



CREATING A BETTER FUTURE TOGETHER

_2018



Coca-Cola HBC
Serbia



Dear partners,

The sixth local Sustainability Report of Coca-Cola HBC Serbia is in front of you.

In this year's report, we've covered a higher number of indicators than in 2017, thus confirming our company's full determination to share its business results with stakeholders and the general public. I am particularly glad that for the first time we are presenting Coca-Cola HBC's new and ambitious sustainability goals in this document. Although, sustainability was deeply inwrought into our company's business targets, but we are now even more determine to set standards. We are on mission sustainability!

The year behind us was very important for our company as in 2018 we celebrated a half a century from the moment when the first Coca-Cola bottle was produced in the plant in Zemun, where we've been operating until the present day.

Even then, the name of one of the most popular brand in the world on the label was written in Cyrillic. With that first bottle, a close emotional bond between our company and consumers in Serbia was established.

Not only have we have grown from 30 to 1000 employees in a half a century, but we've also been an active and important member of the economic and social community in this country throughout all these years. We are grateful to all the company's employees, as well as buyers, suppliers, customers and partners who have helped us become the business leader in this local community.

When reading this Sustainability Report, which presents the results of our company in 2018 in a transparent manner, you will certainly conclude that last year was both the peak of our operation so far and our point of entry to a new business era of this company.

So far we have invested in our infrastructure, local market and our people and their continuous development. We have been bringing knowledge, best practices, international experience into Serbian community.

Best proof of our loyalty to this community is our recent action. As you know Coca-Cola HBC AG to announce the acquisition of Bambi, Serbia's leading confectionery business from funds advised by Mid Europa Partners. Completion of the acquisition is expected soon and is subject to customary closing conditions and regulatory approvals. This acquisition verifies that Serbia is an attractive destination for foreign investments and that our company is determined to remain an integral part of the local community where we operate and to continue developing our business operation in this country. I am certain that our global brands together with Bambi's flagship products will be a real winning combination.

Thank you for being an important element of our successes so far and for being ready to create a better future with us.

Respectfully,
Svetoslav Atanasov

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OUR APPROACH TO REPORTING

What you are reading now is the sixth local sustainability report of Coca-Cola HBC Serbia, published with a view to providing a transparent insight into our strategic sustainability commitments and progress made in 2018. We also report annually to the head office of Coca-Cola HBC Group, which publishes an integrated report on the results achieved across all 28 countries in which it operates.

The local 2018 Sustainability Report, like the previous ones, is fully consistent with the requirements of the world's most common methodology in this area – Global Reporting Initiative (GRI). This year's report was prepared in accordance with GRI G4 reporting guidelines. Following the current revised version of the guidelines, GRI standards, the company reports in accordance with the Core reporting option. Pursuant to the strategic agreement between the Global Reporting Initiative and the Global Compact of the United Nations, this report is also aligned with the UNGC requirements for Communication on Progress.

Unless otherwise stated, the information in the Report refers to the operations of Coca-Cola HBC Serbia in 2018 (up until December 31, 2018), including two bottling plants (Belgrade and Vlasinka) and three distribution centres. When it comes to general information, it is emphasised whether statements or quantifications are related to The Coca-Cola Company or the Coca-Cola System. Detailed financial information is available in 2018 Financial Report.

Contact person for questions and suggestions about the Report:



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ABOUT THE COMPANY

- Coca-Cola HBC group
- Coca-Cola HBC Serbia
- Economic indicators
- Sustainability
- Stakeholders engagement
- Materiality
- Governance
- Code of business conduct



COCA-COLA HBC GROUP

Coca-Cola HBC Serbia is a member of the Coca-Cola HBC Group, one of the largest bottlers of Coca-Cola products in the world. Coca-Cola HBC Group is headquartered in Zug, Switzerland and has annual sales of more than 2 billion unit cases. Coca-Cola HBC operates in 28 countries, with 52 bottling plants, 148 warehouse and distribution centres, and 257 filling lines. The Group directly employs 28,884 people, cooperates with 32,000 suppliers and its products reach 605 million people on three continents.

Coca-Cola HBC Group has been listed on the premium segment of the London Stock Exchange, which testifies to its financial strength, the international character of business and shareholder base, as well as transparent and advanced corporate governance practices. In addition, the company is a leader in the field of sustainability – Coca-Cola HBC Group has been recognised as one of three leading companies in the beverage industry by the Dow Jones World and Europe Sustainability Indices not only in Europe but also on the global level after it has been the industry leader for four consecutive years.

Coca-Cola HBC Group is committed to constant improvement, innovation and optimisation of its operations, in order to make its business more efficient and sustainable. The integrated 2018 Coca-Cola HBC report is available on:
<https://coca-colahellenic.com/en/investors/2018-integrated-annual-report/>

COCA-COLA HBC SERBIA

COCA-COLA HBC SERBIA PRODUCES, SELLS AND DISTRIBUTES THE MOST FAMOUS SOFT DRINK IN THE WORLD. THE COCA-COLA SYSTEM, WHICH INCLUDES THE COMPANIES COCA-COLA AND COCA-COLA HBC SERBIA, HAS BEEN PRESENT IN SERBIA SINCE 1997.



A

OUR BEGINNINGS

In **1968**, a bottling factory producing Coca-Cola started operations in Batajnički drum street, Zemun, the same location where Coca-Cola is produced today. It is one of the first bottling companies in the former Yugoslavia, equipped with a production line for bottling 0.25 l returnable glass bottles and with a capacity of **18.000** bottles per hour.

The Coca-Cola Company owns the brand and manufactures and sells concentrates, bases and syrups to its bottling partners, such as Coca-Cola HBC, which manufacture, package, merchandise and distribute the final products to customers. Through the partnership that has lasted for over 60 years, we have combined the insights, resources and experience of The Coca-Cola Company with the expertise of Coca-Cola HBC in bottling, distribution and sales, thus achieving fantastic market execution. In this way, we can contribute together to creating value for our customers, consumers and the wider community.

As a bottling partner, we are responsible for meeting this demand through our basic operations: manufacturing, packaging, distributing and merchandising the finished products – soft drinks to customers, who then sell the products to consumers. Coca-Cola HBC is also responsible for customer marketing.

Coca-Cola HBC Serbia consists of a bottling plant in Zemun, together with a regional Juice Excellence Centre, and the Vlasinka plant. The company is headquartered in Zemun, and after production lines were moved from Subotica to Belgrade in 2016, there are two bottling plants and three distribution centres.

Coca-Cola HBC Serbia proudly produces, sells and distributes a broad range of non-alcoholic drinks including the world's bestselling brands: Coca-Cola, Coca-Cola Zero, Fanta, Schweppes and Sprite. In Serbia we also provide a broad variety of other sparkling and still drinks (e.g. neXt, Fuzetea, AdeZ, Romerquelle, Monster) and unique natural spring water – Rosa.

OWNERSHIP STRUCTURE

Coca-Cola HBC Serbia d.o.o., Batajnički drum 14-16, 11080 Belgrade, is wholly owned by the company CC Beverages Holdings II B.V., which operates under the laws of the Netherlands, with its registered seat at Naritaweg 165, 1043 BW Amsterdam, Netherlands, registered in Amsterdam Chamber of Commerce, reg. no. 33298456 (hereinafter "CC Beverages Holdings II B.V.").

CC Beverages Holdings II B.V. is wholly owned by Coca-Cola HBC Holdings BV, which operates under the laws of the Netherlands, with its registered seat at Naritaweg 165, 1043 BW, Amsterdam, Netherlands, registered in Amsterdam Chamber of Commerce, reg. no. 27590427 (hereinafter "Coca-Cola HBC Holdings B.V.").

Coca-Cola HBC Holdings B.V. is wholly owned by Coca-Cola HBC AG, which operates under the laws of Switzerland, with its registered seat at Turmstrasse 30, 6300 Zug, Switzerland, and corporate registration number 170.3.037.199-9 listed on Athens, London and New York Stock Exchange (hereinafter "Coca-Cola HBC AG").

RECOGNITION OF OUR SUCCESS

In early 2018, at the conference attended by representatives of all 28 countries operating within the Coca-Cola HBC Group, Serbia won the Andrew David Cup prize for the third consecutive year. Andrew David Cup is the most prestigious recognition of Coca-Cola HBC Group, awarded by Coca-Cola Hellenic Group to one of its 28 countries for achieving outstanding results in all areas of business.

We also won the award **Best All-Around Customer & Commercial Market** and thus confirmed that, as a team, we achieve remarkable results and the best commercial successes and foster fantastic relationships with customers.

These recognitions came as a result of our work and collective efforts. They also show that we have real, talented people in the right positions, who work with passion and focus and prove we are on our way to becoming the 24/7 Total Beverage Company.

GROWTH STORY 2025: OUR ROAD TO SUCCESS

Growth Story 2025 – the new strategy of the Coca-Cola HBC Group was announced in 2018, and rolled out in January 2019. It is guided by our vision to become the Leading 24/7 Beverage Partner.

Leading means that we tend to be number one in terms of the value of the share of commercial beverages in each country in which we operate.

24/7 represents the revival of beverages through the production, distribution, sale, activation and innovation of our unique and diverse portfolio that recognises every occasion for consumption.

Beverage Partner represents a growth mindset for us and our customers, brand owners, communities and shareholders.

We are committed to the development of every customer and meeting the needs of every consumer 24/7 through fostering engaged and empowered teams, while investing in our communities and taking care of the environment.

The Growth Story strategic framework is driven by **five growth pillars:**

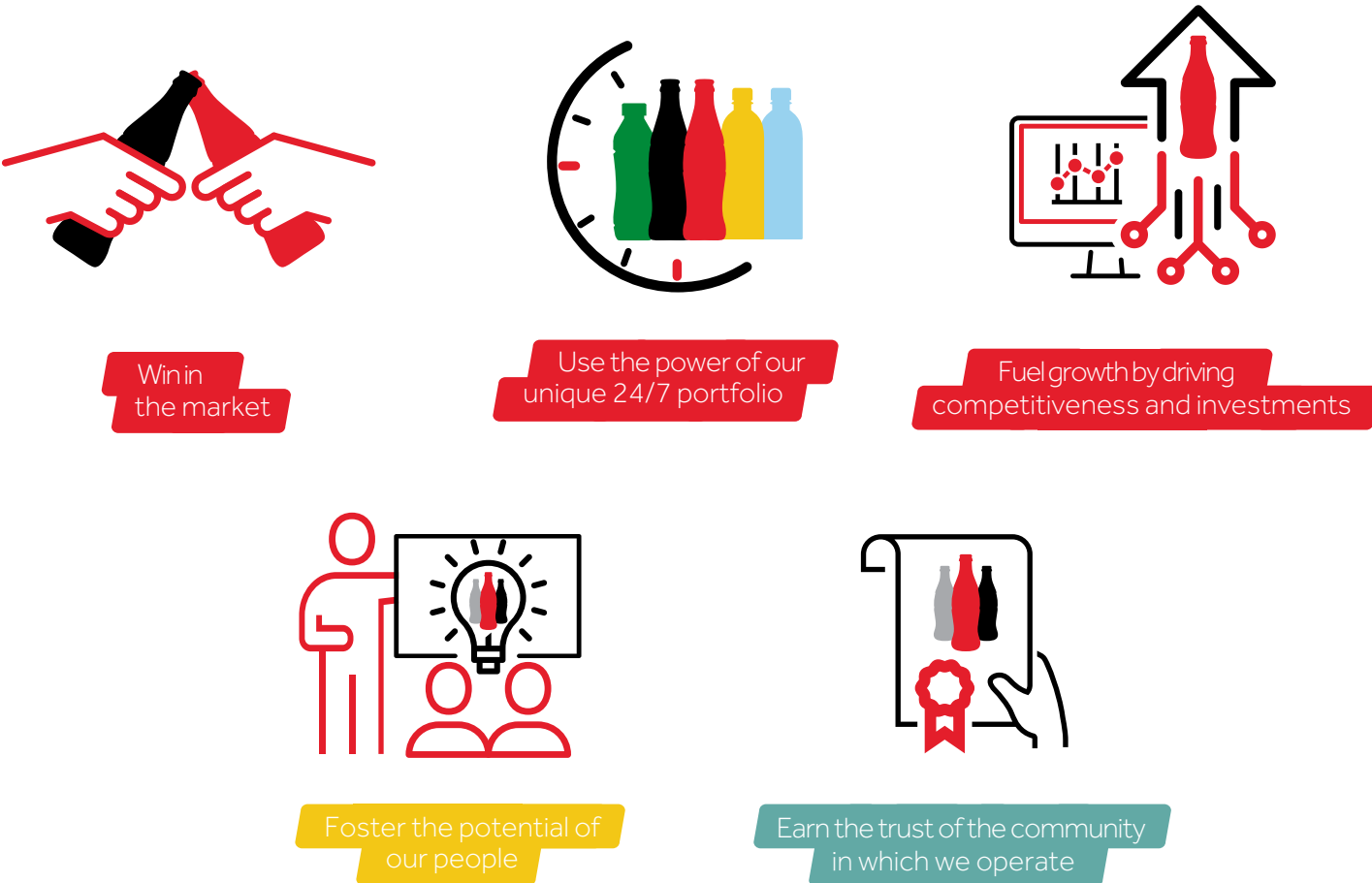
- Win in the market
- Use the power of our unique 24/7 portfolio
- Fuel growth by driving competitiveness and investments
- Foster the potential of our people
- Earn the trust of the community in which we operate.

To reinforce these pillars and fuel our growth, we need to live and foster our values that underpin this growth and are embedded in our everyday business:

Winning with customers | Caring for our people | Excellence | Integrity | Continuous learning | Performing as one.

GROWTH
STORY 2025

GROWTH PILLARS:



GROWTH MINDSET VALUES





ECONOMIC INDICATORS

In the last year, we achieved progress in all aspects expanding our product range, improving capacity and enhancing our team with talented people. In Serbia, we achieved a record market share of as much as **30.6%**.

Coca-Cola Hellenic Serbia 2018

1. Direct generated economic value

Revenues TOTAL

Sales revenues, revenues from activating performances with increased stock value, other business income

46,484,537

2. Distributed economic value

Operating expenses TOTAL:

40,856,647

Employee-related costs TOTAL:

3,035,413

Costs related to securing capital TOTAL:

195,129

Costs related to obligations towards the state TOTAL:

887,244

Community related costs TOTAL:

183,464

3. Retained economic value (investments, shares, etc. 1-2)

1,326,640

*These data are given in '000 RSD and refer to 2018.

SOCIO-ECONOMIC IMPACT STUDY OF THE COCA-COLA SYSTEM IN SERBIA

Since 2011, the Coca-Cola system has reported on its impact on the local community in a study that in an accurately and scientifically recognised way shows the direct and indirect impact of the company on the domestic economy and community. The aim of the study is to assess the contribution of the Coca-Cola System to the domestic economy through employment, income and taxes. The study, authored by Professor Ethan Kapstein and Steward Redqueen (a strategic consulting firm specializing in conducting socio-economic impact assessments), reflects the overall economic impact of the System.

In early 2017, Coca Cola System announced the third study.

The starting point for the analysis is the final Coca-Cola consumption that can be traced in monetary terms throughout the economy. When a consumer buys a bottle of Coca-Cola in the supermarket, a part of what he spends is revenue margin for the selling outlet, another part goes to the distributor that transported this product from the production plant to the selling point, and a part of it goes to the Coca-Cola bottler. All of these parties procure goods and services from suppliers, pay salaries and taxes, invest and make a profit.

The main conclusions of the study show that the Coca-Cola System is a significant contributor to the Serbian economy:

- **29 million Euros in direct value added**
- **225 million Euros economy-wide value equivalent 0.7% of total GDP**
- **Every Euro of value added in the Coca-Cola System supports additional €7 of value added in the broader economy**
- **The System directly employs 1,000 people and supports another 10,700 jobs throughout its value chain for a total of 11,700 jobs, which is a little over a half the percent (0.6%) of the Serbian labour force**
- **The sale of Coca-Cola beverages supports 5,300 jobs at the System's direct trade partners, and a further 2,500 jobs at the traders' suppliers**
- **Every job in the Coca-Cola system supports 11 indirect jobs in the broader economy**

The study confirms that success in business and contribution to the economy is achieved by fostering great partnerships, employing local workforce and investing in the community. At the same time, the study confirms year on year that our commitment and ambition provide significant support to the wider economy, but also to the budget of the Republic of Serbia.

LEADERSHIP IN JOINT INITIATIVES

As leaders in the field of sustainability, through business associations we initiate sharing experiences and best practices, and take on the responsibility to motivate other companies to develop a sustainable approach to business, and partnership with local communities.

Coca-Cola HBC Serbia is an active member of business associations that are focused on the promotion and development of socially responsible practices: Responsible Business Forum, where it is a member of the Managing Board, the Presidency and Working Group Regarding Employability; the Global Compact association, and NALED, in which we are also a member of the Managing Board. Apart from that, Coca-Cola HBC Serbia is one of the members – sponsors of the American Chamber of Commerce in Serbia, as well as a co-founder and managing board member of SEKOPAK association.



STRATEGIC APPROACH TO SUSTAINABILITY

Social responsibility and sustainability are an indispensable part of Coca-Cola HBC's culture, which guides our decisions and long-term investments to ensure we deliver lasting value. We have worked consistently to integrate social responsibility and sustainability across every aspect of our business.

Our business strategy is built on the fundamental principles of creating and sharing value with all of our stakeholders: consumers, customers, communities, employees and shareholders. This defines how we run our business, carry out our activities and develop our relationships.

The three strategic objectives at the core of Coca-Cola HBC's sustainability approach are:

- Promoting an active lifestyle
- Minimising our environmental impact
- Enhancing the life of our communities

The integration of sustainability principles into the operations of Coca-Cola HBC is confirmed by our internal strategic documents for the relevant areas, which are presented in the following sections.

Responsibilities related to sustainable business practices and social responsibility are divided between the Sustainable Development Department – part of the supply chain responsible to the Supply Chain Director, who is a member of Top Management, and the CSR associate – responsible to the Communications and Public Relations Director, who is also a member of the company's Top Management.

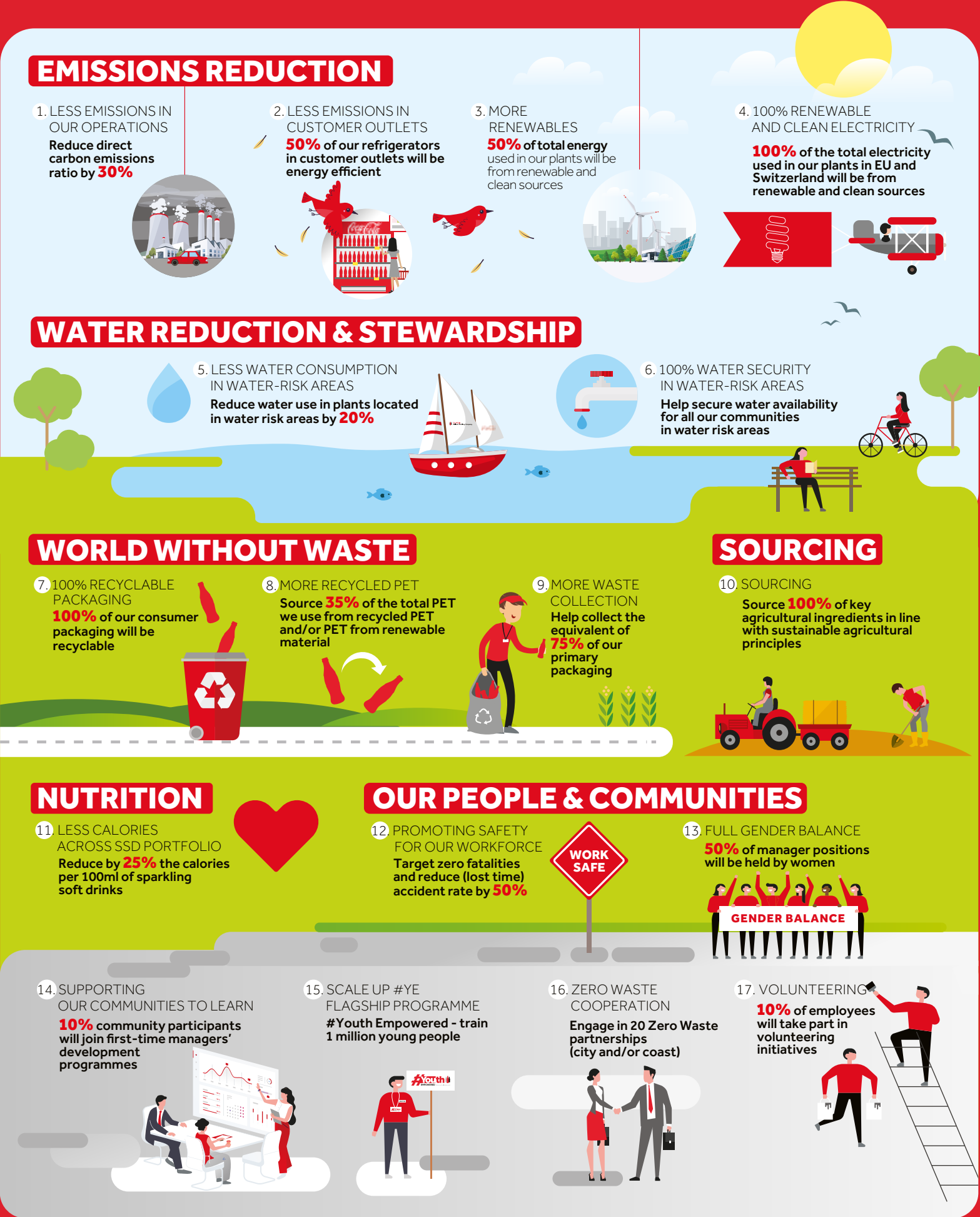
SUSTAINABILITY WEEK

In September 2018, we held the fourth Sustainability Week, which we dedicated to the issues relevant for our company: environment, occupational safety, product quality and community. We carried out various activities during the Sustainability Week and learned what we as individuals can do to improve the quality of the community in which we live and work. At the celebration of Sustainability Week, held on Thursday, 27 September, the employees had the opportunity to put up their sustainability goal on the promise tree. The Week also saw the launch of Coca-Cola HBC Serbia's local 2017 Sustainability Report.



2025 SUSTAINABILITY MISSION.

Since the year 2020 is approaching, we are shifting our focus on 2025 and the new sustainability commitments, which map our sustainability activities. Our 2025 sustainability commitments are based on a set of goals for 2020, and are also aligned to the global 2030 agenda of The Coca-Cola Company – A World Without Waste, creating a shared, systemic vision. The 2025 commitments are challenging, but feasible, designed to ensure that we retain a leading position in sustainability.



WHY WE MADE 17 COMMITMENTS

The commitments are focused on areas that will most effectively create a sustainable value for our business, while we take care of issues that are most important to our stakeholders, from industry and society, to our employees and our shareholders.

The commitments are also adapted to take into account regulatory and regional differences, e.g. the difference between EU/Switzerland and non-EU countries, and areas with acute water risks. The seventeen commitments take on a more holistic approach to sustainability taking into account on our wider impact on society in terms of environmental aspects, but also gender balance as well as youth empowerment.

Our commitments also represent a change in our community investment strategy, and shifting the focus from investment to the impact and effects we create. In this context, we stopped the practice of defining the percentage of investments in our community programmes, given that the goal itself does not yield a positive impact on the community. Therefore, we have introduced new goals in this area: train one million young people through our Youth Empowered programme, help secure water availability for all our communities in water-risk areas, and actively engage in zero waste partnerships.

We are proud to have achieved our 2020 goal for the reduction of the carbon footprint two years earlier, as well as our new renewable energy targets. In addition, in 2017, we reached our target for collecting and recycling 40% of our packaging waste. We have also reduced water use significantly so our 2025 commitment is focused on water-risk areas. According to the UNESDA (Union of European Soft Drinks Associations) agreement on reducing the amount of sugar per 100ml of carbonated products, for 2025 we have set a new goal to reduce calories in our sparkling soft drinks.

WHY WE SET SIX "KEY" COMMITMENTS

The six "key" commitments address six most important sustainability areas for our business and our stakeholders' business: reducing emissions, water use and stewardship, our vision World Without Waste, and our people – especially youth and women.

Our commitments are embedded in the areas of greatest relevance both to us and the society, and they contain what we are and what we want to be. The remaining 11 commitments complement the six key ones and address the problems faced by more specific audiences.

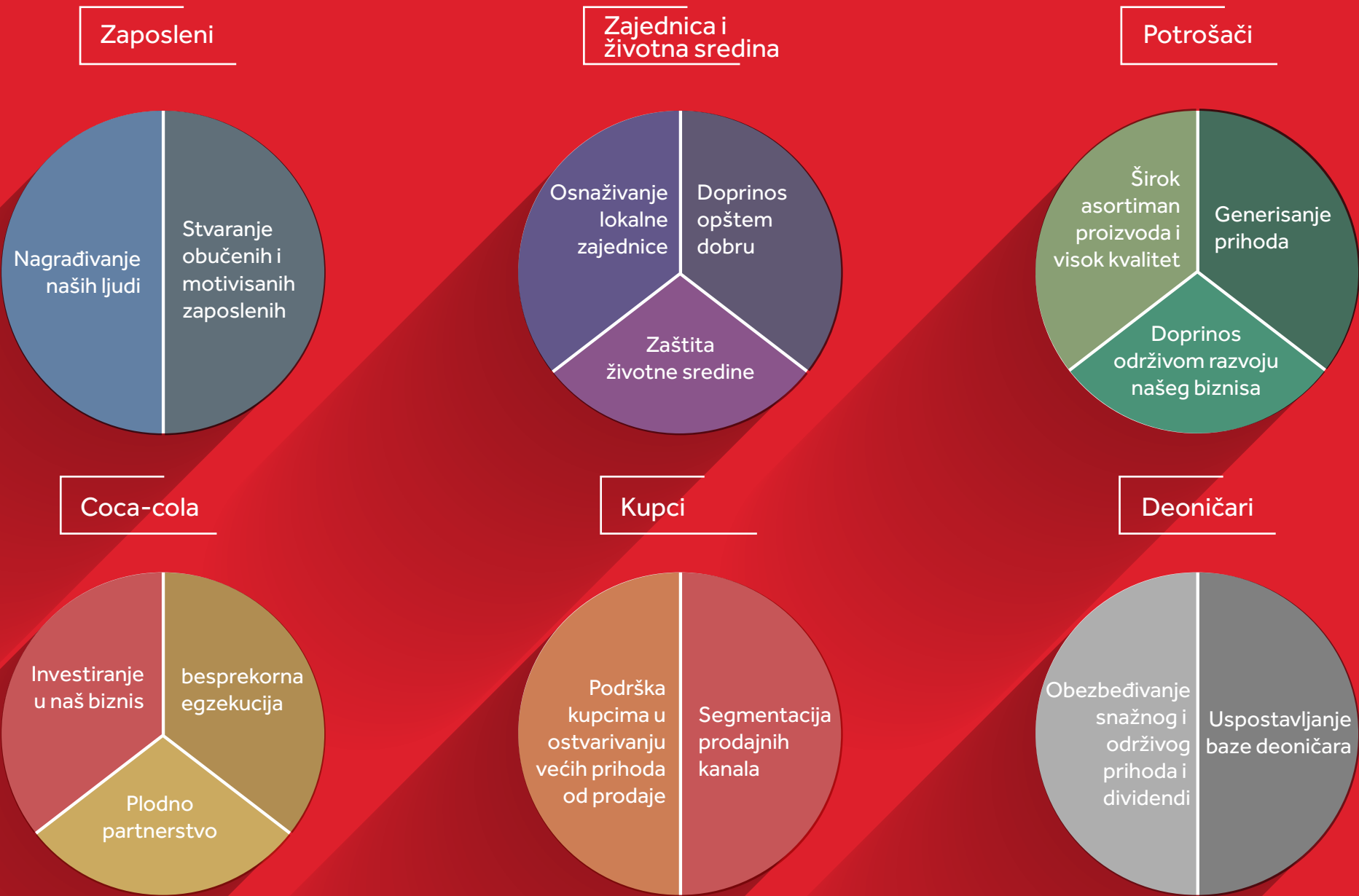
STAKEHOLDER ENGAGEMENT – WE CREATE AND SHARE VALUE

OUR STRATEGY INVOLVES CREATING SHARED VALUE FOR ALL OUR STAKEHOLDERS – EMPLOYEES, CUSTOMERS, CONSUMERS, SUPPLIERS, AND THE COMMUNITY, WITH WHICH WE MAINTAIN AN ONGOING DIALOGUE IN ORDER TO UNDERSTAND THEIR NEEDS AND EXPECTATIONS, AS WELL AS PROVIDE RELEVANT ANSWERS.

We create value for our stakeholders, who – in turn – gradually build value for our company:



Our approach to stakeholder engagement includes myriad mechanisms – from daily communication on current issues to long-term initiatives such as supplier development or creating shared value for customers.



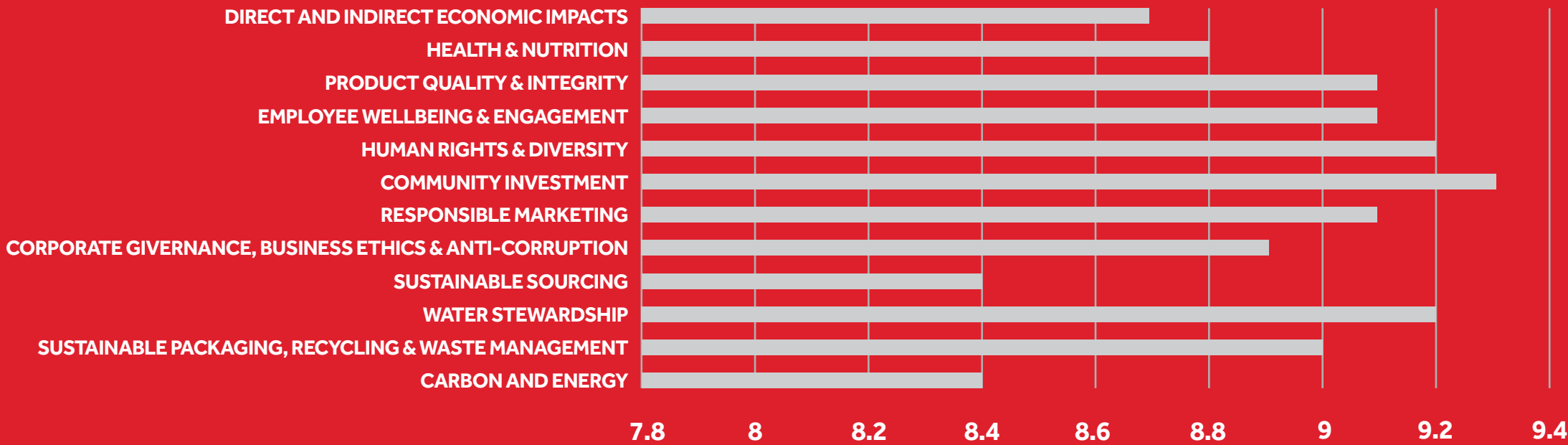
MATERIALITY

The ongoing dialogue with our internal and external stakeholders is necessary in order to adeptly identify relevant economic, social, and environmental issues that we must focus our attention on. In addition, consulting our stakeholders is also key to developing the most effective ways to approach these issues.

With a view to identifying and prioritising material issues, in 2018 we conducted a survey for Coca-Cola HBC Serbia's internal and external stakeholders. The survey included ranking Coca-Cola HBC Group's 12 material issues by their importance in the local context, as well as the option for our stakeholders to add distinct local material issues. These five issues were given the highest priority: Community Investment, Water Stewardship, Human Rights and Diversity, Product Quality and Integrity, and Responsible Marketing.

Along with the ongoing dialogue with our stakeholders, when we identify material issues, we rely also on our business model, using these two frameworks to define the outputs and outcomes we aim to achieve in order to create value for all of our stakeholders – in the short, medium, and long term. We also strive to manage our material issues within the framework of the new UN sustainable development goals, which serve as a wider framework and give a wider context to our activities. Our contribution to specific goals, to those we believe we can make a relevant contribution, is also indicated in the separate chapters of this report.

- New UN sustainable development goals and Coca-Cola HBC Serbia 2025 commitments
- Negative emissions reduction – goals 7, 13, 12
- Water stewardship and reduction – goals 6, 15, 14
- Waste – goals 11, 12, 17
- Sourcing – goal 12
- Nutrition – goal 3
- People and communities – goals 3, 4, 5, 8, 11, 12, 17.



GOVERNANCE

Coca-Cola HBC Serbia’s corporate governance practices are grounded in the experiences **Coca-Cola HBC Grupe**, which monitors performance and improves governance models based on business experiences in different economic and regulatory environments, on three continents.



RISK MANAGEMENT

An important part of our strategy is to achieve resilience of our business, by combining proactive and reactive measures that allow us to always stay one step ahead prospective geopolitical, ecological, social, technological and economic risks. The finance division within our local operation is in charge of risk management and business resilience, as well as the implementation of these measures. In addition, all of our employees in every country and in every position have a duty to proactively participate in finding and identifying risks and propose relevant plans for their control and mitigation.

ETHICS AND COMPLIANCE WEEK

The EU General Data Protection Regulation (GDPR) which became effective in May 2018 changed the way we manage and protect personality data. In this context, our company in Serbia formed the GDPR team and organised a training for its employees to introduce them to basic provisions of the regulation, as well as the key duties of the company and its employees who handle personal data in their everyday work.

As the most important change in the regulation of data protection in the last 20 years, GDPR sets out new challenges as well as stricter requirements for data protection. The non-compliance results in fines and also reputational damage.

This EU Regulation has an extraterritorial effect: it is applicable not only to EU countries, but to all entities based in non-European countries that process data of individuals located in the European Union. Coca-Cola HBC adheres to the requirements of the GDPR, as a standard that will be applied in all the countries in which the Group has its presence and where it operates.

CYBER RISK MITIGATION AND COMPLIANCE

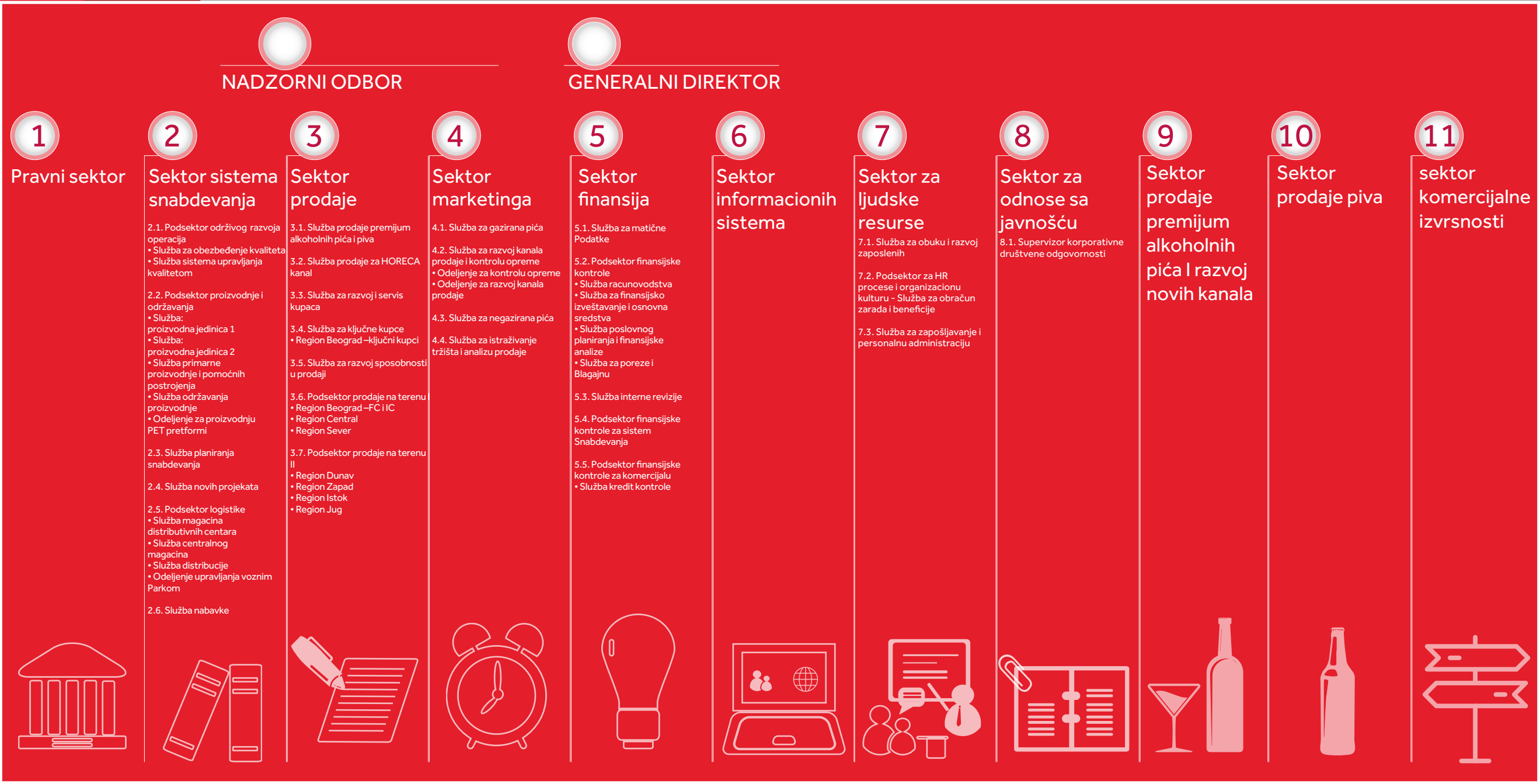
Since our work is becoming increasingly digital, the security of data has become a top priority. For this reason we introduced OneDrive – a new platform for exchanging information. Through this Cloud-based system we can access our files in Office365 anywhere. It also allows us, within a secure Cloud-based environment, to share files and collaborate on documents inside or outside the company. OneDrive for business delivers a seamless user experience and meets our requirements for data security needs enabling mobility, collaboration and productivity.

The company's new policy will mitigate the security risks associated with data theft, the effects of Internet viruses, and the compliance risks arising from the General Data Protection Regulation. The use of unauthorised public Cloud storage services such as Google Drive, Dropbox, Box, WeTransfer and iCloud, and the transfer of company data will also be strictly prohibited due to potential security risks. The use of Cloud Data Storage Services, which has been approved by verified partners, such as the TCCC Box, will still be permitted, but for sending files outside the CCHBC, OneDrive must be used for work.

Our security policy also prohibits the access to and processing of corporate data from unauthorised devices, such as personal computers and phones not owned by the company, since the security of these devices cannot be assured.

Coca-Cola HBC Serbia's governance structure is made up of General Meeting, Board of Supervisors, and General Manager. The General Meeting appoints the Board of Supervisors, while the Board of Supervisors appoints the General Manager. The General Meeting has one member – CC Beverages Holding II B.U., while the Board of Supervisors consists of three members, whose terms last four years each. According to the Articles of Association, the General Manager's term is not time-limited. The highest governing body's chairman function and the executive function at the company are separate. In the company's top management two of nine positions are held by women.

The management's performance is evaluated through the assessment of individual performance against set annual goals. These goals are divided into the following key areas: business and finance, management, people development, growth and innovation, leadership, interpersonal relations, and corporate social responsibility. Annual bonuses are linked to the achievement of goals in these key areas.



CODE OF BUSINESS CONDUCT



The Code of Business Conduct explains the commitment of our company to operating in line with our values, as well as all applicable laws and regulations and standards that apply in our industry. It also provides guidelines concerning what the company expects of all its employees, referring also to other company policies and guidelines.

The Code applies to everyone working for Coca-Cola HBC Group worldwide, regardless of their location, role, or years of service. That includes all employees, managers, Operating Committee members, and company directors. We also expect temporary and contract employees, consultants, agents, as well as any third party acting on behalf of the company to follow the principles of the Code. Failure to comply with the Code is treated in a serious manner, and it can lead to disciplinary action, and even termination.

The Code of Business Conduct covers the integrity in the Company (collaboration, product quality, occupational health and safety, business and financial records, company assets, use of information, conflict of interest), as well as the integrity in the community (cooperation with civil servants, working with customers, suppliers, and consumers, cooperation with the competition, environmental protection).

All employees are required to read the Code and sign that they are familiar with its provisions. Any suspicions regarding Code violations can be reported by employees via the whistle-blower hotline Speak up!, which is run by an independent agency, allowing employees to express their suspicions in a confidential manner. Likewise, suspicions can be communicated also to supervisors or the Code Compliance Officer. All employees receive information about the code compliance officers through the Code, as well as internal communication channels.

With the help of the Human Resources department and in cooperation with the Group's Internal Audit Department and Legal Department, the relevant officers in charge of compliance with the Code provide trainings for employees, partners, and associates to inform them about the Code, help them understand it so that they can apply the Code in situations and circumstances that are important to them, and help them cope with the situations they are faced with and in which certain behaviour is prohibited by the Code. In 2018, as in previous years, all new employees completed the training, while the remaining employees took online training to brush up their knowledge about the issue.

The Internal Audit Department submits periodic reports to the Company's senior management on its ongoing investigations, planned investigations, and the final decisions in line with the Code, including any disciplinary measures that have been taken.

Alongside employees, the Code of Business Conduct is also provided to all business partners, and it is available to the public on our website:

<http://rs.coca-colahellenic.com/rs/o-nama/politike/>.

ANTI-CORRUPTION AND CONFLICT OF INTEREST

In addition to the Code of Business Conduct, which provides basic guidelines in all major aspects of day-to-day business, our anti-corruption procedures are specially set out by the Anti-Bribery Policy and Compliance Handbook. The Handbook also prescribes the requirements of the company policy and procedures aimed at securing compliance with the applicable legislation on the prevention of corruption.

This handbook defines our approach to preventing bribery and collaboration with government officials, as well as with other parties – customers, buyers, hired third parties, and business partners. The Handbook also provides guidelines on conflict of interest and giving or receiving gifts or services from associates.

The Handbook places special focus on cooperating with government officials, explaining who government officials are, what situations can lead to corruption, and what should be done in order to prevent it. The Handbook instructs employees to pay special attention to the policy of zero tolerance towards giving money to public servants for the purpose of speeding up the work process.

As with the Code of Business Conduct, all employees are required to read the Handbook and sign that they are familiar with its provisions. Violation of the anti-corruption rules by employees is defined by the Collective Agreement as a reason for which an employee may be subjected to disciplinary measures provided by the law, including termination of employment.

As of 2017, all employees, as well as all members of the highest governing body, receive e-training on the company's anti-corruption policies. These trainings took on two forms: conventional trainings and e-courses. The objective of the training was to familiarise employees with the company's anti-corruption policy rules. The training featured a presentation of the rules and real-life examples of their application. Moreover, the general onboarding programme, which all new employees are required to complete, includes also training on anti-corruption policies and procedures. In the course of 2018, a total of 109 employees, i.e. all newly employed, went through the programme and completed this training.

As particularly high-risk areas, the Handbook identifies finance and procurement, which is why the basic principles of the anti-corruption policy are contained in the Supplier Guiding Principles, which is distributed to all suppliers. The Handbook is also provided to all business partners, and it is available to the public on our website: <http://rs.coca-colahellenic.com/rs/o-nama/politike/>.

During 2018, as well as in previous years, there were no confirmed cases of corruption, nor any public proceedings initiated against the company or its employees.

COMPETITION PROTECTION



Considering the market power of our Company, as well as the power of our brands, Coca-Cola HBC Serbia pays great attention to the protection of competition and implements an advanced programme aimed at the production and implementation of the strategy for market approach and employee education. Finally, it is very important to understand that the rules on competition protection also protect our company against the illegal actions of other market participants.

Every single one of our employees gets a copy of the Competition Protection Handbook, and all employees are expected to read it and act accordingly.

After the decision issued on 4 December, 2014, established the fact that Coca-Cola HBC Serbia had a dominant market position (under the Law on Protection of Competition, this applies to any participant whose market share reaches 40%), but that there was no evidence of the company misusing such position in any way, the proceedings before the Commission for Protection of Competition were dismissed. In 2018, there were no ongoing or completed proceedings in connection with behaviour contrary to free market competition.

UPDATED POLICIES IN 2018

- Quality and Food Safety Policy
- Environmental policy
- Occupational Health and Safety Policy



MARKETPLACE

- Product Quality Management
- Consumer Health
- Added Value for Customers
- Sustainable Supply Chain



MARKETPLACE

As a company that prioritises the satisfaction of its customers and consumers, Coca-Cola HBC Serbia continually works to optimise distribution of products and performs demanding procedures to maintain the highest quality and safety of products. The creation of added value is also reflected in our commitment to activities aimed at expanding product portfolio in line with consumer preferences and lifestyles along with a responsible approach to marketing and providing information about products.

WE STRIVE TO:

- Offer a wide range of high-quality drinks that meet the needs of our customers
- Take into account not only legal, but also other internal and external standards when it comes to food safety
- Provide clear and useful information about the contents and nutritional value of a product including a label with calories on the front of the packaging (front-of-pack labelling)
- Create shared value by working in partnership with our customers and suppliers
- Support initiatives that reach out to more stakeholder groups and that deal with the subject of a healthy diet, in order to promote physical activity and educate the wider community about balanced nutrition.

WE ARE FOCUSED ON THE FOUR MAJOR AREAS:



PRODUCT QUALITY
MANAGEMENT



CONSUMER
HEALTH



ADDED VALUE
FOR CUSTOMERS



SUSTAINABLE
SUPPLY CHAIN



Besides customers and consumers, our **SUPPLIERS** are also extremely important for our company, whose dedication and reliability create the necessary prerequisites for the success of our production and distribution. We are therefore dedicated to fostering quality business relationships of mutual trust and appreciation, but also encouraging our suppliers in their efforts to make their businesses more sustainable.

Our internal standards related to our responsibility for products include:

- Quality and food safety policy
- The Coca-Cola Company's system of quality management
- Global labelling policy – front-of-the-product labelling and guideline daily amounts
- Genetically modified organism (GMO) position statement
- Health & wellness policy
- International standards for food safety management, FSSC 22000 and ISO 22000 and PAS 220/223
- Suppliers Guiding Principles – SGP

PRODUCT QUALITY MANAGEMENT

In order to justify the high expectations of our customers and consumers we are committed to the continuous improvement of our own production processes. That is why, the key segments of all our activities in this context are product safety and quality, which are subject to extensive internal and external controls, as well as preventive action.

Besides complying with the Serbian legislation in the field of beverage production, Coca-Cola HBC Serbia adheres to numerous global quality standards: quality management system ISO 9001 and systems of food safety management ISO 22000, PAS 220, PAS 223, FSSC 22000. As a part of The Coca-Cola Company, we follow our internal specialised TCCC KORE global requirements set for product quality and safety, environmental protection and safety at work.

Health and safety impacts of our products are assessed for improvements in all life cycle stages, which includes product concept development, R&D, certification, manufacturing and production, marketing and promotion, warehousing, distribution, supply, use, maintenance and disposal, reuse, recycling.

The above mentioned phases are applied for all products, except for the Soft Sparkling programme that is developed at the head office of The Coca-Cola Company, while the remaining procedures are the same as for other products. Thanks to the consistent compliance with stringent standards and continuous monitoring of the key points in sourcing raw materials, production and distribution of products to the end-user, in 2018 there were no cases of non-compliance with regulations and voluntary codes of conducts concerning the impact of our products and services on health and safety.

Aiming to provide our customers and consumers with the freshest products and the best standard and quality we apply the system called Total Age Management – TAM, set by Coca-Cola HBC Group. The freshness of products is very important to both our consumers and us. The regular monitoring helps us achieve our ultimate goal i.e. ensure that the age of products on the market is always below the defined specifications of primary age.

As our products are delivered through our customers (distributors, wholesale and large customers), it is necessary that they are involved in TAM. Our team educates customers about TAM and good storage practices. Results are reported every month to the highest-ranking executives at a local level as well as to the Coca-Cola HBC Group.

In 2018, the recorded result was "0% expiry date", and the primary age of products was above our company standard.



CONSUMER HEALTH

Coca-Cola recognises the lack of physical activity and unbalanced diet as global health challenges, and in 2013, it announced a series of commitments that our global business system will strive to achieve by 2020 :

- Offer low or no-calorie drink options in every market
- Provide transparent nutritional information
- Help get people moving by supporting physical activity programmes
- Market responsibly, including no advertising to children under 12

STRIVE FOR BALANCE

In 2018, the campaign Strive for Balance (Teži Ravnoteži) was presented as part of the National Programme for Obesity Prevention – one of the major health challenges of the modern age. The programme was initiated by the Ministry of Health and members of the Food Industry Association of the Serbian Chamber of Commerce, among which is the Coca-Cola system in Serbia.

A balanced diet and moderate physical activity are prerequisites for the prevention of this modern-day illness, as well as numerous other diseases that can be triggered by obesity and sedentary lifestyle. The campaign supports the National Programme for the Prevention of Obesity in Children and Adults, adopted by the Government of the Republic of Serbia last year. The programme envisages reducing the incidence of obesity among children, young people, adults and the elderly. Some of the measures for achieving this goal are the development of national nutritional recommendations for children aged 7 to 19, the improvement of child nutrition in schools. The programme also stipulates that by 2025 the number of physically active children, youth and adults should be increased.



CONSUMER SATISFACTION

A free phone line and e-mail address for consumers are clearly stated on the product label and on the company's website. In addition to the response to every request of the consumer, we also record satisfaction with the received answers. The deadline for the answer to requests/complaints is communicated to each caller individually and depends on the nature of the request. All calls are monitored through a program which the operator uses to record all calls, complaints and requests and prepares a report on a monthly, quarterly and annual basis. The same procedure applies to customer inquiries.

- ☎ Free info line for consumers: 0800 11 22 33
- ✉ pr.rs@cchellenic.com
- 🌐 www.coca-colahellenic.rs

A BROAD CHOICE OF BEVERAGES

In line with the expectations of an increasing number of consumers, we are actively working to enhance our range of low-calorie and no-calorie beverages, which can be part of the active lifestyle.

Thanks to the broad range of packaging in our portfolio, consumers who want to reduce their calory intake can choose smaller portions of our regular beverages, opt for low-sugar products, or choose a sugar-free drink.

In this way, all of our products support a healthy lifestyle that implies balanced nutrition and regular physical activity, as well as modern trends of beverage consumption, since they are made to satisfy every need, occasion and taste. The beverages we produce do not contain artificial flavours, dyes or preservatives, nor genetically modified ingredients in accordance with the adopted policy on the use of genetically modified organisms and we strive to increase the percentage of ingredients sourced locally.

In search of natural ingredients that will not alter the signature taste of our products, we are constantly exploring new possibilities, such as Stevia extract, which does not contain any calories and is a natural alternative to artificial sweeteners. Over the past decade, the company has made large global investments in the research of aseptic technologies, which enable the production of fruit juice and still water without preservatives. Before they reach our consumers, fruit juices, isotonic beverages, and teas are packed while cold, with the use of aseptic technologies, or hot, using hot fill technologies. Aseptic, ultra-clean and hot fill (HF) processes eliminate the microorganisms that threaten both product quality and consumer safety.





PRODUCT INFORMATION

Clear, accurate, easy-to-access and easy-to-understand information on the composition and nutritional value of our products are the main principles we apply when providing information about products, all in line with the expectations of our consumers and other stakeholders.

In line with principles prescribed by our Quality and Food Safety Policy, we provide specifications about the composition of products and origin of the ingredients used in the production of juices, including (substances) raw materials that may have an impact on the environment or communities, as well as information on the safe use and safe disposal of products, as well as the impact of the disposal of packaging on the environment or people.

Providing adequate information on products is highly relevant for maintaining consumer trust. Besides complying with all local legal obligations related to labelling, we also give guidelines for daily calorie intake or GDA (Guideline Daily Amounts) on our products, which contain the approximate amount of calories, fat, saturated fat, total sugar, salt or sodium required for a balanced diet of healthy adults and children. In 2018, Coca-Cola HBC Serbia did not record any complaint by consumers on the grounds of non-compliance with regulations and internal codes when it comes to adequate information about products.

In order to provide more detailed information on the proper use of products to our customers (distributors, wholesalers and large customers), we organised special training sessions, and produced brochures.

RESPONSIBLE SALES AND MARKETING

We show our responsibility towards consumers by upholding strict ethical standards in advertising products and direct sales. Our company's advanced global practices in the field of marketing are implemented in Serbia within the responsibility of The Coca-Cola Company and Coca-Cola HBC Serbia, while we are constantly investing in the development and promotion of codes of conduct related to responsible marketing to children and the sale of drinks in schools (UNESDA support to EU Platform on Diet, Physical Activity and Health, EU Pledge on Advertising to Children, Global Guidelines on Marketing to Children – International Council of Beverages Associations).

In line with the EU Pledge on Advertising to Children, we have committed to respect the authority of parents and teachers and will not advertise in media in which 30% or more of the audience is composed of children under 12. An independent audit periodically checks the compliance of our business with this commitment.

Our global Policy for Responsible Marketing also includes an even distribution of mineral water and natural juices in advertising, as well as products in small packaging, and promoting sport and physical activity.

In accordance with The Coca-Cola Company's global marketing commitment and global policy for front-of-pack labelling, we also adhere to the principle that the label with product information is positioned on the front of the product to make it more visible.

The activities that we conduct towards our consumers contribute to the achievement of the following UN sustainable development goals:

3
Good health and well-being



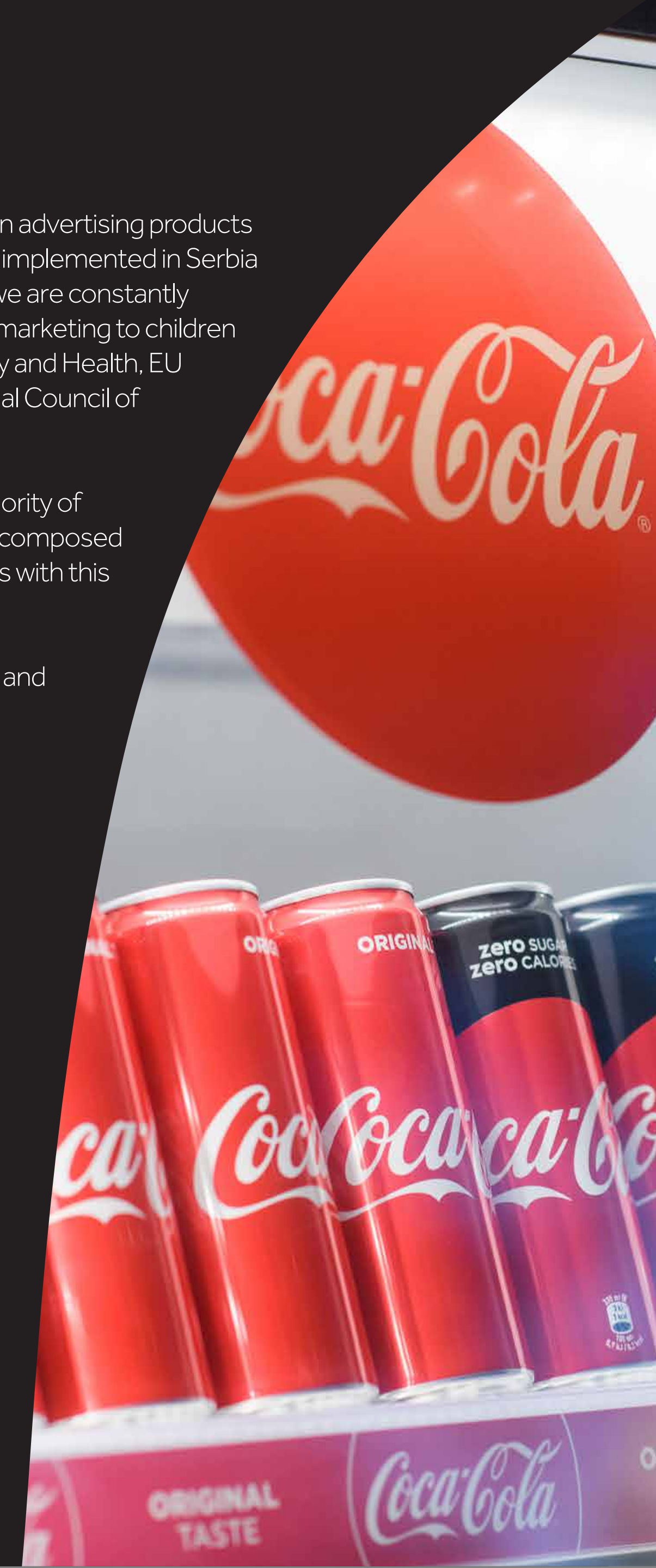
9
Industry, innovation and infrastructure



12
Responsible consumption and production



17
Partnerships for the goals



ADDED VALUE FOR CUSTOMERS



By developing new categories of products with higher margins, offering healthier options and more premium beverages, we help our customers to excite consumers in a better way, thus strengthening partnerships that will ensure the creation of long-term value and remunerative growth for both sides.

We want to be the best supplier to all our customers, at the same time finding ways to bring together new successes on the market. In order to achieve this, we have developed a wide range of initiatives aimed at strengthening customer relationships, providing flawless execution.

In addition, we continuously adjust to changes in the retail market and work on solutions that can increase customer sales, while carefully listening to their expectations and level of satisfaction with cooperation. Based on the given comments, our colleagues from cross-functional teams in the supply chain, commercial sector and finances, supported by HR, PR and legal departments, are investing efforts to enhance the relationship with our customers.

WE ARE PROUD OF THE FACT THAT COCA-COLA HBC IN SERBIA HAS THREE DISTRIBUTION CENTRES AND MORE THAN 37,000 CUSTOMERS – SHOPS, RESTAURANTS, SUPERMARKETS, DISCOUNT CHAINS AND OTHER OUTLETS WHICH SELL OUR PRODUCTS.

CUSTOMER SATISFACTION

Based on the customer satisfaction survey conducted by the GfK agency each year, Coca-Cola HBC Serbia is again rated as the best supplier. The survey is done on three levels: outlet customers, KA head offices (head offices of key account customers) and distributors. The surveyed customers respond to questions about their suppliers, and the score and comparison with the results of other suppliers determine the best one. According to data obtained at the Group level, as much as 94.2 percent of customers stated that cooperation is in line with their expectations, or exceeds it.

Our customers in Serbia at KA head offices and outlets have ranked Coca-Cola HBC

Serbia in the Champions League for 8 years in a row, which motivates us to keep up the hard work and maintain our leader position. According to the survey methodology, this is the best category which illustrates a healthy relationship with our customers and strong performance in all key parameters.

At the level of Coca-Cola HBC Group, our operation has been recognised for building customer relationships and generating new values for them, for which we received the fifth consecutive Customer Preference Award – the prize for the best relationship with customers in 2018.

In order to improve our services and cooperation with customers, we have introduced a toll-free info line that provides information on business operations, quality and prices of products, orders and delivery of products, refrigeration equipment, current offers and promotions, contracts and finances. We record responses to each request as well as satisfaction with the provided responses. As in the case with consumers' requests, the deadline for submitting a response to a request/complaint is communicated to each caller individually and depends on the nature of the request.

Customers can also send their questions/complaints through e-mail.



**Toll-free info-line for customers:
0800 300 302**



kupac@cchellenic.com

PERFECTION IN DAILY EXECUTION

By ensuring the efficient and timely delivery of products, and fulfilling other requirements of our customers in a quality way, we succeed to maintain their satisfaction at a high level, and even exceed their expectations. In order to actively evaluate and improve daily performance on the market, we use an approach called Right Execution Daily (RED). Following the real-time data available through the RED system, we are able, together with customers, to identify areas for further growth. The level of commitment of our employees in the field and the perfect delivery practices we strive to achieve is best illustrated by the value of the RED index of 62.28 percent. The mentioned parameter shows the percentage of implementation of the set picture of success in the market in each outlet we visit.



FOCUS ON CUSTOMER

We have proved to be a company focused on the satisfaction of customers with whom we work as a team and achieve exceptional business results by implementing the internal campaign "Focus on the Customer" in 2017, too.

It is only through joint efforts that we can improve the life of the local community in which we all work. With this in mind, in 2017, with more than 300 customers, we organised a humanitarian tournament "Together We Achieve More". More about this initiative can be found in the chapter Community.

Based on the results of the survey on customer satisfaction, Coca-Cola HBC Serbia won the Champions League trophy for the sixth consecutive year and again outstripped last year's results.

Our customer-oriented activities contribute to the achievement of the following UN sustainable development goals:



Local suppliers account for a significant share in our supply chain, and we directly contribute to the local economy. We demand that our suppliers demonstrate excellence and meet high standards that prove that they take care of the key systems of importance for the business of our company:

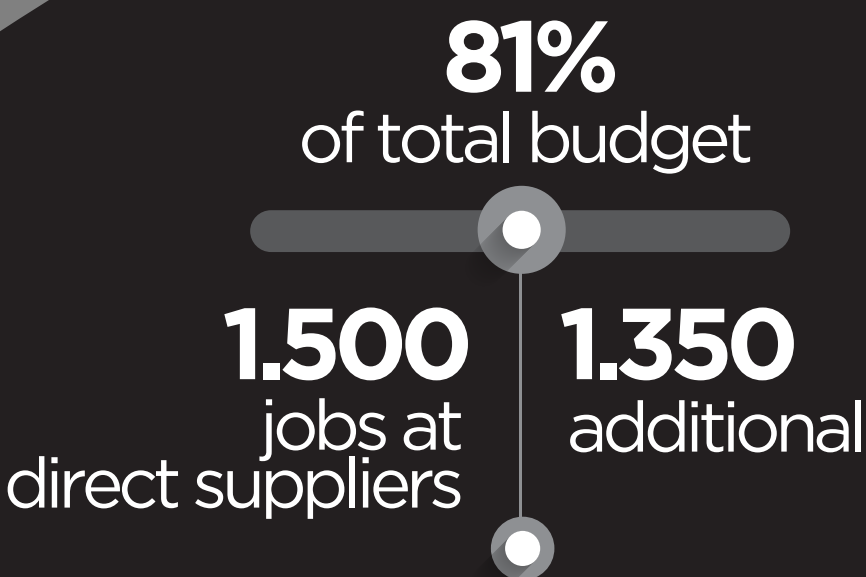
- Quality – ISO 9001
- Environment – ISO 14001
- Occupational health and safety– OHSAS 18001
- Food safety – FSSC 22000 and GFSI – Global Food Safety Initiative (ingredient and packaging suppliers only).



SUSTAINABLE SUPPLY SYSTEM

In the context of managing the overall impacts that our chain of responsibility has on society and the environment, we pay great attention to the indirect impacts of our suppliers. By fostering partnership relations, based on respecting identical values and principles, we encourage suppliers to progress and develop along with us by making continuous investment in sustainable business from an environmental and social point of view.

In 2018, Coca-Cola HBC Serbia cooperated with 1,627 suppliers in all categories, from small local businesses to international companies. Our company is one of the largest buyers and users of sugar, bottles, labels, promotional materials and services in the region.



In 2018, 81% of the total budget for the supply was directed at local suppliers, and local procurement supports 1,500 jobs at direct suppliers of the Coca-Cola System, and additional 1,350 at the System's suppliers in Serbia.

SUPPLIER GUIDING PRINCIPLES

Our suppliers are required to comply with our Supplier Guiding Principles – SGP, which clearly define standards in the following segments: Laws and Regulations, Child Labour, Forced Labour, Abuse of Labour, Freedom of Association and Collective Bargaining, Wages and Benefits, Work Hours and Overtime, Health and Safety, Environment, Conflicts of Interest, Business and Financial Records, Bribery, Protecting Information.

These principles are an integral part of our supplier contracts. To assess whether suppliers uphold these principles, we use an independent audit programme. When signing the contract, suppliers are required to sign a special declaration to undertake and respect the Guiding Principles.

Criteria for signing this document reflects the annual turnover of the supplier, with the largest turnover of around 100 million euros and the lowest around 100,000 euros.

| | 2015 | 2016 | 2017 | 2018 |
|---|----------------|-----------------|----------------|----------------|
| TOTAL NUMBER OF SUPPLIERS | 1,856 | 1,202 | 1,824 | 1,627 |
| NUMBER OF NEW, REGISTERED SUPPLIERS | 317 | 10 | 198 | 264 |
| NUMBER OF NEW SUPPLIERS WHO SIGNED THE SGP | 47 | 10 | 198 | 264 |
| PERCENTAGE OF NEW SUPPLIERS WHO SIGNED THE SGP | 15% | 100% | 100% | 100% |
| PERCENTAGE OF LOCAL SUPPLIERS IN THE TOTAL COST | 83% | 74,4% | 85% | 81% |
| PERCENTAGE OF FOREIGN SUPPLIERS IN THE TOTAL COST | 17% | 25,6% | 15% | 19% |
| TOTAL COST IN EUROS | 173,749,421.86 | 155,554,527.44 | 248,920,196.25 | 313,831,100.27 |
| AMOUNT OF SPEND COVERED UNDER THE SGP | 159,591,053.54 | 146,221,255.793 | 248,920,196.25 | 313,831,100.27 |
| PERCENTAGE OF TOTAL SPEND COVERED | 91.85% | 94% | 100% | 100% |

We assess our relationship with suppliers annually, using a special procedure (Supplier Evaluation & Authorisation Procedures). The evaluation includes mandatory verification of any certificates relating to quality and the environment. During the evaluation, the company collects and gives feedback from suppliers, relating to how satisfied they are with their relationship with the company. In this way, we encourage two-way communication and constantly improve relations with our suppliers. Our suppliers can report any violation of the Guiding Principles by our employees through a telephone line called Speak up!

NEW WEB PORTAL FOR SUPPLIERS

During 2017, as a part of activities to improve processes that generate new business opportunities and strengthen cooperation with our suppliers, a web portal for suppliers was launched. The new online platform has made information on invoice and PO status available at all times, making communication with suppliers considerably easier, and simplifying the process of verifying and approving invoices by our employees.

The activities we carry out towards our suppliers contribute to the achievement of the following UN sustainable development goals:



WORKPLACE

- Fair workplace
- Employee engagement
- Employee growth
- Health and safety



WORKPLACE

Motivation, knowledge and safety of our employees directly underpin our important goal to achieve excellence in everything we do. For this very reason, we uphold a number of internal and external standards, as well as company values, and organise numerous programmes and activities so that we consistently respect our employees' rights, make continuous progress in the field of occupational health and safety, as well as champion opportunities for personal and professional growth.

WE STRIVE TO:

- Provide our employees with a fair, ethical, and inclusive work environment
- Care for our employees and communicate with them and their representatives openly, honestly, and respectfully
- Help each employee to realise their full potential and develop leadership skills
- Foster a culture that promotes health and safety in the workplace

OUR INTERNAL STANDARDS THAT PERTAIN TO RESPONSIBILITY IN THE WORKPLACE ARE ENSHRINED IN OUR:

- Inclusion and Diversity Policy
- Human Rights Policy
- Occupational Health and Safety Policy
- Productive Work Policy

WE ARE FOCUSED ON THE FOLLOWING AREAS:



FAIR
WORKPLACE



EMPLOYEE
ENGAGEMENT



EMPLOYEE
GROWTH



HEALTH
AND SAFETY

The sustainable development goals of the United Nations, supported by our activities and initiatives in the protection of human rights and diversity, are:



Our efforts in the areas of health and safety contribute to the UN sustainable development goals:



FAIR WORKPLACE

Equal position of employees, respect for human and labour rights of employees and safe working conditions represent the basic prerequisites of a healthy workplace. With a view to ensuring compliance with these important principles, besides fulfilling all legal obligations, we are also working on internal regulation of relations in these areas, encouraging employees to contribute to further improvement of relevant practices and procedures.



For the purposes of our Inclusion and Diversity Policy, we provide equal opportunities to all employees in all aspects of employment and prevent discrimination on the basis of race, religion, colour, ethnic or national origin, age, disability, sex or sexual orientation, political beliefs, or marital status. In all aspects of employment with our company –including recruitment, pay, training, advancement, different placement, and termination of employment –all individuals are treated fairly according to their abilities to meet the requirements and standards of their positions.

Coca-Cola HBC Serbia employs 933 people. Since our operation involves on-site or in-factory activities, there are more male employees (men account for 77% and women for 23%). In 2018, all employees were full-time, and 848 employees were under indefinite-term contracts.

Our company pays special attention to workplace equality and provides equal opportunities for professional and personal growth to both women and men, which is evidenced by the fact that women occupy two out of eight positions in top management. The right to maternity leave is granted to all employees, and we support the return of our colleagues to the workplace after their maternity leaves end. In 2018, 15 of our female colleagues took maternity leaves, the return to work rate was 57% and job retention rate for 12 months following the return was 87.5%.

933
EMPLOYEES

77%
MALE

23%
FEMALE

12
MONTHS

87,5%

On July 1, 2018, the new law on financial support to families with children came into force, which stipulates the ceiling for maternity pay of three times the national average earnings, compared to the previous amount which was five times the national average.

Coca-Cola HBC is a company that takes care of its employees and is happy to hear news about its employees' new family members, and each mom-to-be in the future will receive her pay at the expense of the company's own funds: the discrepancy to the agreed salary, if the agreed salary is higher than the triple amount of the average earnings in Serbia, vacation allowance and benefits.

| Total workforce | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
|---------------------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Serbia | 891 | 200 | 883 | 195 | 1010 | 251 | 946 | 231 | 928 | 262 | 987 | 275 |
| Fresh | 118 | 16 | 114 | 13 | 10 | 2 | 0 | 1 | 0 | 1 | 1 | 0 |
| Vlasinka | 58 | 8 | 66 | 10 | 69 | 11 | 64 | 11 | 71 | 12 | 75 | 12 |
| Total | 1,067 | 224 | 1063 | 218 | 1089 | 264 | 1010 | 243 | 999 | 275 | 1063 | 287 |
| Total number of workforce | 1,291 | | 1,281 | | 1,353 | | 1,253 | | 1,274 | | 1,350 | |

*Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

| Total workforce | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
|---------------------------|-------|--------|-------|--------|------|--------|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Serbia | 724 | 156 | 671 | 144 | 715 | 173 | 675 | 179 | 671 | 185 | 663 | 201 |
| Fresh | 112 | 15 | 105 | 12 | 10 | 2 | 55 | 10 | 0 | 1 | 1 | 0 |
| Vlasinka | 56 | 7 | 60 | 8 | 60 | 9 | 0 | 1 | 59 | 10 | 58 | 10 |
| Total | 892 | 178 | 836 | 164 | 785 | 184 | 730 | 190 | 730 | 196 | 722 | 211 |
| Total number of workforce | 1,070 | | 1,000 | | 969 | | 920 | | 926 | | 933 | |

| | EMPLOYEES | | PERMANENT THIRD PARTIES | |
|------|-----------|--------|----------------------------|--------|
| | Male | Female | Male | Female |
| 2013 | 892 | 178 | 175 | 46 |
| 2014 | 836 | 164 | 227 | 54 |
| 2015 | 785 | 184 | 304 | 80 |
| 2016 | 730 | 190 | 280 | 53 |
| 2017 | 730 | 196 | 269 | 79 |
| 2018 | 722 | 211 | 341 | 76 |

| | Open-ended contract | | Fixed-term contract | |
|------|---------------------|--------|---------------------|--------|
| | Male | Female | Male | Female |
| 2013 | 844 | 169 | 48 | 9 |
| 2014 | 785 | 150 | 51 | 14 |
| 2015 | 713 | 154 | 72 | 30 |
| 2016 | 682 | 163 | 48 | 27 |
| 2017 | 680 | 175 | 50 | 21 |
| 2018 | 666 | 182 | 56 | 29 |

| | Age structure of employees | | | Age structure of governance bodies representatives | | |
|------|----------------------------|--------|---------|---|--------|---------|
| | Under 30 | 30-50 | Over 50 | Under 30 | 30-50 | Over 50 |
| 2013 | 11.4% | 81.02% | 7.57% | - | 85.72% | 14.28% |
| 2014 | 10.4% | 82.1% | 7.5% | - | 85.71% | 14.28% |
| 2015 | 13.1% | 79.46% | 7.43% | - | 87.5% | 12.5% |
| 2016 | 12.6% | 79.56% | 7.83% | - | 100% | - |
| 2017 | 12.74% | 78.73% | 8.53% | - | 100% | - |
| 2018 | 15% | 77% | 8% | - | 100% | - |

| Type of contract | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Fixed-term | Indefinite | Fixed-term | Indefinite | Fixed-term | Indefinite | Fixed-term | Indefinite | Fixed-term | Indefinite | Fixed-term | Indefinite |
| Serbia | 46 | 834 | 46 | 769 | 87 | 801 | 68 | 786 | 62 | 794 | 80 | 784 |
| Fresh | 4 | 123 | 7 | 110 | 0 | 12 | 0 | 1 | 0 | 1 | 1 | 0 |
| Vlasinka | 7 | 56 | 12 | 56 | 15 | 54 | 7 | 58 | 9 | 60 | 4 | 64 |
| Total | 57 | 1,013 | 65 | 935 | 102 | 867 | 75 | 845 | 71 | 855 | 85 | 848 |

| Type of employment | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time |
| Serbia | 880 | 0 | 815 | 0 | 888 | 0 | 854 | 0 | 856 | 0 | 864 | 0 |
| Fresh | 127 | 0 | 117 | 0 | 12 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Vlasinka | 63 | 0 | 68 | 0 | 69 | 0 | 65 | 0 | 69 | 0 | 68 | 0 |
| Total | 1,070 | 0 | 1,000 | 0 | 969 | 0 | 920 | 0 | 926 | 0 | 933 | 0 |

| Workforce turnover | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
|--------------------------------|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| New employees | 112 | 22 | 84 | 24 | 106 | 33 | 78 | 34 | 97 | 37 | 68 | 41 |
| Employees who left the company | 128 | 26 | 152 | 26 | 183 | 36 | 121 | 24 | 98 | 30 | 79 | 24 |

| Age structure of employees who left the company | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | |
|---|------|--------|------|--------|------|--------|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| <30 | 50 | 5 | 51 | 6 | 39 | 7 | 27 | 9 | 39 | 2 | 14 | 3 |
| 30–50 | 67 | 17 | 87 | 16 | 134 | 25 | 79 | 13 | 56 | 25 | 61 | 21 |
| >50 | 11 | 4 | 14 | 4 | 10 | 4 | 15 | 2 | 3 | 3 | 4 | 0 |
| Total | 128 | 26 | 152 | 26 | 183 | 36 | 121 | 24 | 98 | 30 | 79 | 24 |

| Turnover rate* | |
|----------------|--------|
| 2013 | 6.54% |
| 2014 | 6.53% |
| 2015 | 4.4% |
| 2016 | 15.5% |
| 2017 | 14% |
| 2018 | 11.03% |

* Turnover rate for the period from 2013 to 2015 was calculated using the following formula: (number of employees who left the company/average number of employees in the reporting period) x 100. Since 2016, the turnover rate is calculated using the formula: (number of permanent employees who left the company/total number of permanent employees) x 100.

HUMAN RIGHTS POLICY

The Human Rights Policy of Coca-Cola HBC constitutes a fundamental document, whose principles are strictly observed at the level of procedures, but also in everyday business. The Policy is guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

In an effort to uphold the Policy in a consistent manner, we encourage all of our employees to initiate a procedure for resolving issues and concerns about this document or a potential violation of its standards using a special mechanism. In order to improve the existing principles, that is, in order to implement appropriate corrective measures in this area, every employee's query is carefully considered.

GRIEVANCE MECHANISMS

The Inclusion and Diversity Policy emphasises that no employee should be subjected to physical, sexual, racial, psychological, verbal, or any other form of harassment or abuse. The Company ensures that the relevant procedures are followed if this standard is not met, and such cases are promptly and effectively resolved.

In practice, this means that we have established formal complaints procedures that eliminate the possibility of victimisation for reporting incidents of non-compliance with this Policy. Depending on the type of complaint, there is a support person (in cases of abuse), or the possibility of a response (disciplinary proceedings). Employees can also use our whistle-blower line "Speak up!" to anonymously express their concerns or doubts. Employees can also submit complaints in other ways, for example, with a trade union.

If the Code of Business Conduct is violated, the management is informed and decides whether the disputed situation should be resolved at the local level or through the head office of Coca-Cola Hellenic Group. If the situation is resolved through the head office, the case is reported to the manager in charge of the implementation of the Code of Business Conduct, while the cases at the local level are routed to the internal audit and legal department for appropriate handling.

In line with its commitment to promoting equal opportunities, the company monitors its own performance and, in its Annual Sustainability Report, discloses information on the initiated grievance proceedings related to labour and human rights. In 2018, four grievances were submitted concerning labour rights that were resolved amicably through an intermediary. There were no cases of discrimination, nor complaints in the area of human rights. Trainings in the company policies, standards, and practices in these areas were not held in 2018.

ETHICS AND COMPLIANCE WEEK

The main focus of 2018 Ethics and Compliance Week was the European General Data Protection Regulation (GDPR), which prescribes new rules for managing and protecting personal data. The employees had the chance to see interesting videos and take part in the prize winning quiz to learn key points about the GDPR, and find out how to report its violation (for example, use whistle-blower *Speak up!* hotline).



ZAŠTITITE PODATKE

O LIČNOSTI KOJIMA RUKUJETE U
SVAKODNEVNOM RADU

BENEFITS AND COLLECTIVE AGREEMENT

Our employees have the right to join or form a trade union organisation, which is provided for in the Human Rights Policy. Where employees are represented by a legally recognised trade union, we are committed to establishing a constructive dialogue with their freely chosen representatives.

At Coca-Cola HBC Serbia, all employees are covered by the Collective Agreement. As regards major business decisions and issues of common interest the company consults with its employees, trade unions, and the European Council office for labour.

In this regard, the company has set a 30-day notice deadline to inform employees in due time about any strategic changes in operations that may affect them. In addition, we provide managers in our company with private health insurance. Apart from accidents, the policy also covers occupational illness and disease-related death. Besides the compulsory health insurance, all employees are entitled to compensation for disability or incapacity, maternity leave, and severance pay in case of retirement. In addition, the Company provides:

- **Monthly and annual bonuses, depending on the type of position**
- **Special annual bonus based on company results**
- **Gift cards for the birth of a child and solidarity allowance in the event of death of an immediate family member or death of an employee when there is a possibility to provide scholarships for the deceased employee's children**
- **More holiday days and paid leave than the legal minimum**
- **Canteen at the factory**
- **Consumption of soft products within the company premises**
- **Entertainment corner for employees**
- **Events for employees and their families**
- **New Year presents for employees' children**
- **Discounts on purchase of goods and services – health services, travel, sports, and leisure**
- **Special prizes for achieving performance against the recognition and rewarding schemes**
- **Anniversary awards for employees with 10, 20, 30, 35, or 40 years of service**
- **Gift bags of products twice a year**
- **Rental of a bubble practice facility for eight months a year for employees in Sales and Supply Chain**
- **Awards for making innovations and improvements in Supply Chain.**

The company also offers transition assistance programmes to help employees who are retiring or who have been terminated and provides retraining for employees who intend to continue working, severance payments (taking into account the employees' age and years of service), as well as support in finding jobs.

In addition to the above advantages, adjusting working hours to the needs of employees so that they can balance their professional and private life in a better way and increase their productivity, is another way to thank them for their dedication and efforts they invest on a daily basis. Putting into the forefront the performance and not just the amount of time spent in the workplace, in 2016, we adopted the Productive Work Policy, which provides for the possibilities for flexibility in terms of: flexible start time, out-of-office work and productive organisation of a working week for all employees who do not work in shifts.



EMPLOYEE ENGAGEMENT

For a company to be truly successful, its employees must be engaged, committed and happy. For this very reason, we strive to maintain a high level of engagement of our employees, whose commitment to promoting our corporate values in a wider business and social community underpins the success of the company and makes it appealing to young talents that bring fresh energy and innovations to the Coca-Cola HBC Serbia system.



EMPLOYEE ENGAGEMENT SURVEY – MY VOICE

In order to gain better insight into our main strengths and challenges in corporate culture and internal communication, for the sixth consecutive year, we invited our employees to take part in the My Voice survey and express their opinion regarding their engagement and the company values.

In 2018 the response rate in our operation was as high as 95%, which made the output highly relevant. The results ranked us again among the top three operations at the Coca-Cola HBC Group level, which motivated us to work together to create a great workplace and continue to implement changes that will make us even better.

| EMPLOYEE ENGAGEMENT AND VALUES INDICES | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Employee engagement index | 65% | 71% | 92% | 91% | 93% | 92% |
| Company values index | 78% | 82% | 93% | 93% | 97% | * |

*The company value index is no longer measured, due to changes in the survey design in 2018.



This survey, which has been carried out across 28 countries of Coca-Cola HBC Group for many years, is completely anonymous and conducted by an independent external consulting firm.

A part of the survey concerning the engagement of employees measures sustainable commitment through three key indicators: dedication, loyalty, and recommendation. Based on the survey results, we develop plans and carry out activities aimed at improving the work environment.

FOR THE FOURTH CONSECUTIVE YEAR COCA-COLA HBC IS THE MOST DESIRABLE EMPLOYER IN SERBIA

According to the recently concluded Youth Speak Survey, organised in cooperation with GfK and the student organization AIESEC, Coca-Cola HBC Serbia was once again recognised as the most desirable employer among young people throughout Serbia. This came as a result investments in employees, who are our most valuable ambassadors, and also numerous activities focused on young people and the promotion of company values and organisational culture.

We will continue to champion the development of young people keeping an eye on their needs and interests, and bearing in mind their opinion and vision about an ideal workplace. On the other hand, we will try to share our expectations and give them the true picture of work in our company.

COCA-COLA SUPER AMBASSADOR PROGRAMME

Mindful of the fact that our employees' actions and communication can significantly impact the trust of external stakeholders in the company's products and its reputation, we have launched the Coca-Cola Super Ambassadors programme, which is part of the comprehensive Coca-Cola Ambassador platform. The programme is designed to empower employees to speak about our business in a confident manner, using facts, first to understand and then to explain and communicate why we do what we do – not only in business meetings, but also in everyday informal encounters.

In 2018, Mini Super Ambassadors workshop was held with a view to enhance the employees' knowledge about the products and ingredients of our products, as well as the strategies of responsible business so they can be true ambassadors of the company and its products in their everyday communication with our partners, and their friends and acquaintances.



INTERNAL COMMUNICATION AND PROVIDING INFORMATION

The Open Door Policy allows our employees to share directly their insights on any business-relevant issue. Bearing in mind that the Policy prohibits any misuse of information, employees can arrange a meeting with the manager and talk about their career, development plan, etc. Managers are available to answer their questions, and hear suggestions or complaints.

Our employees can keep up to date with the news and participate in numerous internal activities organised by our company, through various types of communication, such as the website, newsletter, bulletin boards, internal TV and intranet. The intranet platform enables its users to find all the facts and answers to questions about our products and company at any time, to follow the news and updates we share on social networks and become our active ambassador.

On the occasion of celebrating 50 years of operation in Serbia we organised a photo shoot for our employees. We used symbols of past decades as props for the pictures and thus created new stories and memories for the future.

Since we wanted to get our employees into the festive spirit so we organised a charity New Year's Bazaar in December. The employees had the opportunity to sell decorations, cards, sweets and gifts they themselves made, and the entire proceedings were donated to the Home for Children with Special Needs of St. Petka Monastery near Paraćin.

EMPLOYEE GROWTH

We believe that continuous improvement and growth mindset underpin the success and satisfaction of employees, but also exceptional business results that stand out. Therefore we are committed to creating new opportunities for learning, development and innovation, which will enable employees to demonstrate their inventiveness and make progress in all fields. In 2018, as in the previous period, all of our employees received an assessment of their personal professional performance and growth. Since mutual understanding and good communication among teams and team members underpin the commitment and motivation of employees, we regularly monitor and act in accordance with the employees' insights of the quality of relations with their superiors.



NEW LEARNING, DEVELOPING AND INNOVATING OPPORTUNITIES

The individual development plan enables our employees to work on their personal growth and development in a systematic way, thus contributing to the progress of the entire company. Aiming to provide our colleagues with an easier and faster way to gain new experiences, enhance their knowledge and come up with new solutions, in 2018 we rolled out the following programmes:

- **Millennials' Movement – influencing work flexibility, managing energy during a working day, and creating space for innovation in business**

- **Make my Life Easier – optimising processes**

- **Idea for Growth – generating ideas and enabling faster implementation of innovations in our business**

- **HELO digital platform – sharing knowledge, accelerating development and managing teams**

- **Leader's HUB – providing access to educational materials that support employees at every step of their professional development**

- **Development Guide – facilitating the understanding of the training programme, as well as the preconditions for taking part in certain training programmes**



FEEDBACK TO MY MANAGER

As innovations and further growth represent the strategic directions for the development of our business, we think it is very important they are accompanied by open communication between managers and employees, and mutual respect and understanding, which are prerequisite for the successful functioning of the team and continuous work on the implementation of changes.

For this very reason, we conduct an annual survey Feedback to My Manager, which provides managers with sincere employees' opinions and should help them to back their team members so that they can grow, be independent in decision-making, and improve everyday work in new ways.

To our great satisfaction, the questionnaire was completed by over 1,000 employees, and 154 managers filled out a self-assessment questionnaire. Since the understanding of the results is of the utmost importance for the planning and implementation of changes that will improve the work of the team and all its members individually, each manager received individual reports that can serve as basic guidelines for developing plans for the further improvement of their team's performance.

The results of the survey show that we have scored over 80 percent positive results in all categories, which encourages us to focus on the development of communication and understanding in our teams in the future. The survey helped us to better understand the needs of our employees. Regular communication on the growth and career-related topics is the area with most room for improvement.

As a result we have launched campaigns centred on development and career.

1.

MY DEVELOPMENT, MY REVOLUTION

Our corporate intranet's webpage contains tools that enable employees to further enhance their skills and knowledge. They can use the personalised HELO webpage with tutorials and courses, web portal Educate for acquiring specific and professional knowledge, as well as CCHBC library that contains literature from all fields of business. In addition to online education, during the month of learning in 2018, employees had the opportunity to take part in trainings in the field of stress management, personal productivity, adapting to changes and effective communication.

2.

PEOPLE MANAGEMENT PROGRAMME

The programme is designed to provide managers on the MoO level (Manage of Others) with necessary knowledge, skills, and attitudes for effective management of people and processes in connection with people. The programme comprises seven modules that will be implemented through trainings/workshops, case studies, coaching sessions, and consultations, as well as individual preparation using the available resources.

3.

COMMUNICATION COMES FIRST

With a view to making the best use of the survey results, we invited all managers to review their individual reports and discuss the performance with their team members, so that they would jointly resolve the identified concerns and challenges.



| Training | Total hours of training | Average hours of training annually per employee |
|----------|-------------------------|---|
| 2013 | 47,051 | 43.97 |
| 2014 | 26,301 | 26.30 |
| 2015 | 26,136 | 26.9 |
| 2016 | 15,671 | 17.03 |
| 2017 | 14,816 | 16 |
| 2018 | 17,222 | 18.46 |

| Training | Total hours of training by gender | | Average hours of training annually by gender | |
|----------|-----------------------------------|---------|--|--------|
| | Male | Female | Male | Female |
| 2013 | 39,293 | 7,758 | 44.05 | 43.58 |
| 2014 | 23,145.7 | 3,155.3 | 27.6 | 19.2 |
| 2015 | 20,547 | 5,589 | 28.17 | 30.37 |
| 2016 | 11,959 | 3,712 | 16.3 | 19.5 |
| 2017 | n/a | n/a | n/a | n/a |
| 2018 | 12,702 | 4,520 | 17.59 | 21.42 |

*Due to the introduction of a new monitoring process for employee training, data for 2017 were not available.



HEALTH AND SAFETY



Building a strong safety culture is a long-term mission of Coca-Cola HBC Serbia and it is our commitment in all our activities.

At the system level, we have made the occupational health and safety strategy a part of the annual process of business planning and performance measurement programmes since we strive to develop actively our internal standards besides respecting legal frameworks.

At the level of activities, we design various interesting programmes for providing education and practical information about occupational safety and health, and thus raise the employees' awareness about the importance of safe behaviour and point to situations that pose a threat to their personal safety, as well as the safety of others.

OSH system and employee rights

- The procedures at Coca-Cola HBC Serbia are in accordance with the applicable health and safety rules and regulations.
- We implement the internationally acknowledged management system OHSAS 18001, as well as Coca-Cola Hellenic and TCCC KORE standards related to occupational health and safety.
- Occupational health and safety at the company is managed by the Sustainable Development Division.
- A risk analysis is carried out for each workplace and each occupation zone of employees, as well as appropriate preventive programmes.
- In addition, the Occupational Health and Safety Board helps us on company level to monitor and provide advice in relation to programmes of protection at work. The Board consists of three members, of which one is appointed by the employer, and two are appointed by the union.
- Occupational health and safety is covered also by the Collective Agreement, which specifically defines jobs with increased risks, as well as the rights and obligations of employees in those positions.

The Collective Agreement also sets out the employer's rights and obligations to provide the employee with the equipment for personal protection at work. In addition, the occupational health and safety part considers the issue of enabling employees for safe work, as well as the employer's obligation to insure employees against work-related injuries. According to the Collective Agreement, the employee has the right to submit suggestions, complaints, and notifications to the employer on issues that pertain to health and safety at work. The employee can report job related hazards verbally or in writing to their manager, an OSH officer or the OSH Board, as well as in line with the Occupational Safety and Health Programme – Near Miss Programme, Behaviour Based Safety.

We maintain continuous communication with employees, carry out interesting educational activities and publicly acknowledge employees who set the most positive example of safe behaviour in workplace with a view to strengthening awareness of the importance of safe behaviour and motivating employees to take better care of themselves, as well as others. In 2018 there were no fatal accidents, nor professional illnesses, and a total of 11 injuries were reported, two of which were injuries with serious consequences.

| Injury rate* | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
|--------------|------|--------|------|--------|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Serbia | 2.25 | 0.61 | 1.43 | 1.33 | 0.55 | 0 | 0.72 | 0 | 0.41 | 0 |
| Fresh | 0 | 0 | 2.73 | 0 | 0 | 0 | - | - | 0 | 0 |
| Vlasinka | 1.71 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1.93 | 0.54 | 1.49 | 1.17 | 0.51 | 0 | 0.72 | 0 | 0.41 | 0 |

*The injury rates were calculated according to the following formula: the total number of injuries/total number of work hours x 200,000.

| Lost workday rate* | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
|--------------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Serbia | 59.80 | 2.46 | 25.41 | 52.55 | 13.79 | 0 | 22.17 | 0 | 26.68 | 0 |
| Fresh | 0 | 0 | 33.75 | 0 | 0 | 0 | - | - | 0 | 0 |
| Vlasinka | 99.21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 54.33 | 2.15 | 24.63 | 46.14 | 12.83 | 0 | 22.17 | 0 | 26.68 | 0 |

*The lost workday rates were calculated according to the following formula: the total number of lost workdays/total number of work hours x 200,000.

| Absence rate* | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
|---------------|-------|--------|-------|--------|-------|--------|--------|--------|-------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Serbia | 1.01% | 2.11% | 0.84% | 1.50% | 1.22% | 2.28% | 7.688% | 6.917% | 0.37% | 0.38% |
| Fresh | 0.71% | 1.30% | 1.25% | 5.87% | 5.75% | 15.08% | - | - | 0 | 0 |
| Vlasinka | 1.64% | 2.85% | 1.72% | 3.22% | 0.67% | 1.59% | 1.532% | 2.10% | 0 | 0 |
| Total | 1.01% | 2.07% | 0.94% | 1.84% | 1.24% | 2.39% | 9.22% | 7.127% | 0.37% | 0.38% |

*The absence rates were calculated according to the following formula: the total number of sick days/total number of work days of employees x 100.

| The rate of workplace injuries with serious consequences | 2018 | The rate of workplace injuries | 2018 |
|--|------|--|------|
| Employees | 0.14 | Employees | 0.78 |
| Engaged for certain work (security, cleaning etc.) | 0 | Engaged for certain work (security, cleaning etc.) | 1.37 |
| Independent subcontractors | 0 | Independent subcontractors | |



BEHAVIOUR-BASED SAFETY

Behaviour-Based Safety (BBS) is a programme of changing employee culture based on the observation of the work process and the employees while they are performing their tasks. This programme was launched by The Coca-Cola Company and represents one of the business priorities which will be rolled out in all plants of Coca-Cola HBC Serbia. The focus of the BBS programme is to identify reasons why people take risks in the workplace and perform a detailed analysis with a view to changing the safety system culture.

The main goal is to enable constructive discussion and to encourage employees at all levels to communicate and provide feedback on safety-related behaviour. The identification of systemic barriers allowing risk behaviour changes the mindset and introduces proactive measures that eliminate hidden and perceived risks so that the activities can be performed in an entirely safe way.

We can proudly say that, after Vlasinka water factory, our Belgrade bottling plant in 2018 became the fifth factory in the entire Coca-Cola HBC Group to have successfully started the implementation of the Behaviour-Based Safety programme. After the monitoring process has been completed in the production sector, logistics will gradually become part of that programme, which will bring us another step closer in reaching the world's safety culture.

HEALTH AND SAFETY WEEK

Our intention behind the Occupational Safety and Health Week is to help raise awareness of the need to engage all employees so they would adopt safe behaviour practices on a daily basis, as well as exert individual efforts with a view to reduce and eliminate risks in their workplace.

Activities during this year's event on safety and health at work included: first aid workshop, voluntary blood donation campaign, polygon competition for employees in warehouse and production, as well as a quiz in which employees showed their knowledge of occupational safety and won valuable prizes. Employees are also invited to propose, through the Innovation for Growth platform, their idea of preventing the risk of work-related injuries, and in this way, encourage further development of the safety culture in our company.

HEALTH AND FITNESS

A healthy lifestyle, which involves taking part in sports, spending time outdoors, quality diet and spending time with friends and family, is the best way to prevent illness and gain satisfaction and sense of fulfilment. We organise numerous events and offer various benefits aiming to motivate our employees to be as active as possible and help others achieve these goals.

Our company provides its employees with medical examinations and participation in company and community programmes relating to fitness and healthy lifestyle. In addition, we organise events in which our employees can participate and get involved as volunteers—Coca Cola Fun Run as part of the Belgrade Marathon, Coca Cola Cycling Race, and Coca-Cola Happy Run. Our employees have access to a variety of activities during the week such as football or riding bicycles that they can rent for free over the weekend. Every year we organise the Family Day for our employees and their families. It is a great opportunity to relax and spend time in nature but also take part in charity events and sports competitions that test competitive spirit and strength of family teams.



ENVIRONMENT

- Water Stewardship
- Protection of Energy Resources and Climate
- Sustainable Packaging and Recycling



Mindful of the importance of continuous investments that enhance our company’s performances as regards its environmental impact, we put in efforts to improve the existing processes in that field, as well as develop new ones, with a view to achieving the commitments we have set and justifying our title of a global beverage leader in sustainability.

Our approach to environmental protection is built on innovation – we are focused on finding new ways to achieve sustainability striving to minimise our negative environmental impacts and maximise the positive ones. We develop and foster partnerships with various stakeholders – government agencies, non-governmental organisations and other partners in order to respond more effectively to the growing challenges.

We minimise our environmental impact throughout our value chain through implementing, where appropriate, specific targets to:

- Reduce our water, energy usage and produced waste
- Decrease our Green House Gas (GHG) emissions
- Improve packaging, increase recovery and recycling, decrease waste to landfill
- Source sustainably

2025 SUSTAINABILITY MISSION

As regards our ongoing sustainability initiatives, we are on the track to fulfil our first set of sustainability commitments, and we have already reached our 2020 targets in packaging waste collection and reducing CO2 emissions.

Our 2025 sustainability commitments are based on the goals set for 2020, and are also in line with the 2030 global agenda of The Coca-Cola Company – World Without Waste, creating a shared, systemic vision. You can find an overview of new sustainability commitments on page 12.

Taking into account the most significant global and local impacts of our business, we are focused on the following areas:



WATER
STEWARDSHIP



PROTECTION OF
ENERGY RESOURCES
AND CLIMATE



SUSTAINABLE
PACKAGING
AND RECYCLING

We are fully compliant with the applicable laws and regulations on environmental protection, and in 2018, as in previous years, we did not receive any penalties on these grounds. Internal and external stakeholders can make complaints about environmental issues via company e-mail or phone number. No complaints were made in this way in 2018.



In environmental management, we enforce the internationally recognised system ISO 14001, as well as a series of internal procedures and policies, including:

- Environmental policy
- Climate change policy
- Post-consumer packaging waste management policy
- Water stewardship policy
- Fleet safety policy

Reducing the negative environmental impact throughout our value chain is our fundamental commitment. Since 2004, we have set annual goals for improving our performance. We are working towards achieving our ambitious 2020 goals, and 2025 commitments.

Through a series of activities in the field of environmental protection we contribute to the following UN sustainable development goals:



BIODIVERSITY

We monitor very carefully the impact of our activities and products in the protected areas and areas of high importance in terms of biodiversity. We have not identified any significant impacts in these specific areas. Apart from that, there are no species from the IUCN Red List or national lists of endangered species in the areas of our business activities.

INVOLVEMENT OF EMPLOYEES

Our approach involves all employees. The induction training for new starters includes an element about protecting the environment. We also hold a series of training courses every year to improve our employees' competencies in this area:

| | 2015 | 2016 | 2017 | 2018 |
|---|------|-------|------|-------|
| Training hours on environmental protection and reporting potential and actual losses of environmental resources (h) | 254 | 293 | 297 | 212,5 |
| Training hours on good manufacturing practices and warehouse management, which also contain environmental aspects (h) | 309 | 241,5 | 210 | 163 |
| Training hours on managing hazardous substances (h) | 120 | 159 | 328 | 128 |

OUR OPERATION RECEIVED ANOTHER AWARD OF THE COCA-COLA HBC GROUP FOR QUALITY PERFORMANCE, OCCUPATIONAL SAFETY AND HEALTH AN ENVIRONMENTAL PROTECTION IN 2018

In 2018 too we won the awards, which made us even more proud of our success. Our supply system sector won three first places for its performance, and Rosa Topli Do was declared the best factory. We also received recognitions in the categories of quality, occupational safety and health and environmental protection.

The following criteria were taken into account for awarding the efforts in environmental protection: the process improvement, reduced water and energy consumption in 2017 compared to 2016, to which extent these results were better than the Group's average, the activities of the country in the Near Loss Programme (number of reported and completed NL). Additional bonus points are awarded for engaging employees in environmental activities at the operational level, implementing projects to reduce carbon footprint and water use, as well as winning external recognitions.

ENVIRONMENTAL PARAMETERS

The following environmental parameters are monitored in all bottling plants:

- Power consumption (in megajoules of energy consumed per litre of the produced beverage)
- Water consumption (litres of water used per litre)
- Total waste generated (in grammes of waste generated per litre of the produced beverage)
- Recycled waste (percentage of production waste at bottling plants that is recycled)
- Landfilled waste (in grammes per litre of the produced beverage)

In 2014, in Coca-Cola HBC Group, and in Serbia too, a new leading environmental parameter was introduced – Near Loss, with a view to raising awareness of employees and improving the results of other parameters. It allows the detection of the possible losses of environmental resources and their timely removal. In 2018, our operation achieved excellent results in terms of this parameter, with 85% of closed activities.

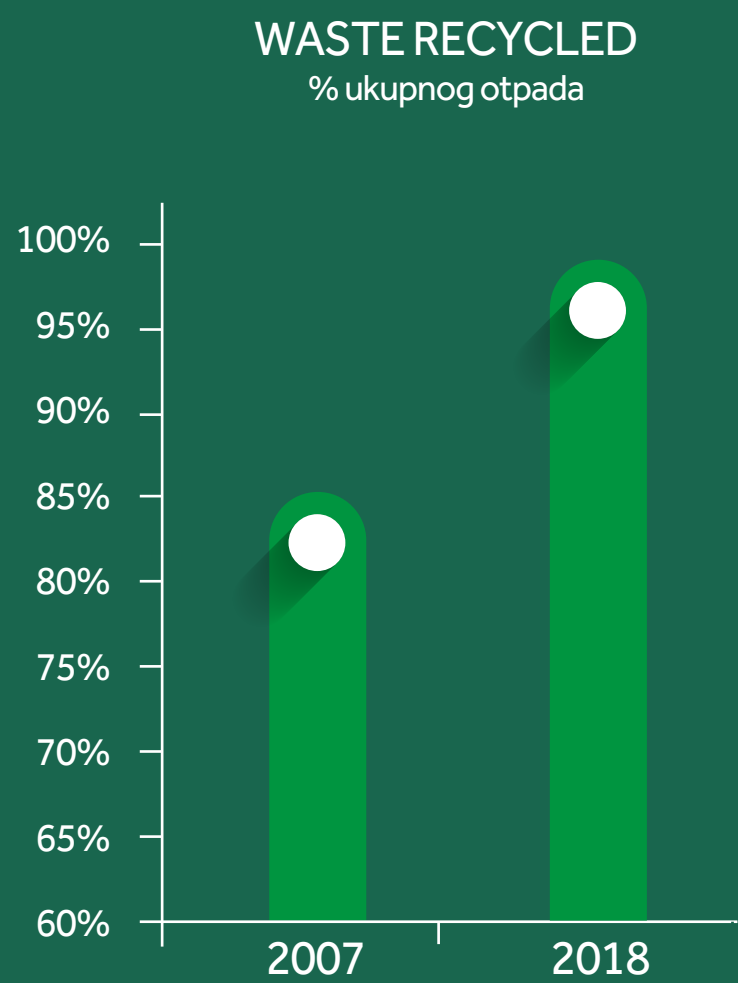
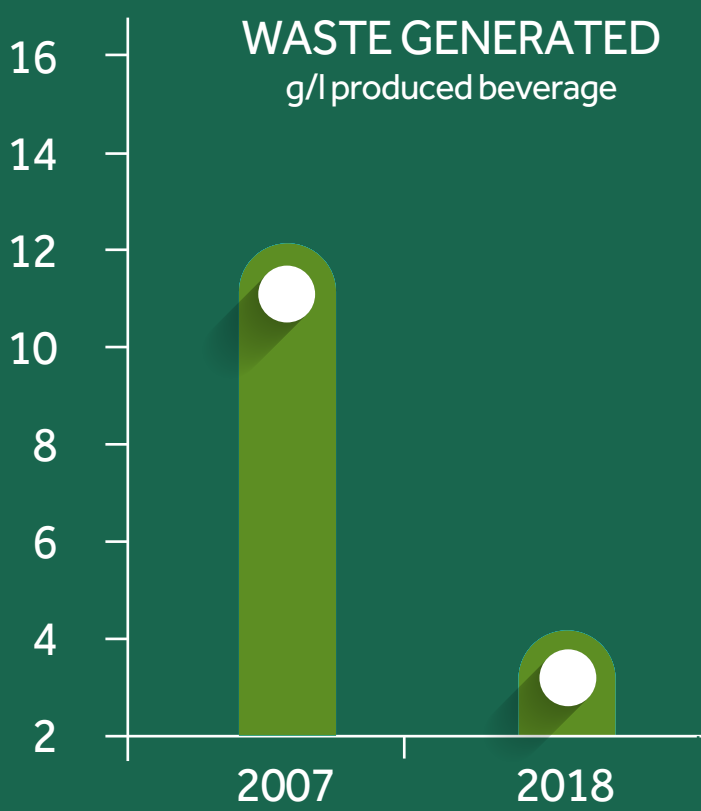
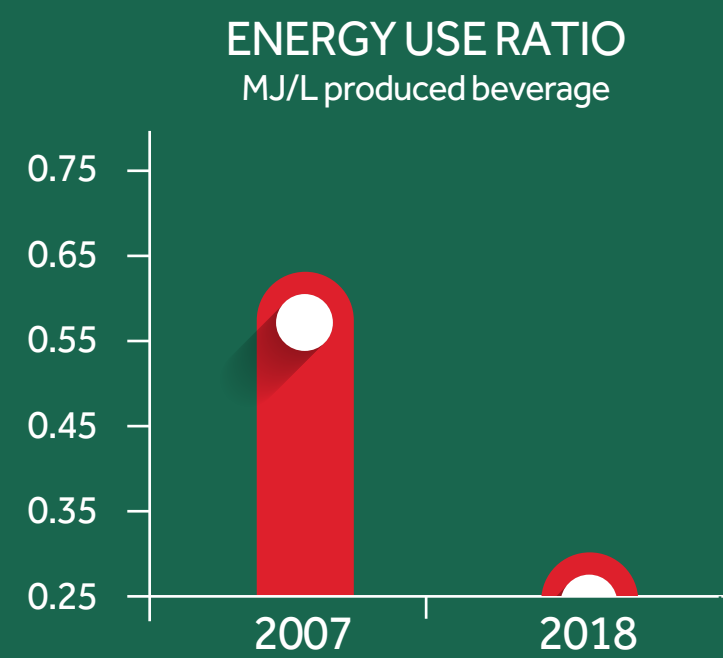
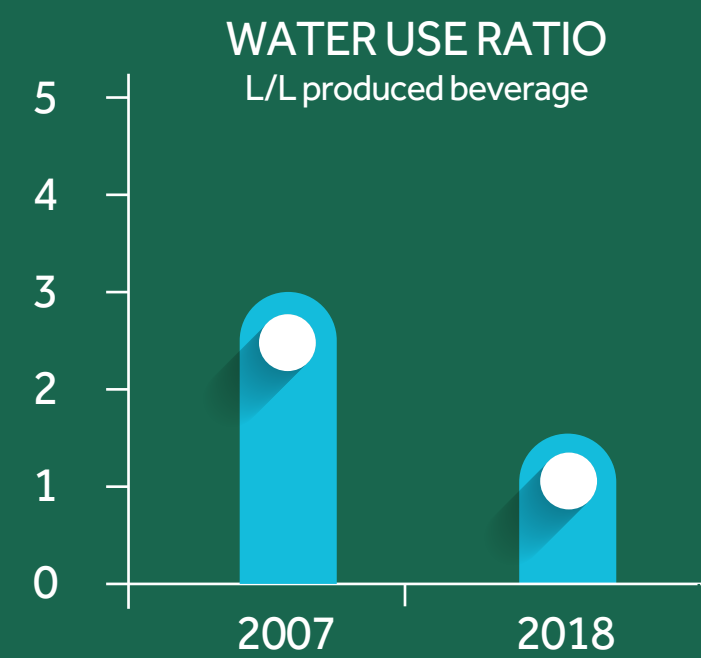
All of the above parameters are an integral part of an annual business plan which refers to water and energy consumption planned at the end of each year, i.e. waste production and recycling for the next year and objectives set annually and quarterly. Through its efforts towards local goals and reducing energy and water consumption and quantity of generated waste as well as increasing the percentage of recycled waste, Coca-Cola HBC Serbia contributes to the long-term commitments set at the Group level.

The achievement of the objectives is monitored on a weekly, monthly and annual basis and reported to the top management, as well as Coca-Cola HBC Group. It is important to emphasise that all processes in bottling plants – administration, production and storage are encompassed in the planning and calculating environmental parameters. The process of monitoring environmental parameters is carried out in our distribution centres, too.

In 2012, Coca-Cola HBC Serbia received UNIDO declaration for the good practice of introducing chemical leasing project in Belgrade bottling plant. This business model involves reducing the use of chemicals taking into account the economic interests of users and manufacturers while reducing the adverse environmental impact and preventing pollution.



| | WATER USE RATIO | | | | ENERGY USE RATIO | | | | WASTE GENERATED | | | | WASTE RECYCLED | | | |
|------------|-----------------------|----------|----------|---------|------------------------|----------|----------|-------|-----------------------|----------|----------|---------|----------------|----------|----------|--------|
| | L/L PRODUCED BEVERAGE | | | | MJ/L PRODUCED BEVERAGE | | | | g/L PRODUCED BEVERAGE | | | | % | | | |
| | Serbia | Belgrade | Vlasinka | Fresh | Serbia | Belgrade | Vlasinka | Fresh | Serbia | Belgrade | Vlasinka | Fresh | Serbia | Belgrade | Vlasinka | Fresh |
| 2007 | 3.2226 | 2.4196 | 1.4704 | 12.1049 | 0.6131 | 0.5107 | 0.2166 | 2.021 | 12.335 | 12.2712 | 0.7628 | 31.2374 | 86.15% | 90.26% | 73.51% | 74.39% |
| 2018 | 1.5257 | 1.5793 | 1.3550 | na | 0.2964 | 0.3414 | 0.1530 | na | 3.7246 | 4.7681 | 0.4135 | na | 98.39% | 98.40% | 97.93% | na |
| 2007vs2018 | -53% | -35% | -8% | na | -52% | -33% | -29% | na | -70% | -61% | -46% | na | 14% | 9% | 33% | na |



WATER STEWARDSHIP



Water, as a resource, is at the heart of our business. As the primary ingredient of our products, water is central to our manufacturing processes and necessary to grow the agricultural ingredients for our products. We are aware of its immense value for the communities in which we operate, as one of the most precious of shared resources. Therefore, water stewardship is a key priority for our company, and we are dedicated to its preservation in all aspects of our operations.

At the level of Coca-Cola HBC Group, we are committed to reducing our water intensity by 30% between 2010 and 2020. In Coca-Cola HBC Serbia, through the rolled-out initiatives, water consumption per litre of beverage produced was reduced by 53% in the period from 2007 to 2018.

Sufficient amounts of accessible, safe, good-quality water are essential to the health of people and ecosystems. Given that it is not possible to reduce the amount of water used in products, we are focused on increasing the efficiency of water consumption in our processes through reduced consumption, recycling and replenishment, while continuously investing in new innovative technologies. In addition to direct impact of our operations, we are also committed to monitoring wider indirect impacts related to water resources – water consumption in our supply chain and protection of watersheds.

When it comes to risks related to water supplies, a detailed source vulnerability assessment and source water protection plans were performed for each Coca-Cola HBC Group bottler to ensure the sustainability of water supplies.



We have developed a water strategy based on three fundamental principles:

- **The water we use: protect the water resources supplying our facilities, reduce the amount of water we use to produce our soft drinks and treat 100% of waste water to levels that support aquatic life**
- **Partner with suppliers to minimise our water footprint across the value chain**
- **Invest in community water conservation projects to replenish the water we use through innovative sustainable technologies, and also raise awareness of the importance of responsible water stewardship, both of our employees and the external public.**



GLOBAL COMMITMENTS

At the international level, Coca-Cola HBC is a founding member of the CEO Water Mandate of the UN Global Compact. This initiative aims to tackle water sustainability issues in operations, supply chains and communities, and shape public policy through work with the government and NGOs. In order to promote understanding of water use in our supply system, the Coca-Cola HBC Group also cooperates with the Water Footprint Network, a global platform that connects various stakeholders interested in the sustainable and efficient use of water resources.

GOLD EWS CERTIFICATE FOR OUR BOTTLING PLANTS

Since 2015, both our bottling plants have the Gold EWS certificate, awarded by the European agency for the management and conservation of water (European Water Stewardship – EWS). This agency is part of the European Water Partnership, which consists of EU Member States and deals with inspection and certification of facilities, and active protection of waterways throughout Europe.

The EWS makes assessments in line with the following criteria: optimal consumption for bottling water, chemical quality and biological elements of the water itself, dealing responsibly with water resources, preserving water sources and restoring water to its natural flow. The recognition is awarded in three categories – bronze, silver and gold.

Rosa received Gold EWS certificate in 2014, while our Belgrade bottling plant was certified in November 2015. In November 2018 external audits took place in Belgrade bottling plant and Vlasinka factory, and the results showed full compliance with more than 54 modules of standards, and there were no findings or recommendations for further improvements.



EFFICIENT USE OF WATER

In 2018, a series of activities was carried out to reduce the use of water and chemicals in production processes, the most important of which are:

- use of treated wastewater for irrigation of green areas
- reuse of water with NRGB (non-returnable glass bottle)
- CIP (clean-in-place) optimisation
- the use of water source cooling potential for cooling the plant in the summer period (Vlasinka)



| Water consumption – bottling plants* | unit | BELGRADE | | | | | | FRESH** | | | | | | VLASINKA | | | | | |
|---|---------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------|------|------|------------|------------|------------|------------|------------|------------|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Underground water (used) | 1,000L | 383,830.00 | 455,276.00 | 496,381.00 | 563,734.00 | 561,272.00 | 579,466.00 | 198,990.00 | 197,803.00 | 78,311.00 | / | / | / | 113,138.84 | 137,121.00 | 157,133.00 | 165,255.00 | 178,926.00 | 193,463.00 |
| Water from the city water supply (used) | 1,000L | 167,691.00 | 65,595.00 | 75,993.00 | 68,025.00 | 107,239.00 | 139,108.00 | 1,688.00 | 1,098.00 | 1,070.00 | / | / | / | | | | 0 | 0 | 0 |
| Total (used) | 1,000L | 551,521.00 | 520,871.00 | 572,311.00 | 631,759.00 | 668,511.00 | 718,574.00 | 200,678.00 | 198,901.00 | 79,381.00 | / | / | / | 113,138.84 | 137,121.00 | 157,133.00 | 165,255.00 | 178,926.00 | 193,463.00 |
| Total pumped water*** | 1, 000L | | | | | | | | | | | | | 339,430.00 | 365,974.00 | 636,600.00 | 536,093.00 | 497,791.00 | 573,161.00 |

*The distribution centres in Novi Sad, Čačak and Niš were closed down so the data on water consumption in these facilities will no longer be published.

**Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

***Total pumped water refers to spring water in Vlasinka, i.e. the entire water flow from the spring in 2013, 2014, 2015, 2016, 2017 and 2018, and the total amount used is given in the column above. None of the springs we use is affected by the process of drawing water for our company.

| Water consumption – distribution centres | unit | DC NOVI SAD | | | | DC ČAČAK | | | | DC NIŠ | | | |
|--|---------|-------------|-------|-------|-------|----------|--------|--------|--------|--------|--------|--------|-------|
| | | 2013 | 2014 | 2015 | 2016 | 2013 | 2014 | 2015 | 2016 | 2013 | 2014 | 2015 | 2016 |
| Underground water (used) | 1,000L | | | | | | | | | | | | |
| Water from the city water supply (used) | 1,000L | 40.00 | 49.00 | 49.00 | 45.00 | 414.00 | 290.00 | 250.00 | 160.00 | 153.00 | 138.00 | 122.00 | 32.00 |
| Total (used) | 1,000L | 40.00 | 49.00 | 49.00 | 45.00 | 414.00 | 290.00 | 250.00 | 160.00 | 153.00 | 138.00 | 122.00 | 32.00 |
| Total pumped water*** | 1, 000L | | | | | | | | | | | | |

* The distribution centres in Novi Sad, Čačak and Niš were closed down in 2017.

| Total water consumption | unit | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|--------|------------|------------|------------|------------|------------|------------|
| Total | 1,000L | 865,994.84 | 857,370.00 | 809,246.00 | 797,251.00 | 847,437.00 | 912,037.00 |

| Percentage and total volume of recycled and reused water | unit | BEOGRAD | | | | FRESH** | | | | VLASINKA | | | | TOTAL SRBIJA | | | |
|--|--------|-----------|-----------|-----------|-----------|----------|------|------|------|----------|----------|-----------|----------|--------------|-----------|-----------|-----------|
| | | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 |
| Reused water | 1,000L | 35,037.00 | 36,513.00 | 33,330.00 | 43,890.00 | 2,517.00 | / | / | / | 0 | 1,700.00 | 10,822.00 | 1,739.00 | 37,554.00 | 38,213.00 | 44,152.00 | 45,629.00 |
| Reused water | % | 6% | 6% | 5% | 6% | 3% | / | / | / | 0% | 0,01% | 6,05% | 1% | 5% | 5% | 5% | 5% |

*Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

Our bottling plants in Serbia have their own plants for the treatment of wastewater before it is discharged into natural recipients. Wastewater quality is regularly reviewed, both internally and externally, by accredited laboratories. All parameters that are monitored, according to our legislation and the TCCC standards (The Coca-Cola Company Core), are within the limits of the maximum permitted level. The activities aimed at decreasing water consumption help reduce the amount of wastewater taking into account trends in wastewater reduction. The treated water, which is returned to the environment, is safe for aquatic life in the recipient area.

| Total quantity of discharged water by quality and destination* | unit | BELGRADE | | | | | | FRESH** | | | | | | VLASINKA | | | | | |
|--|--------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------|------|------|-----------|---------------|-----------|-----------|-----------|-----------|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Total discharged water | 1,000L | 246,701.00 | 217,818.00 | 237,595.00 | 274,028.00 | 289,380.00 | 308,564.00 | 151,896.71 | 151,079.00 | 58,272.00 | / | / | / | 25,016.65 | 37,361.00 | 55,265.00 | 58,590.00 | 50,349.00 | 38,670.00 |
| Destination | | The Danube | | | | | | Palić lake | | | | | | | Topolska reka | | | | |
| COD after treatment | Mg/l | 50.00 | 65.00 | 34.00 | 32.00 | 10.00 | 38.00 | 39.40 | 31.00 | 38.00 | / | / | / | 2.20 | 18.00 | 27.00 | 30.00 | 30.00 | 20.00 |

| Total discharged water - total Serbia (1000 l) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------|------------|------------|------------|------------|------------|
| | 423,614.363 | 406,248.00 | 351,132.00 | 332,618.00 | 339,729.00 | 347,234.00 |

*Data processing methods: Factory WWT, data on the amount of discharged water obtained by measurement, data on the quality based on the analysis done by the authorised laboratory. The levels of the chemical oxygen demand (COD) show the quality of our wastewater. This parameter is significantly lower than in 2003.

**Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

***The indicator is not applicable to distribution centres.

Before storm water flows into the city sewage it goes through an oil separator preventing pollution, which could originate from handling areas (loading/unloading trucks, parking). Storm water is also controlled on a quarterly basis by an accredited laboratory. In all bottling plants, in places with oil/chemical leak risk, there are appropriate absorbers for rehabilitation which are checked monthly.

PROTECTION OF ENERGY RESOURCES AND CLIMATE

The burning issues of climate change and affordable, clean energy have been identified as high priority by a wide range of stakeholders and are two of the 17 Sustainable Development Goals adopted by the United Nations in September 2015.

In Coca-Cola HBC, we analyse potential risks to our business that could result from climate change, and proactively take measures to forestall or mitigate them. The risks we recognise relate to the availability of resources (e.g. water, fruit and sugar), increase in energy prices, then the risks to our suppliers, customers and the communities in which we operate.

In order to contribute to the fight against climate change, we are committed to reducing the impact of our business, primarily through sustainable energy use. We are improving our energy efficiency, switching to cleaner energy sources and developing low-carbon technologies. In order to cover the indirect impacts of our business, we

strive to reduce emissions in the value chain and take part in raising awareness about the risks of climate change. Through innovation and investment, we aim to turn climate risks into new opportunities for sustainable business development.

CARBON DISCLOSURE PROJECT

The Coca-Cola HBC Group is involved in Carbon Disclosure Project – the only global system for companies to measure, publish, manage and share vital environmental information, which encourages them to publish data on their environmental impact and take action to reduce it.

The Coca-Cola HBC Group has committed to reduce carbon footprint in grammes per litre of beverage produced by 50% in the period from 2010 to 2020 (from direct operations – scope 1 & 2) and by 25% (from direct and indirect operations – scopes 1, 2 & 3).

MATERIALS

All materials used in the production are direct, i.e. present in the final product.

| Used recycled materials* | | | | |
|--------------------------|-------|-------|-------|-------|
| 2014 | 2015 | 2016 | 2017 | 2018 |
| 6.46% | 8.15% | 7.92% | 8.65% | 8.77% |

*The data refer to the percentages of individual raw materials based on information obtained from the supplier.

| Used materials in 2013 * | unit | BELGRADE | FRESH* | VLASINKA | TOTAL SERBIA |
|---|------|---|--|--------------|---------------|
| Sugar | kg | 13,023,000.00 | 3,576,000.00 | 0.00 | 16,599,000.00 |
| Other sweeteners | kg | 30,418,710.00 Fructose | 9.36 Stevia | 0.00 | 30,418,719.36 |
| Concentrates, squash | kg | 1,852,185.19 | 4,956,076.14 | 0.100 | 6,808,261.33 |
| CO2 | kg | 3,888,360.00 100% from a recycled source | 0.00 | 0.00 | 3,888,360.00 |
| PET granulate | kg | 4,882,400.00 | 0.00 | 0.00 | 4,882,400.00 |
| PET preforms | kg | 2,681,385.79 | 872,927.68 | 1,751,325.00 | 5,305,638.47 |
| Glass (bottles) | kg | 1,263,202.50 18% from a recycled source | 2,961,455.22 20% from a recycled source | 2,564,733.00 | 6,789,390.72 |
| Aluminium (cans and caps) | kg | 1,053,748.08 50% from a recycled source | 0.00 | 16,597.00 | 1,070,345.08 |
| Steel (caps) | kg | 166,941.82 | 86,507.54 45% from a recycled source | 0.00 | 253,449.36 |
| Tetrapak | kg | 0.00 | 832,446.09 | 0.00 | 832,446.09 |
| Plastic caps | kg | 569,318.35 | 189,179.88 | 127,541.00 | 886,039.23 |
| b-PET material contains 30% granulate of plant origin (PET bottles) | kg | 0.00 | 0.00 | 1,337,980.00 | 1,337,980.00 |
| Plastic labels | kg | 121,951.76 | 22,390.62 | 37,764.00 | 182,106.38 |
| Paper labels | kg | 33,517.14 | 10,970.14 | 7,897.00 | 52,384.28 |
| PE thermo and stretch film | kg | 1,163,281.68 | 146,427.40 | 250,013.00 | 1,559,722.08 |
| Cardboard | kg | 838,435.46 | 507,558.67 | 239,755.00 | 1,585,749.13 |
| Wood (pallets) | kg | 1,617,280.00 | 0.00 | 138,160.00 | 1,755,440.00 |
| Total used materials | kg | 63,573,717.77 | 14,161,948.74 | 6,471,765.00 | 84,207,432 |

| Upotrebljeni materijali 2014* | unit | BELGRADE | FRESH* | VLASINKA | TOTAL SERBIA |
|---|------|---|--|--------------|---------------|
| Sugar | kg | 12,312,000.00 | 2,976,000.00 | 0.00 | 15,288,000.00 |
| Other sweeteners | kg | 30,817,520.00 | 804.86 Stevia | 0.00 | 30,818,324.86 |
| Concentrates, squash | kg | 2,243,410.13 | 4,189,652.48 | 0.00 | 6,433,062.61 |
| CO2 | kg | 3,936,849.00 100% from a recycled source | 0.00 | 0.00 | 3,936,849.00 |
| PET granulate | kg | 4,478,050.00 | 0.00 | 0.00 | 4,478,050.00 |
| PET preforms | kg | 2,622,160.39 | 909,206.67 | 1,833,210.00 | 5,364,577.06 |
| Glass (bottles) | kg | 633,893.00 18% from a recycled source | 2,772,472.76 20% from a recycled source | 2,505,042.00 | 5,911,407.76 |
| Aluminijum (limenke i poklopci) | kg | 880,898.51 65% from a recycled source | 0.00 | 16,975.00 | 897,873.51 |
| Steel (caps) | kg | 164,730.99 | 78,898.88 45% from a recycled source | 0.00 | 243,629.87 |
| Tetrapak | kg | 0.00 | 693,928.42 | 0.00 | 693,928.42 |
| Plastic caps | kg | 554,537.45 | 182,148.36 | 130,263.00 | 866,948.81 |
| b-PET material contains 30% granulate of plant origin (PET bottles) | kg | 0.00 | 0.00 | 458,861.00 | 458,861.00 |
| Plastic labels | kg | 122,725.54 | 22,394.10 | 32,501.00 | 177,620.64 |
| Paper labels | kg | 25,973.70 | 10,677.39 | 5,221.00 | 41,872.09 |
| PE thermo and stretch film | kg | 1,129,269.45 | 141,902.60 | 242,662.00 | 1,513,834.05 |
| Cardboard | kg | 775,417.12 | 461,077.92 | 266,650.00 | 1,503,145.04 |
| Wood (pallets) | kg | 1,490,854.00 | 0.00 | 540,914.00 | 2,031,768.00 |
| Total used materials | kg | 62,188,289.28 | 12,439,164.45 | 6,032,299.00 | 80,659,752.73 |

*The company does not categorise materials in renewable/non-renewable categories, neither at a group nor at the local level.
 ** Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

| Used materials in 2015* | unit | BELGRADE | FRESH* | VLASINKA | TOTAL SERBIA |
|---|------|---|--|--|---------------|
| Sugar | kg | 15,075,603.00 | 864,120.00 | 0.00 | 15,939,723.00 |
| Other sweeteners | kg | 33,201,040.00 Fructose | 0.00 | 0.00 | 33,201,040.00 |
| Concentrates, squash | kg | 3,964,787.47 | 1,771,558.87 | 0.00 | 5,736,346.34 |
| CO2 | kg | 4,167,440.00 100% from a recycled source | 0.00 | 0.00 | 4,167,440.00 |
| Azot | kg | 18,060.00 | 29,250.00 | 0.00 | 47,310.00 |
| PET granulate | kg | 4,715,000.00 | 0.00 | 0.00 | 4,715,000.00 |
| PET preforms | kg | 1,815,376.17 | 98,603.52 | 2,263,971.44 | 4,177,951.13 |
| Glass (bottles) | kg | 1,060,838.40 20% from a recycled source | 2,504,014.22 28% from a recycled source | 3,330,332.00 28% from a recycled source | 6,895,184.62 |
| Aluminium (cans and caps) | kg | 1,083,467.59 65% from a recycled source | 0.00 | 21,885.82 | 1,105,353.41 |
| Steel (caps) | kg | 174,037.18 3% from a recycled source | 73.985,38 | 0.00 | 248,022.56 |
| Tetrapak | kg | 457,105.49 | 347,686.11 | 0.00 | 804,791.60 |
| Plastic caps | kg | 608,983.58 | 35,999.64 | 166,615.10 | 811,598.32 |
| b-PET material contains 30% granulate of plant origin (PET bottles) | kg | 0.00 | 0.00 | 565,992.90 | 565,992.90 |
| Plastic labels | kg | 133,352.19 | 2,364.29 | 50,591.10 | 186,307.58 |
| Paper labels | kg | 37,359.31 | 8,322.94 | 7,300.60 | 52,982.85 |
| PE thermo and stretch film | kg | 1,076,820.84 | 31,059.70 | 306,820.00 | 1,414,700.54 |
| Cardboard | kg | 1,005,964.32 | 207,998.57 | 352,903.00 | 1,566,865.89 |
| Wood (pallets) | kg | 592,192.00 | 0.00 | 210,151.00 | 802,343.00 |
| Total used materials | kg | 69,187,427.54 | 5,974,963.24 | 7,276,562.96 | 82,438,953.74 |

| Used materials in 2016* | unit | BELGRADE | FRESH* | VLASINKA | TOTAL SERBIA |
|---|------|--|--------|--|---------------|
| Sugar | kg | 15,504,000.00 | 0.00 | 0.00 | 15,504,000.00 |
| Other sweeteners | kg | 36,035,960.00 Fructose | 0.00 | 0.00 | 36,035,960.00 |
| Concentrates, squash | kg | 6,189,786.00 | 0.00 | 0.00 | 6,189,786.00 |
| CO2 | kg | 4,389,340.00 100% from a recycled source | 0.00 | 0.00 | 4,389,340.00 |
| Azot | kg | 36,120.00 | 0.00 | 0.00 | 36,120.00 |
| PET granulate | kg | 4,232,341.00 | 0.00 | 0.00 | 4,232,341.00 |
| PET preforms | kg | 3,672,585.00 | 0.00 | 2,422,121.00 | 6,094,706.00 |
| Glass (bottles) | kg | 4,666,002.00 22.9% from a recycled source | 0.00 | 3,526,943.00 26% from a recycled source | 8,192,945.00 |
| Aluminium (cans and caps) | kg | 1,101,540.00 65% from a recycled source | 0.00 | 25,367.00 | 1,126,907.00 |
| Steel (caps) | kg | 252,487.00 30.59% from a recycled source | 0.00 | 0.00 | 252,487.00 |
| Tetrapak | kg | 1,032,440.00 | 0.00 | 0.00 | 1,032,440.00 |
| Plastic caps | kg | 708,954.00 | 0.00 | 189,160.00 | 898,114.00 |
| b-PET material contains 30% granulate of plant origin (PET bottles) | kg | 0.00 | 0.00 | 2,262,000.00 | 2,262,000.00 |
| Plastic labels | kg | 139,964.00 | 0.00 | 59,707.00 | 199,671.00 |
| Paper labels | kg | 63,861.00 | 0.00 | 4,653.00 | 68,514.00 |
| PE thermo and stretch film | kg | 1,302,104.00 | 0.00 | 277,252.00 | 1,579,356.00 |
| Cardboard | kg | 1,357,839.00 | 0.00 | 371,226.00 | 1,729,065.00 |
| Wood (pallets) | kg | 540,000.00 | 0.00 | 185,494.00 | 725,494.00 |
| Total used materials | kg | 81,225,323.00 | 0.00 | 9,323,923.00 | 90,549,246.00 |

*The company does not categorise materials in renewable/non-renewable categories, neither at a group nor at the local level.
**Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

| Used materials in 2017* | jedinica | BELGRADE | FRESH* | VLASINKA | TOTAL SERBIA |
|---|-----------|--|--------|--|---------------|
| Sugar | kg | 10,296,000.00 | 0.00 | 0.00 | 10.296.000,00 |
| Other sweeteners | kg | 36,909,160.00 Fructose | 0.00 | 0.00 | 36.909.160,00 |
| Concentrates, squash | kg | 6,689,992.00 | 0.00 | 0.00 | 6.689.992,00 |
| CO2 | kg | 4,395,142.00 100% from a recycled source | 0.00 | 0.00 | 4.395.142,00 |
| Azot | kg | 33,980.00 | 0.00 | 0.00 | 33.980,00 |
| PET granulate | kg | 9,504,000.00 | 0.00 | 0.00 | 9.504.000,00 |
| PET preforms | kg | 0.00 | 0.00 | 0.00 | 0,00 |
| Glass (bottles) | kg | 5,114,536.00 22.9% from a recycled source | 0.00 | 4,091,369.00 26% from a recycled source | 9.205.905,00 |
| Aluminium (cans and caps) | kg | 1,272,572.00 65% from a recycled source | 0.00 | 27,415.00 | 1,299,987.00 |
| Steel (caps) | kg | 275,454.00 30.59% from a recycled source | 0.00 | 0.00 | 275,454.00 |
| Tetrapak | kg | 915,978.00 | 0.00 | 0.00 | 915,978.00 |
| Plastic caps | kg | 741,762.00 | 0.00 | 204,493.00 | 946,255.00 |
| b-PET material contains 30% granulate of plant origin (PET bottles) | kg | 0.00 | 0.00 | 2,200,000.00 | 2,200,000.00 |
| Plastic labels | kg | 138,418.00 | 0.00 | 65,130.00 | 203,548.00 |
| Paper labels | kg | 44,796.00 | 0.00 | 0.00 | 44,796.00 |
| PE thermo and stretch film | kg | 1,673,883.00 | 0.00 | 376,395.00 | 2,050,278.00 |
| Cardboard | kg | 1,548,235.00 | 0.00 | 416,039.00 | 1,964,274.00 |
| Wood (pallets) | kg | 686,869.00 | 0.00 | 208,822.00 | 895,691.00 |
| Total used materials | kg | 80,240,777.00 | 0.00 | 6,964,802.00 | 87,205,579.00 |

*The company does not categorise materials in renewable/non-renewable categories, neither at a group nor at the local level.
 ** Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

| Used materials in 2018* | jedinica | BELGRADE | FRESH* | VLASINKA | TOTAL SERBIA |
|---|-----------|---|--------|--|----------------|
| Sugar | kg | 17,634,000.00 | 0.00 | 0.00 | 17,634,000.00 |
| Other sweeteners | kg | 38,768,620.00 Fructose | 0.00 | 0.00 | 38,768,620.00 |
| Concentrates, squash | kg | 7,179,164.00 | 0.00 | 0.00 | 7,179,164.00 |
| CO2 | kg | 4,960,328.00 100% iz recikliranog izvora | 0.00 | 0.00 | 4,960,328.00 |
| Azot | kg | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| PET granulate | kg | 10,419,200.00 | 0.00 | 0.00 | 10,419,200.00 |
| PET preforms | kg | 0.00 | 0.00 | 0.00 | 0,00 |
| Glass (bottles) | kg | 6,481,164.91 29% ifrom a recycled source | 0.00 | 4,379,173.00 26% from a recycled source | 10.860.337,91 |
| Aluminium (cans and caps) | kg | 1,388,564.64 65% from a recycled source | 0.00 | 25,636.00 | 1,414,200.64 |
| Steel (caps) | kg | 332,072.46 30.59% from a recycled source | 0.00 | 0.00 | 332,072.46 |
| Tetrapak | kg | 1,058,433.60 | 0.00 | 0.00 | 1,058,433.60 |
| Plastic caps | kg | 786,885.98 | 0.00 | 231,383.00 | 1,018,268.98 |
| b-PET material contains 30% granulate of plant origin (PET bottles) | kg | 0.00 | 0.00 | 2,711,000.00 | 2,711,000.00 |
| Plastic labels | kg | 152,009.27 | 0.00 | 75,316.00 | 227,370.27 |
| Paper labels | kg | 60,105.42 | 0.00 | 0.00 | 60,105.42 |
| PE thermo and stretch film | kg | 1,520,819.00 | 0.00 | 442,345.00 | 1,963,164.00 |
| Cardboard | kg | 1,521,712.59 | 0.00 | 450,262.00 | 1,971,974.59 |
| Wood (pallets) | kg | 1,533,737.00 | 0.00 | 0.00 | 1,533,737.00 |
| Total used materials | kg | 93,826,816.00 | 0.00 | 8,577,160.00 | 102,403,976.88 |

*The company does not categorise materials in renewable/non-renewable categories, neither at a group nor at the local level.
 **Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

ENERGY

The greatest amount of energy in the Coca-Cola HBC operations is used in the following segments: bottling plants, fleet and cooling equipment. Key activities in 2018 aimed at reducing energy consumption in production were related to:

- Regular annual inspection of the pipeline, electricity and insulation
- Installation of economizers on boilers
- Installation of a solar dome in one part of the warehouse and on the YE line
- Installation of the new chiller with a coefficient of performance greater than three.

*linija za punjenje nepovratnih staklenih bocica (RGB)

MANAGING INDIRECT IMPACTS

In the sales of products, Coca-Cola HBC Serbia uses cooling devices and vending machines located on the premises of our customers as important resources for distributing products. Since cooling devices and packaging account for 2/3 of our indirect impact, these are important aspects of our strategy.

A significant contribution to sustainability in this business area is made by increasing the energy efficiency of the existing and new equipment – new models of cooling devices introduced through global cooperation between the company and its suppliers are up to 63% more efficient than those used in 2004.

In addition, we are eliminating hydro fluorocarbon (HFC) compounds, greenhouse gases, which are widely used in cooling appliances in households and commercial buildings. Such compounds are no longer used in the

thermos-insulating foam, and we are testing alternative refrigerants gases. We have completely eliminated chlorofluorocarbon gases (CFC) by implementing a programme whose aim was to find CFC equipment and replace it on the market. All refrigerators are equipped with an energy management system.

The total energy consumption in Coca-Cola HBC Serbia per litre of beverage produced was reduced by 52% from 2007 to 2018.

| Direct energy consumption in 2013* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | FLEET | TOTAL SERBIA |
|------------------------------------|------|--------------|--------------|-----------|-------------|-----------|-----------|------------|--------------|
| Electric energy | MWh | 21,425.71 | 1,412.33 | 4,371.87 | 83.20 | 99.02 | 105.11 | | 27,497.24 |
| Light fuel oil | L | 9,130.00 | | | | | | | 9,130.00 |
| Natural gas | m3 | 1,347,987.00 | 1,374,651.00 | | | | | | 2,722,638.00 |
| LPG | L | 23,633.55 | 74,621.57 | | 31,410.00 | 20,250.00 | 11,832.00 | 961,909.00 | 1,123,656.12 |
| Petrol | L | 40.00 | | 113.00 | | | | 336,531.00 | 336,684.00 |
| Diesel | L | 150.00 | 1,120.00 | | | | | 236,100.00 | 237,370.00 |
| Total energy | GJ | 124,428.10 | 54,511.38 | 15,742.67 | 1,100.48 | 872.85 | 680.10 | 45,226.59 | 242,562.17 |

*The Company does not use renewable energy sources, except for 25% of renewable energy from hydropower plants out of the total electricity it buys (according to the Electric Power Industry of Serbia).

| Direct energy consumption in 2014* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | FLEET | TOTAL SERBIA |
|------------------------------------|------|--------------|--------------|-----------|-------------|-----------|-----------|-----------|--------------|
| Electric energy | MWh | 19,955.62 | 6,071.74 | 4,573.80 | 52.52 | 100.04 | 73.01 | | 30/826.76 |
| Light fuel oil | L | 7,450.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 7,450.00 |
| Natural gas | m3 | 1,098,443.69 | 1,312,259.49 | 0.00 | 0.00 | 0.00 | 0.00 | | 2,410,703.18 |
| LPG | L | 9,826.00 | 35,110.00 | 0.00 | 34,346.00 | 22,054.00 | 13,889.00 | 1,159.152 | 1,274,377.00 |
| Petrol | L | 96.00 | 0.00 | 2,077.31 | 0.00 | 0.00 | 0.00 | 183,846 | 186,019.31 |
| Diesel | L | 51.70 | 0.00 | 249.71 | 0.00 | 0.00 | 0.00 | 239,699 | 240,000.41 |
| Total energy | GJ | 109,006.92 | 69,083.57 | 16,548.57 | 1,064.91 | 922.52 | 616.99 | 45,341 | 242,584.40 |

*The Company does not use renewable energy sources, except for 25% of renewable energy from hydropower plants out of the total electricity it buys (according to the Electric Power Industry of Serbia).

| Direct energy consumption in 2015* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|------------------------------------|------|--------------|------------|-----------|-------------|-----------|-----------|--------------|
| Electric energy | MWh | 21.850,37 | 2.156,74 | 4.831,61 | 47,59 | 102,00 | 82,39 | 29.070,70 |
| Light fuel oil | L | 10.497,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 10.497,00 |
| Natural gas | m3 | 1.325.562,00 | 420.881,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1.746.443,00 |
| LPG | L | 10.700,00 | 14.160,00 | 0,00 | 33.282,00 | 21.942,00 | 14.454,00 | 94.538,00 |
| Petrol | L | 99,59 | 0,00 | 573,49 | 0,00 | 0,00 | 0,00 | 673,08 |
| Diesel | L | 40,04 | 0,00 | 592,76 | 0,00 | 0,00 | 0,00 | 632,80 |
| Total energy | GJ | 123.540,67 | 23.219,93 | 17.436,98 | 1.020,00 | 926,72 | 665,19 | 166.809,48 |

| Direct energy consumption in 2016* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|------------------------------------|------|--------------|--------|-----------|-------------|-----------|----------|--------------|
| Electric energy | MWh | 23.407,82 | 0,00 | 5.294,00 | 47,02 | 56,32 | 30,05 | 28.835,21 |
| Light fuel oil | L | 16.121,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 16.121,00 |
| Natural gas | m3 | 1.659.665,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1.659.665,00 |
| LPG | L | 12.700,00 | 0,00 | 0,00 | 34.417,00 | 12.654,00 | 2.945,00 | 62.716,00 |
| Petrol | L | 60,01 | 0,00 | 450,40 | 0,00 | 0,00 | 0,00 | 510,41 |
| Diesel | L | 35,35 | 0,00 | 404,58 | 0,00 | 0,00 | 0,00 | 439,93 |
| Total energy | GJ | 143.266,67 | 0,00 | 19.088,32 | 1.046,89 | 525,43 | 183,26 | 164.110,57 |

*The Company does not use renewable energy sources, except for 25% of renewable energy from hydropower plants out of the total electricity it buys (according to the Electric Power Industry of Serbia).

**The distribution centres in Novi Sad, Čačak and Niš were closed during 2017.

| Energy consumption outside the company* | unit | 2015 (Fleet) | 2016 (FLEET) | 2017 (FLEET) | 2018 (FLEET) |
|---|------|--------------|--------------|--------------|--------------|
| LPG | L | 1.030.194,00 | 1.046.929,00 | 963.836,00 | 966.941,00 |
| Petrol | L | 179.284,00 | 146.832,00 | 162.454,00 | 230.420,00 |
| Diesel | L | 253.162,00 | 112.748,00 | 107.353,00 | 216.804,00 |
| Total energy | GJ | 42.418,21 | 36.232,98 | 34.450,48 | 41.177,04 |

*Due to the differences between G3.1 and G4 versions of GRI guidelines, energy consumption in the fleet for 2015 is not included in the total amount of energy consumed within the company

| Direct energy consumption in 2017* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|------------------------------------|------|--------------|--------|-----------|-------------|----------|--------|--------------|
| Electric energy | MWh | 24.632,91 | 0,00 | 5.712,26 | / | / | / | 30.345,17 |
| Light fuel oil | L | 21.993,00 | 0,00 | 0,00 | / | / | / | 21.993,00 |
| Natural gas | m3 | 1.672.360,78 | 0,00 | 0,00 | / | / | / | 1.672.360,78 |
| LPG | L | 19.988,00 | 0,00 | 0,00 | / | / | / | 19.988,00 |
| Petrol | L | 120,08 | 0,00 | 736,27 | / | / | / | 856,35 |
| Diesel | L | 100,01 | 0,00 | 520,90 | / | / | / | 620,91 |
| Total energy | GJ | 145.807,76 | 0,00 | 20.610,21 | / | / | / | 166.417,97 |

| Direct energy consumption in 2018* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|------------------------------------|------|--------------|--------|-----------|-------------|----------|--------|--------------|
| Electric energy | MWh | 26.928,97 | 0,00 | 6.055,18 | / | / | / | 32.984,15 |
| Light fuel oil | L | 26.860,00 | 0,00 | 0,00 | / | / | / | 26.860,00 |
| Natural gas | m3 | 1.719.498,87 | 0,00 | 0,00 | / | / | / | 1.719.498,87 |
| LPG | L | 0,00 | 0,00 | 0,00 | / | / | / | 0,00 |
| Petrol | L | 195,00 | 0,00 | 589,95 | / | / | / | 784,95 |
| Diesel | L | 536,98 | 0,00 | 714,03 | / | / | / | 1.251,01 |
| Total energy | GJ | 155.344,84 | 0,00 | 21.847,14 | / | / | / | 177.191,983 |

EMISSIONS

Within its 2020 sustainability commitments, the Coca-Cola HBC Group committed to reduce the intensity of direct carbon emissions by 50% as well as reduce carbon emissions in the value chain by 25%. The programme for the prevention of atmospheric pollution and emissions defines regular activities and a plan for monitoring emissions.

Gas emissions from the boiler rooms are regularly monitored by accredited laboratories and CO2 installations and natural gas line are regularly checked. Environmentally friendly refrigerants (Freon) are used in the equipment and refrigeration plants in the bottlers. All devices that use freon (refrigerators, POM appliances, air conditioners, refrigerator cars, husky machines) are serviced by the authorised maintenance staff. The amount of Freon in installations is monitored and the written-off equipment is destroyed in a controlled way. For the procurement of new cooling equipment, the energy efficiency of new devices is taken into account as well as the type of refrigerant used for the equipment. Coca-Cola HBC Serbia does not emit gases that deplete the ozone layer, and when it comes to other relevant air emissions, they are generated only by the factory in Zemun, while Vlasinka uses only electric energy and has no emissions. During 2018, the intensity of emissions from direct business (scope 1, 2) amounted to 51.68 grams per litre of produced beverage, while the intensity of emissions from direct and indirect business (scope 1, 2, 3) amounted to 384.48 grams per litre of produced beverage.

| CO2 EMISSIONS FROM PLANTS | | CO2 FROM ENERGY USE | | | | | | | | | | | | | | | |
|---------------------------|-------------------------|----------------------------|---|-------------------------|---|---|------------|--|--|---------------------------------------|---|---|--|----------------------|-----------------------|-----------------------|----------------|
| Plant name | Total Production Volume | Electricity from Suppliers | Electricity from Suppliers - Renewable Quantity | Country GHG factor 2016 | LB CO2 emissions from purchased electricity from the Grid | On-site electricity generation - Non-Renewable Quantity | CO2 Factor | CO2 A47:AJ52 from On-site electricity generation | Scope 2 Total CO2 Emis-sions LB - using Country GHG Factor | Grid Factor from electricity supplier | FACTOR Used in MB emissions calculation | MB CO2 emissions from purchased electricity from the Grid | Scope 2 Total CO2 Emis-sions MB - using Country GHG Factor | Electricity from CHP | Calculated CO2 Factor | Scope 2 CO2 Emissions | Light Fuel Oil |
| | 000's Ltrs | kWh | kWh | gCO2/kWh | tons | kWh | gCO2/kWh | tons | tons | gCO2/kWh | | tons | tons | kWh | gCO2/kWh | tons | GJ |
| Beograd | 455,002 | 26,928,967 | 0 | 729 | 19,631 | 0 | 0 | 0 | 19,631 | | Country GHG Factor | 19,631 | 19,631 | 0 | | 0 | 1,067 |
| Rosa | 142,775 | 6,055,179 | 0 | 729 | 4,414 | 0 | 0 | 0 | 4,414 | | Country GHG Factor | 4,414 | 4,414 | 0 | | 0 | 28 |

| CO2 FROM ENERGY USE | | | | | | | | | | | | | | | | | |
|---------------------|---------------|-------------------|-------------|---------------|----------------|-------------|---------------|----------------|-------------|---------------|--------|-------------|---------------|-------------|-------------|---------------|----------------------------|
| CO2e factor | CO2 Emissions | Unleaded Gasoline | CO2e factor | CO2 Emissions | Heavy Fuel Oil | CO2e factor | CO2 Emissions | Propane or LPG | CO2e factor | CO2 Emissions | BioLPG | CO2e factor | CO2 Emissions | Natural gas | CO2e factor | CO2 Emissions | Scope1- Total Fossil Fuels |
| kg CO2/GJ | tons | GJ | kg CO2/GJ | tons | GJ | kg CO2/GJ | tons | GJ | kg CO2/GJ | tons | kWh | g CO2/kWh | tons | GJ | kg CO2/GJ | tons | tons |
| 70.63 | 75 | 7 | 66.066 | 0 | 0 | 73.77 | 0 | 0 | 56.84 | 0 | 0 | 0.00 | 0 | 57,325 | 50.54 | 2,897 | 2,973 |
| 70.63 | 2 | 21 | 66.066 | 1 | 0 | 73.77 | 0 | 0 | 56.84 | 0 | 0 | 0.00 | 0 | 0 | 50.54 | 0 | 3 |

| CO2 FROM RAW MATERIALS | | | | | | | | CO2 LB EMISSIONS USING COUNTRY GHG FACTOR FOR ELECTRICITY FORM GRID | | | | | CO2 MB EMISSIONS USING COUNTRY GHG FACTOR FOR ELECTRICITY FORM GRID | | |
|--|--|--|----------------------------------|---|------------------------|----------------------------------|-----------|---|---|-----------|---------|-------------|---|-----------|-------------|
| Scope 1 Losses of CO2 (from product filling) | Scope 3 CO2 Emissions from primary packaging | Scope 3 CO2 Emissions from secondary packaging | Scope 3 CO2 Emissions from sugar | Scope 3 CO2 Emissions from Juice concentrates | Scope 3 CO2 in product | Total MB CO2 emissions per plant | CO2 Ratio | Scope1 Fossil Fuels+ Losses of CO2 | Scope2 LB Electricity and supplied Thermal Energy | Scope 1+2 | Scope 3 | Scope 1+2+3 | Scope2 MB Electricity and supplied Thermal Energy | Scope 1+2 | Scope 1+2+3 |
| tons | tons | tons | tons | tons | tons | tons | g CO2/lpb | tons | tons | tons | tons | tons | tons | tons | tons |
| 1,539 | 45,850 | 4,790 | 47,413 | 9,461 | 3,421 | 24,143 | 53.06 | 4,512 | 19,631 | 24,143 | 110,935 | 135,078 | 19,631 | 24,143 | 135,078 |
| 0 | 8,911 | 1,399 | 0 | 0 | 0 | 4,418 | 30.94 | 3 | 4,414 | 4,418 | 10,311 | 14,728 | 4,414 | 4,418 | 14,728 |

| FY 2018 | Total Scope 1+2 | CO2 Ratio | Total Scope 1+2+3 | Direct and indirect Emissions CO2 Ratio |
|-------------------|-----------------|-----------|-------------------|---|
| | tons | g/lpb | tons | g/lpb |
| Serbia&Montenegro | 31,388.4 | 52.5 | 257,266.8 | 430.4 |
| Serbia | 30,892.8 | 51,68 | 230,430.4 | 385,48 |
| Kosovo | 313.8 | | 22,192.2 | |
| Montenegro | 181.7 | | 4,644.2 | |

| 2018 | | | | | | | | | | | | | | | | | |
|--------------------|--------------------|-------------------------|---|---|-----------------|-------------------------|---|-------------------------------|---|--|--------------------------------------|--|---|--------------------------------------|--|---------------------------------------|-----------------------------|
| | | Scope 1 | | | | | | Scope 2 | | | Scope 3 | | | | | | |
| Business Unit | Country | Total Production Volume | CO2 from bottling plants (fossil fuels) | CO2 from transport Owned fleet (fossil fuels) | Coolants in CDE | Losses of CO2 (product) | CO2 from Remote Properties fuel consumption | CO2 from Supplied Electricity | CO2 emissions from supplied steam, hot water, cooling | MB - CO2 from electricity consumption in Remote Properties | CO2 in product (not recycled source) | CO2 emissions from CDE electricity consumption | Total CO2 emissions third party fleet (fuels) | CO2 emissions from primary packaging | CO2 emissions from secondary packaging | CO2 emissions from juice Concentrates | CO2 from sugar & sweeteners |
| Serbia& Montenegro | Serbia& Montenegro | 597,777 | 2,976 | 2,335 | 330 | 1,539 | 41 | 24,045 | 0 | 122 | 3,421 | 96,672 | 7,961 | 54,761 | 6,189 | 9,461 | 47,413 |
| Serbia& Montenegro | Serbia | 597,777 | 2,976 | 1,911 | 258 | 1,539 | 41 | 24,045 | 0 | 122 | 3,421 | 72,980 | 5,312 | 54,761 | 6,189 | 9,461 | 47,413 |
| Serbia& Montenegro | Kosovo | | | 261 | 53 | | | | 0 | | | 20,417 | 1,462 | | | | |
| Serbia& Montenegro | Montenegro | 0 | 0 | 162 | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 3,275 | 1,187 | 0 | 0 | 0 | 0 |
| TOTAL CCHBC | | 12,388,220 | 110,415 | 92,764 | 92,764 | 42,626 | 12,552 | 213,934 | 44,782 | 10,770 | 73,543 | 1,395,101 | 192,740 | 1,251,701 | 125,785 | 304,037 | 693,082 |

| CCH Srbija: | Jedinica: | OPIS | |
|-------------|------------|--|--------|
| 597,777 | 000 litara | ukupna proizvodnja | Scope1 |
| 2,976 | tona | CO2 iz punionica | |
| 1,911 | tona | CO2 iz voznog parka | |
| 258 | tona | Coolants in CDE | |
| 1,539 | tona | karbonizacija proizvoda (gubici) | |
| 41 | tona | CO2 iz potrošnje goriva DC | |
| 24,045 | tona | CO2 iz kupljene el. energije | Scope2 |
| 122 | tona | CO2 iz potrošnje el. energ.DC | |
| 3,421 | tona | CO2 u proizvodu | Scope3 |
| 72,980 | tona | CO2 emissions from CDE electricity consumption | |
| 5,312 | tona | ukupna co2 emisija iz transporta treće strane | |
| 54,761 | tona | co2 iz primarnog pakovanja | |
| 6,189 | tona | co2 iz sekundarnog pakovanja | |
| 9,461 | tona | New! CO2 emissions from Juice Concentrates | |
| 47,413 | | co2 iz šećera i zaslađivača | |
| 230,430.4 | | | |

| NOx, SOx and other relevant air emissions according to type and weight | unit | BELGRADE* | | | | | | FRESH**** | | | | | | VLASINKA | | | | | | TOTAL SERBIA | | | | | |
|--|--------|-----------|-------|-------------|-------------|-------------|----------|-----------|-------|----------|------|------|------|----------|------|------|------|------|------|--------------|---------|----------|--------|----------|----------|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Nox | Kg/god | 828.3 | 821.5 | 1,732.77*** | 4,887.20*** | 2,902.09*** | 2,727.05 | 1,887.5 | 1,430 | 1,905.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,715.8 | 2,251.5 | 3,638.00 | 4,887 | 2,902.09 | 2,727.05 |
| SOx | Kg/god | 0.00 | 0.00 | 0.00 | 0.00 | 305.5 | 92.68 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 305.5 | 92.68 |
| CO | Kg/god | | | 47.77 | 769.30 | 174.9 | 325.97 | | | | 0.00 | 0.00 | 0.00 | | | | 0.00 | 0.00 | 0.00 | | | 47.77 | 769.30 | 174.9 | 325.97 |

*Data on the annual amount of emissions are obtained by calculating the average annual emissions (measured by the authorised laboratory) and an annual number of working hours of the plant.
 **Data on the annual amount of emissions for 2015 were obtained on the basis of the average annual emissions (compared to data from 2014) because there were no measurements in 2015
 *** The sum value of the two emitters – natural gas boiler and light fuel oil boiler.
 ***** Production was moved from Subotica to Belgrade in September 2015, when Fresh facility was closed.

OUR FLEET

The most important environmental impacts resulting from the internal and external transport of our products are fuel consumption and gas emissions. Both parameters, as well as the mileage, are monitored for all vehicles of Coca-Cola HBC Serbia fleet, which includes light passenger vehicles (not including trucks which are owned by other companies).

In 2008, we started to install liquid petroleum gas systems in the company-owned vehicles. All new vehicles that are purchased are immediately equipped with systems for liquefied petroleum gas. Fuel consumption is monitored for each vehicle and for each employee who is assigned a company car, and monitoring reports are submitted to the management on a monthly basis.

Within the reports, the following parameters are monitored: fuel consumption, mileage, method of using the vehicle via Mobileye device, which was installed in 488 vehicles in 2018. Since each vehicle is equipped with GPS, speeding is also monitored for each driver. We send monthly data to the Coca-Cola HBC Group on average fuel consumption and mileage, which also includes calculated CO2 emission. In 2018 the total fuel consumption per 100 km was somewhat above eight (8.1) litres.

| | Fleet 2013 | | Fleet 2014 | | Fleet 2015 | | Fleet 2016 | | Fleet 2017 | | Fleet 2018 | |
|----------------|----------------|---------|----------------|---------|----------------|---------|----------------|--------|----------------|--------|----------------|--------|
| | Light vehicles | Trucks | Light vehicles | Trucks | Light vehicles | Trucks | Light vehicles | Trucks | Light vehicles | Trucks | Light vehicles | Trucks |
| Diesel Lit | 103,624 | 132,476 | 94,411 | 132,980 | 116,043 | 137,119 | 112,748 | - | 107,353 | - | 216,804 | - |
| Petrol Lit | 336,531 | | 210,755 | | 179,284 | | 146,832 | - | 162,454 | - | 230,420 | - |
| LPG Lit | 961,909 | | 1,014,205 | | 1,030,194 | | 1,046,929 | - | 963,836 | - | 966,941 | - |
| Total (litres) | 1,402,064 | 132,476 | 1,319,371 | 132,980 | 1,325,521 | 137,119 | 1,306,509 | - | 1,233,643 | - | 1,414,165 | - |

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2018 vs 2012 |
|---|------|------|------|------|------|-------|-------|--------------|
| Total average consumption lit/100 km | 9.26 | 9.06 | 9.02 | 8.95 | 8.8 | 8.47 | 8.1 | -12% |
| Total LPG consumption in total fuel consumption without diesel vehicles (%) | 74 | 72 | 76 | 85 | 87.7 | 86.02 | 87.3 | 18% |
| Increase in the number of new vehicles on LPG | 359 | 424 | 457 | 460 | 472 | 462 | 470.0 | 31% |
| Total CO2 emission of Light vehicles + business (g/km/vehicle) | 172 | 169 | 161 | 157 | 154 | 148.6 | 136.1 | -21% |
| Total CO2 emission Trucks (g/km/truck) | 661 | 547 | 535 | 554 | 0 | 0 | 0 | |

SUSTAINABLE PACKAGING AND RECYCLING



Sustainable packaging is crucial for our culture of sustainability and way of thinking. We minimise the environmental impact of our packaging by following our 3Rs principle—Reduce, Reuse, Recycle. In this way, we have made significant improvements in the use of primary packaging and our environmental impact. We continue to identify and use new opportunities to optimise packaging, innovation, our sustainability agenda, and ultimately reduce costs.

Packaging is vital for maintaining high quality and safety of our products. Considering the amount of packaging we use, this aspect of our business has significant environmental impact. Therefore, we strive to minimise the impact of packaging in each phase of the life cycle—preparation, recycling and disposal and at the same time improve its primary function of ensuring the quality of the product through the supply chain to the final consumer.

Our ultimate goal is to close the recycling circle i.e. convert used packaging into new containers. We are continuously working to develop packages with lower weight and thus reduce the amount of waste, as well as increase the content of recycled and renewable materials in the new packaging. We also cooperate with our partners to establish a recycling infrastructure in Serbia, as well as educate consumers and promote recycling of packaging

PLANT BOTTLE

We are extremely proud of our Plant bottle used for Rosa water in all sizes of PET packaging. This innovative bottle was made using state-of-the-art PlantBottle™ technology.

Plant bottle contains ethanol obtained from sugar cane in Brazil, which is a first-generation biofuel accepted worldwide due to its environmental impact. The bottle has chemical and physical properties identical to classical PET packaging except that 30% of the raw materials required for the production of PET granules is obtained from materials of plant origin which has less impact on global warming and a lower energy footprint. If we compare the performances of the new Plant PET with the old PET packaging, there is no change in terms of conversion of PET granules, conversion of bottles, bottling process, recyclability of packaging, quality and production.

PRODUCTION WASTE

At all locations where we operate, we fulfil all the requirements of the waste management legislation, as well as the high standards set by the Coca-Cola HBC Group and internal TCCC standards (The Coca-Cola Company KORE).

Records are kept of all the waste generated by our operations in all locations and packaging waste made after consumption of our products. All the waste is handed over to authorised waste management operators in order to recycle or reuse as much as possible.

The most important activities carried out with the aim of reducing total waste and reducing packaging waste on the market, which at the same time contribute to the reduction of the carbon footprint of our company, are related to our initiatives for optimising and light-weighting packaging. In late 2014, the stretch film was removed from the pallets with produced cans, which enabled the further optimisation of the stretch film use – project that was started in 2013 in all three bottling plants. Within the so-called B-can project, the weight of cans was reduced from 10.117 g to 9.6 g in 2015, and the CDL cap was also made lighter during the test project. In 2016, Belgrade bottling plant reduced the weight of PET packaging of 0.5 l and 2 l by 2 g, thus saving 264 tons of material.

Until now, within the light-weighting initiative, a total of 51,628 tons of material was saved and it has been planned to continue the process in 2019, and increase the share of recycled materials in the packaging itself.



| Total waste weight in 2013* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | FLEET | TOTAL SERBIA |
|-----------------------------|------|----------|--------|----------|-------------|----------|--------|-------|--------------|
| Non-hazardous waste** | t | 1,699.08 | 480.87 | 36.35 | 17.61 | 6.28 | 5.02 | | 2,245.21 |
| Hazardous waste** | t | 59.52 | 5.49 | 0.14 | 0.00 | 0.00 | 0.00 | | 65.15 |
| Total waste | t | 1,758.60 | 486.36 | 36.49 | | | | | 2,310.36 |
| Recycled | t | 1,666.78 | 470.22 | 35.22 | 17.61 | 6.28 | 5.02 | | 2,201.13 |
| Landfilled | t | 91.82 | 16.14 | 1.27 | | | | | 109.23 |

*For Belgrade site and Fresh&Co, the amounts were obtained by measuring, while for Vlasinka the data were obtained by assessment. For distribution centres, secondary raw materials were measured at the recycler's where the waste was delivered, but there are no data about municipal waste for 2013.
**In 2013, there were no significant spills.

| Total waste weight in 2014* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | FLEET | TOTAL SERBIA |
|-----------------------------|------|----------|--------|----------|-------------|----------|--------|-------|--------------|
| Non-hazardous waste** | t | 1481.74 | 362.48 | 45.86 | 24.52 | 26.06 | 9.34 | | 1950.00 |
| Hazardous waste** | t | 2.99 | 0.74 | 0.20 | 0.00 | 0.00 | 0.00 | | 3.92 |
| Total waste | t | 1484.73 | 363.21 | 46.06 | 24.52 | 26.06 | 9.34 | | 1953.93 |
| Recycled | t | 1431.10 | 349.27 | 44.78 | 19.42 | 10.01 | 5.14 | | 1859.72 |
| Landfilled | t | 53.63 | 13.95 | 1.28 | 5.10 | 16.05 | 4.20 | | 94.21 |

*For Belgrade site and Fresh, the amounts were obtained by measuring, while for Vlasinka the data were obtained by assessment. For distribution centres, secondary raw materials were measured at the recycler's where the waste was delivered.
**In 2014, there were no significant spills.

| Total waste weight in 2015* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|-----------------------------|------|----------|--------|----------|-------------|----------|--------|--------------|
| Non-hazardous waste** | t | 1750.44 | 133.16 | 52.51 | 30.42 | 27.96 | 11.61 | 2006.10 |
| Hazardous waste** | t | 171.38 | 0.00 | 0.41 | 0,00 | 0.00 | 0.00 | 171.79 |
| Total waste | t | 1921.82 | 133.16 | 52.92 | 30.42 | 27.96 | 11.61 | 2177.89 |
| Recycled | t | 1859.74 | 128.15 | 51.55 | 21.42 | 9.36 | 7.41 | 2077.63 |
| Landfilled | t | 62.08 | 5.01 | 1.37 | 9.00 | 18.60 | 4,20 | 100.26 |

*For Belgrade site and Fresh, the amounts were obtained by measuring, while for Vlasinka the data were obtained by assessment. For distribution centres, secondary raw materials were measured at the recycler's where the waste was delivered.
**In 2015, there were no significant spills.

| Total waste weight in 2016* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|-----------------------------|------|----------|--------|----------|-------------|----------|--------|--------------|
| Non-hazardous waste** | t | 2004.73 | 0.00 | 47.956 | 23.35 | 14.65 | 4.30 | 2094.99 |
| Hazardous waste** | t | 24.14 | 0.00 | 0.17 | 0.00 | 0.00 | 0.00 | 24.31 |
| Total waste | t | 2028.87 | 0.00 | 48.13 | 23.35 | 14.65 | 4.30 | 2119.30 |
| Recycled | t | 1982.37 | 0.00 | 46.87 | 15.15 | 3.85 | 3.25 | 2051.49 |
| Landfilled | t | 46.50 | 0.00 | 1.26 | 8.20 | 10.80 | 1.05 | 67.81 |

*For Belgrade site, the amounts were obtained by measuring, while for Vlasinka the data were obtained by assessment. There was no production in Fresh in 2016. For distribution centres, secondary raw materials were measured at the recycler's where the waste was delivered.
**In 2016, there were no significant spills.

| Total waste weight in 2017* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|-----------------------------|------|--------------|--------|-----------|-------------|----------|--------|--------------|
| Non-hazardous waste** | t | 2,119,434.70 | 0.00 | 56,725.00 | / | / | / | 2,176,159.70 |
| Hazardous waste** | t | 7,645.00 | 0.00 | 385.00 | / | / | / | 8,030.00 |
| Total waste | t | 2,127,079.70 | 0.00 | 57,110.00 | / | / | / | 2,184,189.70 |
| Recycled | t | 2,081,544.70 | 0.00 | 55,346.00 | / | / | / | 2,136,890.70 |
| Landfilled | t | 37,890.00 | 0.00 | 1,379.00 | / | / | / | 39,269.00 |

*For Belgrade site, the amounts were obtained by measuring, while for Vlasinka the data were obtained by assessment. There was no production in Fresh in 2017. For distribution centres, secondary raw materials were measured at the recycler's where the waste was delivered.
**In 2017, there were no significant spills.
***The distribution centres in Novi Sad, Čačak and Niš were closed during 2017.

| Total waste weight in 2018* | unit | BELGRADE | FRESH* | VLASINKA | DC NOVI SAD | DC ČAČAK | DC NIŠ | TOTAL SERBIA |
|-----------------------------|------|----------|--------|----------|-------------|----------|--------|--------------|
| Non-hazardous waste** | t | 2,167.54 | 0.00 | 58.34 | / | / | / | 2,225.88 |
| Hazardous waste** | t | 1.94 | 0.00 | 0.30 | / | / | / | 2.24 |
| Total waste | t | 2,169.48 | 0.00 | 58.64 | / | / | / | 2,228.12 |
| Recycled | t | 2,132.86 | 0.00 | 57.42 | / | / | / | 2,190.28 |
| Landfilled | t | 34.68 | 0.00 | 1.22 | / | / | / | 35.90 |

*For Belgrade site, the amounts were obtained by measuring, while for Vlasinka the data were obtained by assessment. There was no production in Fresh in 2018. For distribution centres, secondary raw materials were measured at the recycler's where the waste was delivered.
**In 2018, there were no significant spills.
***The distribution centres in Novi Sad, Čačak and Niš were closed during 2017.

With a view to reducing the environmental impact of our packaging, we strive to increase its content of recycled material—until now 26% of recycled glass has been used for glass bottles in Vlasinka, while the Belgrade bottling plant increased the share to 29%, with 65% of recycled aluminium for cans and 30.59% of recycled steel for bottle caps. Since glass and metal recycling has already been established, we are now focused on increasing recycled materials in PET bottles.

PRODUCTION WASTE MANAGEMENT

As a manufacturer of soft beverages that puts large quantities of packaging on the market, we consciously accept our responsibility and consequently take an initiative to find environmentally acceptable solutions for managing packaging waste and encouraging consumers to take part in recycling. The Coca-Cola HBC system proactively participates in establishing a sustainable system for managing packaging waste in all countries in which it operates. In addition, it established national operators for packaging waste management in these countries.

Coca-Cola is one of the founders of the first operator for packaging waste management in Serbia—Sekopak. Sekopak promotes the adoption of legal frameworks in the field of packaging and packaging waste modelled upon and in line with the EU regulations and Directive 94/62/EC on packaging and packaging waste, which impose the obligation of reusing and recycling on all entities in the supply chain to the end user—manufacturers, packers/bottling plants, importers, distributors and retailers, obliging them to reuse the packaging they place on the market in percentage defined by the state. This principle of “waste generator responsibility” is incorporated in the current Serbian Law on Waste Management and Law on Packaging and Packaging Waste.

We pay special attention to raising awareness of our employees, and we have introduced systems for sorting waste generated in offices in both bottling plants. In the corridors, there are sets of bins for sorting waste: plastic, metal, paper, and other types of waste, which are disposed of in the existing bins for municipal waste. We also have a separate bin for disposing of waste batteries. We have started setting up bins for glass waste, which are planned to be placed in all corridors in the administration building.

| Type of material /in tonnes) | The amount of reused and recycled packaging waste in Serbia | | | | | | The percentage of reused and recycled packaging waste in Serbia | | | | | |
|---------------------------------|---|----------|----------|------------|------------|----------|---|--------|--------|--------|--------|--------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Paper/Cardboard | 877.03 | 1,172.79 | 1,449.92 | 150,879.57 | 186,357.87 | 1,967.16 | 42.40% | 59.08% | 75.30% | 76.21% | 93.20% | 97.58% |
| Plastic | 1,977.05 | 2,901.25 | 1,744.41 | 227,853.19 | 251,669.51 | 3,157.44 | 16.98% | 24.85% | 14.13% | 17.95% | 20.10% | 24.50% |
| Glass | 614.59 | 639.73 | 937.62 | 126,291.93 | 185,120.55 | 1,970.94 | 14.08% | 16.38% | 21.69% | 27.00% | 31.20% | 37.26% |
| Metal | 351.63 | 414.18 | 345.57 | 73,932.72 | 45,724.70 | 607.26 | 26.96% | 33.05% | 23.85% | 43.46% | 35.10% | 43.61% |
| Wood | 49.00 | 38.58 | 172.74 | 29,715.65 | 25,674.92 | 902.07 | 13.32% | 9.85% | 19.43% | 17.60% | 16.80% | 21.01% |
| Total | 3,869.3 | 5,166.52 | 4,650.25 | 608,673.05 | 694,547.55 | 8,604.86 | / | / | / | / | / | / |

*Every month Coca-Cola HBC Serbia sends to Sekopak a calculated amount of packaging waste placed on the market in that month. The amounts are calculated by multiplying sales by the weight of each package. The percentages listed as recycled packaging waste were obtained from Sekopak from the annual report on achieving national goals. The percentage of recycled packaging waste listed above, which Sekopak reported for 2013, 2014, 2015, 2016, 2017 and 2018 is given by materials, according to the established reporting method. **The weight of transported hazardous waste is equal to the weight of generated hazardous waste. All generated waste, both hazardous and non-hazardous, is sent to authorised recyclers, so the company does not perform any transport/waste processing. In addition, the company does not import nor export waste, neither hazardous or non-hazardous.

RESPONSIBLE SOURCING

For us, sustainable and responsible sourcing is about delivering excellent results and its development is a priority for our business. Coca-Cola HBC is committed to achieving a 100 percent sustainable supply chain and reduce our supply chain impacts by 2020.

The Group uses a robust audit process, risk assessment, SEDEX platform for exchanging ethical data on suppliers, as well as EcoVadis platform, which provides supplier sustainability ratings. In addition, we check whether potential suppliers hold ISO 9001, 14001, FSSC 22000 and OHSAS 18001 certification.

For agricultural commodities, we refer to standards from the Rain Forest Alliance, Fair Trade, Bon Sucro, SAI Platform and the Forest Stewardship Council. All our suppliers are required to follow our ethical standards, employment, environmental and work safety practices set out in Supplier Guiding Principles of Coca-Cola HBC. We also work with our agricultural suppliers to ensure compliance with the Sustainable Agriculture Guiding Principles.

INDUSTRY LEADERS

Coca-Cola HBC was the beverage leader for the past four years, and in 2018, Dow Jones Sustainability Index ranked it among the top three global and European leagues in the beverage industry.

Our initiatives aimed at creating sustainable supply value with our supply partners are critical in supporting our long-term commitments. In Serbia, Supplier Guiding Principles, which comply with the environmental legislation and regulation, are an integral part of our supplier contracts. When signing the contract, suppliers are required to execute a special declaration whereby they undertake to adhere to the Guiding Principles.

Coca-Cola HBC requires all its suppliers to be certified to ISO 9001 quality management and ISO 14001 environmental management standards. To ensure the compliance with the highest standards of quality, safety and sustainability, we annually evaluate our cooperation with suppliers using a special procedure (Supplier Evaluation & Authorisation Procedures). The annual evaluation includes the mandatory verification of certificates relating to quality and the environment.

COMMUNITY

- Community Development and Emergency Relief
- Youth Empowerment
- Environmental and Water Stewardship



COMMUNITY

In order to ensure that our business is truly sustainable and successful, we foster partnerships with the local community, provide continuous and adequate support and roll out projects that can deliver long-term benefits to society. In addition to system-wide projects, we strive to bring about positive changes in our environment through individual activities that we carry out with our partners, such as cash and commodity donations, volunteer engagement of our employees and the like.

The responsible attitude towards the use of natural resources and environmental protection that our company fosters we want to instil in the entire community, and our efforts are focused on raising awareness and educating people about how lifestyle changes can help the environment.

WE AIM TO:

- Integrate social responsibility in all aspects of business
- Enhance the quality of life in the local community by supporting local socio-economic development
- Contribute transparently to the development of public policies

A comprehensive approach to community action is formalised by special procedures, such as „handling the call“ in connection with a sponsorship/donation request. We regularly consult with our internal and external stakeholders to find out which sustainability issues are of primary importance to them, and based on their opinions we shape our key areas of activity and the accompanying activities.

We invested almost RSD 41,000,000 and volunteered over 850 in support of the development of local communities during 2018. We cooperate with more than 200 partners in the community.

Over the years, our financial investments have evolved from philanthropic initiatives to long-term strategic programmes within the following cross-border areas:



COMMUNITY
DEVELOPMENT AND
EMERGENCY RELIEF



YOUTH
EMPOWERMENT

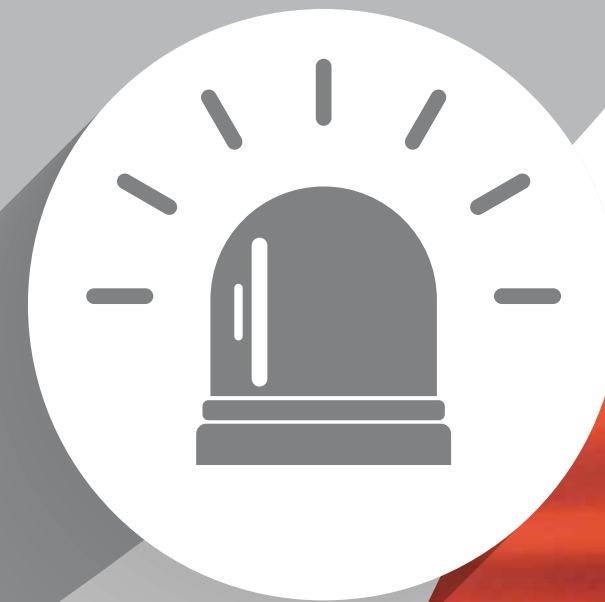


ENVIRONMENTAL
AND WATER
STEWARDSHIP



COMMUNITY DEVELOPMENT AND EMERGENCY RELIEF

Our company has been a part of history, tradition and the most important moments in the lives of our fellow-citizens in Serbia for half a century, so continuous support to the local community is not only our commitment but also our pleasure. We, therefore, undertake initiatives that will bring long-term benefits to underprivileged groups, but also the entire community and motivate others to join us in this important mission.



PARTNERSHIP WITH THE RED CROSS

As a long-standing partner of the Red Cross, we join forces to help affected citizens in times of need. Thanks to the availability of our logistics and delivery system, we are able to respond rapidly and efficiently and deliver aid to areas affected by an emergency, which was of great importance during the floods that hit the Balkan region in 2014.



DONATION TO SOUP KITCHENS TO CELEBRATE HALF A CENTURY IN SERBIA

A very important jubilee – 50 years since the first Coca-Cola bottle in Serbia was produced, was marked by donating 50,000 euros to the Red Cross soup kitchens, in cooperation with the B92 Fund. The donation was intended for the purchase of food preparation equipment, which will allow soup kitchens to prepare higher quality food.

The Red Cross Serbia currently operates 76 soup kitchens, which daily prepare meals for over 34,000 socially vulnerable people, thus symbolising the most humane kind of support for individuals. The total number of users is on the rise, and more than 12,000 of them are children.



VOLUNTEERING

For more than 10 years initiative, unselfishness and readiness to bring joy to others have driving Coca-Cola volunteer club members as well as other employees in our company to volunteer in the community. Thanks to the volunteer platform, which we set up among first in Serbia, employees can choose and organise their volunteer activities and thus directly react to the problems observed in the local community. One of our company's goals of is to donate the expertise and time of its employees to the community, and therefore it encourages the practice by which employed volunteers, in as many numbers as possible, dedicate at least one working day per year (eight hours) to volunteer work.

In addition to participating in humanitarian activities, in 2018, over 157 volunteers invested their physical work to help seven civil society organizations and nine faculties, and shared their knowledge and skills with over 2,000 young people in various youth empowerment programmes.

The efforts and results achieved by Coca-Cola volunteer club are also recognised by the relevant external stakeholders, such as the Responsible Business Forum and Smart Kolektiv, which year after year award our company with Corporate Volunteer Award. The recognition is aimed at rewarding and promoting companies that invest in the local community through personal engagement of their employees and develop constructive partnerships with organizations and institutions in the community.

Since the roll-out of the volunteering programme, a total of 29 volunteering activities have been carried out and 330 volunteers got involved.

29 VOLONTERSKIH
AKTIVNOSTI
330 VOLONTERA



OUR BELGRADE

The Coca-Cola Volunteer Club participated in the big volunteer campaign Our Belgrade (Naš Beograd), organised by Responsible Business Forum and Smart Kolektiv. Our volunteers had the opportunity to spend time with the users of the association Let's Live Together (Živimo zajedno) and help them landscape their yard.

The volunteering campaign Our Belgrade gathered around 400 volunteers in 11 companies who worked on 12 locations in the city landscaping school and kindergarten yards, collecting waste, painting rooms, drawing on the walls, taking part in workshops and thus enhancing the quality of life of their fellow-citizens from socially disadvantaged groups and the entire community.



NEW YEAR VOLUNTEER CAMPAIGN AND BAZAAR

This year too employees of the Coca-Cola system participated in the traditional volunteer campaign of collecting New Year presents for 450 children and residents in 12 homes and institutions throughout Serbia and organised the first Coca-Cola HBC New Year's Bazaar, which was a creative way to make the holidays merrier for themselves and others. They made and bought from each other various sweets, decorations and New Year cards. All the proceeds were donated to humanitarian causes.



YOUTH DEVELOPMENT



We have decided to focus even more on the systemic empowerment of young people in the following period, as we see them as the main drivers of the local economy, but also the community in general. Through interesting and practical programmes we prepare them for the challenging labour market, providing them with the opportunity to constantly develop their abilities and interests so that they can pursue their career dreams and wishes in the best possible way.

COCA-COLA YOUTH

We believe that young people are our future, and we want, as a company, to devote efforts towards their professional and personal development in order to empower them and help them find employment faster. In 2018, Coca-Cola HBC Serbia launched the Cola-Cola Youth platform (Cola-Cola mladima) intended for a wide population of young people – high school students, undergraduates, senior undergraduates, graduates and unemployed.

THE PLATFORM COMBINES THE FOUR WELL-KNOWN AND SUCCESSFUL PROGRAMMES:



On this occasion, a donation was given to the organization Strong Youth (Jaki mladi), which operates within the SOS Children's Villages Foundation, supporting the independence of young people without parental care after they turn 18. Funds in the amount of 30,000 euros will provide users of the organization with the opportunity to start their own business.

The entire Cola-Cola Youth platform will be the focus of our company's investments in the community in the coming years. By providing experience in learning and professional development, we will continue to empower young people and make their future safer.

COCA-COLA YOUTH EMPOWERED

Coca-Cola Youth Empowered is our biggest community project, which has been delivered for the second consecutive year. It was developed in response to devastating statistics showing very high youth unemployment rate in our country, but also in other European countries.

By participating in educational workshops and using the online platform, a total of 3,200 young people in 28 cities across Serbia have had the opportunity to gain knowledge that will facilitate their job search. The programme is intended for young people aged 18-30 who are not in education, employment or training, and live in disadvantaged areas in our country.

Participants, with the help of certified lecturers and company employees who act as co-facilitators, learn about professional orientation, successful communication, project and time management, business and financial planning, sales skills, business administration, job search and networking. Young people who participate in e-learning have the opportunity to hear "Inspiring Stories" from our employees who, in an interesting and unusual way, describe their career path and share valuable advice on how to overcome obstacles, both professional and personal.

During 2018, 200 young people attended 40 workshops and three conferences. We are most proud of the fact that 10 percent of the attendees found a job after completing the workshop.

Coca-Cola Youth Empowered is a global project rolled out in 28 countries in which our Group operates. It is implemented in cooperation with the Ministry of Labour, Employment, Veteran and Social Policy, **NALED** and the National Employment Service.



COKE SUMMERSHIP

The Coke Summership programme offers young talents the opportunity to enhance their chances of starting a successful business career and spend an exciting summer working with our company employees, while meeting new people and gaining new experiences. So far, the programme has involved more than 180 students, while 62 of them were hired by the company after completing the internship.

Coke Summership is a six-week programme and students gain weekly experience over four days of working on a specific project with a mentor and a day of interactive lectures. Skills in project management, presentation skills, leadership skills, business communication, and effective time management are just some of the areas in which the Coke Summership participants gain advance knowledge. In the course of the programme, the company also organises unique classes where teachers are the company's top managers, as well as experts from business organisations that the company works with.

In 2018, a total of 30 interns had the opportunity to work on their own projects and learn about our company values and what it offers to young people.

MOŽEŠ
?



Rise
Management
Trainee Program
PRIJAVI SE
risepr

Rise Management Trainee Programme

RISE

The Coca-Cola HBC RISE Programme is designed to challenge young, talented people (final year students, senior graduates or recent university graduates) to foster their potential in our company and blend in the next generation of business leaders, not only in Serbia, but across Coca-Cola HBC Group.

RISE programme represents a full-time job and lasts two years. With support and mentorship of top experts, the trainees get to work on real business projects that will enhance the company results. As the programme progresses, the level of responsibility and assignments increases – creating a dynamic and challenging environment for young people to develop their potential.

Trainees can kick-start their career in the following sectors: Sales, Manufacturing, Distribution, Marketing, or Finance, and upon successful completion of the programme they will have the opportunity to take on junior manager positions in the company.

The RISE programme was developed by adapting the curriculum of the previous programme – Career from the Bottle, and is now part of a wider, international programme that is rolled out identically in all countries of the Coca-Cola HBC Group.

COKE CHALLENGE – A CASE STUDY COMPETITION

Coca-Cola HBC Serbia organized Coke Challenge – a case study competition. Several teams of undergraduates from the Faculty of Economics in Belgrade and Novi Sad and the Faculty of Organizational Sciences in Belgrade took part in the competition.

Throughout the case study, students received support from our managers, who shared their advice and guidelines for further work. In solving a task, students conducted market research, designed the development of new products, marketing strategies, campaigns and activation of products in establishments. Those with the best results visited our company, toured different sectors and enhanced their knowledge, while the winning team from the Faculty of Organizational Sciences won the internship in the company.

The entire competition was aimed at enhancing the personal and professional development of talented students. By solving real and practical business situations, as well as by finding talents, young people will bring to Coca-Cola HBC Serbia new energy and fresh approach to tackling challenges.

AMCHAMPS FINALISTS OF THE 2018 GENERATION ANNOUNCED

On top of the internship and scholarship opportunities, the AmChamps programme also offers new practical knowledge, mentorship, as well as invaluable experiences and a chance to talk to top experts in the world of business.

In 2018 too, our company supported the programme **AmChamps – Young Leaders in Change**, which was launched with the idea that the synergy of the academic and corporate sector will help educate and develop young people. After presenting interesting solutions to the case study that Coca-Cola HBC Serbia prepared for the participants of the fourth generation, three mentor pairs were announced as finalists.

BEST YOUTH ENTREPRENEURIAL IDEAS AWARDED

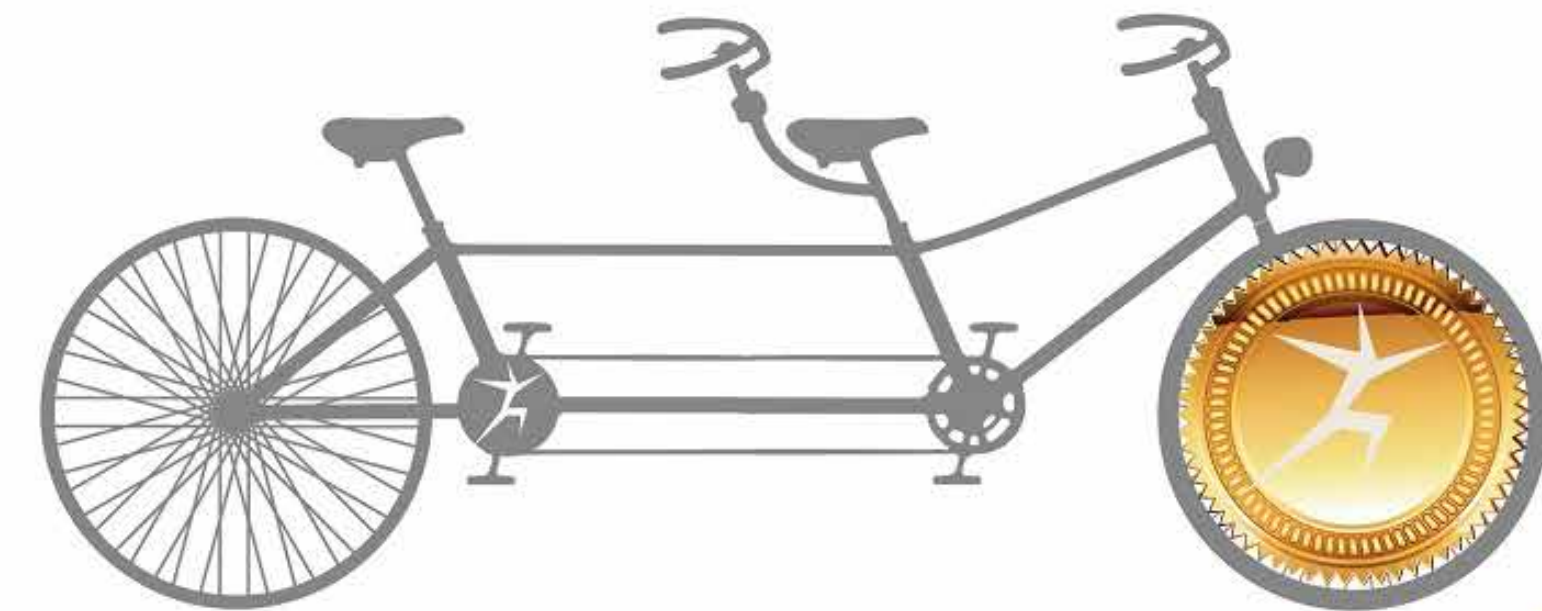
After months of working with mentors, experts and organizers of the SIA programme in Serbia, the 2018 social impact awards were given out in October. Ten teams of young entrepreneurs with a vision and a project that bring positive changes to our world had the opportunity to present their ideas to the jury and audience and explain why and how their idea would work and make a difference in society.

The highest score, with a focus on the feasibility, innovation and social impact of the project, was given to three teams:

Dok Tok – Jelena and Milica focused on young people leaving the correctional institutions. Their idea is to provide them with the job involving making sound cards and invitations.

IsoBillboard – Voja and Filip from Niš presented an innovative idea of using street posters to make thermal insulation that would be installed in houses of underprivileged families.

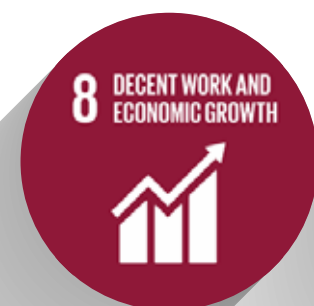
Zoundark – Andrija, Đorđe and Nenad designed an audio game intended for the visually impaired and everyone who wants to experience (in a sound adventure) what it is like to rely solely on the sense of hearing.



CREATIVE MENTORSHIP

We were immensely pleased to have supported the fourth cycle of the programme Creative Mentorship, dedicated to the personal and professional development of young experts in the field of culture. In 2018, 25 participants of the programme, together with their mentors, took part in numerous trainings and networking events that helped them to inspire each other and learn about new fields of culture through the exchange of knowledge and experiences. The fifth cycle of the Creative Mentorship network will see 25 new mentoring couples so the community will have as many as 250 ambassadors of mentorship, personal and professional development, lifelong learning and sharing.

Osnažujući mlade kroz različite inicijative u okviru novog grupnog projekta Coca-Cola mladima, naša kompanija doprinosi UN ciljevima održivog razvoja:



ENVIRONMENTAL AND WATER STEWARDSHIP

Environmental management system, and especially the commitment to the responsible use of water resources, is the subject of continuous improvements which are aimed at using the available resources in a more rational and efficient way. As regards water, we expend efforts to reduce the amount of water per litre of beverage produced every year. We reduced this amount by 53 percent compared to 2007, which is in line with our sustainability goals. By introducing innovative technologies and solutions, we also work hard to achieve the goal we have set for ourselves: reduce total water consumption by 23 percent by 2020.

Our efforts have been recognised by the European Agency for Water Stewardship and Preservation, which in 2018 again awarded the

bottling plant in Zemun and the Vlasinka factory with the Golden EWS certificate – the mark of quality and compliance with the standards in the field of responsible management of water resources and environmental protection.

Our company complies all applicable national regulations in environmental protection as well as the strict codes of the Coca-Cola HBC Group, which is a leader among producers of non-alcoholic beverages according to the Dow Jones Sustainability Index.



THE IMPORTANCE OF PARTNERSHIPS

Thanks to global, but also national partnerships, and cooperation with numerous governmental and non-governmental bodies and organizations, we strive to consistently implement our water stewardship strategy and contribute to the protection of nature in general.

Within UN Global Compact, Coca-Cola HBC Group is a signatory and founding member of CEO Water Mandate. This initiative aims to tackle the issues of sustainability of water resources in operations, supply systems and communities, as well as to take part in shaping public policies in this area through cooperation with governmental and non-governmental organisations. In order to promote understanding of water use in our supply system, we also cooperate with the Water Footprint Network.

At global level, for over ten years, we have been fostering our cooperation with the World Wildlife Fund (WWF), contributing to the conservation of biodiversity and other relevant issues.

Thanks to longstanding partnerships our company nurtures in Serbia, we are actively working to raise the awareness of citizens, and especially the youngest ones, about the importance of responsible use of water and other natural resources, showing them how they can contribute to the preservation of nature.



2018 DANUBE DAY

We traditionally organise the International Danube Day in cooperation with NALED and the World Wildlife Fund (WWF), in order to inspire the local population to contribute more actively to the protection of the Danube and the environment in general.

To mark the continuation of our company's long-standing support to Danube Day in 2018 we organised open-air screenings in Sombor and Novi Sad, presented various ways of protecting the Danube and improving its landscape in cooperation with the ecological movement Smederevo, and opened another Danube eco-park in the town of Smederevo.

The fourth eco-park built to high ecological standards is located within the city fortress and covers the area of 400 square metres. In addition to solar LED lighting, there is a bench in the shape of the Danube course as well as a place for the disposal of recycling waste. The park represents a unique space in which citizens can relax, but also learn about the importance of preserving the Danube watershed, water resources and environmental protection in general.

We believe that this park too will become a favourite go-to destination for the youngest in this town and that it will inspire visitors to further contribute to the preservation of the environment. The park was built in cooperation with the city administration, NALED, and the World Wide Fund (WWF). Our goal was to send a creative and attention-grabbing message about the importance of education and, above all, individual contribution to the preservation and protection of the Danube ecosystem.

The Danube International Day is marked in 14 Danube countries, including Serbia, in order to raise awareness of the importance of preserving the river in as many individuals as possible, and urge them to use water resources rationally. A series of events, organised on this occasion, brings together more than eighty million people. Thanks to the Green Danube Partnership, which Coca-Cola and Coca-Cola HBC Serbia signed in June 2005 with the International Commission for the Protection of the Danube River (ICPDR), every year more and more partners join the Danube Day campaign in Serbia.

**Naše aktivnosti u oblasti zaštite
životne sredine doprinose
UN ciljevima održivog razvoja:**

**Negujući partnerstva i promovišući značaj
zajedničkog delovanja već dugi niz godina
doprinosisimo UN cilju održivog razvoja:**



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GRI INDEKS I INDIKATORI

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| ADDITIONAL NOTES: UNDER THE NEW INDEX, FORMER INDICATOR EN27 AND EN30 IS NOT PRESENTED IN THE FORM OF AN INDICATOR, BUT THROUGH TOPIC MANAGEMENT APPROACH: MATERIALS, ENERGY, EMISSIONS. | |
| BY INTRODUCTION OF GRI STANDARDS, FORMER INDICATORS EN34, LA16 AND HR12 ARE FORMED IN 103-2-C (GENERAL MANAGEMENT APPROACH). | |
| INDICATOR PR5 WAS MOVED TO 102-43 AND 102-44 . | |
| WITH THE INTRODUCTION OF THE GRI STANDARDS, FORMER INDICATORS G4-LA14, G4-HR10 AND G4-SO9 WERE COMBINED INTO 414-1 . | |
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UNITED NATIONS GLOBAL COMPACT AND GLOBAL REPORTING INITIATIVE

The United Nations Global Compact (UNGC) is a global voluntary initiative involving representatives of companies, academic institutions, civil society, cities and trade unions who devoted their actions to respecting ten universal principles in the field of human rights, labor rights, environmental protection and fighting corruption. Coca-Cola HBC Serbia actively participates in the local network developed by the Global Compact in Serbia and helps to bring the principles of this network into a business community and among partners from other sectors.

Our approach includes:

- Implementing 10 principles of the UNGC in business and corporate strategy
- Promotion of 10 principles in the supply chain
- Encouraging the development of a local network
- Providing support to the global UNGC platform
- Contribution to broader UN development goals
- Transparent reporting in accordance with the requirements of the UNGC

Members of the Global Compact have an obligation to report annually on the progress in implementing the ten principles of corporate social responsibility. The Global Compact and the GRI are complementary initiatives, which long-term cooperation is based on the Memorandum of Understanding signed in 2013, since when reports prepared in accordance with the GRI guidelines are fully accepted as Progress Reports in relation to the UNGC.

CROSS REFERENCE TABLE - UNITED NATIONS GLOBAL COMPACT PRINCIPLES (UNGC) AND GRI INDICATORS

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| LABOUR RIGHTS | |
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| PRINCIPLE 5 THE EFFECTIVE ABOLITION OF CHILD LABOUR AND* | 412-2 414-1 |
| PRINCIPLE 6 THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION | 102-8 401-1 401-3 404-1 404-3 405-1 406-1 |
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| *ACCORING TO THE AUTHOR'S ESTIMATION |
|--|
| ADDITIONAL NOTES: UNDER THE NEW INDEX, FORMER INDICATOR EN27 AND EN30 IS NOT PRESENTED IN THE FORM OF AN INDICATOR, BUT THROUGH TOPIC MANAGEMENT APPROACH: MATERIALS, ENERGY,EMISSIONS. |
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| POKAZATELJ 306-1 JE UVOĐENJEM NOVE VERZIJE POKAZATELJA U OBLASTI GRI 303 VODA – 2018, UKLJUČEN U NOVI POKAZATELJ 303-4 ISPUŠTANJE VODE. |