has been aligned to the 24/7 strategy of offering beverages for every occasion around the clock. We produce, sell and distribute sparkling soft drinks of the most famous brands such as Coca-Cola, Coca-Cola Zero, Sprite, and Fanta. Our offer also includes water, juices, iced teas and energy drinks. Coca-Cola HBC is also a distributor of premium spirits brands. We offer a broad selection of sweetened, low-sugar, and sugar-free beverages in various packaging options aligned to the different lifestyles of our consumers.



We are constantly developing our offer, co-creating a healthier nutritional environment. We have changed the ingredients of many of our beverages, reducing the amount of sugar and calories they contain. To give more choice to consumers, we also offer more low and no calorie drinks.

We have been seeing a strong increase in the popularity of our low-sugar and sugar-free beverages, which is in line with our sustainability strategy of reducing the amount of calories in our sparkling soft drinks by 25% over 10 years until 2025. We have also focused more on premiumisation by accel-

erating the growth of the adult sparkling soft drinks segment, adding high-quality water and juices to our offer. We see great potential in the coffee segment, and the acquisition of the Costa Coffee brand by The Coca-Cola Company is an opportunity for development in the coming years.

In 2021, we expanded our offer in the premium spirits segment. Coca-Cola HBC Baltics has become the exclusive distributor of Nemiroff Vodka products in Estonia, Latvia, and Lithuania.

We are aware that as lifestyle and consumer habits change, the motivations and events related to the consumption of beverages also change. We discover the potential in segments beyond our core portfolio of carbonated beverages, offering a wider selection of beverages to suit the needs of consumers at any time of the day.

Thanks to cooperation with The Coca-Cola Company and the constantly expanding 24/7 portfolio, we are ready to handle evolving market trends. Thanks to the right brands, packaging, and categories, we are well prepared to meet the changing needs of our consumers.



*Our full product portfolio is available at:*



**Our quality**

We build the trust of our customers by offering only products that meet the strictest quality and food safety standards. We rely on external certification as well as our own internal policies. **Our food quality and safety policy** ensures we provide top-quality products, packaging, and services that meet the expectations of customers and consumers, which are associated with high-class brand products. **Standing by our position on genetically modified organisms**, we do not use genetically modified ingredients or ingredients sourced from genetically modified organisms.

**[416-2]**

In 2021, no cases of non-compliance with laws or regulations in terms of the Health and Safety of products and services were reported at Coca-Cola HBC Baltics. In the Neptūnas natural mineral water plant, we implemented proven international management systems to ensure Health and Safety and high quality of the products we offer.

*All our corporate policies are available at:*



Certificates of the Neptūnas plant:

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- FSSC 22000:2017

**GOOD PRACTICE**

**The few incidental complaints received by Coca-Cola HBC Baltics during the year are approached as opportunities to identify undesirable situations and take corrective action, if necessary. All feedback we receive is carefully investigated and analysed. We contact the consumer and send the beverage sample we have received to the bottling plant. Our sales representative also buys a beverage from the store where the complaint about a purchased drink originated, from the same or a nearby batch, and we also send this sample for testing. We also analyse the so-called retention samples, which are stored samples from each batch that was produced.**

Strict quality control procedures in the Lithuanian plant cover each stage of the production process. Ingredients and finished beverages are tested on-site in quality control laboratories. The plant has an electronic control system in place which identifies even the slightest irregularities on all bottle filling lines. We also randomly test products already in the market to ensure that all beverages delivered to consumers meet our internal quality standards.

Our products and plant meet the following standards:

- **ISO 9001**

All our plants are ISO 9001 certified. In addition to the production plant, Coca-Cola HBC Baltics is also certified to the Sales Department to the ISO 9001 standard. This means that external quality standards also apply to refrigeration equipment and vending machines, as well as all processes of storing, distributing, and selling our products. Quality certificates are renewed every three years and are audited annually.

- **ISO 14001**

The Varėna plant has implemented an Environmental Management System that is ISO 14001 compliant.



- **AWS**

In 2020, the Coca-Cola HBC Baltics production plant in Lithuania was the first in this country to receive a gold water management certificate issued by the Alliance for Water Stewardship. This confirms the quality of our water management system. In 2021 Varėna Plant also received a gold certificate.

- **FSSC 22000:2010**

In December 2017 the Varėna plant received a certificate confirming compliance with the FSSC 22000 standard. It includes the requirements of the ISO 22000 standard based on the HACCP principles, the PAS 220 technical specification and additional requirements, which are intended to eliminate hazards to the health of consumers. FSSC 22000:2010 enables the identification of possible threats, determining their impact on the health of consumers, determining the probability of occurrence, and eliminating the risk.

- **ISO 45001**

The plant in Varėna is ISO 45001 certified, which confirms the strictest standards of work safety in plants.

# Consumer

[103-1] [103-2] [103-3] disclosure:  
Marketing and labelling  
[103-1] [103-2] [103-3] disclosure:  
Product: consumer's Health and Safety  
[416-1] [417-1] [417-2] [417-3]

Marketing is an important part of our business as it allows us to reach consumers with information about products, new additions, and campaigns. We do our marketing responsibly, and comply with The Coca-Cola Company's Global Responsible Marketing Policy and the commitments of the Union of European Soft Drinks Associations (UNESDA).

In 2021, not a single case of non-compliance with regulations, voluntary codes or marketing communication regulations pertaining to labelling and information about products and services was recorded in our companies in the Baltic states.

Information about the ingredients and nutritional value can be found on each of our products. Since 2018 we have also been testing additional voluntary colour labelling of nutritional value. The Traffic Lights Labelling System on the front of the packaging clearly informs consumers whether the product has a high (red), medium (orange) or low (green) content of sugars, fat, saturated fatty acids or salt relative to the average recommended intake for adults. The labelling we use has been designed to help consumers make more informed choices about a balanced diet.

In 2021, low-sugar and zero-sugar beverages constituted

**36.6%**

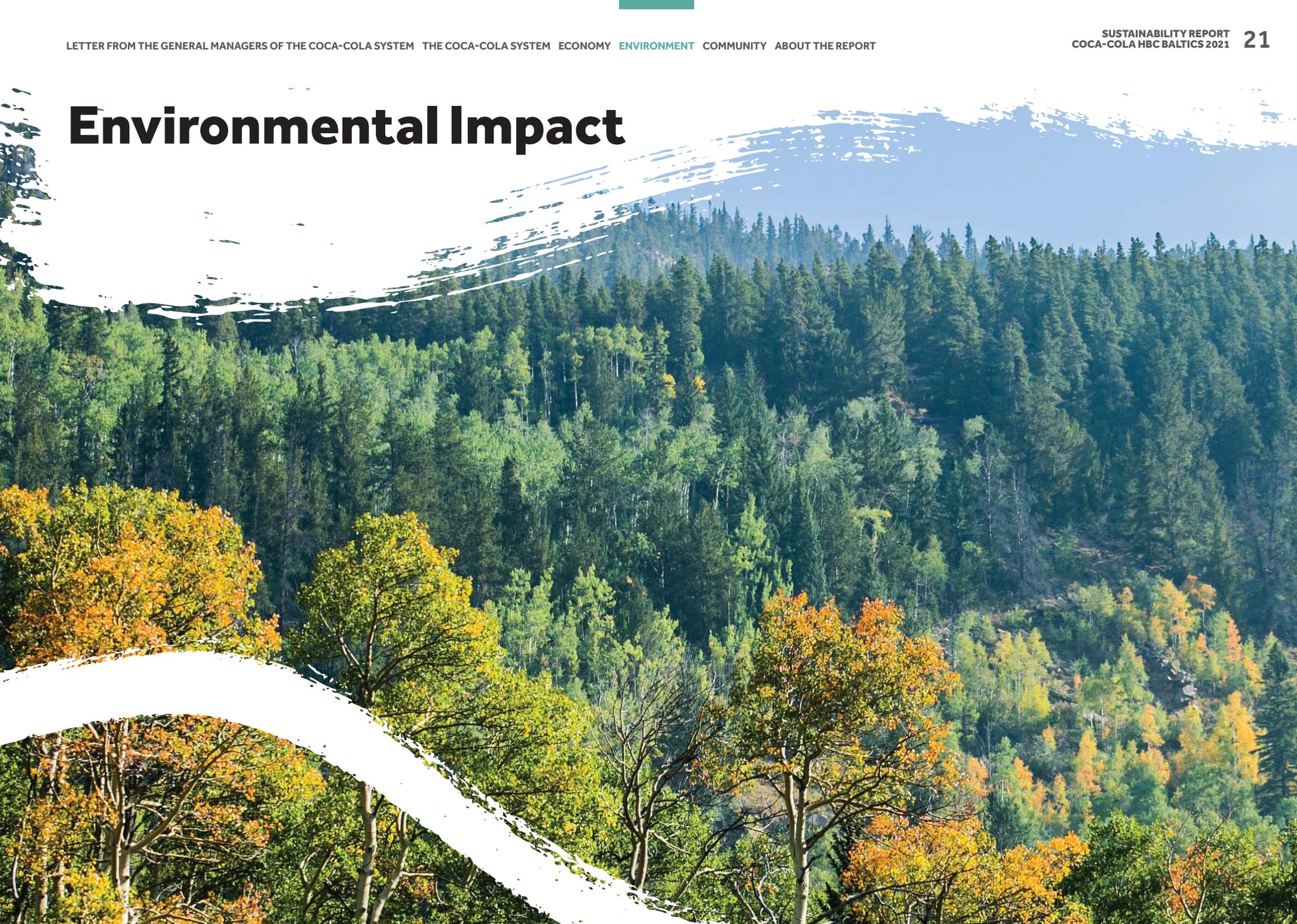
of our portfolio in the Baltics.



As part of the Coca-Cola System, we comply with The Coca-Cola Company's Global Responsible Marketing Policy and are signatories to the UNESDA commitments to not sell soft drinks in primary schools. In addition, in 2018, those limitations were extended to direct sales, ensuring that from 2018 onwards only no- and low-calorie drinks are offered in secondary schools in the Baltics as a complement to water, which remains the primary

drink available for schoolchildren and adolescents. This effort addresses concerns about the increasing daily intake of added sugars by children. In addition to limiting direct sales to all primary and secondary schools and gymnasiums, the company has also reached out to its customers asking them to join the common approach to impact the potential indirect sales of added-sugar beverages to these educational institutions.

# Environmental Impact



[103-1] [103-2] [103-3] disclosures: Environmental compliance

We are aware of our impact on the natural environment and climate. Environmental responsibility is integrated into our company policy – our goal is to minimise our negative influence on environment and climate.

Environmental issues are regulated by:

- **General Quality Environment and Safety Policy**

Our policy, built on three pillars, defines the principles of operation concerning environment, quality, and occupational health and safety.

- **Environmental policy**

We conduct activities in a responsible manner, particularly in the areas of impact on the natural environment and on sustainable development.

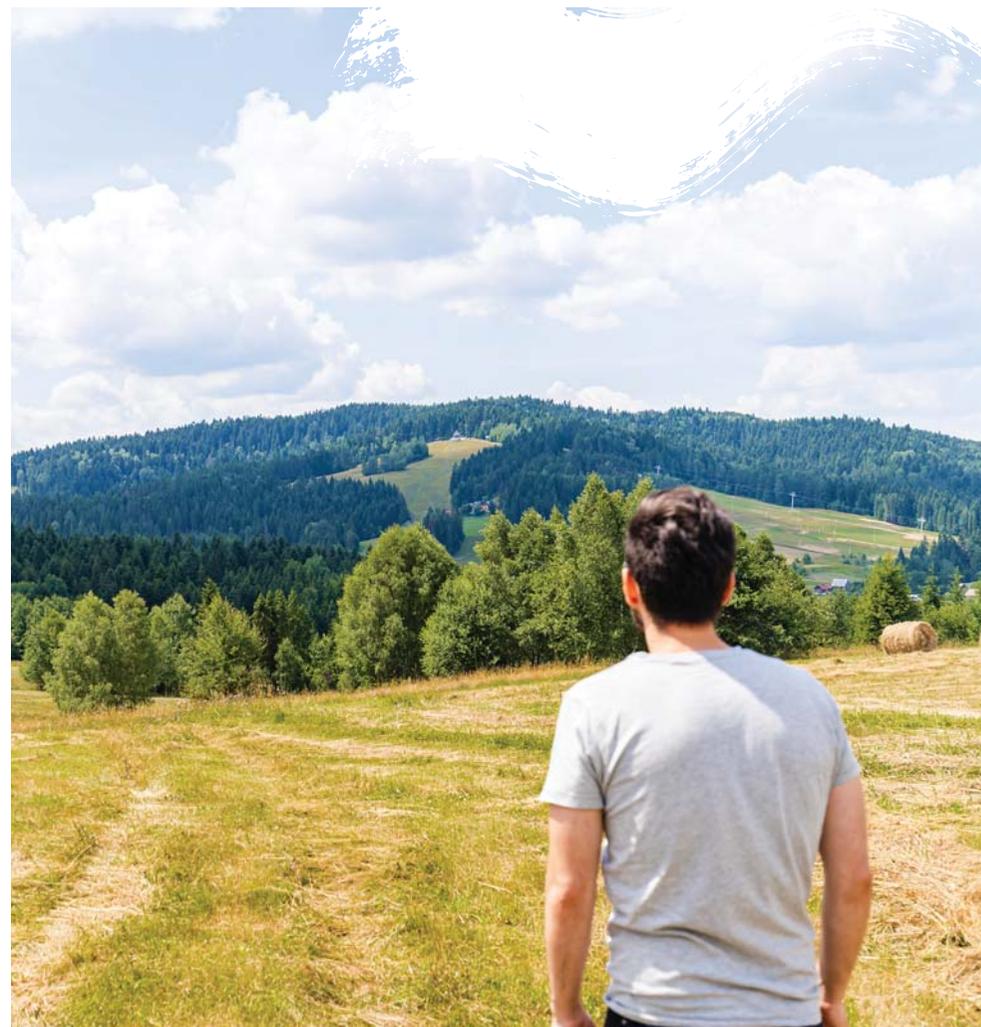
- **Water resources protection policy**

We seek to limit our influence on water resources and we support initiatives for the protection of these resources in the communities in which we operate.

## GOOD PRACTICE



**Environmental management in the Neptūnas plant is certified and follows the ISO 14001:2015 Environmental Management System standard. This ensures that environmental performance is being monitored and improved through the more efficient use of our resources. The management system helps us to gain a competitive advantage and build trust among our stakeholders. Monitoring is conducted regularly by internal and external audits (including audits conducted by The Coca-Cola Company). More specifically, a monitoring system for water and energy consumption has been installed and the lighting has been replaced by LEDs, reducing energy consumption by 56429 kWh/year.**



# Packaging

**Our packaging strategy**  
In accordance with our Mission Sustainability 2025, Coca-Cola HBC strives to ensure:

**100%**

of our consumer packaging is recyclable;



**35%**

of all PET bottles are made of PET from recycled and/or renewable material;

Assistance in collecting the equivalent of

**75%**

of our packaging received by consumers.



**This is our response to the UN's Sustainable Development Goals:**



Coca-Cola launched its global World Without Waste ambition in 2018. The Coca-Cola System committed itself to achieving the following goals by 2030:

More waste collected. Help in collecting and recycling the equivalent of

**100%**

of our packaging which is directly received by consumers;



More recycled PET bottles. As much as

**50%**

of all PET bottles will be made of PET from recycled and/or renewable material;

In our ambition we also assume that by 2025 all our packaging will be

**100%**

recyclable.



**This is our response to the UN's Sustainable Development Goals:**



We minimise the impact of our packaging on the environment by following the 3R principle: Reduce, Recycle & Reuse. We want:

- Our packaging to have as little impact on nature as possible;
- To recycle as much packaging as possible;
- To reuse the collected packaging.

Taking this approach has made a significant difference to our use of primary packaging and our environmental footprint.

In Estonia  
**88%**  
in Latvia  
**19%**  
in Lithuania  
**90%**

of our PET packaging was collected and recycled in 2021.



**All**  
of our packaging is recyclable.

For years, we have taken action to reduce the amount of plastic used for the production of bottles – since 2001, we have decreased the weight of our plastic packaging (PET bottles) by

**45%**

What we have done so far:

- Reduced the amount of heat-shrink film used to wrap each pallet;
- Lowered the weight of plastic used to wrap each box;
- Removed cardboard pads from finished product packaging.

Coca-Cola HBC packaging waste management in the Baltics is organised through the following organisations:

Packaging	EE	LV	LT
Primary	Deposit system	Green Dot	Deposit system
Secondary, tertiary		Green Dot	



**PACKAGING DEPOSIT RETURN SYSTEM IN LATVIA**

At the beginning of 2021, Coca-Cola HBC Poland and Baltics started preparations to ensure a smooth transition to the new packaging deposit return system. A cross-border and cross-functional team was established that worked on different topics throughout the year – adjusting our finance systems, aligning the new label codes and designs, preparing the production and release to market of the deposit-labelled product, communicating with our customers and other stakeholders and many more.

The deposit return system for beverage packaging was successfully introduced in Latvia in February 2022, with Coca-Cola HBC Latvia among the shareholders of the deposit operator “Depozīta Iepakojuuma Operators”. The deposit system is a meaningful step towards a cleaner country both now and with a long-term perspective and it will help to steer the actions of beverage producers, traders, and society in a climate-friendly direction, while providing the opportunity to fully manage the most common beverage packaging.

*More* 301-2 tables

**[301-1]**

Total weight or volume of materials used to produce and package key products and services in the Varéna plant in the period reported, divided into:

Non-renewable materials (in kg), of which:	2021	2020
Materials used in the production process to service equipment (chemicals used in cleaning, washing, disinfecting, lubrication and other processes), but not included in the final product	9100	8584
Packaging materials (PET bottles, plastic labels, stretch and shrink foil, caps, glass bottles)	1084655	1005119
<b>Renewable materials (in kg), of which:</b>	<b>2021</b>	<b>2020</b>
Packaging materials (paper labels, cardboard)	69463	58955

**[301-3]**

Percentage of packaging recovered for the relevant product category

Percentage of reclaimed packaging	Estonia		Latvia		Lithuania	
	2021	2020	2021	2020	2021	2020
% PET	88%	88%	19%	18%	90%	93%
% Plastics	34,5%	39%	60%	58%	51%	37%
Glass	74,5%	75%	74%	72%	61%	67%
Aluminium	93,7%	95%	44%	43%	90%	92%
Metal/Steel	0%	35%	58%	56%	64%	56%

The company does not publicly disclose the methodology used to collect this data. Methodology and data are annually audited by Denkstatt.

**[306-2] [306-3] [306-4] Management of significant waste-related impacts**

Total weight of waste by the following waste management methods

Weight of waste in the Varéna plant	2021	2020
Waste recycled in %	96.45%	97%
Total waste generated in tons	42.17	63.89
Total non-hazardous recycled or recovered waste in tons	39,77	61.70
Total hazardous waste recycled in tons	0.90	0.27
Waste landfilled in tons	1.50	1.92

# Water stewardship

103-1, 103-2, 103-3 disclosures: Water and effluents

In accordance with our Mission Sustainability 2025, Coca-Cola HBC strives to ensure:

Reduction of water consumption by

20%

in the plants located in areas at risk of water deficit;



Coca-Cola HBC strives to ensure water availability for all local communities in areas at risk of water deficit.

[303-2]

Access to clean water is essential to the life and development of communities as well as the production activity of companies. At Coca-Cola HBC Baltics, we are committed to using these valuable resources in a responsible and most effective manner. We make efforts in areas where we have the greatest impact on the environment. Therefore, we constantly search for new ways to reduce water consumption in our plants and work on closing water circulation: we treat wastewater and, wherever possible, we reuse the water recovered or release the treated water back into the natural environment.



ALLIANCE FOR  
WATER STEWARDSHIP

In 2020, we implemented a new international standard of sustainable management of water resources in our Varėna plant –

## Alliance for Water Stewardship

(AWS). AWS is a highly valued certificate, recognised all over the world, and awarding it confirms that we have met the global requirements of responsible water management. The Varėna plant achieved a gold level of AWS standard, which is the only one in Lithuania.

We constantly aim to reduce the amount of water used in production processes. We conform to international water stewardship standards, and our water management practices undergo regular third-party audits. Our Neptūnas plant, in Lithuania, owns four groundwater wells in the area, one of which (constructed in 2002) is operational and currently used for the production of NEPTŪNAS mineral water. The well is approximately 60 metres deep. The Neptūnas well is not located in a designated nature reserve, an EU Natura 2000 site or a water-risk area.



Justinas Kirbutas, Plant Manager,  
Algis Kašėta, Mayor of Varena.

This is our response to the UN's Sustainable Development Goals:



The main goals of AWS are:

- Achieving and maintaining sustainable water consumption;
- Achieving and maintaining good water quality in chemical and biological terms;
- Identifying and protecting areas of particular significance in terms of water access, the environment and culture;
- Having a transparent water resource management system in place;
- Cooperation with stakeholders.

The Varėna plant has been constantly working on water usage improvements through the water usage monitoring system which allows us to check water consumption per each plant's operation. This will help us to identify potential areas where change needs to be implemented.

**[303-3]**  
**Water stewardship for the Varėna plant (in ML)**

	2021	2020
Surface water	0	0
Groundwater	47,15	46,322
Sea water	0	0
Production water (acquired as a result of sourcing, processing, or using any other raw material)	0	0
Water obtained from a direct source (e.g. local water system network)	7,25	7,095

**[303-5]**  
**Water consumption for the Varėna plant (in ML)**

	2021	2020
Total water consumption in all areas	54,402	53,417
Total water consumption in risk areas	0	0



# Sustainable energy sources

**[103-1] [103-2] [103-3] disclosure: Energy**  
In accordance with our Mission Sustainability 2025, Coca-Cola HBC strives to ensure:

**50%**

of all energy used in our plants comes from clean and renewable sources;



**100%**

of all electricity purchased by plants in the EU comes from renewable and clean sources.



We use renewable sources of energy and innovative technologies. 61% of the energy consumed by our company comes from certified sources. Power used in our production facility in Lithuania is produced in the Kaunas Algirdas Brazauskas' Hydroelectric Power Plant, 100% from renewable sources, and we have received the "Lithuania Green Energy" certificate.

The Varėna plant implemented a complex energy consumption monitoring system, which allows the tracking of electricity and gas consumption of each of the Varėna plant's operations. This will support the identification of potential areas of savings and improvements that can be implemented.

**[302-1]**  
**Energy consumption within the organisation (in MJ)**

	2021	2020
Total consumption of energy from non-renewable sources, in megajoules or their multiple, divided into the raw materials from which it was generated		
Electricity*	0	0
Propane/LPG**	2 860 555	3 098 791
Natural gas**	0	0
LFO (Light Fuel Oil)**	0	0

\* In the Varėna plant in 2020/2021, 100% of purchased electricity was from renewable sources.  
\*\* Data for the Varėna plant

	2021	2020
Total consumption of energy from renewable sources, in megajoules or their multiple, divided into the raw materials from which it was generated in the Varėna plant		
Electricity	5 980 066	5 340 146
Steam (CHP)	0	0
Hot water (CHP)	0	0

**Total consumption in the Varėna plant (in Joules or kWh)**

	2021	2020
Electricity	1 661 130	1 483 374
Steam	0	0

**This is our response to the UN's Sustainable Development Goals:**



# Carbon footprint

[103-1] [103-2] [103-3] disclosure: Emissions

In accordance with our Mission Sustainability 2025, Coca-Cola HBC strives to ensure:

Reduce direct carbon dioxide emissions by

**30%**

vs. 2017.



Reduce emissions in our customers' stores –

**50%**

of our point-of-sale refrigerators will be energy-efficient.



This is our response to the UN's Sustainable Development Goals:



In October 2021, Coca-Cola HBC announced the Net Zero Pledge, a commitment to achieve net zero emissions across the entire value chain by 2040. The current target will prompt the reduction of emissions across the entire value chain.

In line with this science-based target, by 2030 Coca-Cola HBC will reduce emissions in the value chain (split into scopes 1, 2 and 3) by 25%, and a further reduction by 50% in the next decade is emphasised.

Reducing emissions by 90% in Scope 3 of the value chain will require close cooperation with third parties, therefore Coca-Cola HBC will focus on fostering partner relations with its suppliers. Where emissions prove impossible to eliminate entirely, Coca-Cola HBC will mitigate the negative effects on the climate by investing in other eco-friendly solutions.

Coca-Cola HBC is committed to achieving net zero emissions across our entire value chain by 2040.

In the last decade, Coca-Cola HBC Poland and Baltics reduced CO<sub>2</sub> emissions by

**45%**



Key reduction areas:

1. Including a CO<sub>2</sub> reduction target among our goals.
2. Increased energy efficiency, switching to 100% renewable electricity.
3. Increasing the share of packaging with lower CO<sub>2</sub> emissions  
Designs reducing the weight of packaging, reducing plastic from secondary packaging (e.g. KeelClip).
4. Providing customers with energy-saving and ecological refrigerators.
5. Switching to a low-carbon fleet.



**GOOD PRACTICE**



At Coca-Cola HBC Baltics we no longer buy cars with petrol or diesel engines, and by 2025 we want to replace all our company cars with eco-friendly electric or hybrid models.

**GOOD PRACTICE**



**100%** of the purchased electricity used in our production plant comes from renewable energy sources.



**[305-1]**

**Direct (Scope 1) GHG emissions\***

Gross greenhouse gas emissions (GHG) in tons (t) of CO<sub>2</sub> equivalent or equivalent unit\*

Gross greenhouse gas emissions in tCO <sub>2</sub>	2021	2020
Lithuania	524	532,5
Latvia	297	285
Estonia	171	208

**Baseline emissions in tCO<sub>2</sub>** Base year: 2017

Lithuania	639
Latvia	674
Estonia	291

**[305-2]**

**Energy indirect (Scope 2) GHG emissions\***

Gross indirect emissions (scope 2) divided into locations in tons (t) of CO<sub>2</sub> equivalent

	2021	2020
Gross indirect emissions (scope 2) for the Baltics in 2020	9	6

Countries (in tCO <sub>2</sub> )	2021	2020
Lithuania	1,91	0,6
Latvia	5,92	4,6
Estonia	1,65	0,8

**Baseline emissions in tCO<sub>2</sub>** Base year: 2017

Lithuania	280
Latvia	60
Estonia	73

**[305-3]**

**Other indirect (Scope 3) GHG emissions\***

Other gross indirect emissions (Scope 3) divided into locations in tons (t) of CO<sub>2</sub> equivalent

	2021	2020
Lithuania	6962	7132
Latvia	3507	2697
Estonia	4865	6878

**Baseline emissions in tCO<sub>2</sub>** Base year: 2017

Lithuania	8068
Latvia	3631
Estonia	11984

\* The emission factors that we use to calculate emissions are revised annually. Their sources are: Institute for Energy and Environmental Research (IFEU) and IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories

**[305-4]  
GHG emissions intensity**

Intensity of greenhouse gas emissions ratio in the Varėna plant	2021	2020
Intensity of greenhouse gas emissions ratio (g CO <sub>2</sub> /l (litre of beverage produced)) Scope 1+2	14,39	15,3
Intensity of greenhouse gas emissions ratio (g CO <sub>2</sub> /l (litre of beverage produced))	2021	2020
Scope 1	14,34	15,29
Scope 2	0,05	0,02
Scope 3	191,18	204,8
Scope 1+2+3	205,57	220,1

**[305-5]  
Reduction of GHG emissions  
Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO<sub>2</sub> equivalent)**

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO <sub>2</sub> equivalent) for Baltics	2021	2020	Change (t) vs. 2020	Change (%) vs. 2020
Scope 1	990	1025	-35	-3,46%
Scope 2	9	6	3	57,35%
Scope 3	15334	16707	-1374	-8,22%

**Base year: 2017****Baltics 2017**

Baseline emissions in tCO <sub>2</sub>	
Scope 1	1605
Scope 2	413
Scope 3	23683

**Scopes where GHG emissions reduction was achieved for Baltics (in tons (t) of CO<sub>2</sub> equivalent)**

Scope 1 – reduction vs. 2017	615
Scope 2 – reduction vs. 2017	403
Scope 3 – reduction vs. 2017	8350

# Impact on the Community



# Employees

In accordance with our Mission Sustainability 2025, Coca-Cola HBC strives to ensure:

Support the development of



**1 million**

young people entering the labour market in 28 countries with its #YouthEmpowered programme;

Create diverse teams to ensure that

**50%**

of managerial positions are occupied by women;

Target: **zero**

fatalities

and reduce (lost time) accident rate by

**50%**

This is our response to the UN's Sustainable Development Goals:



**[103-1] [103-2] [103-3] disclosure: Employment**

Coca-Cola HBC Baltics is an attractive, modern, and comfortable place to work. Every employee can count on engaging tasks, a safe work environment, and benefits. We employ over 280 people in the three Baltic states, most of them full time and permanent contracts.

**GOOD PRACTICE**



To make it as easy as possible for employees to reconcile different life roles, we offered even more flexible work arrangements in 2021, including the possibility of working from home for up to 10 days a month, work from different locations, or hybrid work – part of the day from home, part from the office, and with the option to finish work early on Fridays. During the pandemic, we have also made it possible to work from abroad for up to 92 days in a calendar year.

**[404-3]**

All our employees receive regular performance and career development reviews.

**[401-2]**

**Benefits provided to full-time employees that are not provided to temporary or part-time employees**

We recognise our employees not only in financial terms. People working for our organisation on a full-time basis may count, among others, on\*:

- Health insurance;
- Retirement gratuities;
- Maternal/paternal leave;
- Flexible working arrangements;
- Monthly supply of beverages to take home;
- Gifts for seniority in the company (service awards);
- Christmas gift cards;
- Christmas gifts for children of employees;
- Fully compensated first 5 sick-leave days (the company compensates the part not covered by the government so that the pay-out will always be 100% of income);
- Additional days off (free days for childcare for parents who have one and more children up to 14 years of age);
- 1 day off for volunteering in working hours;
- Service vacation (up to 4 days off per year depending on seniority in the company);
- Additional payouts (death allowance, childbirth, school support, up to the 9th

\* Individual benefit packages may differ depending on the country and the Coca-Cola System company.



- grade, for employees raising children, graduation, marriage);
  - 3 days with admin permanent employees (in case annual leave days are fully used), compensation for glasses;
  - Company car for private use (in accordance with the internal company policy);
  - Mobile phone (in accordance with the internal company policy).
- We do not run special pension programs.

**GOOD PRACTICE**



To thank our employees for their loyalty to the company and the Coca-Cola brand, we celebrate work anniversaries together every five years, and reward employees with gifts and additional days off. The number of additional days off increases by one for each five-year period worked at our company.



**[102-8]**

**Information about employees and other persons working for Coca-Cola HBC Baltics**

	2021
<b>Full-time contract</b>	
Women	123
Men	161
<b>Total</b>	<b>284</b>
<b>Part-time (1/2 FTE)</b>	
Women	0
Men	0
<b>Total</b>	<b>0</b>
<b>Different FTE proportion</b>	
Women	1
Men	0
<b>Total</b>	<b>1</b>

**Number of employees by form of employment**

	2021
<b>Fixed-term employment contract</b>	
Women	40
Men	32
<b>Total</b>	<b>72</b>
<b>Permanent contract</b>	
Women	84
Men	129
<b>Total</b>	<b>213</b>

**[102-41]**

There is no collective labour agreement at Coca-Cola HBC Baltics.

# Diversity and inclusion

**[103-1] [103-2] [103-3] disclosure: Diversity, equal opportunity and non-discrimination**

At Coca-Cola HBC Baltics we treat people with dignity and respect. We consider respect for human rights to be the cornerstone of sustainable development for our organisation.

The company has implemented the Human Rights Policy, which is based on the principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights.

*All Coca-Cola HBC policies, including the Human Rights Policy, can be found at*



Selected aspects regulated by the Human Rights Policy at Coca-Cola HBC Baltics:

- Respect for human rights;
- Stakeholder engagement;
- Valuing diversity;
- Freedom of association;
- Safe and healthy workplace;
- Zero tolerance of slavery, forced labour and human trafficking;
- Work hours, wages and benefits;
- Reporting and investigating irregularities.

**[406-1] [202-2]**

Only 8% of our top managerial staff come from Lithuania, Latvia, or Estonia. The Baltic countries are part of the Coca-Cola Poland and Baltics business unit. We value the diversity of our people and the contributions they make to the organisation. For many years, we have been committed to creating the right conditions for all our employees to reach their full potential, without discrimination or harassment. We are dedicated to maintaining workplaces that are free from discrimination or harassment on the basis of race, sex, skin colour, national or social origin, religion, age, disability, sexual orientation, political opinion, or any other status protected by applicable law.



In all aspects of recruitment, employment, compensation and benefits, training, advancement and placement, we rely on qualifications, skills, experience, meeting the requirements and standards of the given position, as well as performance. Regardless of personal characteristics or status, the company does not tolerate disrespectful or inappropriate behaviour, unfair treatment, or

any form of retaliation. Harassment is unacceptable in the workplace and in any work-related circumstances, both in and outside the workplace. These principles apply not only to company employees but also to the business partners with whom we work. In 2021, we did not record a single case of discrimination at Coca-Cola HBC Baltics.



We believe that diversified teams are more productive, and leadership and proper decision-making are skills that both men and women can have. Therefore, our goal as an organisation is to fill 50% of managerial posts with women by 2025. At Coca-Cola HBC Baltics we support gender diversity and equality. We practice equal and competence-based hiring (especially in the case of managerial positions), we award bonuses to and promote women and men on a par, and organise training on diversity and integration.

We raised the issue of diversity in 2021 with employees during special educational sessions. We organised, among others, the webinar "Appreciating & Understanding Our Diverse North", attended by over a dozen employees, and a webinar for women on self-esteem and the fulfilment of ambitions. An opportunity for dialogue on the importance of diversity and inclusiveness in the workplace was also provided through a survey on these topics among employees.

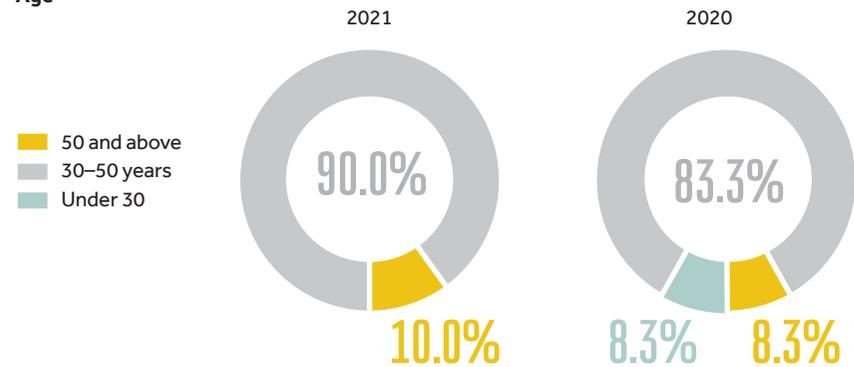
**[405-1]**

**Percentage of people in governing bodies in the diversity dimensions**

**Gender**



**Age**

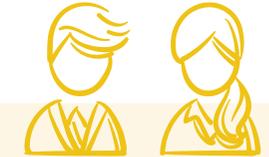


# Training and development

**[103-1] [103-2] [103-3] disclosure: Training and education**

In Coca-Cola HBC Baltics, we have prepared training for the employees which is adjusted to current and future business needs. We develop the competence of our staff, as we believe in the potential and ambitions of each employee.

We have developed various programmes for raising professional qualifications for all positions within our organisation – we offer training courses tailored to the needs of, among others, our production plant personnel, managers of various levels, and our sales force. Depending on demand, we also provide support in learning English, as well as in legal aspects, negotiation techniques, and digital skills. Coca-Cola HBC Baltics employees also have access to the Hello e-learning platform, where almost 2,500 training resources are available in 22 languages.



We run numerous development and knowledge-sharing initiatives:

- Coke Day – session for new HQ employees;
- IDP information sessions;
- P4G educational sessions;
- Educational sessions about engagement;
- E2E BSO educational sessions;
- Power Hour (for managers);
- Polish Deal tax reform – educational sessions;
- Training on diversity and building an inclusive organisational culture.

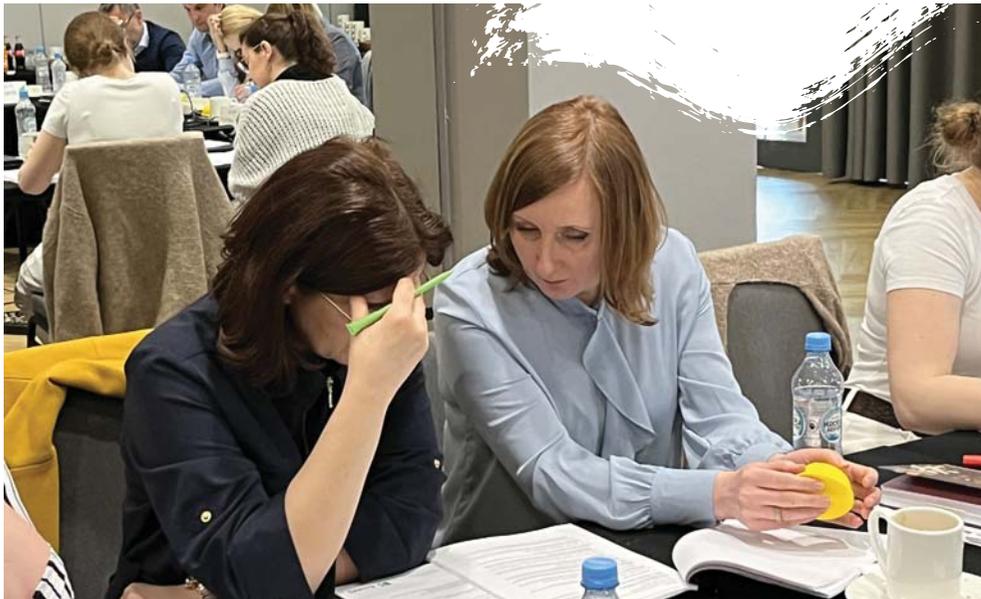
**[404-1]**

**Average number of hours of training held by employees in the reporting period, divided into:**

Gender	2021	2020
Women	12,56	1,91
Men	14,84	14,81

**Employment category**

	2021
Change leaders	10,92
Front-line leaders	14,06
Future drivers	19,34
Professionals	11,13
Supporters	5,62
Troopers	22,43





We build strong team competence to execute our strategy. We observe our line, mid- and senior-level managers and help them quickly build the competences they need to manage their areas.

**Fast Forward** is a 12-month development programme for employees with the highest potential. Training is organised on three levels: from specialists to managers, from managers to senior managers, and from senior managers to board members. 26 employees participated in the programme in 2021. The goal of the Fast Forward programme is to effectively prepare employees with high potential for promotion, and shorten the time needed to achieve the expected results after the transition. This is accomplished, among others, through:

- Providing clearly defined opportunities for development within the company;
- Career path planning;
- Building engagement;
- Forming a group of successors for the key managerial positions within the organisation;
- Developing independence and networking.

At Coca-Cola HBC Baltics we support sharing knowledge between our employees. We have introduced, among other initiatives, a mentoring system based on mutual learning where the mentor and the mentee help each other in their personal and professional development by sharing knowledge and experience. Their relationship is based on mutual trust and respect. The goal is, above all, to support the onboarding of new hires, support managers in developing leadership competences,

and support talents in the change process. In 2021, we used a user-friendly dedicated platform to connect mentees and mentors in the most seamless way possible. Mentor profiles are presented on the platform along with their availability, which makes it easy to arrange meetings. It also offers the opportunity to apply for the position of a mentor. The programme covers all of the group's markets, which means a mentor from any country can be selected.

#### Opportunity Marketplace

In 2021, we continued our work on our Opportunity Marketplace platform, which we launched in 2020. The platform is used to connect employees with projects. Project managers post announcements about the sort of support they need and its extent, and employees looking for new development opportunities, who want to experience something new, can apply. Importantly, they can apply to join projects from various departments, and even different Coca-Cola HBC Group countries. This approach enables employees to truly learn, acquire completely new competences, and get to know other departments within the company in practice. Any employee can apply to take part in any of the announced projects, as long as they meet the basic criteria identified by the project manager.

#### GOOD PRACTICE



We have been developing the **Smarp** platform since 2020, which employees use to create content and share it on social media. **Smarp** ensures not only greater reach for corporate communication, but also helps promote the private accomplishments of employees who want to be active, build their image, share knowledge, and spread our values. The platform provides inspiration for creating posts, allows accurately tracking of statistical data, and introduces a competition component. By being active on the platform, employees earn points that can be exchanged for attractive prizes.

### Brand Opener

Another edition of the Brand Opener competition was held in 2021, to continue building our image as an employer among young people. The fifth edition of the programme, similarly to the previous ones, was aimed at raising awareness among students of what Coca-Cola HBC offers to young and ambitious people who are starting their journey on the labour market. For the second time, we addressed the competition not only to Polish citizens, but also to Lithuanians, Latvians, and Estonians.

In 2021, we also decided to slightly expand the scope of the competition. Participants had the opportunity to demonstrate their knowledge and creativity in one of four areas: sales, sustainable development, production, and marketing. Once again we focused on raising awareness, sharing knowledge and building engagement, rather than fulfilling recruitment goals.

Due to the pandemic, the Brand Opener campaign was organised entirely online. To reach recipients, gain a foothold in their awareness and encourage them to take part in the competition, we have carried out an extensive online image-building campaign, using various communication channels, including Facebook, YouTube, Instagram, and Messenger. The slogan of the 2021 campaign was "Unbottle your potential". We conducted the main competition, organised seven "mini-challenges" and live events, also with the members of our board.

Our goal was not only to promote the competition and the online events, but above all to build awareness and our image as an employer of choice among young people. Brand Opener 2021 enabled us to introduce students to working in the FMCG industry, provided them with useful practical knowledge, and inspired them to make bold personal and professional decisions.



### Brand Opener 2021 coverage (Poland, Lithuania, Latvia, Estonia):

Reach on Facebook:

**2,637,481**

people;

Over

**1.9 million**

views of our ads;

**86,716**

clicks on links to the campaign's website;

**8,505**

interactions.



# Health and safety

**[103-1] [103-2] [103-3] disclosure: Health and safety**  
Our goal: To reduce the accident ratio by 50% and zero fatalities in accidents at work  
**[403-6]**

We want work in the Coca-Cola System in the Baltics to be safe work. We engage in shaping a culture of occupational health and safety and apply effective health and safety standards appropriate to the risks associated with our business.

We provide a healthy and safe work environment by eliminating hazards, reducing health and safety risks, and raising awareness among employees and subcontractors. We comply with all legal requirements and health and safety standards, and in many areas, our internal regulations go beyond the mandatory scope.

Safety issues at Coca-Cola HBC Baltics are regulated by the Occupational Health and Safety Policy, the Policy of Safe Car Fleet Management and the procedures of the system compliant with the ISO 45001 standard. The ISO 45001 standard has been in force in the company since 2020 and has been im-

plemented at the Varėna plant. The standard is not required by Lithuanian legislation – we decided to implement it bearing in mind the highest safety standards it introduces.

**[403-3]**

The management board of Coca-Cola HBC Poland and Baltics is responsible for occupational safety management. At Coca-Cola HBC, the Occupational Health & Safety (OHS) manager responsible for Poland and Baltics has also been appointed to oversee safety and develop the OHS issues management system.

**[403-2]**

At least once a year, an analysis of occupational risks is conducted for all positions within the company. The results of the professional risk assessment are discussed during the review of the implemented OHS management system. In the functions where no management system has been implemented, the results of the professional risk assessment are analysed on an ongoing basis during meetings conducted every month that concern work safety performance.

## Identification of hazards

Our organisation has implemented the **Near Miss** threat identification programme. Every employee may report a threat using an electronic database, and an action plan is created for every submission. In 2021, we recorded 34 submissions in Lithuania.



## Reporting and analysis of the causes

Every employee is obliged to report accidents and near misses. The accident team determines the causes of a given incident. The remaining units are informed both about the incident and its causes. In the next step, preventive actions are taken to eliminate the risk of a similar incident occurring in other departments.

If the work poses a direct threat to the health or life of an employee, the employee is obliged to cease performing it. All employees are informed about this obligation.

It is also possible to report potentially dangerous incidents anonymously via the SpeakUp Line tool.



**[403-6] [403-7]**

## Preventive actions

In addition to strictly complying with the OHS regulations, we also take preventive action. Listed below are some of them:

- The Behavioural Based Safety (BBS) system was used to train 12 reviewers, who performed a total of 109 reviews;
- Signs in front of entrances leading into facilities with information about the number of days since the last accident, and the most consecutive days without an accident to date;
- The Toolbox Talks programme encourages talks about safety, and Walk The Talk inspections of workstations are conducted by management;
- An OHS-related page on the corporate Intranet, offering access to OHS good practices and training materials;
- Company cars are fitted with a warning system that alerts the driver when failing to keep sufficient safe distance from another vehicle on the road;
- Safety Week campaign.

## GOOD PRACTICE



The global The Coca-Cola Company Life Saving Rules programme was launched in 2021.



Gyvybę  
Gelbstinčios  
Taisyklės  
Nulis yra įmanoma



Dzīvību  
Glābjoši  
Noteikumi  
O ir iespējama



Elu Päästvad  
Reeglid  
O on võimalik

Its goal is to build a safety culture where reaching zero accidents is possible. A global and unified approach to threats and prevention has been introduced as part of the programme. It includes 14 rules that address different risk groups:

1. Behavioural, such as the ability to react to threats in the surroundings, the reactions themselves, and the necessary knowledge and skills;
2. Associated with the organisation of work in the context of contractors and work permits;
3. Related to particularly dangerous work;
4. Associated with broadly defined mobility.



The system for implementing and monitoring corporate requirements and communication in the area of work safety has been built around these 14 rules.

Every year, we organise the Safety Week, during which employees can learn more about Occupational Health & Safety (OHS), and update their knowledge. We organise, among other things, basic tests, dietary consultations, and meetings with safety experts. Given the number of accidents and greater business activity, Safety Weeks have been organised twice a year since 2021. The spring edition is held just

before the commercial season in the summer, and the autumn edition, during which winter season hazards are focused on, is organised just before the Christmas sales peak.

The spring edition of the Safety Week (31 May 31 to 4 June) in 2021 was directly addressed to the field sales force and production plant staff. Heads of the individual functions were involved in the promotion of the event. We launched a long-term risk assessment campaign just before completing the Take 5 seconds to think before you start task, which continues into 2022. This

Safety Week is also focused on promoting Life Saving Rules, a global programme launched by The Coca-Cola Company. Our employees have had the opportunity to take part in webinars on threat response, and learn how to walk and drive a car safely.

The autumn edition (15–19 November) was attended by 1,330 employees from the entire BU, and involved 58 activities (training, webinars). We have delivered over 91 hours of training, including 11 online activities. We are proud that despite the pandemic, we managed to organise activities in 6 locations, making sure safety rules were followed. A total of 21 people were involved in preparing the event, including local leaders such as OHS experts from production plants. Various topics were raised depending on the audience:

1. First aid
2. Road safety
3. Forklift Olympics in the warehouses
4. Healthy spine
5. Production safety – personal protective equipment and the Lock Out Tag Out (LOTO) system

**Number of days without accidents at work in the Varėna plant\***

	2021	2020
Varėna	1555	1189

\* As at 31 December

[403-10] At Coca-Cola HBC Baltics, we did not record any occupational diseases or fatal

accidents in 2021. There were six work accidents resulting in loss of working time.



**Index of work-related injuries**

	2021	2020
Number of fatalities as a result of injuries connected with work	0	0
Mortality ratio as a result of injuries connected with work	0	0
Number of serious injuries connected with work (excluding fatalities)	0	0
Ratio of serious injuries connected with work (excluding fatalities)	0	0
Number of injuries connected with work	1	0
Ratio of injuries connected with work	1,75	0
Main types of injuries connected with work	foot injury	n/a

**For all workers who are not employees but whose work and/or workplace is controlled by the organisation**

Number of fatalities as a result of injuries connected with work	0	0
Mortality ratio as a result of injuries connected with work	0	0
Number of serious injuries connected with work (excluding fatalities)	0	0
Ratio of serious injuries connected with work (excluding fatalities)	0	0
Number of injuries connected with work	0	0
Ratio of injuries connected with work	n/a	n/a
Main types of injuries connected with work	n/a	n/a
Number of hours worked	n/a	n/a

\* Number of work-related medical interventions in the reference period x 100 / average number of jobs per reference period

**Safety during the pandemic**

During the COVID-19 pandemic, Coca-Cola HBC in the Baltics, just as with all local teams around the world, has strictly observed the best practices to prevent coronavirus infections. We addressed the safety of both our office as well as production personnel. We have specifically focused on two aspects: minimising the risk of infection and avoiding stoppage of production.

We asked all employees to work from home to the maximum extent possible, provided that the nature of their duties allowed for it. We cancelled the majority of domestic and international business trips, and postponed the visits of guests to our facilities.

In the Neptūnas plant, where remote work is obviously impossible, we have made our already high standards of hygiene even stricter. We have implemented additional procedures for disinfection and cleaning of all surfaces which employees come into contact with the most often. All employees have also been provided with personal protection equipment.

We have also introduced preventive measures. Before entering our facilities, every employee has had their body temperature scanned with an infrared thermometer.

**GOOD PRACTICE**



**We decided to keep some of the solutions introduced during the pandemic. The Employee Assistance Programme, a private support service launched in 2020, is one such example. It is intended to provide free**

**psychological help to employees and their families, and address the problems and challenges of everyday life. The EAP programme offers personalised and professional support, as well as assistance in managing life's difficulties. The EAP Helpdesk operates 24/7, and offers support whenever needed.**



**GOOD PRACTICE**



**The Smart Glasses technology has also been retained in our plants after the pandemic, which has changed the way production line equipment is maintained and repaired. Thanks to the Smart Glasses technology, after wearing special glasses employees of the Lithuanian plant stream what they see to technical consultants all over the world. Experts "looking through their eyes" can give directions about what to do and how to do it in the most effective way. Thanks to Smart Glasses, we have reduced the number of face-to-face meetings, while at the same time cutting CO<sub>2</sub> emissions by limiting travelling. Smart Glasses are also used by staff who prepare orders for shipping to customers. Orders are no longer printed on paper, but displayed in the system through Smart Glasses.**

# Relationships with stakeholders



[102-42] [102-43]

We treat dialogue with our stakeholders as an opportunity to look for new and better solutions. The frequency of the dialogue depends on the specificity of a given group, the strength of the influence and the scale of interest. We conduct both face-to-face meetings and market research. We are also a member of industry organisations and we cooperate with many non-governmental organisations with which we implement programmes important for society.

**We conduct dialogue with external stakeholders through:**

- events organised by our companies;
- meetings of industry organisations;
- business meetings with customers and suppliers;
- dialogue panels according to the AA1000 SES standard.

**GOOD PRACTICE**



We have been organising dialogue panels with our key stakeholders for several years. We organise meetings both in Warsaw – for stakeholders with whom we work across the country – and in our plants, where we meet local stakeholders. They are conducted in accordance with the requirements of the AA1000 SES standard. The process by which we prepare and conduct meetings is based on the three main principles of the standard:

- **RELEVANCE** – engaging stakeholders in relevant topics and activities.
- **ENABLING** – engaging key stakeholders in developing and achieving strategic responses to the challenges of sustainable development.
- **RESPONSIVENESS** – the organisation's response to stakeholder issues that affect its sustainable development.

In February 2021, we organised an Alliance for Water Stewardship dialogue session for the stakeholders of our Neptūnas plant in Varėna. The session was conducted according to the AA1000 SES Standard. The scenario of the meeting was prepared based on the results of an online survey conducted among stakeholders. The stakeholders discussed key topics on water stewardship and the sustainability agenda of the plant. The online

meeting was attended by 22 representatives from governmental administration, NGOs, and suppliers.

In an online survey conducted prior to the session, stakeholders were asked how they rated Varėna's plant water stewardship activities. The results obtained indicate that these activities are assessed by the stakeholders as good.

**Evaluation of individual Coca-Cola HBC sites' water stewardship activities:**

	Varėna plant
Optimisation of water consumption in production process	3,57
Activities with the local community (river fishing, cleaning up the world, educating children and youth)	3,43
Water resources management system (AWS/EWS and ISO14001)	3,71

Stakeholders rated the activities on a scale of 1–5, where 1 was very bad and 5 was very good.

In the survey, stakeholders were also given the opportunity to identify key water resource challenges affecting the plant and possible areas of collaboration between the plant and stakeholders in this regard.

**Key challenges and possible areas of collaboration identified by stakeholders (Varėna):**

**What are your challenges related to water resources?**

- To avoid running out of water;
- Development and improvement in the field of environmental protection in accordance with the company's policy;
- Minimise use of primary pipe water and use more recycled water;
- Water quality issues.

**How could the Coca-Cola HBC Lietuva/ Neptūnas plant help in overcoming the challenges you mentioned related to water resources?**

- Using water resources responsibly;
- Training, joint ecological actions;
- Sharing knowledge about existing and ongoing activities related to water resources and opportunities for contributing to them as partners;
- Provide expert advice on water properties and possible measures to improve them;
- To engage in educational activities to explain to both employees and the public that all waste must be recycled and given the opportunity to be reused.

The topics mentioned by the stakeholders are the subject of further discussion and action planning at the plant.



[102-44]

Neptūnas stakeholders were acquainted with the factory's activities in the area of sustainable development and water management. During the discussion, the stakeholders pointed to the need for more active education of society on Lithuanian water resources and responsible water resource management. In this regard, stakeholders expressed the need for greater involvement by our company. Stakeholders also inquired about the quality of the water produced by the Varėna plant. The discussion also concerned the topic of plastic packaging and the company's strategy and plans to reduce the consumption of this material. Neptūnas has developed an action plan based on the insights received during the event and survey which should be implemented in collaboration with stakeholders.

[102-40]

#### Stakeholders of the Coca-Cola System in the Baltics:

- Employees
- Society
- Local communities
- Our clients
- Governmental institutions and regulators
- Trade organisations and associations

How we engage:

#### Employees

- Sustainable engagement and values index surveys, quarterly management calls, Annual Leadership Conference, employee communications channels such as intranet, individual development plans, internal communications campaigns, community and active lifestyle projects, volunteerism, Employee Works Council, whistle-blower hotline

#### Customers

- Regular visits, dedicated account teams, joint business planning, joint value creation initiatives, customer satisfaction surveys

#### Consumers

- Consumer hotlines, local websites, plant tours, research, surveys, focus groups



#### Suppliers

- Joint value creation initiatives, annual supplier conference, sustainable sourcing, Supplier Guiding Principles, packaging associations, whistle-blower hotline

#### Governments and regulatory authorities

- Recycling and recovery, quality regulation, reformulation-related initiatives

#### Non-governmental and intergovernmental organisations (NGOs and IGOs)

- Dialogue, policy work, partnerships on common issues, memberships of business and industry associations

#### Communities

- Plant visits, community meetings, partnerships on common issues, sponsorship activities, lectures at universities

#### The Coca-Cola Company

- Day-to-day interaction as business partners, joint projects, joint business planning, functional groups on strategic issues, 'Top-to-Top' senior management

In addition to the dialogue workshops organised for the purpose of this report, we regularly approach specific groups of stakeholders. The form and frequency depend, crucially, on the specific nature of the given group of stakeholders, the degree of impact, and the amount of interest, etc. In the case of certain groups, to determine their expectations, concerns, and needs, our representatives meet with them directly. In other cases, we carry out market research, for example. Following the principles of transparency, we express our opinion on possible legal solutions through the organisations we belong to, which speak on behalf of the industry.

**[102-12]**

The Mission Sustainability 2025 is supplemented by pledges and codes voluntarily adopted by the company:

- **Sustainable Development Goals:** goal 6 and goal 12. As part of the 2030 Agenda, we have committed ourselves to reducing the total water consumption in production processes and reducing the consumption of PET raw material, <https://www.un.org.pl>;
- **Greenhouse Gas Protocol (GHG Protocol),** <https://ghgprotocol.org/>;

- **Alliance for Water Stewardship (AWS),** <https://a4ws.org/>, more about the standard on page 26;
- **UNESDA Calorie Reduction Pledge** in the portfolio, <https://www.unesda.eu/sugar-reduction>
- **EU Pledge** on corporate marketing, <https://eu-pledge.eu/>, more about the commitment on page 20;

**[102-13]**

At Coca-Cola HBC Baltics we believe that by working with others we can promote change and create a sustainable future for everyone. On all markets Coca-Cola HBC actively builds and expands business networks, and explores opportunities among businesses and NGOs, sharing the experience gained by being a sustainability leader in our sector across the 28 markets we operate in.

We are active members of local business alliances such as business leaders' forums, local networks, business councils for sustainable development and other industry associations. In addition, we actively participate in conferences, work with civil society organisations, and influence public policy related not only to the improvement of key sustainability issues, such as the environmental impact of packaging, water and energy use but also to matters concerning social sustainability such as human health and well-being, labour relations, and talent acquisition and retention.

In **Estonia**, CCHBC is a member of the following strategic associations and forums:

- Estonian Food Industry Association
- American Chamber of Commerce
- Estonian Chamber of Commerce
- Premium Spirits Producers and Importers Association
- Estonian Responsible Business Forum

In **Latvia**, CCHBC is a member of the following strategic associations:

- Latvian Food Federation
- Employers' Confederation of Latvia
- Latvian Chamber of Commerce
- Latvian Soft Drink Association
- Latvian Packaging Association

In **Lithuania**, CCHBC is a member of the following strategic associations and forums:

- Lithuanian Food Industry association
- Lithuanian Beverages association
- American Chamber of Commerce
- Lithuania Free Market Institute
- Investors Forum Lithuania

While we do not work for awards, we are obviously very pleased when independent experts recognise us for our efforts. **Our efforts have been recognised by external stakeholders, which was reflected in the awards we received:**

Coca-Cola HBC has also earned top marks in prestigious sustainability rankings:



**Estonia:**

- Silver Badge in the **Family Friendly Employer** Programme 2021
- CCHBC Estonia among top 10 most attractive employers in the vocational school sector.
- 4<sup>th</sup> place in **Vocational Schools Most Attractive Employers** in 2021 – out of 218 organisations



**Latvia:**

- Top Employer – 5<sup>th</sup> place in the trade sector. Ranked by Portal CV-Online, the biggest job portal and recruitment company in Latvia

**Lithuania:**

- Coca-Cola HBC Lithuania was named one of the top employers in Lithuania.
- Most Equal Workplace** awarded by professionals representing Lithuania women information centre, Social Affairs and Labour Ministry and Equal Opportunities Control Service
- Top employer 2020** awarded by National Responsible Business Awards named an employer with high social responsibility standards.



**Estonia**

Silver level in the national CSR index in 2021 as one of the most responsible businesses in the country.



**Latvia:**

For the third year in a row, Coca-Cola HBC Latvia achieved the highest rating in sustainability – Platinum level in the national CSR Index.



Achieved once again the status of Europe's most sustainable beverage company in the 2021 **Dow Jones Sustainability Index**;



Highest rating among beverage companies in the **MSCI ESG Rating**;



'A' ratings from the 2021 Carbon Disclosure Project (CDP) for climate change and water;



Gold levels in the Alliance for **Water Stewardship Standard**;



A presence in the **FTSE4GOOD** index since its creation in 2000;



No. 1 among beverage companies in the **ESG VIGEO index** prepared by Moody's agency;



ESG Prime status on the **ISS statement**;



Presence on the **Ethibel EXCELLENCE** Socially Responsible Investments Register.

More about *ESG rankings for Coca-Cola HBC* can be found here:



# Social engagement

We support community programmes and get involved in initiatives where our competence, knowledge and experience can be the most valuable.

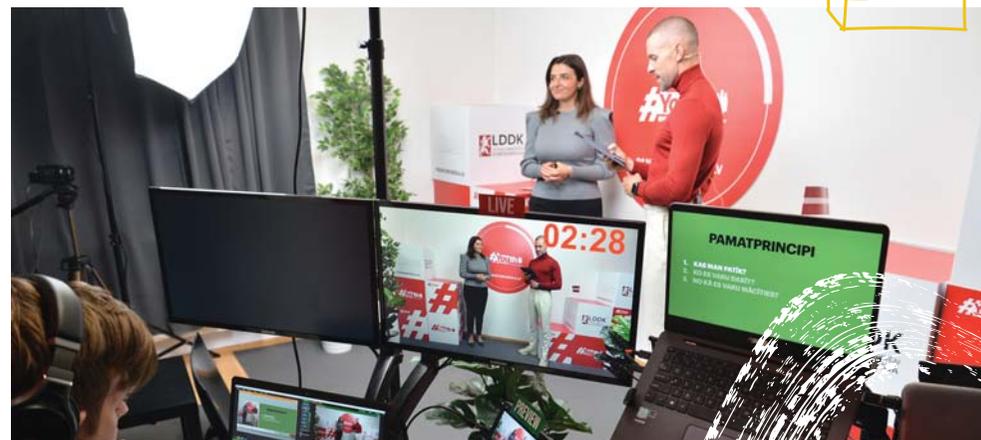
#### In our actions we focus on:

- Creating a positive impact on society and the economy;
- Improving the quality of life of the community;
- Supporting youth in development;
- Launching environmental projects.

#### Youth Empowered Program

The Youth Empowered Programme (YEP) is a system/educational initiative launched in 2017, which focuses on young people who are out of work, are outside the education system, or are not participating in any training courses. The programme supports the process of professional inclusion by providing the tools to assist them in building their potential and exploring opportunities on the job market.

In the countries where Coca-Cola HBC Poland and Baltics operates, we organise the Youth Empowered Event every year, which was attended by over 1,500 students in 2021. The event was opened by Jaak Mikkel, General Manager of Coca-Cola HBC Poland and Baltics. It featured dozens of inspiring lectures by young and popular YouTubers, experienced entrepreneurs, influencers and environmental educators, delivered locally in Poland, Latvia, Lithuania, and Estonia. "Mission Sustainability" was the slogan of the Youth Empowered Event in 2021, and most sessions were devoted to the role of sustainable development in the contemporary world.



#### Youth Empowered Program in Estonia

In Estonia, the Youth Empowered Event was divided into two parts. The first part featured inspirational sustainable business speakers, which was then continued with a hackathon, as in the past five years, to foster entrepreneurship. This year's theme set the tone for the student to create sustainable business solutions and pitch them to the jury.

They were briefed beforehand on how to generate ideas and find solutions to problems, how to target audiences, and determine whether the business is profitable. The jury selected the best ideas:

- Sustainability special award – FloCard – greeting cards made of recycled paper combined with flower seeds that you can plant later
- Best Pitch award – DryCycle – a technical solution that keeps your bike's saddle dry, using a special compartment.

Following this event, students' companies have developed into actual businesses that operate to this day. In total, there were 150 students who joined the workshops online.

Youth Empowered in Estonia has been cooperating with the Junior Achievement organisation for five years. Its mission is fostering entrepreneurial spirit in young people by giving them the ability to think economically, but also ethically.





### Youth Empowered Program in Latvia

The Annual Youth Empowered Event inspired and trained more than 700 participants in 2021. From young YouTubers to experienced CEOs, the diverse speaker line-up offered a whole new look at career choice and motivation. Our lectures shared knowledge and inspiration among young people to help them

on their way towards building a meaningful career. The content of the seminars was designed to supplement the knowledge and skills of young people on the contemporary labour market, and address the economic, technological and social conditions of society, and its development, while doing it in a sustainable way.

The Youth Empowered initiative is led by Coca-Cola HBC Latvia in close cooperation with the Latvian Employers Confederation and has been organised already for a fifth year.

### Youth Empowered Program in Lithuania

The Lithuanian part of the Youth Empowered Event was dedicated to sharing knowledge on how to build a successful career. Almost 400 students from all over the country joined to talk to famous individuals and representatives of various professions. A few thousand people also joined the online stream.

The event was focused not only on careers today, but also on careers in the future. Discussed was what a regular versus an extraordinary job is, how a hobby becomes a career, and how important it is to make the most out of the opportunities you encounter. People taking part in the discussion also added that you should not be afraid to try, you should know your goals and pursue them – whether you want to be a journalist, a singer, or have a career in a multinational corporation, like Justinas Kirbutas, our Neptūnas plant manager here in Lithuania.

After the discussions, the students came together to attend practical advice sessions, where they were very active in conversations about talent search, writing CVs, and

preparing for first job interviews with HR professional Lina Macaite (Coca-Cola HBC) and representatives from Manpower Group recruitment company.

### GOOD PRACTICE



Given the growing interest in sustainability and non-financial reporting, the Chamber of Commerce in Latvia in cooperation with Coca-Cola HBC Latvia has launched a cycle of sustainability roundtables.

In order to better tailor the discussion topics, 2660 LCCI members were invited to fill in a survey about sustainability. Based on the results we prepared a plan for the discussion cycle that was launched in 2022. Also, detailed survey results were shared during the first roundtable.



## Lithuania

### Women 5by20: #empoweringgirls

The Lithuania Junior Achievement runs a project called #empoweringgirls. The goal of such a project has been to raise awareness on the issue of gender equality in entrepreneurship and the tech industry, the importance of work readiness for youth and the promotion of women entrepreneurship among young people from 29 towns and 106 educational institutions.

Over 5000 young people (over 2600 girls and women) have been reached directly through school visits, online webinars, and events. Over 50 female business professionals have been approached to give lectures as guest speakers, take part in discussions about their career journey and mentoring for young people, and sit on jury panels during educational events devoted to entrepreneurship.

The online entrepreneurship course called Accelerator X was developed as part of this project.

**The project has received a grant of 150 000 USD from The Coca-Cola Foundation.**

## Estonia

### Clean and Safe Baltic Sea 2020-2021

The project "Clean and Safe Baltic Sea" is managed by the Estonian Voluntary Rescue Association. The project's objective is to activate and involve local communities around sea safety and pollution issues and maritime assistance in the Baltic Sea region.

Since the start of the project in 2020, 45 meetings and 65 regional events (information days, seminars, clean-up days) have been organised in selected locations in Estonia. 17,8 tons of waste has been collected. Around 25,000 local people have benefited from the project activities and results.

Clean and Safe Baltic Sea is in close cooperation with state institutions: Parliament, the Ministry of the Interior, Ministry of the Environment, Estonian Police and Border Guard Board, Estonian Rescue Board and Joint Rescue Coordination Centre. The project has received grants of 250,000 USD from The Coca-Cola Foundation for the period 2020-2022.

Although the project was launched right in the middle of the COVID-19 pandemic, the organisers were able to commence its first phase from January to July 2020 by organising over 30 meetings with the project team, 11 meetings with project partners and

2 international meetings. As part of the project 3 local information activities were organised with 35 local leaders/influencers, along with 2 clean-up events attended by 120 people, and an environmental awareness camp for children (25 participants).

**The project has received a grant of 250,000 USD from The Coca-Cola Foundation.**

## Latvia

### Zero Waste Future 2021

The objective of the Zero Waste Future project, in Latvia known as Tīri.Labi, is to introduce the zero-waste city concept in Latvian municipalities. The project initiative is based on three pillars: Intervention, Education, and Behaviour change. This means that the main idea is to first assess the current situation regarding recycling habits and current waste management infrastructure in the chosen city and describe what the current problems are and how this could be improved.

The main stakeholders of the project and beneficiaries are municipality employees, local businesses and organisations participating as well as the local communities of the municipalities. Throughout the project three Latvian municipalities have been engaged – Cēsis, Salaspils, and Līvāni.

In 2021 the activities continued in the municipalities of Līvāni and Salaspils and a new cooperation city was selected. As part of the project, the municipalities have made strategic changes including environmental aspects in their planning documents. Also, in order to engage more local communities, we have established a project grant where the best ideas get funding for projects like establishing gardens in schools to teach kids about composting, and creating environmental objects to raise awareness on reusing resources. In total six community projects were supported. As part of the project, we helped the municipalities to organise their environment months, attracting experts to educate people about a zero-waste lifestyle.

In line with the changes in legislation regarding sorting biological waste, we educate municipalities on how to implement biological waste sorting systems in their municipality and educate people so they are ready for the switch. Also, in Līvāni we helped to create an annual textile collection and sorting campaign where people donate their textiles which are later either given to charity, animal shelters, used for weaving, or sent for recycling. In the last event, Līvāni collected 10 containers of textile waste.

**The project has received a grant of 150,000 USD from The Coca-Cola Foundation.**

**Employee volunteer work**

We make sure that our employees are an engaged community and create added value to the environment we operate in. We support employee volunteer work, projects and competence (e.g. through the Youth Empowered programmes).

Each employee can submit their own proposals for solutions, which are reviewed by a special committee composed of independent, third-party experts. The employees may involve their families and friends, as well as representatives of local communities, and attempt to complete projects that are important to local communities. This is something they can do within their working hours.



**Helping during the COVID-19 pandemic Latvia**

Due to COVID-19, in Latvia, Coca-Cola HBC Latvia donated over 5752 litres of products to rescue services and to the local food bank. In 2021 The Coca-Cola Foundation donated 150,000 USD to the Latvian Children’s Hospital Foundation to help them cope with the consequences of COVID-19 and to strengthen hospital capacity, improving the quality of patient care.

**Estonia**

During the COVID-19 pandemic, Coca-Cola HBC Eesti AS contributed by donating products to Estonian food banks across the country – a total of 15 food bank locations during both waves (in April and December

2021). The total amount of product contribution, together with The Coca-Cola Company, was 38105,6.

**Lithuania**

Since the onset of the COVID-19 pandemic, we have donated our beverages to Lithuanian doctors from VU Santara, the Lithuanian University of Health Sciences, clinics in Kaunas, and hospitals in Panevėžys, Šiauliai, and Klaipėda.

At the same time, Coca-Cola HBC Lithuania donated to the Lithuanian Food Bank. The company employees also volunteered in the Bank branches in Vilnius, Kaunas, Panevėžys, Šiauliai, and Klaipėda.

# About the report



**[102-45] [102-50] [102-51] [102-54]**

This sustainability report follows the GRI Standards in the Core option. It covers the activity of Coca-Cola HBC in the Baltics from 1 January 2021 until 31 December 2021, and is a continuation of the previous report published in 2021 which contains data for 2020. The report covers the activity of Coca-Cola HBC Baltics.

**[102-10] [102-52]**

There were no significant changes in the size, structure, ownership, or value chain in the reporting period. This is the 16 sustainability report published by Coca-Cola HBC. Reports are published annually.

**[102-56]**

The report was, for the first time, subjected to an independent external verification by the auditing unit Biuro Veritas Polska Sp. z o.o. The auditor's opinion is presented on page 61 of the report. Some of the presented data is part of the regional and global reporting system for the social and environmental performance of the Coca-Cola System companies, whose accuracy is reviewed. The vast majority of the results presented in the report are externally audited on a regular basis (e.g. in line with the following standards: ISO 9001, ISO 14001, ISO 45001, AWS, and FSC 22000). Core business areas are audited internally and externally at regular intervals.

### Stakeholder engagement

**[102-46]**

When creating this report, we asked our stakeholders to identify issues that are relevant to Coca-Cola HBC in the area of sustainable development. We organised a discussion panel in the Varėna plant. Detailed information on this can be found on page 44.

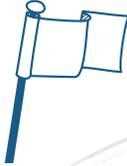
**[102-43] [102-44] [102-46]**

We also asked our internal stakeholders, along with the management and external teams, to complete an online survey on Sustainability Significance Assessment for Coca-Cola HBC Baltics. The survey was completed by 21 stakeholders: our suppliers, customers, and non-governmental organisations. We asked all of them to evaluate each issue against two criteria: impact and importance.

For the team responsible for the preparation of the report, we prepared and implemented a workshop during which we discussed the result of the matrix of our impact on the environment and the impact of the environment on our business.

The top 10 issues are presented in the table below.

#### Issues:



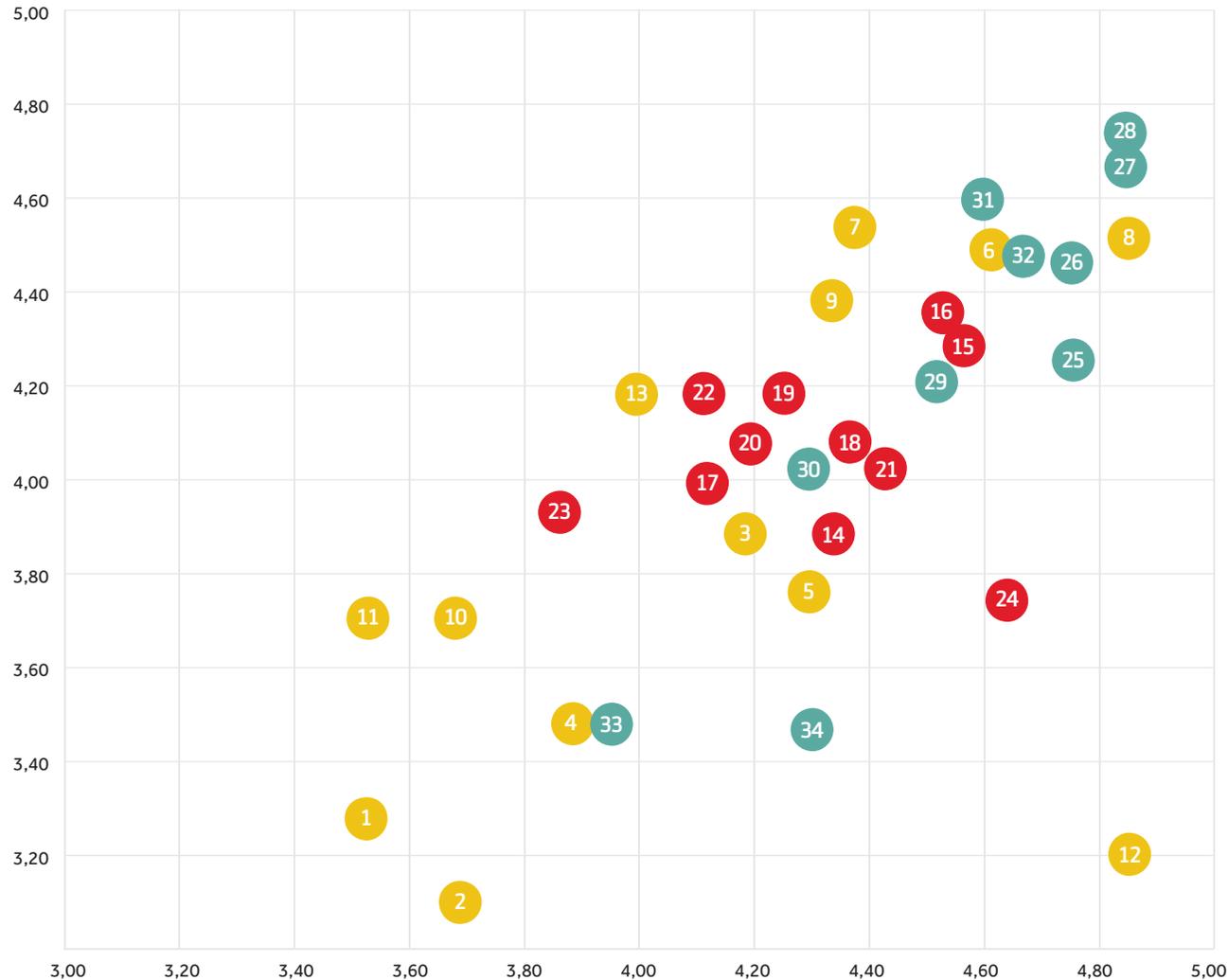
The use of plastics
The use of raw materials for the production of packaging
Waste management
Counteracting discrimination
Employee rights
Packaging as an element of the circular economy
Carbon footprint
Product ingredients
Diversity and equal treatment
Use of natural resources – water

- environmental issues
- social issues
- economic issues



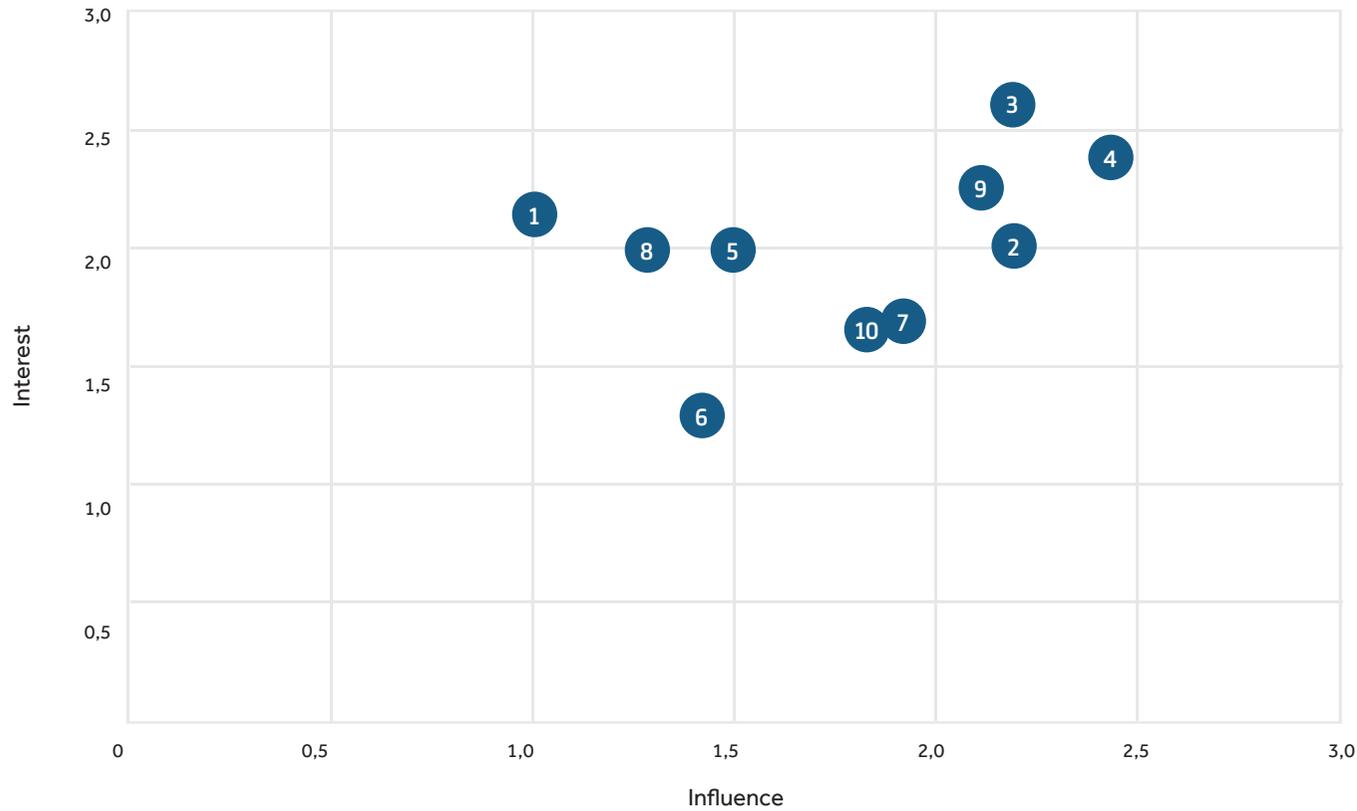


Issue importance matrix based on the results of stakeholder surveys.



- 1. Contribution to the development of the economy
- 2. Impact on the labor market
- 3. Industry cooperation for sustainable development
- 4. Business development
- 5. Industry related taxation (excise tax, sugar tax, etc.)
- 6. The impact of products on the health and safety of consumers
- 7. Product ingredients
- 8. Product labeling
- 9. Responsible marketing communication
- 10. Consumer data security
- 11. Ethics and anti-corruption
- 12. Digital transformation
- 13. Integrating environmental and social issues into Supplier requirements
- 14. Employee education and development
- 15. Employee health and safety
- 16. Employee well-being
- 17. New forms of work (remote working, etc.)
- 18. Diversity and equal treatment
- 19. Counteracting discrimination
- 20. Human rights
- 21. Employee rights
- 22. Social involvement / relations with local communities
- 23. Social investment
- 24. Health and healthy lifestyle
- 25. Use of natural resources - water
- 26. The use of raw materials for the production of packaging
- 27. The use of plastics
- 28. Packaging as an element of the circular economy
- 29. Energy consumption
- 30. Greenhouse gas emissions
- 31. Carbon footprint
- 32. Waste management
- 33. Impact on biodiversity
- 34. Education of the society in environmental issues

Stakeholder matrix



- 1. community / local community
- 2. consumers
- 3. industry organizations
- 4. HoReCa
- 5. local government
- 6. media
- 7. non-governmental organizations
- 8. public administration (other than local government)
- 9. retailer
- 10. suppliers

**[102-47]**

Based on the process that was conducted, and the importance matrix that was its result, the following key issues were identified, and are discussed in the report:

We also regularly report sustainable development indicators, because we want to be transparent to all our stakeholders and show the degree of implementation of these goals. For this reason, we publish the Sustainable Development report every year. In this way, we show the impact of our activities on the environment and the creation of value in the short, medium, and long term.

**Issue**

**Part of the report**

The use of plastics	Environmental impact/packaging and waste
The use of raw materials for the production of packaging	Environmental impact/packaging and waste
Waste management	Environmental impact/packaging and waste
Counteracting discrimination	Impact on society/employer
Employee rights	Impact on society/employer
Packaging as an element of the circular economy	Environmental impact/packaging and waste
Carbon footprint	Environmental impact/carbon footprint
Product ingredients	Economy/ product



**[102-53]**

**Contact**

For all questions, concerns, or suggestions related to the report and for feedback on broadly defined social responsibility, please contact our Public Affairs and Communications Managers in the Baltics.

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The contact persons are able to respond on all social, environmental, and management issues unless individually stated otherwise.

# GRI content index

[102-55]

Disclosure number	Disclosure title	GRI Standard	Page in the report
102-1	Name of the organization	2016	6
102-2	Description of the organization's activities, primary brands, products, and services	2016	6
102-3	Location of the organization's headquarters	2016	6
102-4	Location of operations	2016	6
102-5	Nature of ownership and legal form of the organisation	2016	6
102-6	Markets served	2016	6
102-7	Scale of the organization	2016	7
102-8	Information on employees and other workers	2016	34
102-9	Description of the organization's supply chain	2016	12
102-10	Significant changes to the organization's size, structure, ownership, or value chain	2016	53
102-11	Whether and how the organization applies the Precautionary Principle or approach	2016	13
102-12	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	2016	46
102-13	Membership in associations and organisations	2016	46

## Strategy

102-14	Statement from senior management	2016	3
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## Ethics and integrity

102-16	Organization's values, principles, standards, and norms of behaviour	2016	9
102-17	Mechanisms for seeking advice about ethical and lawful behaviour, and organizational integrity	2016	11

## Corporate governance

102-18	Governance structure of the organisation, including committees of the highest governance body	2016	9, 14
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## Stakeholder engagement

102-40	List of stakeholder groups engaged by the reporting organisation	2016	45
102-41	Employees covered by collective bargaining agreements	2016	34
102-42	Basis for identifying and selecting stakeholders with whom to engage	2016	44
102-43	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	2016	44, 53
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded, including through its reporting	2016	45, 53

## Reporting practice

102-45	Listing all entities included in the organization's consolidated financial statements	2016	53
102-46	Process for defining the report content	2016	53
102-47	Material topics identified	2016	56
102-48	Effect of any restatements of information given in previous reports, the reasons for such restatements and their impact (e.g. mergers or acquisitions, change of base years or periods, nature of business, measurement methods)	2016	There have been no changes
102-49	Significant changes from previous reporting periods in the list of topics, topic boundaries and measurement methods used in the report	2016	There have been no changes
102-50	Reporting period	2016	53

102-51	Date of most recent report	2016	53
102-52	Reporting cycle	2016	53
102-53	Contact point	2016	56
102-54	Claim whether the report has been prepared in accordance with the GRI Standards: Core or Comprehensive option	2016	53
102-55	GRI content index	2016	57
102-56	Organization's policy and current practice with regard to seeking external assurance for the report	2016	53

#### Procurement practices, environmental and social assessment of suppliers

103-1	Explanation of the material topic and its boundary	2016	12
103-2	The management approach and its components	2016	12
103-3	Evaluation of the management approach	2016	12
204-1	Proportion of spending on suppliers in Poland	2016	12
308-1	New suppliers that were screened using environmental criteria	2016	12
414-1	New suppliers that were screened using social criteria	2016	12

#### Counteracting corruption and anti-competitive behaviour

103-1	Explanation of the material topic and its boundary	2016	11
103-2	The management approach and its components	2016	11
103-3	Evaluation of the management approach	2016	11
205-1	Operations assessed for risks related to corruption	2016	11
205-2	Training about anti-corruption policies and procedures for employees and managers	2016	11
205-3	Confirmed incidents of corruption and actions taken	2016	11

#### Resources

103-1	Explanation of the material topic and its boundary	2016	23
103-2	The management approach and its components	2016	23
103-3	Evaluation of the management approach	2016	23
301-1	Materials used by weight or volume	2016	25
301-3	Reclaimed products and their packaging materials	2016	25

#### Energy

103-1	Explanation of the material topic and its boundary	2016	28
103-2	The management approach and its components	2016	28
103-3	Evaluation of the management approach	2016	28
302-1	Energy consumption within the organisation	2016	28

#### Water and effluents

103-1	Explanation of the material topic and its boundary	2016	26
103-2	The management approach and its components	2016	26
103-3	Evaluation of the management approach	2016	26
303-2	Management of water discharge-related impacts	2018	26
303-3	Water withdrawal	2018	27
303-5	Water consumption	2018	27

#### Emissions

103-1	Explanation of the material topic and its boundary	2016	29
103-2	The management approach and its components	2016	29
103-3	Evaluation of the management approach	2016	29
305-1	Direct (Scope 1) GHG emissions	2016	30
305-2	Indirect (Scope 2) GHG emissions	2016	30
305-3	Other indirect (Scope 3) GHG emissions	2016	30
305-4	GHG emissions intensity	2016	31
305-5	Reduction of GHG emissions	2016	31

#### Waste

103-1	Explanation of the material topic and its boundary	2016	23
103-2	The management approach and its components	2016	23
103-3	Evaluation of the management approach	2016	23
306-2	Management of significant waste-related impacts	2020	25
306-3	Waste generated	2020	25
306-4	Waste diverted from disposal	2020	25

**Environmental Compliance**

103-1	Explanation of the material topic and its boundary	2016	22
103-2	The management approach and its components	2016	22
103-3	Evaluation of the management approach	2016	22
307-1	Non-compliance with environmental laws and regulations	2016	22

**Employment**

103-1	Explanation of the material topic and its boundary	2016	33
103-2	The management approach and its components	2016	33
103-3	Evaluation of the management approach	2016	33
401-2	Benefits provided to full-time employees	2016	33

**Health and safety**

103-1	Explanation of the material topic and its boundary	2016	40
103-2	The management approach and its components	2016	40
103-3	Evaluation of the management approach	2016	40
403-2	Hazard identification, risk assessment, and incident investigation processes	2018	40
403-3	Occupational health services	2018	40
403-6	Promotion of worker health	2018	40
403-7	Prevention and mitigation of occupational health and safety impacts	2018	40
	Self-indicator related to injuries at work		42
403-10	Rate of work-related ill health	2018	42

**Training and education**

103-1	Explanation of the material topic and its boundary	2016	37
103-2	The management approach and its components	2016	37
103-3	Evaluation of the management approach	2016	37
404-1	Hours of training per year per employee by employment structure	2016	37
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	2016	33

**Diversity, equal opportunity and non-discrimination**

103-1	Explanation of the material topic and its boundary	2016	35
103-2	The management approach and its components	2016	35
103-3	Evaluation of the management approach	2016	35
202-2	Proportion of senior management hired from the local community	2016	35
405-1	Composition of governance bodies and employees by gender, age group, minority or other indicators of diversity	2016	36
406-1	Total number of incidents of discrimination	2016	35

**Product: consumer health and safety**

103-1	Explanation of the material topic and its boundary	2016	20
103-2	The management approach and its components	2016	20
103-3	Evaluation of the management approach	2016	20
416-1	Assessment of the health and safety impacts of product and service categories	2016	20
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2016	19

**Marketing and labelling**

103-1	Explanation of the material topic and its boundary	2016	20
103-2	The management approach and its components	2016	20
103-3	Evaluation of the management approach	2016	20
417-1	Requirements for product and service information and labelling	2016	20
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	2016	20
417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	2016	20



Phot: Niketh Vellanki (p. 6), Maxim Hopman (p. 14), Stephanie Cantu (p. 23), Nahil Naseer (p. 25), Dimitry Anikin (p. 31), Julian Gentilezza (p. 39), Mitchell Trotter (p. 50)

# External verification

[102-56]



**INDEPENDENT LIMITED ASSURANCE STATEMENT**  
**To: The Stakeholders of Coca-Cola HBC Baltics**

**Introduction and objectives of work**  
BUREAU VERITAS Polska Sp. z o.o. (Bureau Veritas) has been engaged by Coca-Cola HBC Baltics (having regard to the activities of Coca-Cola HBC Eesti AS, SIA Coca-Cola HBC Latvija, UAB Coca-Cola HBC Lietuva) to provide limited assurance of Selected information included in its report "Coca-Cola HBC Baltics Sustainability Report for 2021" (the Report). This Assurance Statement applies to the related information included within the scope of work described below. Verification having regard to the activities of Coca-Cola HBC Eesti AS, SIA Coca-Cola HBC Latvija, UAB Coca-Cola HBC Lietuva.

**Selected information**  
The scope of our work was limited to assurance over GRI Standards Disclosures (Consolidated set of GRI Sustainability Reporting Standards), Core option included in the Report for the period 1 January 2021 to 31 December 2021: GRI Standards 2016: 102-1-14,16,17,18, 102-40-56, 103-1.2.3, 202-2, 204-1, 205-2.3, 301-1.3, 302-1; 303-2.3.5, 305-1.2,3,4,5, 306-2, 307-1, 308-1, 401-2, 404-1.3, 405-1, 406-1, 414-1, 416-1.2, 417-1.2,3 and GRI Standards 2018: 403-2.3,6,5,7,10.

Excluded from the scope of our work is any assurance of other information included in the Report.

**Reporting Criteria**  
The Selected Information needs to be read and understood together with the standards for sustainability reporting The GRI Standards 2016 and 2018 as set out at <https://www.globalreporting.org>.

**Limitations and Exclusions**  
Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by Coca-Cola HBC Baltics, and statements of future commitment).

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

**Responsibilities**  
This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Coca-Cola HBC Baltics.

Bureau Veritas was not involved in the drafting of the Report or the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Coca-Cola HBC Baltics.

**Assessment Standard**  
We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

**Summary of work performed**  
As part of our independent verification, our work included:

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Page 1 of 2



- Assessing the appropriateness of the Reporting Criteria for the Selected Information;
- Conducting interviews with relevant personnel of Coca-Cola HBC Baltics;
- Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
- Reviewing documentary evidence provided by Coca-Cola HBC Baltics;
- Agreeing a selection of the Selected Information to the corresponding source documentation;
- Reviewing Coca-Cola HBC Baltics' systems for quantitative data aggregation and analysis;
- Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

**Conclusion**  
On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

**Evaluation against GRI Standards**  
Bureau Veritas Polska Sp. z o.o. undertook an evaluation of The Report against the GRI Standards. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI application level.

Based on our work, it is our opinion that report "Coca-Cola HBC Baltics Sustainability Report for 2021" has been prepared in accordance with standards for sustainability reporting The GRI Standards, Core option.

**Statement of Independence, Integrity and Competence**  
Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

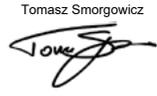
Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the TIC Council<sup>2</sup>, cross the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

**BUREAU VERITAS POLSKA Sp. z o.o.**  
Warsaw, June 2022



Witold Dżugan  
Member of the Board



Tomasz Smorgowicz  
Lead Assuror

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<sup>1</sup> Certificate of Registration No. 44 100 160145 issued by TÜV NORD CERT GmbH  
<sup>2</sup> TIC Council Compliance Code EDITION 1 December 2018

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*Coca-Cola*

 **Coca-Cola HBC**  
**Baltics**

