

Coca-Cola



Coca-Cola HBC
Poland & Baltics

Sustainability Report

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Dear Sir or Madam,

[102-14]

The publication of the „Coca-Cola Sustainability for 2020” report is a great opportunity to express our appreciation for the enormous commitment of both our employees and of our partner companies as a Coca-Cola System in the three Baltic countries and as part of the Poland and Baltics Business Unit.

The year 2020, with the pandemic as its context, unexpectedly changed our reality and significantly affected our daily functioning. We are all more than pleased that despite the challenges, we managed to achieve our goals together. A great source of pride for us is that, across our plants, we did not lose a day of production, we maintained our service to our customers, and supported our people and our communities throughout. Our thanks go to every employee, partner and customer.

Despite the many challenges faced in 2020, we kept our focus on social responsibility and continued our comprehensive strategy for the sustainable development of our business. Throughout the COVID-19 affected year, our priorities devoted to community support grew even stronger than earlier. During the pandemic, our Baltics team continued to volunteer to support those in need. We continued with our youth initiative “Youth Empowered” by moving trainings to the digital environment, supporting their dreams and career ambitions for the entrepreneurial future. On an essential note, we successfully completed our key investments – launching three new production lines - two in Poland (Krakow and Radzymin) and one in Lithuania (Varena). As planned, we relocated our Tallinn office to new premises and completely renovated our Riga office. Despite many challenges, we did not slow down but adapted to win within this new reality, with great

Jaak Mikkell,
General Manager
of Coca-Cola HBC Poland and Baltics

care for all our stakeholders and with an incredible focus on our priorities. We not only strengthened our product portfolio with new categories, such as the well-known and much-loved coffee brand COSTA COFFEE in Poland, but also expanded and grew our Premium Spirits portfolio.

In 2020, since the start of the COVID-19 crisis, the physical and mental wellbeing of all Coca-Cola HBC employees remained our highest priority, helping our employees to adapt to the new reality by ensuring safe and flexible ways of working. We also focused on helping our HoReCa partners, who were impacted by the pandemic. Together with Coca-Cola Baltic we launched the Open Like Never Before campaign, where we contributed funds to support, help rebuild and restart the businesses of our HoReCa partners.

In addition, we donated beverages across the Baltics for a total of over 75 000 euros to hospitals, foodbanks, border guards and mobile testing centers. The Disaster Relief Fund of The Coca-Cola Foundation donated 100 000 US dollars to each Baltic country to support local communities in managing the COVID-19 pandemic. The Donations have been used on medical supplies in Latvia and Lithuania, and for the mobile emergency container in Estonia.

We will continue to work on our positive impact on the socio-economic environment and strive to minimize our impact on the environment and to fulfill our Mission Sustainability 2025 targets. We are proud to present you with the Coca-Cola sustainability 2020 development report. Thank you for being with us – for your support and dedication in such an unconventional year.

Natalia Stroe
General Manager
of Coca-Cola Poland and Baltics



Coca-Cola System

Our Impact on the Economy

Coca-Cola in the Baltics

103-1, 103-2, 103-3, aspect: Market presence
[102-1] [102-2] [102-3] [102-4] [102-5] [102-6]

Coca-Cola has been pursuing its business in more than 200 countries all over the world. In each country, it operates on the basis of a two-company system: the owner of the brands (The Coca-Cola Company) and the bottling company responsible for the production, distribution and sales of the beverages.

Coca-Cola HBC (Coca-Cola Hellenic Bottling Company) is the bottling partner of The Coca-Cola Company. Coca-Cola HBC Poland & Baltics belongs to the Coca-Cola HBC AG Group. In the Baltics — Latvia, Lithuania, and Estonia — the Coca-Cola System consists of four separate legal entities: SIA Coca-Cola HBC Latvija, UAB Coa-Cola HBC Lietuva, Coca-Cola HBC Eesti AS, and Coca-Cola Balti Jookide AS. The local headquarters of the Baltic companies are located in Vilnius, Riga and Tallinn, respectively.

Coca-Cola HBC has one production facility in the Baltics — the Neptūnas natural mineral water production plant in Lithuania.



Coca-Cola HBC Poland and Baltics is the strategic partner of The Coca-Cola Company. We are present in Estonia, Latvia, Lithuania and Poland, where we serve more than 30 million customers in total. Our portfolio is one of the strongest, broadest and most flexible in the beverage industry, offering consumer-leading brands in the following categories: carbonated drinks, juice, water, sport, energy, plant-based, ready-to-drink tea, coffee and

adult sparkling and premium spirits.

This report covers the activities of Coca-Cola HBC in Lithuania, Latvia and Estonia. Data presented in this report cover only these three countries, unless stated otherwise.

We support the economies of Lithuania, Latvia and Estonia by paying taxes to local and central budgets. We increase employment both through the direct creation of valuable workplaces and the indirect cooperation with Lithuanian, Latvian and Estonian suppliers of products and services.



Scale of the Organization

[102-7]

Total number of employees	318
Total number of operations	3
Number of products or services (brands) offered	26

The financial results of Coca-Cola HBC Baltics are presented collectively in the [Coca-Cola HBC Group integrated annual report](#)

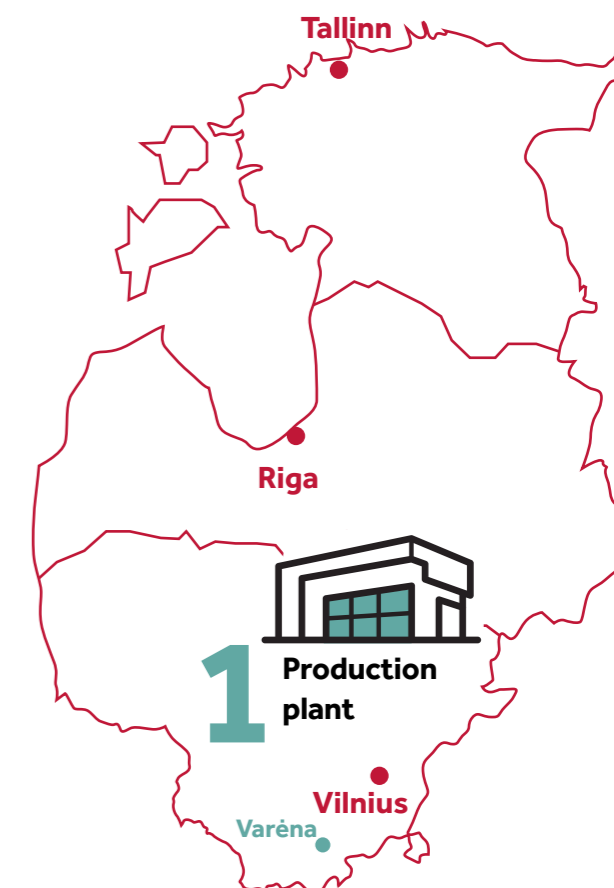
In addition, each of the Baltic states business entities publish their own, separate annual financial reports, which are available on our corporate website.

In 2016–2017, Coca-Cola HBC and The Coca-Cola Company acquired the Neptūnas natural mineral water production facility in Lithuania. The plant manages four natural mineral water wells located in Varėna. Neptūnas is the only plant in the Baltics which belongs to the international Coca-Cola System and the plant produces only natural mineral water. In 2020, the Neptūnas plant was awarded the Alliance for Water Stewardship gold certificate. The plant manages the water consumption processes in a sustainable and efficient manner, in full compliance with European and national legislation. The natural mineral water production facility, which is part of the Coca-Cola System, is the first company in Lithuania to receive the AWS certificate.

[102-10]

In 2020, there were no significant changes to the organisation and its supply chain.

Coca-Cola in the Baltics



Awards and Membership in Organizations

[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. Coca-Cola HBC is an active member on all markets in building and developing business networks and opportunities among businesses and NGOs and in sharing the experience gained by being a sustainability leader in our sector across the 28 markets we operate on.

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 peoples health and well-being, labour relations, talent attraction and retention.

In Estonia, Coca-Cola HBC is a member of the following strategic associations and forums:

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

In Latvia, Coca-Cola HBC is a member of the following strategic associations:

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

In Lithuania, Coca-Cola HBC is a member of the following strategic associations and forums:

- Lithuania Food Industry
- Lithuania Beverages
- American Chamber of Commerce
- Lithuania Free Market Institute

[102-12]

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

- [Greenhouse Gas Protocol \(GGP\)](#)
- [Alliance for Water Stewardship \(AWS\)](#)
- [UNESDA Calorie Reduction Pledge in the portfolio](#)
- [EU Pledge on corporate marketing](#)



Our actions were appreciated by external stakeholders, which was reflected in the awards we received:

Estonia:

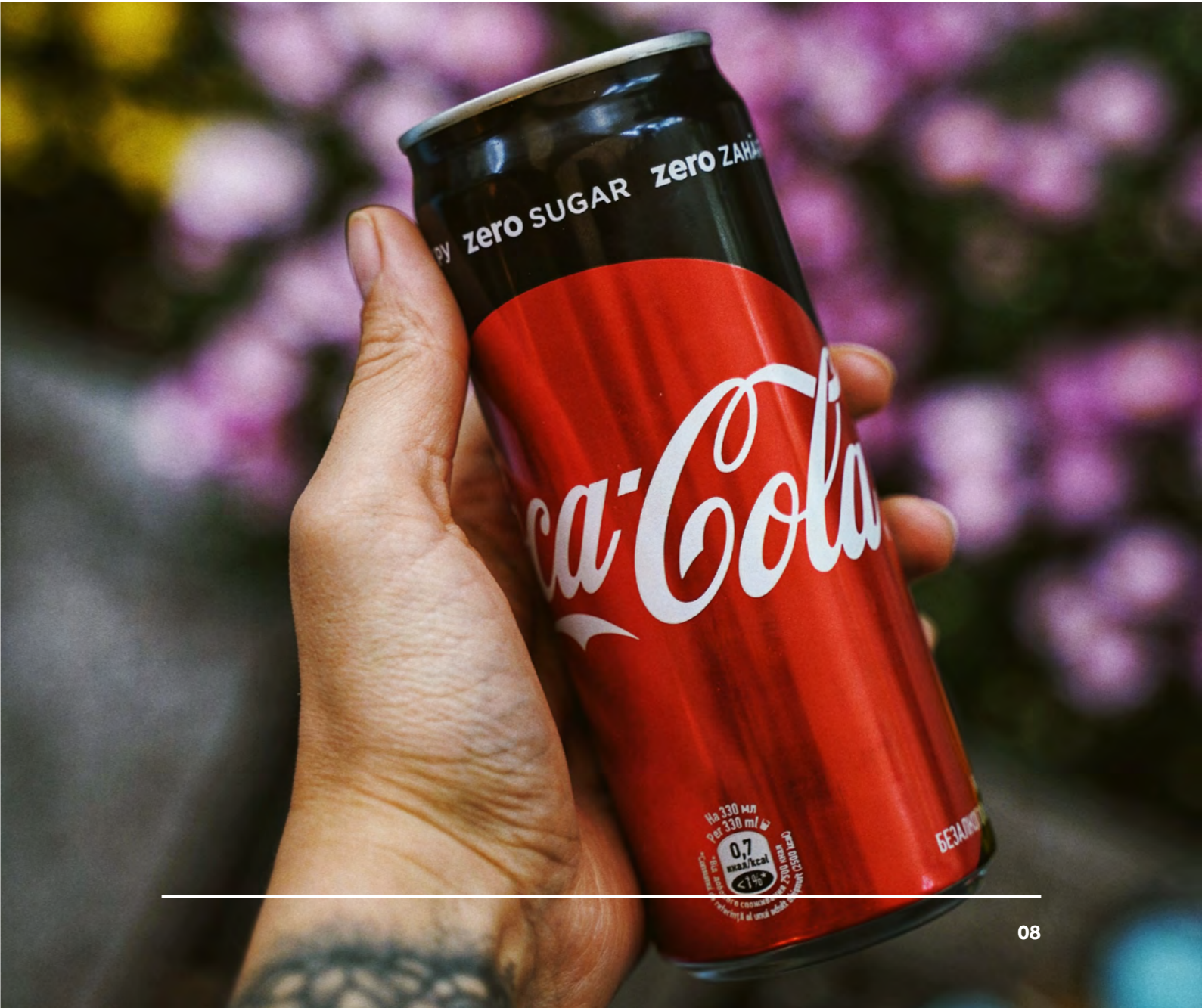
- Highest (Gold) level in the national CSR index in 2020 as one of the most responsible businesses in the country.
- Coca-Cola HBC Estonia among top 10 most attractive employers in the vocational school sector.

Latvia:

- Coca-Cola HBC Latvia achieved the best possible evaluation in sustainability – Platinum level in the national CSR Index for the second year in a row.
- Coca-Cola HBC Latvia was named one of the best employers in Latvia, ranked 4th in the Trade sector.

Lithuania:

- Coca-Cola HBC Lithuania was named as one of the TOP employers in Lithuania.
- Most Community-Friendly Company among medium-size companies.



Coca-Cola in the World

The Coca-Cola global system consists of The Coca-Cola Company and 300 partners, including the Coca-Cola HBC AG Group.

The Coca-Cola Company is the largest and best-known company in the beverage industry in the world, with its products available in over 200 countries. The company's headquarters are in Atlanta, Georgia, USA. Coca-Cola Hellenic Bottling Company, in turn, is one of the largest beverage bottling companies within The Coca-Cola Company in terms of sales with its products reaching over 590 million consumers. The main international headquarters of the Coca-Cola HBC AG Group are located in Switzerland, and the company itself is listed on the London Stock Exchange, and as a secondary listing, on the stock exchanges of Athens and New York.

In 2020, the Dow Jones Sustainability Index, one of the world's leading sustainability benchmarks, rated Coca-Cola HBC as the European leader of the beverage industry in this area. It is the seventh time in 8 years that Coca-Cola HBC took first place in Europe. With its best result in its history, it is ranked the second in the world — and for the tenth time in a row it was placed in the top three.

The sustainable development of the entire Coca-Cola System depends on cooperation, on sharing values and on experience gained by The Coca-Cola Company and individual entities, which is why all companies support each other at every stage of their business operations.




Product Responsibility

Portfolio

The portfolio of products offered by Coca-Cola HBC in the Baltics is built in accordance with the 24/7 strategy, offering beverages for all needs and at every time of the day. We sell and distribute carbonated beverages of the most renown brands, such as Coca-Cola, Coca-Cola Zero, Sprite and

Fanta. Our portfolio also includes waters, juices, ice teas, energy drinks and premium spirits and we provide a wide range of sweetened, low-sugar and zero-sugar beverages in various packaging options adapted to the lifestyle of our consumers.

 [Here](#) is our full product portfolio.



Product Quality

[103-1]

Product quality, safety and integrity are crucial as our business is built on consumer trust and market leadership. To our Company, product integrity means offering high-quality beverages that satisfy customer and consumer expectations in every sense. In addition to product functionality, quality, safety, taste and design, integrity includes intangibles such as brand equity. To maintain consumer trust, we have robust product quality processes and zero tolerance for non-compliance with quality and food safety regulations.

In our Neptūnas natural mineral water production plant, similarly to all other bottling plants managed by Coca-Cola HBC Poland and the Baltics, we have implemented proven international management

systems which have a direct impact not only on the health security of products, but also preserve their special, unique taste.

The external assessment systems applied in our bottling plants include the following certificates:

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

Our strict quality control procedures allow every stage of production to be monitored. Ingredients, as well as finished drinks, are tested on-site in our quality control laboratories. We have installed electronic control devices which are able to identify even the slightest defect on all bottle refilling lines and we also conduct random tests on products on the market to ensure that all drinks delivered to consumers comply with our strict internal quality standards.

Any report by a consumer, whether via our helpline or through social media, stating that they are not entirely satisfied with one of our products, is treated with the utmost seriousness and is carefully analysed.

We contact the consumer and send a drink sample received from the consumer to the bottling plant. In the store from which the drink was bought, our sales representative buys a drink from the same or a close series batch and this sample is sent for investigation as well. We also analyse the so-called retention samples, namely samples left over from every production series.

At Coca-Cola System, we also try to make recipients aware of the fact that some products, for example, water in PET bottles, are very sensitive to odours and if stored incorrectly may absorb odours from their surroundings. If a complaint helps us identify the source of the problem, we may reprimand the recipient or the wholesaler. Therefore, a person filing a complaint is an ally who helps us identify situations that should not have occurred. It should also be noted that such situations are rare, which is proof of our effective management of the quality of our processes.

Our products and plants meet the following standards:

[416-1] [103-2], [103-3] aspect: product, consumer health and safety

ISO 9001

All plants of Coca-Cola HBC Poland and Baltics are ISO 9001 certified. In addition to production plants, Coca-Cola HBC Poland also included the Technical Department and the Sales Department in its ISO 9001 certification system. This means that external quality standards also apply to the refrigeration equipment and beverage vending machines, as well as all storage, distribution and sales processes for our products. Quality certificates are renewed every 3 years and are audited annually.

Food quality and safety policy

Our goal is to provide high-quality products, packaging and services that meet the expectations of customers and consumers related to high-end brand products. Above all, our products must be safe.

Programme of Main Principles for Suppliers

The programme includes, among others, environmental impact issues. Companies supplying raw materials, packaging and semi-finished products undergo a strict selection and our own quality audit.

Standpoint regarding genetically modified organisms

We do not use genetically modified raw materials or materials derived from genetically modified organisms.

In 2020, there were no confirmed incidents of non-compliance with regulations or voluntary codes concerning the health and safety of products and services within the reporting period and there were no incidents of non-compliance with regulations resulting in a fine or penalty in the Baltics.

ISO 14001

For many years, all Coca-Cola HBC Poland and Baltics production plants have implemented the Environmental Management System in accordance with ISO 14001.

AWS

All Coca-Cola HBC Poland and Baltics production plants have received the gold certificate of water resources management issued by the Alliance for Water Stewardship.

FSSC 22000

This standard contains the requirements of

the ISO 22000 standard based on the HACCP principles, technical specification PAS 220 and specific additional requirements, the goal of which is to eliminate hazards to health of the consumer of a given product and ensure compliance with relevant standards in all products manufactured by Coca-Cola HBC Poland and Baltics. It makes it possible to identify possible hazards, determine their impact on consumer health, determine the degree of likelihood of an undesirable condition and to eliminate the hazard.

The plant in Varėna obtained a certificate confirming compliance with the FSSC 22000 standard in December 2017.

ISO 45001

Our Varėna plant has the ISO 45001 certificate thus ensuring the highest standards of work safety in the plant.

Product Composition and Labeling

[103-1] [103-2] [103-3] aspect: marketing and labeling
[416-1] [417-1] [417-2] [417-3]

Marketing is an important part of our operations — it helps us reach our consumers with information on our products, novelties and campaigns. We make every effort to run our marketing activities in a responsible way. To help us achieve this, we comply with The Coca-Cola Company's Global Responsible Marketing Policy and adhere to the commitments of the Union of European Soft Drinks Associations (UNESDA). In 2020, no incidents of non-compliance with regulations, voluntary codes of conduct or marketing communication rules regarding labelling and information on products and services were detected in our companies. Also, no cases of non-compliance with laws and regulations on product impact on health and safety were reported.

[416-2]

In 2020, there were no confirmed incidents of non-compliance with regulations or voluntary codes concerning the health and safety of products and services within the reporting period, and there were no incidents of non-compliance with regulations resulting in a fine or penalty in the Baltics. Overall, consumer complaints in 2020 remained at a low level, showing that our beverages are of high quality, that people trust our products and brands and that we continue to nurture a culture supporting food safety and quality.

On all of our products, customers can find information on ingredients and nutrition values. Moreover, since 2018, we have been testing voluntary, additional, color-coded food nutrition labels. A system of labels modelled on the colours of traffic lights (Traffic Lights Labelling System) is placed on the front of the packaging to inform whether the product has a high (red), medium (orange) or low (green) content of sugars, fat, saturated fatty acids and salts in relation to the average adult demand for these ingredients. The markings we use are intended to help consumers make more informed choices for a balanced diet.



In 2020 low-sugar and zero-sugar beverages constituted **28,2%** of our portfolio.



Reduced caloric content

For years, European producers of non-alcoholic beverages have been acting towards providing products with reduced calorific values. Recent data show that between 2015 & 2019 in Europe, the number of sugars added to non-alcoholic beverages was reduced by 14.6%. These actions are the response of the industry to the appeal of the European Commission to reduce sugar added to non-alcoholic beverages by 10% by 2020. Independent analysts from GlobalData confirmed that the target was achieved, and even exceeded.

The 15% reduction of sugar added to non-alcoholic drinks was achieved owing to:

- the change of formulas, assuming the reduction of sugar while preserving the original taste of the beverages;
- introducing new products with various sweetness levels;
- increased availability of products in small packaging, which support the control of consumption and the portion size;
- promoting zero-sugar/zero-calories as well as low-sugar product versions.

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.

Responsible Management

Mission Sustainability 2025

We want to run our business in a responsible way. This is achieved by actively engaging in environmental and social initiatives to address new challenges and opportunities in the best possible way. Sustainable development is integrated into our business culture and it is fundamental for our business strategy. Our goal is to create value and share it with all our stakeholders. This attitude defines the way we operate and affect our environment.

We announced our first sustainability commitments in 2006. Since then, in order to meet them,

Corporate Governance

[102-18]

In all three Baltic States there are different business entities, all following local and international rules, regulations and legislation, including governance. The governance structures in the local entities reflect the specific nature of local legislation.

The Estonian business entity (Coca-Cola HBC Eesti AS) has three governing bodies: the general meeting of shareholders (its highest governing body), the Supervisory Board and the Management Board.

The Latvian business entity (Coca-Cola HBC Latvija) has two governing bodies: the general

we have constantly monitored and published our progress. In 2018, we declared our sustainability commitments included in the Sustainability Mission 2025 based on six pillars. We built that mission on the basis of our strategic priorities and values. It is compliant with the UN Sustainable Development Goals (SDGs):

- Reducing Emissions
- Water Reduction and Stewardship
- World Without Waste
- Sourcing
- Nutrition
- Our People and Communities

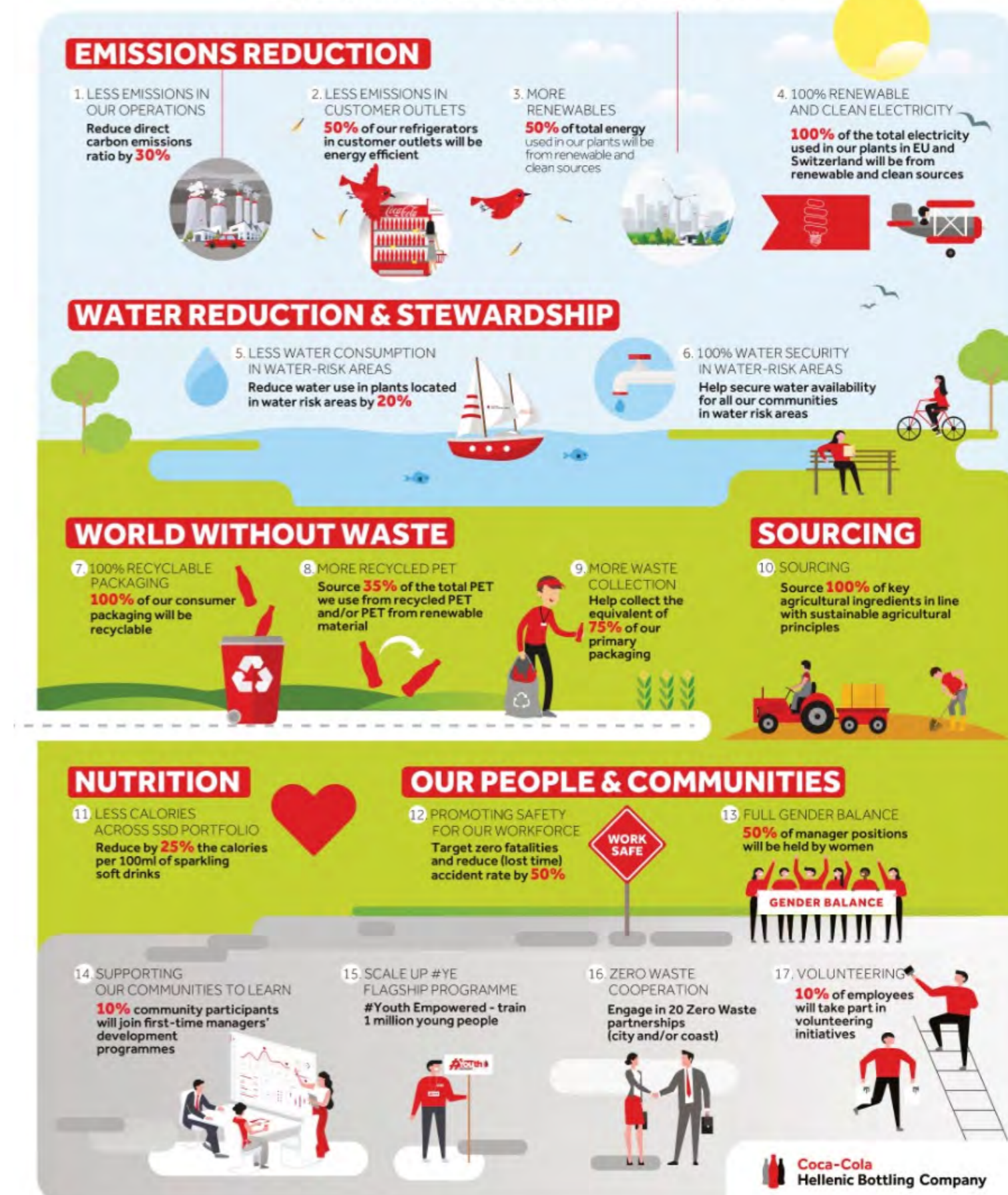
meeting of shareholders (its highest governing body) and the Management Board.

The Lithuanian business entity (Coca-Cola HBC Lietuva UAB) has three governing bodies: the general meeting of shareholders (its highest governing body), the Management Board and a General Manager.

There are no separate committees in any of the Baltic business entities.

There are also governing bodies at the group level: the Management Board and the Operating Committee. The committees at the group level are the Audit & Risk, the Nomination, the Social Responsibility and the Remuneration committees.

MISSION SUSTAINABILITY 2025 COMMITMENTS





As of 31 December 2020, the Management Team of Coca-Cola HBC Poland and Baltics included 10 directors:

- | | |
|--|---|
| ● Jaak Mikkel
General Manager | ● Natasa Josic
BU Marketing Manager |
| ● Kostantinos Vairlis
Finance Director | ● Rafał Palczak
BU Commercial Excellence Manager |
| ● Izabela Wanatowska
Sales Country Manager in Poland | ● Dorota Peter
BU Supply Chain Manager |
| ● Darko Saravanja
Baltics Sales Country Manager | ● Katarzyna Borucka
BU Public Affairs and Communication Manager |
| ● Tomasz Krzyżewski
BU Legal Manager | ● Liza Shybanowa
BU HR Manager |

Risk Management

[102-11]

Our organisation applies the Precautionary Principle. The company's corporate risk and crisis management system (Incident Management and Crisis Resolution, IMCR) allows us to recognize threats early on and to avoid dangerous situations and, in the event of a crisis — to quickly take appropriate action. In the dedicated corporate system, the risk map is updated once a month and discussed monthly at the board level. For each risk, an action plan is prepared and a person responsible for implementing the plan is assigned. Twice a year, the risk map and associated activity statuses are reported to the risk officer at the Coca-Cola HBC Group level. In the risk management process, we also take into account the environmental issues that we manage in accordance with international standards response to the United Nations Sustainable Development Goals.

Our organisation's approach to risk management when developing and introducing new products (categories, brands, flavours, packages, etc.) is defined by our Group-approved commercialization process, designed and based on Coca-Cola HBC Group guidelines. The launch of every innovation is structured in six stages:

- Opportunity assessment (normally done during business planning)
- Business case development
- Product proposition development
- Communication and operational execution plan
- Launch
- Post-launch evaluation

This process covers innovations developed by The Coca-Cola Company and Coca-Cola HBC for projects where both organisations are involved, with project managers assigned from both sides of the Coca-Cola System. Depending on the type of product and/or innovation, this process includes input from all relevant functions, such as finance, supply chain, sales, commercial excellence, and public affairs and communication, to make sure that the launch is assessed from various perspectives and all risks and opportunities are evaluated. The process is set up in a way that allows for effective tracking, monitoring and reporting in the course of the project.

Ethics and Values

[102-16]

In the Baltics, our companies act in line with values that are fundamental to our everyday work — values which distinguish, motivate, inspire and energize us.

Our values

Winning with customers: We are a sales company whose goal is to deliver innovative solutions in order to create shared value.

Nurturing our people: Our passion is to provide the best possible working conditions and the development of our team.

Excellence: We strive to achieve the best results, surprising our customers with passion and pace of action.

Integrity: We always do what is right, not just what is easy, we take responsibility for our performance.

Learning: We listen, we have inborn curiosity about learning and we take risk wisely.

Performing as one: We collaborate flexibly to draw strength from the diversity of our teams.

103-1, 103-2, 103-3 aspect: Anti-corruption and anti-competitive behaviour
205-3 Confirmed incidents of corruption and actions taken

We spare no effort to be an ethical company. All employees of Coca-Cola HBC Baltics are bound by the Code of Business Ethics. Its provisions apply, inter alia, to the quality of products, health and safety at work, information protection and potential conflicts of interest. The Code also explicitly prohibits any forms of corruption and bribery. In 2020, no corruptive incidents were detected in the Coca-Cola System in the Baltics.

We remind our employees about our anti-corruption rules and how they are important for our organisation on a regular basis. We believe that training also plays a preventive role in combating any corruption practices.

New employees

Coca-Cola HBC's anti-corruption policies and procedures are communicated to all new employees during the induction period.

Employees

All our employees in the Baltics have been informed about anti-corruption policies and procedures. All employees should go through the anti-corruption online training over a rolling, two-year period. We believe that the training also play a preventive role in eliminating any corrupt practices.

Business partners Coca-Cola HBC cooperates only with suppliers and partners that have accepted and

205-2 Communication and training about anti-corruption policies and procedures

Anti-corruption training

Our Anti-Bribery Policy and Compliance Handbook provides our people with the essential knowledge and tools to detect and prevent bribery and corruption. It also shows them where they can find more information.

Governance body members

100% of Coca-Cola HBC board members in the Baltics are presented with and trained on the company's anti-corruption policies and procedures.

believe that the training also play a preventive role in eliminating any corrupt practices.

Business partners

Coca-Cola HBC cooperates only with suppliers and partners that have accepted and committed to be compliant with Supplier Guiding Principles, Coca-Cola HBC Code of Business Conduct and Anti-Bribery Policy and to raise awareness regarding Coca-Cola HBC policies and procedures within their personnel. The corresponding chapter is also included in legal agreements concluded with the company's partners and suppliers.

The Coca-Cola HBC anti-bribery policy and Code of Business Conduct is a public document and can be downloaded from the Coca-Cola HBC corporate website.

Coca-Cola HBC in the Baltics employees receive refresher training, focusing on a selected aspect of ethics, once a year. As a result, 100% of our employees have an up-to-date training. The management team is also covered by these trainings.

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Number of legal proceedings

Number of legal proceedings pending during the reporting period concerning anti-competitive behaviour in which the organisation was a participant	0
Number of legal proceedings concluded during the reporting period concerning anti-competitive behaviour in which the organisation was a participant	0
Number of legal proceedings pending during the reporting period concerning violations of antitrust and antimonopoly laws in which the organisation was a participant	0
Number of legal proceedings concluded during the reporting period concerning violations of antitrust and antimonopoly regulations in which the organisation was a participant	0

[102-17]

Whoever has any suspicions or doubts related to violation of our ethical principles may report them in a confidential manner through a dedicated Speak Up Line.

Consultations on ethical issues can also be made by phone, e-mail or face-to-face. Coca-Cola companies have undertaken to protect employees against any repression that may result from reporting objections.

In 2020, 10 reports have been received via Speak Up Line.

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

	2020	2019
Total number of submissions	8	20
Submissions broken down into categories		
Fighting bribery and corruption	0	2
Business and financial documentation	1	5
Conflict of Interest	0	2
Fair treatment of employees	5	6
Other	2	5
Total number of inquiries - requests for advice	2	0
Grand total	10	20

The reporting person is guaranteed anonymity and protected against potential retaliation.

Number of compliance and ethical requests

Number of requests submitted	2020	2019
Baltic Countries	10	20

Stakeholder Relationship Management

Coca-Cola System has a global scope, which means it has a broad perspective on economic, social, and environmental problems. At the same time, as we operate in Estonia, Latvia and Lithuania, and are a part of a global system, we contribute to the development of local communities. This is where we invest and create jobs. We work with local communities from our immediate neighbourhood. We want to carry on our business in the right way. We strive to reduce our impact on the environment but we are also aware that we do not have all the answers

today. This motivates us to engage in dialogues with our stakeholders and look for new and better solutions.

[102-40, 102-42, 102-43]

Stakeholders of Coca-Cola System in Baltics:

- employees
- administration, regulators, and trade organisations
- society and local communities
- clients and the market

Stakeholder group	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

Apart from the dialogue workshops held for the purpose of the report, we engage in regular dialogue with specific groups of stakeholders. The form and frequency depend, crucially, on the specific nature of a given group, their impact, interest scale, etc. For some groups, to establish their expectations, concerns, and needs, our representatives meet

them directly. In other cases, we carry out, for example, market research. 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.

Supply Chain

103-1, 103-2, 103-3 aspect: Purchasing practices, environmental and social assessment of suppliers [102-9], [204-1]

The supply chain is vital for our business. In 2020, there were 550 active suppliers at our base count; 80% of these vendors are companies based in the Baltics, which means that vast majority of our purchases are made locally and supply

our Lithuanian production plant in Varėna with raw materials while also providing distribution, warehousing, haulage, and fleet management services.

[308-1] [414-12]

In the organisation of our supply chain, we put stress on responsible management — from the purchase of raw materials, through to the manufacturing of

the final products, and ending with their distribution to customers. Additionally, strategic suppliers are also verified and authorized by The Coca-Cola Company. The additional verification process is to ensure the highest standards of sustainable development.

Moreover, in the case of large orders, namely orders exceeding a specific value, we assess our suppliers in terms of environmental criteria, human rights, workers' rights, occupational health and safety, working conditions, social issues, and agricultural issues (ESG Form). We also consider professional analyses provided by EcoVadis. Assessments in that respect do not only affect the final assessment of the supplier but also indicate specific management risk.

We oblige our suppliers to, among others:

- ensure a discrimination-free work environment for their employees, where the only criteria for employee assessment is related to the nature of the work and duties;
- ensure occupational health and safety;
- to not employ minors or use any form of forced labour;
- pay fair remuneration and offer development opportunities;
- respect the right of employees to belong to trade unions;
- carry out business activities in an eco-friendly manner.

The suppliers of ingredients and packaging also have to obtain the FSSC 22000 food safety certificate and the Global Food Safety Initiative (GFSI) certificate. We expect our direct suppliers not only to comply with applicable laws, but also to be guided by values that have been summarized in the Programme of Main Principles for Suppliers—in 2020, it was accepted by 100% of our key suppliers, who were responsible for 90% of the company orders.

During strategic purchases, our suppliers are assessed in terms of meeting environmental criteria, human rights, employee rights, health and safety at work, working conditions and social and environmental issues. We also use professional analysis provided by the EcoVadis portal, and we encourage our suppliers to use this platform to assess their companies in terms of sustainable development.

Environmental Impact

6

CLEAN WATER AND SANITATION



7

AFFORDABLE AND CLEAN ENERGY



12

RESPONSIBLE CONSUMPTION AND PRODUCTION



13

CLIMATE ACTION



103-1, 103-, 103-3 aspect: Biodiversity and environmental compatibility
[304-1]

We are aware of our impact on the natural environment. Environmental responsibility is integrated into our company policy — our goal is to minimize our negative influence on nature and to reduce the use of natural resources.

Environmental issues in our organization are governed by the following policies:

- **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 the initiatives for the protection of these resources in the communities in which we operate.



Express Contracts

Express Contracts — in 2020, we set up a digital system for signing on-the-spot contracts during visits. This has helped us to shorten the time for finalising contracts with our clients, and above all has completely eliminated paper documents from the process. In the Baltics, over 100 Express Contracts were signed, saving over 700 sheets of paper.



Reduction of energy consumption

Environmental management in the Neptūnas plant is certified and follows the ISO 14001:2015 Environmental Management System standard. This ensures that the 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 the trust of 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.

[307-1]

In 2020, no sanctions or fines related with improper use of valuable natural areas or of non-compliance with environmental laws and regulations were imposed on our company.

Resources and Emissions

Sustainable approach to water resources

103-1, 103-2, 103-3 aspect: Water

Coca-Cola HBC Mission Sustainability 2025

Water stewardship is one of the pillars of the Coca-Cola Mission Sustainability 2025, based, inter alia, on the UN Sustainable Development Goals (SDGs). In line with the Mission 2025, we strive to:

- Reduce water used per litre of beverage by 20% in plants located in risk areas.
- Help secure water availability for all local communities in water risk areas (Cyprus, Greece, Armenia, Nigeria, Russia).

This is our response to the UN Sustainable Development Goal:



Access to clean water is essential to the life and development of communities as well as the production activity of companies. At Coca-Cola System, we take the obligation of using these valuable resources in a responsible and most effective manner.

We make our efforts in the areas where we have the greatest impact on the environment. Therefore, we constantly search for new ways to reduce the water consumption in our plants and work on closing the water circulation: we treat wastewater and, wherever possible, we reuse the water recovered or release the treated water back into the natural environment.

We constantly aim to reduce the water usage of production. We observe the international standards of water resources protection, 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 meters deep. The Neptūnas well is not included in designated nature reserves or on Natura 2000 sites mapped in the EU and is not located in a water risk area.

303-3 Water withdrawal

Total water intake by the organisation in all locations, divided into sources (in megalitres):

Water stewardship for the Varéna plant	2020	2019	
Surface water	0	0	ml
Groundwater	46,322	54,950	ml
Sea water	0	0	ml
Production water (acquired as a result of sourcing, processing or using any other raw material)	0	0	ml
Water obtained from direct source (e.g. local water system network)	7,095	1,437	ml

303-5 Water consumption

Total water consumption

Water consumption for the Varéna plant	2020	2019	
Total water consumption in all areas	53,417	56,387	ml
Total water consumption in risk areas	0	0	ml

Some water-related facts about The Coca-Cola Company in the world:



We replenish each drop of water used.
In 2020, we replenished **170%** of water used in our finished beverages and their production to the nature and our communities.



Coca-Cola supports water protection program. Since 2010, water protection programs supported by Coca-Cola have given **13,5 million** people access to safe drinking water and sanitary facilities.



The Coca-Cola Company is a global member of 2030 Water Resources Group (2030WRG), which acts for a growing gap in the availability of water resources through

transformation of agricultural value chains, promoting closed water circulation and supporting technological innovations. Since 2009, 2030WRG has collaborated with 900 various local partners in water resources management, reduced the intake of fresh water and wastewater discharge by billions of litres, and cooperated in investments in infrastructure and technology worth almost **USD 900 million.**

In total, since 2012, owing to our activities, over **1.75 trillion** litres of water have been replenished



ALLIANCE FOR
WATER STEWARDSHIP



Good
practices!

In 2020, in our Varéna plant, we implemented a new international standard of sustainable management of water resources — Alliance for Water Stewardship (AWS).

AWS is a highly valued certificate, esteemed all over the world — its award confirms that we have met the global model of responsible water management.

Main AWS goals include the following:

- achieving and maintaining sustainable water use;
- achieving and maintaining good chemical and biological quality of natural water;
- recognizing and protecting areas of particular environmental and cultural importance;
- achieving a transparent water resources management system;
- collaborating with stakeholders.

More about the dialogue with stakeholders as part of the AWS standard on **page 58.**

Sustainable Energy Sources

103-1, 103-2, 103-3 aspect: energy

In line with the Coca-Cola HBC sustainable development mission 2025, we strive to:

Derive 50% of total energy consumed in our plants from clean and renewable sources



Derive 100% of total electricity used in our EU plants from clean and renewable sources.



This is our response to the UN Sustainable Development Goal:



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 it has the "Lithuania Green Energy" certificate.

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

	2020	2019	
Electricity	1483374	1602534	kWh
Steam	0	0	kWh

Total consumption of electricity in the Baltics was 1879562 kWh in 2020

Total consumption of electricity in the Baltics was 2026042 kWh in 2019

100% electricity was used in Varena plant in 2020 came from renewable sources

302-1 Energy consumption within the organization

Total consumption of energy from non-renewable sources, in Joules or their multiple, by raw material from which it was generated

	2020	2019
Electricity in MJ*	1426276	1545156
LPG in MJ**	3098791	2064654
Natural gas in MJ**	0	0
LFO (Light Fuel Oil) in MJ**	0	0

* In the Varėna plant in 2020, 100% electricity was renewable.
** Data for the Varėna plant

Total consumption of energy from renewable sources, in Joules or their multiple, divided into the raw materials from which it was generated in the Varėna plant

	2020	2019
Electricity in MJ	5340146	5748595
Steam (CHP) in MJ	0	0
Hot water (CHP) in MJ	0	0



Reduction of Emissions

103-1, 103-2, 103-3 aspect: Emissions

In line with the Coca-Cola HBC sustainable development mission 2025, we strive to:

Reduce the direct emissions
of carbon dioxide by

 **30%**
vs. 2017.

This is our response
to the UN Sustainable
Development Goal:



Lower the emissions in
customer stores;

 **50%**
of our refrigerators in
customer outlets will be
energy efficient.

305-1 Direct (Scope 1) GHG emissions

Gross greenhouse gas emissions (GHG) in tons (t) of CO2 equivalent or equivalent unit

Gross greenhouse gas emissions	Scope 1 in 2020	Scope 1 in 2019	tCO2-eq
Lithuania	532,5	591,6	tCO2
Latvia	285	398,7	tCO2
Estonia	208	249,3	tCO2

Baseline: 2017

Baseline emissions	Scope 1 in 2017	tCO2-eq
Lithuania	639	tCO2
Latvia	674	tCO2
Estonia	291	tCO2

305-2 Energy indirect (Scope 2) GHG emissions

Gross indirect emissions (scope 2) divided into locations
in tons (t) of CO2 equivalent

	2020	2019	
Gross indirect emissions (scope 2) for the Baltics in 2020	6	9,1	tCO2

Countries Scope 2	2020	2019	
Lithuania	0,6	1,5	tCO2
Latvia	4,6	3,4	tCO2
Estonia	0,8	4,2	tCO2

Baseline: 2017

Baseline emissions	Scope 2 in 2017	tCO2
Lithuania	280	tCO2
Latvia	60	tCO2
Estonia	73	tCO2

305-3 Other indirect (Scope 3) GHG emissions

Other gross indirect emissions (scope 3) divided into
locations in tons (t) of CO2 equivalent

	Scope 3 in 2020	Scope 3 in 2019	tCO2
Lithuania	7132	7025	tCO2
Latvia	2697	2881,7	tCO2
Estonia	6878	7886,4	tCO2

Baseline: 2017

Baseline emissions	Scope 3 in 2017	tCO2
Lithuania	8068	tCO2
Latvia	3631	tCO2
Estonia	11984	tCO2

305-3 Other indirect (Scope 3) GHG emissions

Intensity of greenhouse gas emissions ratio in the Varėna plant

	2020	2019
Intensity of greenhouse gas emissions ratio (g CO2/l (litre of beverage produced) Scope 1+2	15,3	15,01

	2020	2019
Intensity of greenhouse gas emissions ratio (g CO2/l (liter of beverage produced) – scope 1	15,29	14,97
Intensity of greenhouse gas emissions ratio (g CO2/l (liter of beverage produced) – scope 2	0,02	0,04
Intensity of greenhouse gas emissions ratio (g CO3/l (liter of beverage produced) – scope 2	204,8	177,72
Intensity of greenhouse gas emissions ratio (g CO+2/l (liter of beverage produced) – scope 1+2+3	220,1	192,72

305-5 Reduction of GHG emissions

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent)

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent) for Baltics	2020	2019	Changes in t vs.2019	Changes in % vs. 2019
Scope 1	1025	1240	-215	-17,34%
Scope 2	6	9	-3	-33,33%
Scope 3	16707	17793	-1086	-6,10%

Baseline: 2017

Baseline emissions	Baltics 2017	tCO2
Scope 1	1605	tCO2
Scope 2	413	tCO2
Scope 3	23683	tCO2

Scopes where GHG emissions reduction was achieved

Scope 1 — emission level vs. 2017	-580	tCO2
Scope 2 — emission level vs. 2017	-407	tCO2
Scope 3 — emission level vs. 2017	-6976	tCO2

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent)				
Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent) for Lithuania	2020	2019	Changes in t vs.2019	Changes in % vs. 2019
Scope 1	532,5	591,6	-59,1	-9,99%
Scope 2	0,6	1,5	-0,9	-60,00%
Scope 3	7132	7025	107	1,52%

Baseline: 2017

Baseline emissions	2017	tCO2
Scope 1	639	tCO2
Scope 2	280	tCO2
Scope 3	8068	tCO2

Scopes where GHG emissions reduction was achieved

Scope 1 — reduction level vs. 2017	-106,5	tCO2
Scope 2 — reduction level vs. 2017	-279,4	tCO2
Scope 3 — reduction level vs. 2017	-936	tCO2

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent)

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent) for Latvia	2020	2019	Changes in t vs.2019	Changes in % vs. 2019
Scope 1	285	398,7	-114,7	-28,70
Scope 2	4,6	3,4	1,2	35,29%
Scope 3	2697	2881,7	-184,7	-6,41%

Baseline: 2017

Baseline emissions	2017	tCO2
Scope 1	674	tCO2
Scope 2	60	tCO2
Scope 3	3631	tCO2

Scopes where GHG emissions reduction was achieved

Scope 1 — emission level vs. 2017	-389	tCO2
Scope 2 — emission level vs. 2017	-55,4	tCO2
Scope 3 — emission level vs. 2017	-934	tCO2

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent)

Achieved reduction of greenhouse gas emissions resulting from the actions taken (in tons (t) of CO2 equivalent) for Estonia	2020	2019	Changes in t vs.2019	Changes in % vs. 2019
Scope 1	208,1	249,3	-41,2	-16,53%
Scope 2	0,8	4,2	-3,4	-80,95%
Scope 3	6877,7	7886,4	-1008,7	-12,79%

Baseline: 2017

Baseline emissions	2017	tCO2
Scope 1	291,1	tCO2
Scope 2	72,9	tCO2
Scope 3	11983,7	tCO2

Scopes where GHG emissions reduction was achieved

Scope 1 — reduction level vs. 2017	-83	tCO2
Scope 2 — reduction level vs. 2017	-72,1	tCO2
Scope 3 — reduction level vs. 2017	-5106	tCO2

Packaging and Waste

Our Packaging Strategy

In line with the Coca-Cola HBC Sustainability Mission 2025, we strive to:

Have **100%** our consumer packaging recyclable.

Help collect the equivalent of **75%** of our primary packaging.

Source **35%** of the total PET we use from recycled PET and/or PET from renewable material.

This is our response to the UN Sustainable Development Goal:



103-1, 103-2, 103-3 aspect: wastewater and waste
103-1, 103-2, 103-3 aspect: resources

We minimize the impact of our packaging on the environment. We want:

- our packaging to have as little impact on the environment as possible in the entire value chain;
- recycle as much packaging waste as possible;
- reuse the packaging collected.

For years, we have taken actions to reduce the amount of plastic used for the production of bottles – **since 2001, we have reduced the weight of our plastic packaging by 45%**

What we have done so far:

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

Almost all of our packaging is recyclable



Paper bottle prototype

Coca-Cola HBC has been testing the prototype of a paper bottle. The prototype was made by a Danish start-up Paboco of a very resilient paper shell which includes a thin plastic insert.

A part of the challenge in the process was to create a structure able to withstand forces exerted by carbonated beverages bottled under pressure. Moreover, the paper had to be easy to form, so that different bottle shapes and sizes could be created for various brands, and it had to absorb ink used for printing the labels.

Following over seven years of laboratory works, in summer 2021 in Hungary, the pilot stage of the paper bottle launch will begin.



world without waste
THE COCA-COLA COMPANY

In 2018, Coca-Cola inaugurated the global ambition World Without Waste.

As part of the program, the Coca-Cola System undertook to achieve the following goals by 2030:

- More collected waste. Help in collection and recycling of the equivalent of 100% of our primary packaging.**
- All of our packaging will be recyclable in 100%.**
- More PET bottles from recycling. 50% of all PET bottles will come from recycled PET and/or PET from renewable material.**

Coca-Cola HBC package 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	Green Dot	Green Dot



Deposit Return System

From February 2022, in Latvia, the deposit return system for beverage packaging will be introduced with Coca-Cola HBC Latvia among the shareholders of the deposit operator “Depozīta Iepakojuma Operators”.

Looking forward

At the beginning of 2021, Coca-Cola HBC Poland and Baltics started preparations

to ensure a smooth transition to the new system. A cross-border and cross-functional team was established that will work 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.

301-1 Materials used by weight or volume

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

Non-renewable materials, in which:

	2020	2019	
raw materials	0	0	kg
materials used in the production process, but not included in the final product	8584	6695	kg
semi-finished products	0	0	kg
packaging materials	1005119	1174586	kg

Renewable materials, in which:

	2020	2019	
raw materials	0	0	kg
materials used in the production process, but not included in the final product	0	0	kg
semi-finished products	0	0	kg
packaging materials	58955	76322	kg

301-3 Reclaimed products and their packaging materials

Percentage of recycled packaging recovered for the relevant product category

	Estonia		Latvia		Lithuania	
	2020	2019	2020	2019	2020	2019
% PET	88%	87%	18%	18%	93%	83%
% Plastics	39%	35%	58%	54%	37%	52%
Glass	75%	88%	72%	69%	67%	53%
Aluminium	95%	89%	43%	54%	92%	93%
Metal/Steel	35%	0%	56%	54%	56%	53%

Data are collected in aggregate, not by product category. The company does not publicly disclose the methodology for these data collection. Methodology and data are annually audited by Denkstatt.

306-2 Waste by type and disposal method

Total weight of waste by the following waste management methods

Weight of waste in the Varėna plant.

	2020	2019
Waste recycled in %	97%	96%
Total waste generated in tones	63.89	48,10
Total non – hazardous recycled or recovered waste in tones	61,70	45,14
Total hazardous waste recycled in tones	0,27	1,04
Waste landfilled	1.92 t	1,92

Impact on the Community



In line with the Coca-Cola HBC Sustainability Mission 2025, we strive to:

- Support the development of 1 million young people entering the labor market in 28 countries with the #YouthEmpowered program.
- Create diverse teams so that 50% of managerial positions are held by women.
- Reduce the accident at work rate by 50%

This is our response to the UN Sustainable Development Goal:



The Coca-Cola System in the Baltics employs more than 300 people. We take part in social life, engaging in and supporting the topics important for the community. Although Coca-Cola is a global brand, we want to be a "good neighbour", so wherever we operate, we act, along with local communities, for the common good.

| Employer

Employment

103-1, 103-2, 103-3 aspect: Employment

We want to guarantee our staff attractive and comfortable employment conditions, timely payments and an engaging, inclusive and safe

working environment. In the majority of cases, we employ people on a full-time basis under an employment contract for an indefinite time.

102-8 Information on employees and other workers

Headcount divided into the employment type

	2020	2019
Full time	318	355
Part time	0	-
Other	0	-

Headcount divided into the employment form

	2020	2019
Employment contract for a definite time	3	3
Employment contract for an indefinite time	315	352

[401-1]

New employee hires and employee turnover

Gender

	2020	2019
Women	15	29
Men	14	46

Age

	2020	2019
Under 30 years of age	17	42
30-50 years of age	12	31
Over 50 years of age	0	2

Region

Kaunas Branch Office	4
Klaipeda Branch Office	1
Riga Branch Office	7
Riga Distribution Centre	2
Tallinn Branch Office	3
Tartu Branch Office	2
Varėna Water Plant	5
Vilnius Branch Office	5

Ratio of new employees in the organisation in the reporting period, divided into:

Gender

Women	0.5
Men	0.5

Age

Under 30 years of age	0.6
30-50 years of age	0.4
Over 50 years of age	0

Region

Kaunas Branch Office	0.13
Klaipeda Branch Office	0.03
Riga Branch Office	0.24
Riga Distribution Centre	0.07
Tallinn Branch Office	0.01
Tartu Branch Office	0.07
Varėna Water Plant	0.17
Vilnius Branch Office	0.17

Total number of employees who left the organisation in the reporting period, divided into:

Gender

Females	19
Males	41

Age

Under 30 years of age	15
30-50 years of age	40
Over 50 years of age	5

Region

Alytus Branch Office	1
Kaunas Branch Office	6
Kaunas CDE	2
Klaipeda Branch Office	1
Riga Branch Office	10
Riga CDE	1
Riga Distribution Centre	5
Tallinn Branch Office	16
Tartu Branch Office	2
Varėna Water Plant	4
Vilnius Branch Office	12

Total number of employees who left the organisation in the reporting period, divided into:

Gender

Females	0.32
Males	0.07

Age

Under 30 years of age	0.03
30-50 years of age	0.07
Over 50 years of age	0.08

Region

Alytus Branch Office	0.02
Kaunas Branch Office	0.1
Kaunas CDE	0.03
Klaipeda Branch Office	0.02
Riga Branch Office	0.17
Riga CDE	0.02
Riga Distribution Centre	0.08
Tallinn Branch Office	0.27
Tartu Branch Office	0.03
Varėna Water Plant	0.07
Vilnius Branch Office	0.2

In 2020, we further proceeded with the organisational changes in our company, which were a continuation of the simplification and full integration of structures and processes within the new business unit in Poland and the Baltics, established in 2019. As a result, the employment level in our organisation decreased. The Coca-Cola HBC works council and trade unions were involved in the redundancy process. All the employees made redundant received offers for new positions within the company or support in looking for a new job. As a result, in Coca-Cola HBC Poland and Baltics where there was a collective dismissal, out of 200 employees who were reorganised, 159 accepted new roles at Coca-Cola HBC, 139 in Poland, 20 in the Baltics.

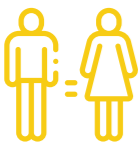
103-1, 103-2, 103-3 aspect: Diversity, equal treatment and anti-discrimination

At Coca-Cola HBC Baltics, the Human Rights Protection Policy applies, which is based on the principles defined in the Universal Declaration of Human Rights, the International Labour Organisation'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. The document discusses, inter alia, such issues as promoting diversity, freedom of association, safe and friendly working environment, preventing forced labour or working time and additional performances. The Human Rights Protection Policy at Coca-Cola HBC is consistent with Coca-Cola Human Rights Policy.

For all policies applicable at Coca-Cola HBC — including the Human Rights Protection Policy — please [visit our website](#).

406-1 Incidents of discrimination and corrective actions taken
202-2 Proportion of senior management hired from the local community

In our companies, there is no place for any manifestation of discrimination. In our organisation, what counts is competence, not gender, age, political beliefs, religion or fitness. Only 8% of our top managerial staff comes from Lithuania, Latvia or Estonia. The Baltic countries are part of the Coca-Cola Poland and Baltic business unit. The majority of top management is international and comes from Estonia, Greece, Ukraine, Montenegro, Serbia and Poland. We differ — we have different roots, experiences and native languages. But this is why our team may achieve more. We value collaboration and an open dialogue. We prohibit discrimination at the workplace and are ready to engage all our employees and business partners in actions for promoting the policy of equal treatment and for managing diversity at work. In 2020, no discrimination incident was noted in our organisation.



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 the managerial posts with women by 2025.**

In 2020 there was 42% of the Senior Management Team positions in Coca-Cola HBC Poland and Baltics are held by women

405-1 Diversity of governance bodies and employees

Percentage of people in governing bodies in the diversity dimensions

Gender			Age				
	2020	2019		2020	2019		
Females	42	32,8	%	Under 30 years of age	8,3	7,1	%
Males	58	67,2	%	30-50 years of age	83,3	85,4	%
				Over 50 years of age	8,3	7,5	%

Percentage of employees in the following diversity categories – gender

Females			Males		
Managerial staff	37.5	%	Managerial staff	62.5	%
Other employees	40.71	%	Other employees	59.29	%

Percentage of employees in the following diversity categories – age

Under 30 years of age			30–50 years of age		
Managerial staff	9.72	%	Managerial staff	80.56	%
Other employees	21.34	%	Other employees	67.59	%

Over 50 years of age		
Managerial staff	9.72	%
Other employees	10.28	%

Training and Development

103-1 103-2 103-3 Aspect: Education and training.

In the Coca-Cola System in the 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, inter alia, our production plant personnel, managers of various levels, or sales force. Depending on the demand, we also provide support in learning English, as well as in legal aspects, negotiation techniques and digital skills.

We build strong team competence to implement our strategy. We observe our leaders at low, medium and top level and help them acquire the skills necessary to manage their respective areas as fast as possible.

Purposes of training in our companies:

- improving managerial skills;
- on-boarding of new employees;
- levelling competence within the sales force at different management levels

404-1 Average hours of training per employee per year

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

Gender			Employment category	
	2020	2019		2020
Females	1,91	27	Change leaders	2,47
Males	14,81	15	Front line leaders	6,80
			Professional	5,37
			Supporters	2,03
			Troopers	55,71
			Top 300	1,76

Fast Forward

[404-2]

Fast Forward is a 12-month development programme for employees with the highest potential. Training is carried out at three levels — from specialist to manager, from manager to senior manager, and from senior manager to management board member. 28 employees were assigned to the programme (22 from Poland, 6 from the Baltics).

The aims of this programme are:

- to maintain “talents”, i.e., recognize the employees with high potential and assure for them clear possibilities of development in the company, plan their paths of career and build engagement;
- to build succession, namely a group of successors of the most important managerial positions in the organisation and filling important position with „talents”, namely the persons prepared for the managerial roles;

- to prepare for the role change, i.e., develop a proper approach, independence, network of contacts, and defined skills in order to assure effective preparation for the employee with a high potential for promotion and shorten the time needed to achieve the expected performance after that change.

Despite of all very interesting and useful training, it gave a huge exposure in terms of personal visibility, as through different project stages we got to meet not only Senior Management Team members, but also get in contact with colleagues from other departments (with whom on regular bases we don't deal). I think Fast Forward is really good programme, that allows you to see wider picture.”

Dovile Zilinskiene,
Baltic Commercial Services Manager

[404-3]

Percentage of employees receiving regular performance and career development reviews

Gender		Employment category	
Females	41.1 %	Change leaders	2.5 %
Males	58.9 %	Front line leaders	33.9 %
		Future drivers	0 %
		Professional	25 %
		Supporters	8.5 %
		Top 300	0.4 %
		Top 40	0 %
		Troopers	29.7 %

Opportunity Marketplace

In spring 2020, we launched a new platform called "Opportunity Marketplace". Its purpose is to connect employees with projects. Project managers publish announcements on what kind and scope of support they need, and employees who search for development opportunities, who want to experience something new, may apply to join

such projects. What is of the utmost importance is that you may apply to projects from various departments, and even in different countries within the Coca-Cola HBC Group. Such approach offers the employees real options to learn, acquire new competences and familiarise themselves with new departments in practice. Each employee may apply to any project published, if he or she meets the basic criteria set by the project manager.

THANK YOU challenge!

In 2020, we also launched two campaigns to reward our employees. The first initiative is the Bravo campaign, in which the heads of individual departments in the organisation thanked their employees for their engagement during the hard times of COVID-19. The employees received

personalized "thank you" letters and parcels with gifts. Another initiative was commenced by the employees themselves and took the form of a challenge at LinkedIn. In public, our employees thanked their collaborators for the support received, and nominated further people for whom to express gratitude. In total, over 400 tags with thanks appeared. The campaign was expanded to also include production and warehouse employees.

Smarp Platform

In the summer of 2020, at Coca-Cola HBC we implemented the Smarp platform to create and share content on social media. The Smarp response allows to reach us as Coca-Cola CH, further not only with corporate communicates, but also with private messages from employees who want to be active,

build their image, share knowledge and disseminate our values. The platform provides inspiration for the creation of posts, it allows to thoroughly trace statistical data, and introduces the element of gamification. By being active on the platform, employees score points to be then exchanged for attractive prizes.

Learn FEST

Learning is an inherent part of our work. Learn Fest are "educational fairs". In line with our attitude towards development, we believe that learning is not simply a training session, or a one-off event. In September 2020, we began preparing an intensive, two-week event during which we are going to engage people in learning and show them

how to use various, in particular digital, resources. The initiative is to help in building a learning habit, taking responsibility for self-development and spreading knowledge on modern tools and forms of learning. The event will be based on non-standard educational sessions and inspiring lectures given by our leaders, the best of the best from 28 countries, and it will offer the learners the possibility to decide where and when they want to acquire knowledge.

New Mentoring Program

At Coca-Cola HBC, mentoring means partnership in mutual learning, where the mentor and the mentee help each other in personal and professional development through sharing knowledge and experience. It is a useful relationship, based on mutual trust and respect. The purpose of mentoring is, inter alia, to support on-boarding of new employees, to support managers in improving their leadership skills and to support talents in the process of change. In 2020, we simplified the rules so that we could more easily match the mentees with the mentors — to this end, we created

a dedicated platform presenting the profiles of the mentors along with their availability. The platform makes it easy to make an appointment for mentoring sessions. It also offers an option to apply for the mentor role. We also extended the coverage of the programme — it is no longer national; so now you can select a mentor from any Coca-Cola HBC country. The broader coverage allows you to see new perspectives and exchange the best practices among the countries. Moreover, the programme availability also improved — earlier, it had been dedicated to people qualified to talent programmes only, but now every employee may apply to join the mentoring programme.

Flexible Working Arrangements

In order to make it easier for the employees to combine various life roles, in 2020, we introduced even more flexible forms of work — inter alia, an option to have home office for two days, to work from various locations, perform hybrid work

— partly from home, partly from the office in a day, and the possibility to shorten the working time on Fridays. Flexible Working Arrangements is not related to the COVID-19 pandemic. The programme will continue within our organisation even after the end of the remote work forced on by the pandemic.

Brand Opener

In the Baltics, Coca-Cola HBC as a company is often confused by young people with The Coca-Cola Company, and working for us is often seen from the angle of marketing activities. Therefore, we want to ensure that people become more and more aware that we are two different entities (although we belong to one system) and of the opportunities for career development that we offer. In 2020, the central point of the image campaign of Coca-Cola HBC targeted at the young generation became Brand Opener contest. The initiative — known already in Poland — was launched for the first time also in Lithuania, Latvia and Estonia. The contest focused on individual development with tasks focusing on three areas — sales, production and marketing, with the main stress put on raising awareness, not recruitment.

Due to the pandemic, the entire Brand Opener campaign was conducted on-line. To reach new recipients and to encourage them to participate in the contest, we realized a broad, on-line image campaign which lasted for three months in various communication channels, inter alia, Facebook, YouTube and Messenger.

In 2020, the motto of the campaign was: **Unbottle your potential**. Within the campaign, we conducted **the main contest, the mini-challenge and live events**, also with the participation of the members of our management board. Our goal was not only to promote the contest and the accompanying on-line events, but to first of all build awareness and our image as the employer of choice for the young generation. The campaign allows us to be constantly active within the academic circles, even in the extraordinary circumstances of the year 2020. Thanks to Brand Opener 2020, the students could have a closer look at the everyday life in a company operating in the FMCG sector, obtain useful, practical, knowledge, and become inspired to take bold decisions in their personal and professional lives.

Brand Opener 2020 coverage (Poland, Lithuania, Latvia, Estonia):

- Facebook reach: 732,800 followers
- Over 8.5 million hits on our ads
- 7,644 clicks taking users to the campaign website
- 11,553 interactions

Health and Safety

103-1, 103-2, 103-3: Health and safety

Our goal: To reduce the accident rate by 50% and zero fatalities in accidents at work

[403-6]

We develop and use effective systems, standards and procedures of OHS adequate to the risk connected with the business activities. The biggest safety challenges for Coca-Cola companies in the Baltics are associated with the production and logistics in the Lithuanian water production plant. The following policies apply in the company: Occupational Health and Safety Policy, Policy of Safe Management of Car Fleet and procedures of the system consistent with ISO 45001 standard.

Safety of our employees is the top priority. In 2020, in our Lithuanian plant, the ISO 45001 international standard was introduced describing the OHS management system. Although it is not required by Lithuanian legislation, we have decided to implement it, as we are aware that the highest standards of safety at work are essential. The management system has been implemented and it is maintained and certified by external certification body.

[403-3]

The management board of Coca-Cola HBC Poland and Baltics is responsible for occupational safety management. At Coca-Cola HBC, the OHS

manager responsible for Poland and the Baltics has also been appointed to supervise the safety issues and develop the OHS issues management system.

The process of risk assessment and threat identification

[403-2]

At least once a year, an analysis of the occupational risk assessment is conducted for all jobs. The results of the professional risk assessment are discussed during the review of the systems of the OHS management implemented. In the functions which have no management system implemented, the results of the professional risk assessment are analysed on a current basis at meetings conducted every month regarding results of safety at work.

Threat identification

In our organisation, the Near Miss threat identification programme was implemented. By means of an electronic database, each employee

may report a threat and to each reported threat an action plan is then ascribed.

Reporting and analysis of causes

Reporting and causal analysis

Each employee has the obligation to report accidents and potential accident events. An accident team shall determine the causes of the incident. The other units are informed of both the incident and its causes. In the next stage, preventive actions are implemented aimed at eliminating the risk for a similar event that may occur in other departments.

In the event the work constitutes a direct threat to health or life, the employee has an obligation to withhold from performing it. All employees are informed about such an obligation.

Preventive Actions

[403-7]

Except for strict compliance with the OHS regulations, we also conduct preventive actions. Listed below are some of them:

The boards installed before the entries into the facilities informing about the number of days from the last accident and the highest accident-free number of days so far;

Walk The Talk programme promoting safety;

A site devoted to OHS on the company Intranet containing not only good practices but also training materials connected with OHS;

Equipping company cars with a warning system that alerts when failing to keep sufficient safe distance from another vehicle on the road;

Safety Week campaign — in 2020, for the first time also in an on-line version.

Number of days without accident at work in the Varėna plant*

	2020	2019
Varėna	1,189	823

*As of 31 December

In 2020, in Coca-Cola HBC Baltics

0 accidents
at work resulting in working
time loss were noted.

[403-9]

Index of work-related injuries

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

* Rates were calculated on the basis of 100 employees



Number of accidents at work per 100 employees

2017	2018	2019	2020
0	0	0	0

[403-10]

At Coca-Cola HBC in Lithuania, Latvia and Estonia, no occupational diseases were noted.

Health and Safety Week

Once a year we organize the Health and Safety Week. The participants gain and broaden their knowledge on safety through numerous training courses and workshops. People can also receive basic medical examinations, learn how important a proper diet is, or meet external specialists such as medical practitioners or police officers

Safety during the pandemic

During the COVID-19 pandemic, Coca-Cola HBC companies in the Baltics — as local teams all over the world — has strictly observed the best practices to prevent infection with coronavirus. We have taken care of the safety of both our white-collar as well as blue-collar workers. We have focused our actions on two areas — minimisation of the risk of infection and avoidance of stoppage of production.

Employee Advocacy Platform

Due to the pandemic, we have launched the Employee Advocacy Platform (EAP), i.e., a confidential support service. The system will stay with us permanently also after the end of the pandemic. The purpose of EAP is to offer free-of-charge psychological support to employees and their families related to troubles and challenges in everyday life. The EAP programme offers needs-tailored professional support and helps in managing life difficulties. The EAP helpline operates 24/7 in order to offer support whenever required.

Online communication and collaboration

In January 2020, we widely implemented Teams as a collaboration platform. This solution enabled us to have more effective remote meetings while

We have asked all employees whose nature of duties allows for remote work, to do so to the maximum extent. We have cancelled the majority of national and international business trips and postponed visits of guests in our facilities.

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

We have also taken care of the preventive measures. Owing to infrared thermometers, prior to entering our facilities, each employee has their body temperature scanned.

During the pandemic, we have also provided our employees with the knowledge on how to protect yourself against contracting COVID-19. In our 11 on-line training courses, in total 343 participants took part.

keeping all documentation and collaboration history records in one place.

We started using regular virtual meetings routines with Senior Leadership Team for required business updates by incorporating virtual plant and market visits.

Sales online meetings - Hellenic Good Mornig Meating

Starting in April 2020, all regular daily/weekly/monthly sales meetings have been held on-line with all the required equipment (chargers, headsets, etc.) provided for. By introducing this change, we reduced the need for salespeople to travel to the office which has had an impact on reducing CO2 emissions.

Virtual Private Network

Investment for the Virtual Private Network (VPN) capacity increase were put in place to allow

employees to work from home as if at the office: work in a secure environment, access to all required internal systems from home

Additional Equipment

All employees whose responsibilities allowed them to work from home were provided with the hardware equipment necessary to assist them work remotely. We provided laptops for 80 users, which is 8.8% of office employees; we lent our employees about 40 monitors.

Smart Glasses

The investment in this solution has allowed us to improve the maintenance and repair of machines on production lines. Thanks to this technology, an employee of a Coca-Cola HBC plant can be in

contact with a consultant anywhere in the world who, seeing through the eyes of a Coca-Cola HBC employee, is able to guide them in such a way as to remotely remove the defect – time and cost saving, CO2 footprint reduction due to less travel and increased safety in COVID-19 areas.

Fleet inventory solution

This solution has made it possible to inventory and document the condition of all company cars. Employees don't have to come to the office and the whole process is carried out using a specifically created application. Thanks to this new solution the employee, by answering a few basic questions and attaching photos of the car, allows the remote inventory required by the audit.

Benefits

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

We appreciate our employees not only from a financial perspective. People working for our organisation on a full-time basis may count, inter alia, on¹:

- private healthcare;
- retirement gratuities;
- parenthood leaves;
- flexible working arrangements;
- monthly home drinks;
- 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 the income);

- additional days off (free day for childcare for parents who have one and more children up to 14-years of age);
- blood donation;
- service vacation (up to 4 days off per year depending on seniority in the company);
- 3 days with admin perms (in case annual leave days are fully used), and for volunteering work;
- compensation for eyeglasses.
- additional pay-outs (death allowance, childbirth, school support, up to the 9th grade, for employees raising children, graduation, marriage);
- company car for private purposes (in accordance with the internal company policy);
- mobile phone (in accordance with the internal company policy).

¹Individual benefit packages may differ depending on the country and the Coca-Cola System company.

Community Support

We support programmes for local communities. We strive to engage in areas where we can share our knowledge and experience and where we can be of the greatest help.

We believe that together we can do more for the common good. Our goal is to create added value

in the communities in which we operate. Our social investments focus on creating a positive impact on society and the economy, on improving the quality of life of the communities, on the development of youth and on initiating environmental projects.

Youth Empowered Program

Youth Empowered Programme (YEP) is a system-educational initiative created in 2017 which focuses on young people who are out of work, are outside of the system-based education 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 possibilities on the job market.

In 2020, we decided to use the changes brought about by the pandemic and we organised a virtual event for the youth from all four countries in which Coca-Cola HBC Poland and Baltics operate.

People from Lithuania, Latvia, Estonia and Poland participated together in the English language part, where the inspiration speaker was Jaak Mikk, General Director. The event was then divided into four separate parts held in local languages containing elements of hackathon, interactive workshops, and inspiring streaming on career development on YouTube.

 [See the movie](#)

In 2020, through Youth Empowered, we trained more than 1100 young people and almost 50 teachers in the Baltics.



Latvia

In Latvia, the Youth Empowered programme has been implemented in collaboration with the Confederation of Latvian Employers. Since 2017, we have organised 15 free-of-charge seminars in five different Latvian cities, and we have reached over 2000 young people with our message.

Estonia

In Estonia, the Youth Empowered programme collaborates with Junior Achievement, whose mission is to develop ethical entrepreneurship among the youth. Every year we organize an inspiring event for young people and we train the economy teachers in the Youth Empowered modules. In 2020, both events were organised in the virtual world. Teacher training is conducted by experts from the Estonian Business School. In 2020, 50 teachers took

part in such training.

A traditional part of the Estonian Youth Empowered programme is the annual mini-hackathon organised to celebrate the beginning of the new academic year. The students form groups whose task is to develop a “concept of their own business” and prepare the presentation for the jury.

Lithuania

In 2020, the Youth Empowered programme in Lithuania included, inter alia, a public discussion on Facebook of our stakeholders on the aspects of unemployment among the youth during the times of COVID-19. The event was organised in collaboration with Lithuania Junior Achievement. The Lithuanian entity also organised an inspiring YouTube streaming on the development of the careers of young, famous, Lithuanian entrepreneurs.



Women's Programme 5by20

Estonia

Women 5by20: Everything Is Possible

In Estonia, since 2018, we have been partnering with the „Everything is Possible“ women entrepreneurship programme which focuses on empowering women founders by providing practical skills and networks to allow them to grow their businesses and create new jobs, women share in leadership positions and by fostering discussions and actions to make the Estonian entrepreneurship eco-system more high potential and business friendly.

In 2019-2020, the Project focused on business growth; the first phase, in 2018-2019, focused on starting a business.

The partners in the programme are BPW Estonia (Business Professional Women Association), StartUp Estonia (a community that unites and facilitates start-up businesses and the development of their founders), Ekspress Media Group (the leading media corporation in Estonia) and The Coca-Cola Foundation.

Around 4500 participants have attended the Project events - 500 participants in entrepreneurship trainings and success teams, and 4000 participants in online seminars, webinars, online trainings and

engaged in social media.

The project has received a grant of 60,000 USD from The Coca-Cola Foundation.

Lithuania

Women 5by20: #empoweringgirls

The Lithuania Junior Achievement runs a project called #empoweringgirls. The goal of such 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 women business professionals have been involved as mentors in delivering the guest lectures and in discussions about their career journey, mentoring youth, and participating in jury panels during the entrepreneurship education events.

During the project, an online entrepreneurship course called Accelerator X has been developed.

The project has received a grant of 107,000 USD from The Coca-Cola Foundation.

Clean and safe Baltic Sea 2019-2021

Estonia

The organiser of the project “Clean and safe Baltic Sea” is the Estonian Voluntary Rescue Association. The project’s overall objective is to activate local communities into dealing with sea safety, maritime assistance, and sea pollution issues in the Baltic Sea region.

The key objectives for the project are to organise 16 local activities (information days, seminars,

clean-up days) in selected locations in Estonia, to run 3 prevention training courses about maritime safety and sea pollution and, at pilot coastal areas, to collect 4,5 tons of waste. **Around 25000 local people will benefit from the project** activities and results.

This project is in tight cooperation with, among others, state institutions such as Parliament, the Ministry of the Interior, the Ministry of the Environment, the Estonian Police and Border Guard Board, the Estonian Rescue Board, the Joint Rescue Coordination Centre.

Although the start of the project was right in the middle of the COVID-19 pandemic, the organisers were able to activate the 1st phase of the project between January-July 2020 by organizing over 30 meetings with the project team, 11 meetings with project partners and 2 international meetings. The project has organised 3 local information activities

Employee Volunteer Work

We make sure that our employees constitute a specific community and create an added value to the surroundings. We support employee volunteer work and stock, project and competence (e.g., Youth Empowered programmes).

Each employee may submit their own proposals of

with 35 local leaders/influencers and organised 2 clean-up days with 120 people as well as 1 environmental awareness camp for children (25 participants).

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

solutions to be assessed by a special committee composed of independent, third-party experts. The employees may involve their families and friends, together with representatives of local communities, and attempt to bring to fruition projects important to local communities; and they can do so within their working hours.

48 employees volunteered during the pandemic in 2020.



Member of Local Communities

We conduct the majority of our initiatives in collaboration with NGOs and industry organisations. We believe that together we can

support local communities and respond to their essential needs.



Latvian rescue services and Food Bank support

Due to COVID-19, in Latvia, Coca-Cola HBC Latvija handed over 5752 litres of products to rescue services and to the local Food Bank. The Coca-Cola Foundation donated 100 000 dollars to the Latvian Children's Hospital Foundation in order to provide the personal protection equipment to 3500 healthcare practitioners.



Lithuanian doctors and Food Bank support

Since the onset of the COVID-19 pandemic, we have handed over our beverages to Lithuanian doctors from VU Santara, the Lithuanian University of Health Sciences, clinics in Kaunas, hospitals in Panevėžys, Šiauliai and Klaipėda. Additionally, the Coca-Cola Foundation donated 100 000 dollars to secure the protection equipment for doctors and nurses.

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

[See also a thank-you video from the Food Banks across Baltics.](#)



Estonian Food Banks and medical centre support

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 2020). The total amount of product contribution, together with The Coca-Cola Company, was 38105,6 euros.

Additionally, The Coca-Cola Foundation donated 100 000 euros to the North Estonia Medical Centre Foundation. This grant supports the acquisition of a mobile facility to improve the capability of the medical centre to react in a crisis or mass-casualty incident. This mobile facility minimizes the possibility of the spread of infections by ensuring that all patients with possible infections are admitted outside of the main hospital facility.



About the Report

[102-44] [102-46]

To ensure that our report brings up issues of importance to our stakeholders we held workshops for the representatives of both companies. Its objective was to update knowledge on stakeholders (mapping by their level of interest and influence in the Coca-Cola System), and on key areas of responsibility.

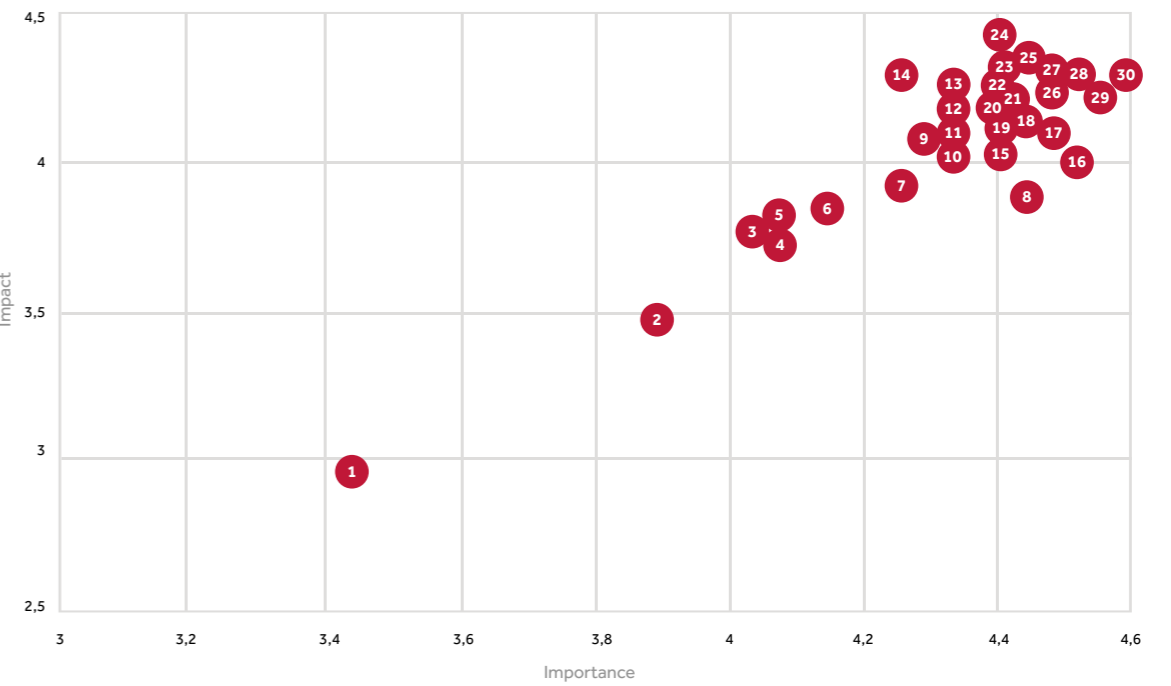
We identified ten key areas:

- 1. Ways of working (remote working, etc.)
- 2. Community engagement/relations with local communities
- 3. Product ingredients

- 4. Product labelling
- 5. Anti-discrimination
- 6. Human rights
- 7. Use of plastics
- 8. Waste management
- 9. Responsible marketing communications
- 10. Health and safety of employees

Additionally, we conducted a survey among our stakeholders. We received answers from 27 respondents.

The survey results served as a basis for developing a custom matrix of importance of responsibility areas for Coca-Cola System in Baltics, which allowed us to determine an optimal report structure:



- | | | |
|--|---|---|
| 1. Covid-19 | 12. Community investment | 23. Product labeling, Anti-discrimination |
| 2. Impact on the labour market | 13. Diversity and equal treatment | 24. Ways of working (remote working etc.) |
| 3. Impact on biodiversity | 14. Human rights | 25. Community engagement / relations with local communities |
| 4. Digital transformation | 15. Carbon footprint | 26. Health and safety of employees |
| 5. Contribution to the development of the economy | 16. Impact of products on consumer health and safety | 27. Waste management |
| 6. Educating the public on environmental matters | 17. Greenhouse gas emissions | 28. Product ingredients |
| 7. Business development | 18. Use of raw materials for packaging | 29. Packaging as an element of the Circular Economy |
| 8. Employee education and development | 19. Use of natural resources - water | 30. Use of plastic |
| 9. Integrating environmental and social matters into supplier requirements | 20. Well-being of employees, Ethics and anti-corruption | |
| 10. Consumer data security | 21. Sustainable cooperation | |
| 11. Energy consumption | 22. Responsible marketing communications | |

In February 2021, we organised a Alliance for Water Stewardship dialogue session for the stakeholders of our Neptūnas plant in Varėna. The session was conducted according to the AA1000 SES. Scenario of the meeting was prepared based on the results of the online survey conducted among the stakeholders. The stakeholders discussed the key topics on water stewardship and sustainability agenda of the plant. The on-line 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 Varena's plant water stewardship activities. The results obtained indicate that these activities are assessed by the stakeholders as good.

Key challenges and possible areas of collaboration identified by stakeholders:

Varena	
What are your challenges related to water resources?	<ul style="list-style-type: none">To avoid running out of water,Development and improvement in the field of environmental protection in accordance with the company's policy,Minimize of use of primary pipe water, 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?	<ul style="list-style-type: none">Using water resources responsibly,Trainings, joint ecological actions,Sharing the 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 every 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.

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 the society on Lithuanian water resources and responsible water resource management. In this regard, stakeholders expressed the need for greater involvement from 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.

[102-47]

On the basis of the process conducted and also the matrix of significance being the result thereof, the following key topics were defined which are reflected in the text of the report:

- Product composition and labelling
- Responsible marketing communication
- The use of plastic
- Health and safety of employees
- Diversity and equal opportunities, counteracting discrimination
- Using raw minerals for the production of packaging
- Packaging as an element of the circular economy
- Using natural resources – water

[102-45] [102-48] [102-49] [102-50] [102-51] [102-52] [102-54] [102-56]

This sustainability report covers the activities of Coca-Cola HBC Poland and Baltics in Lithuania, Latvia and Estonia and contains data and information on the activities undertaken by Coca-Cola HBC Eesti AS, Coca-Cola HBC Latvija and Coca-Cola HBC Lietuva UAB. This is the third

sustainability report issued in the Baltic countries. The document was prepared in accordance with GRI Standards, Core option. It covers the activity of the Coca-Cola companies in Lithuania, Latvia and Estonia in the period from January 1, 2020 to December 31, 2020 and constitutes a continuation of the previous report published in 2020 and containing data for 2019. There is no restatement of information presented in the previous report. The companies prepare the report yearly. Similarly as in the previous publication, in the present one for the part of indices the measurements were applied in translation into unit of the product, without presenting their absolute values. It allows a larger emphasis on effectiveness in the data presentation (e. g. consumption of water per one litre of beverage, CO2 emission per one litre of beverage, etc.) and makes it easier to compare particular reporting periods and list the presented data with the results of the beverage manufacturers for comparison. Such a structure allows us to preserve the transparency of the report while protecting the sensitive information of the companies.

This report was reviewed by an external sustainability consulting firm, Sustinere. The data presented are an element of the regional and global reporting system of social and environmental results of the companies of the Coca-Cola system, the reliability of which is subject to control. A significant part of the results presented in the report is subject to cyclical external audits (e. g. in accordance with standards: ISO 9001, ISO 14001, AWS, FFSC 22000, ISO 45001). Basic areas of activity are covered with regular internal audits.

[102-53]

Contacts:

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

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The contacts are competent for all social, environmental, and management issues unless otherwise specified in individual cases.

[102-55]

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102-16	Values, principles, standards, and norms of behavior	19
102-17	Mechanisms for advice and concerns about ethics	20
Corporate Governance		
102-18	Governance structure	15
Stakeholder Engagement		
102-40	List of stakeholder groups	21
102-41	Collective bargaining agreements	There is no collective labour agreement at Coca-Cola HBC
102-42	Identifying and selecting stakeholders	21

102-43	Approach to stakeholder engagement	21
102-44	Key topics and concerns raised	60
Reporting practice		
102-45	Entities included in the consolidated financial statements	62
102-46	Defining report content and topic Boundaries	60
102-47	List of material topics	62
102-48	Restatements of information	There were some restatements of information
102-49	Changes in reporting	62
102-50	Reporting period	62
102-51	Date of most recent report	62
102-52	Reporting cycle	62
102-53	Contact point for questions regarding the report	63
102-54	Claims of reporting in accordance with the GRI Standards	62
102-55	GRI content index	64
102-56	External assurance	62
Market presence and indirect economic Impacts		
103-1	Explanation of the material topic and its Boundary	5
103-2	The management approach and its components	5
103-3	Evaluation of the management approach	5
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The minimum wage (at country level) does not depend on gender
202-2	Proportion of senior management hired from the local community	44
Purchasing practices, environmental and social assessment of suppliers		
103-1	Explanation of the material topic and its Boundary	22
103-2	The management approach and its components	22
103-3	Evaluation of the management approach	22
204-1	Proportion of spending on local suppliers	22
308-1	New suppliers that were screened using environmental criteria	22
414-1	New suppliers that were screened using social criteria	22

Anti-corruption and anti-competitive behaviour		
103-1	Explanation of the material topic and its Boundary	19
103-2	The management approach and its components	19
103-3	Evaluation of the management approach	19
205-2	Communication and training about anti-corruption policies and procedures	19
205-3	Confirmed incidents of corruption and actions taken	19
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	20
Materials		
103-1	Explanation of the material topic and its Boundary	36
103-2	The management approach and its components	36
103-3	Evaluation of the management approach	36
301-1	Materials used by weight or volume	39
301-2	Recycled input materials used	-
301-3	Reclaimed products and their packaging materials	40
Energy		
103-1	Explanation of the material topic and its Boundary	29
103-2	The management approach and its components	29
103-3	Evaluation of the management approach	29
302-1	Energy consumption within the organization	29
Water and Effluents		
103-1	Explanation of the material topic and its Boundary	26
103-2	The management approach and its components	26
103-3	Evaluation of the management approach	26
303-3	Water withdrawal	27
303-5	Water consumption	27
Emissions		
103-1	Explanation of the material topic and its Boundary	31
103-2	The management approach and its components	31
103-3	Evaluation of the management approach	31

305-1	Direct (Scope 1) GHG emissions	31
305-2	Energy indirect (Scope 2) GHG emissions	31
305-3	Other indirect (Scope 3) GHG emissions	32
305-4	GHG emissions intensity	32
305-5	Reduction of GHG emissions	33

Wastewater and waste

103-1	Explanation of the material topic and its Boundary	36
103-2	The management approach and its components	36
103-3	Evaluation of the management approach	36
306-2	Management of significant waste-related impacts	40

Biodiversity and environmental compatibility

103-1	Explanation of the material topic and its Boundary	25
103-2	The management approach and its components	25
103-3	Evaluation of the management approach	25
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	25
307-1	Non-compliance with environmental laws and regulations	25

Employment

103-1	Explanation of the material topic and its Boundary	42
103-2	The management approach and its components	42
103-3	Evaluation of the management approach	42
401-1	New employee hires and employee turnover	43
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53

Health and safety

103-1	Explanation of the material topic and its Boundary	49
103-2	The management approach and its components	49
103-3	Evaluation of the management approach	49
403-2	Hazard identification, risk assessment, and incident investigation	50
403-3	Occupational health services	50
403-6	Promotion of worker health	49

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50
403-9	Work-related injuries	51
403-10	Work-related ill health	51

Training and education

103-1	Explanation of the material topic and its Boundary	45
103-2	The management approach and its components	45
103-3	Evaluation of the management approach	45
404-1	Average hours of training per year per employee	46
404-2	Programs for upgrading employee skills and transition assistance programs	46
404-3	Percentage of employees receiving regular performance and career development reviews	47

Diversity, equal treatment and anti-discrimination

103-1	Explanation of the material topic and its Boundary	44
103-2	The management approach and its components	44
103-3	Evaluation of the management approach	44
405-1	Diversity of governance bodies and employees	45
406-1	Incidents of discrimination and corrective actions taken	44

Product: Consumer health and safety, Marketing and labelling

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103-2	The management approach and its components	12
103-3	Evaluation of the management approach	12
416-1	Assessment of the health and safety impacts of product and service categories	12
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Marketing and labeling

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417-1	Requirements for product and service information and labeling	13
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417-3	Incidents of non-compliance concerning marketing communications	13

A glowing red circular sign with the white Coca-Cola script logo is mounted on a building's exterior. The sign is illuminated from within, casting a warm red glow. The building's facade is dark, and the background shows a night street with blurred lights and a blue-tinted sky.

Coca-Cola®