



Coca-Cola HBC
Hungary

okosan
készült

Tiszta, friss íz,
melyet a felhők inspiráltak.



SUSTAINABILITY REPORT

2021

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1 About this report

Reporting period

2021 calendar year: 1 January 2021 – 31 December 2021

Date of the most recent publication

The most recent annual report is Coca-Cola HBC Hungary Sustainability Report 2020, published in 2021.

Reporting cycle

Since 2016, we have been publishing our Sustainability Report on an annual basis.

Report content

Based on the Coca-Cola HBC AG Group's integrated 2021 materiality assessment, this report presents the material issues related to the operations of Coca-Cola HBC Hungary Ltd. and the programs and initiatives developed in relation to them, covering a total of 27 GRI topics.

Scope of the report

The reporting scope covers all functional areas of the company, including the sales offices and distribution centers in Hungary.

Re-statement in the report

This year's report is based on the results of the Coca-Cola HBC AG Group's 2021 materiality assessment and the GRI Standards guidelines. Details on any re-statements of information can be found in the GRI index table.

Reporting claims

This report has been prepared in accordance with the GRI Standards that satisfy the 'core' compliance level.

External assurance

Regarding our Hungarian operations, we do not seek external assurance for our Sustainability Report. However, the Group's data is audited annually during the assurance process for integrated reports. The audit process is prepared in line with the GRI Standards' comprehensive guidelines.



For more information and questions on the Coca-Cola HBC Hungary Sustainability Report, please contact our Corporate Affairs & Sustainability team: pac.hungary@cchellenic.com

2 Letter from the CEO



Dear Reader,

Once again, Coca-Cola HBC Hungary is publishing its annual Sustainability Report, which summarizes our activities and key results for 2021. This year also entailed the challenges of the pandemic that broke out in 2020, but this time we were much more prepared to overcome the obstacles. We emerged stronger from the difficulties, having successfully increased our market share and ended a prosperous economic year compared to the previous one. Thanks to the commitment and dedication of our employees, an eventful and successful year is behind us. Thanks to all my colleagues for their persistent work! It is also an honour for us that our efforts continue to be recognized, once again having been chosen as the most attractive workplace in the domestic FMCG sector again this year. We are especially proud that in 2021 our Group finished at the top of the Dow Jones Sustainability Indices (DJSI) ranking of the world's beverage companies.

In 2021, preserving the health and safety of our employees remained our number one priority. In adapting to the pandemic situation, we learned the good practices with which we were able to ensure business continuity. The pandemic had a significant impact not only on our private lives, but also on economic processes. We set ourselves the goal of returning to a path of growth as quickly as possible. The extraordinary situation brought new challenges and drew our attention to new priorities, according to which we had to rethink our strategy. Thus, we implemented an organizational transformation within the company, with our focus on adaptation. We have introduced changes that allow us to make our processes more agile and efficient, to foster operations through a faster decision-making mechanism, and, via all of these tools, are able to adapt more easily to changing market situations.

For most of the year, the company and industry were still defined by the pandemic. Several of our trade customer partners were forced to close or restructure, meaning we had to re-evaluate our business focus and marketing strategy. During the period following coronavirus restrictions, we ran major campaigns to support the re-launch of the hospitality industry. To ensure that consumers could order in complete safety in reopened restaurants, Coca-Cola developed its own touch-free menu platform for smartphones, which was made available free of charge to local restaurants.

We have also continued to work on improving our market position and customer satisfaction in order to make progress. As a responsible company, we are continuously improving our portfolio and reducing the sugar and calorie content of our drinks. At the same time, we are following up on feedback from our consumers which has resulted in the return of Cherry Coke, a drink that many have missed.

By developing our coffee category, we can further broaden our 24/7 portfolio, offering a relevant choice to consumers for whom coffee is not only a product but also a culture. The Coca-Cola HBC AG group has acquired a 30% stake in Casa del Caffè Vergnano, which preparations took place in 2021. Caffè Vergnano is one of Italy's oldest coffee roaster companies, representing the heritage and authenticity of Italian coffee with a premium coffee range.

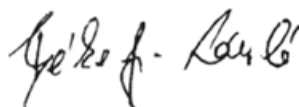
Ambitious goals for sustainable business operations have not been forgotten. Our biggest commitment is to reach carbon neutrality. Coca-Cola HBC AG is committed to making its entire value chain carbon neutral by 2040. The science-based target will reduce direct and indirect greenhouse gas emissions across the entire value chain by 25% by 2030, and by a further 50% in the following decade. As 90% of emissions across the Group's value chain come from third parties, Coca-Cola HBC is expanding its agreements with suppliers to ensure that its partners can also make the greatest possible contribution to achieving the climate targets. Where the problem cannot be completely solved, the Group will mitigate it by investing in other climate initiatives.

As part of our World Without Waste strategy, we have run a very successful consumer promotion to educate and engage consumers in collective recycling. Management of packaging waste is a global problem and solving it will only be possible if we all work together, from big business to consumers. The 'Empty Bottles Also Matter' campaign encouraged consumers to be environmentally aware and promoted the selective collection of waste. During the campaign, participants were enlightened with practical information and received valuable prizes.

There was no lack of innovation in 2021, either. For the first time in the world our Hungarian consumers had the chance to try an innovative paper bottle prototype developed by Coca-Cola and Danish start-up Paboco. In 2021, 2,000 Hungarian consumers were able to experience this new packaging solution, with customers of kifli.hu getting a chance to test it. Empty bottles were collected by Coca-Cola Hungary and sent to a development center in Brussels which performed laboratory testing on them to see how the packaging performed, how it passed the test of transport and use. Based on customer feedback and the results of those tests, further development is currently ongoing, with the aim of creating a fully biodegradable and 100% recyclable paper bottle in the nearest future.

We continued our cooperation with the Plastic Cup in the context of our Zero Waste Tisza River program. As a result of the success of the program, thanks to the support from The Coca-Cola Foundation, a grant of USD 150,000 will enable the awareness-raising program to continue for another year from September 2021. By continuing, the aim is to implement initiatives that can make a significant difference in the Tisza basin, getting closer to the root of the problem and a long-term solution. #YouthEmpowered, our corporate responsibility program which supports equal opportunity on the labour market, continues to be a success story, with a digital platform expanding the range of participants in 2021.

With all of those aspects in mind, I am confident that our Sustainability Report provides thus far a comprehensive overview of our company's activities and achievements upon which we can build together in the coming years.



László Békefi

General Manager, Coca-Cola HBC Hungary

3 Our highlights for 2021

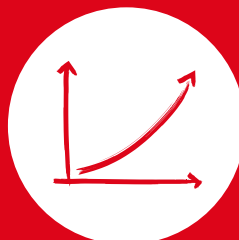
Net revenues



9,9%
Net revenue growth

2021: HUF 126,725 billion
2020: HUF 115,309 billion

Capital



10,7%

2021: HUF 15.5 billion
2020: HUF 14 billion

Investments



2021

HUF 4 billion

2020: HUF 4.4 billion

Produced beverages



2021

562
million litres

2020: 514 million litres



Coca-Cola HBC AG committed to achieve carbon neutrality in its entire value chain by 2040.



Our specific carbon dioxide emission was decreased by 4,7%

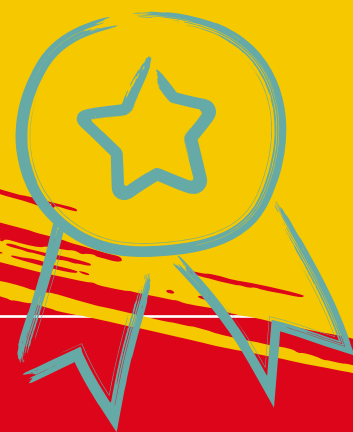
2021: 21,167 g CO₂/lpb
2020: 22,168 g CO₂/lpb

We have successfully launched our **"Empty Bottles Also Matter"** campaign. The national campaign to promote recycling was a chance for participants to win valuable prizes and practical information.

The collection of 80 tonnes of waste

is the result of a three-way collaboration launched two years ago by the Tisza Plastic Cup, General Directorate of Water Management and Coca-Cola Hungary.

4 Recognitions



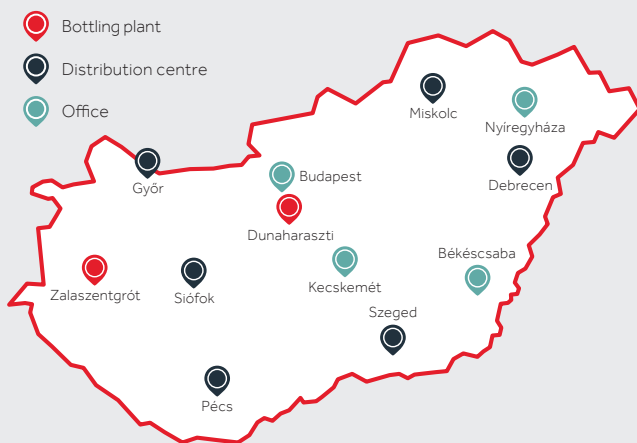
Category		Award
 Water management		AWS International Water Stewardship Gold-level certificate
 Brand		Business Superbrands 2021 Trademark for Coca-Cola HBC Hungary
 Corporate Responsibility		CSR Excellence Community Commitment category: Bronze Award: #YouthEmpowered – helping young people into the labour market
 Marketing		Trade Magazine – 'Most successful promotion of the year' competition and conference HoReCa category: 1st place: Coca-Cola HBC Hungary 'Open Like Never Before' reopening campaign
 Marketing		Trade Magazine – 'Most successful promotion of the year' competition and conference Beverage category: 1st place: Monster Energy Halo Gaming Consumer Promotion
 HR		Randstad Employer Branding Research 2021 FMCG Sector Category: Hungary's Most Attractive Workplace
 Sustainability		2021 Dow Jones Sustainability Index World's Most Sustainable Beverage Company
 HR		PwC's Most Attractive Employer Award 2021 FMCG Sector Category: 1st place, Coca-Cola Hungary
 Brand		Superbrands Awards 2021 Superbrand 17th time – Coca Cola Superbrand 'for more than 10 times' – Fanta Superbrand 7th time – Cappy

5 Coca-Cola HBC Hungary

5.1. About our company

Coca-Cola HBC Hungary Ltd. is Hungary's leading beverage producer, bottler and distributor. We are a member of the Coca-Cola HBC AG Group, serving 715 million consumers in 29 countries on three continents, and are a strategic bottling partner of The Coca-Cola Company. The company is 100% owned by CC Beverages Holdings II B.V. Coca-Cola HBC Hungary is headquartered in Dunaharaszti, a regional production center of the Coca-Cola HBC Group and is one of the largest food processors in Hungary. In addition to our bottling plants in Dunaharaszti and Zalaszentgrót, we have distribution centers and offices in a total of 12 municipalities

in Hungary, where we have created 1000 direct jobs and around 13,000 indirect jobs in our entire supply chain. In 2021, our company provided a total of 303 products and services to the local market. In addition to domestic sales, we export more than 100 products to 26 countries. As a 24/7 beverage manufacturer, Coca-Cola HBC Hungary is developing a wide-ranging portfolio of high-quality products. We expand our product portfolio every year, introducing new products as well as new packaging or flavours of our existing products to our domestic and foreign markets. The most important aspect of our portfolio is to satisfy shifting consumer demands.



Ninety percent of our products are manufactured at our two bottling plants, and then distributed to consumers from our six distribution centers.

**Product exports
to 26 countries totalled
HUF 16 billion.**



Our portfolio

Coca-Cola HBC Hungary bottles and distributes market-leading brands. Our partnership with The Coca-Cola Company helps us to expand our 24/7 portfolio continuously, also taking into consideration changing market trends and the demands of our consumer base. Our wide-ranging portfolio includes products that can serve the needs of morning-, mid-day-, early evening- and even late-night consumers. Our leading brands, as well as our carbonated soft drinks segment, remained strong in 2021. In the soft drinks category, we offer our various Coca-Cola line next to Fanta, Sprite and Kinley carbonated soft drinks, NaturAqua, Aquarius, GLACEAU smartwater mineral waters, Cappy juices, nectars and fruit drinks, FUZETEA ice teas, Powerade sports drinks, Burn and Monster energy drinks, as well as our AdeZ plant-based drinks range.

As a key player in the domestic beverages market, we strive to satisfy a wide range of consumer needs through our comprehensive portfolio. We are committed to offering our consumers various alternatives and helping them to achieve more balanced nutrition. We believe that our products can be part of a balanced lifestyle, together with keeping a healthy level of consumption. Within our reduced- or zero sugar soft drinks portfolio, we offered a plenty of reduced- or zero sugar products in 2021: Coca-Cola Zero Lemon, Coca-Cola Zero Vanilla, Coca-Cola Zero Cinnamon (a flavour for the winter season), Fanta Zero Orange, Fanta Zero Lemon, Sprite Zero,

Kinley Ginger Zero, Kinley Tonic Water Zero, Royal Bliss Zero Tonic Water, Fuzetea Zero flavours: peach and rose flavoured black iced tea, passion fruit green tea, zero apple and kiwi green tea, zero lemon green tea, and two more Aquarius lemon and blood orange-flavoured low calorie isotonic drinks as well as AdeZ Almond, Burn Zero Peach, Burn Zero Raspberry, NaturAqua Emotion Blackberry-Lime, NaturAqua Emotion Meggy and Blackcurrant, NaturAqua Emotion Lime Mint Zero and several types of Monster energy drinks.

In response to feedback from our consumers, 2021 saw the return of Cherry Coke, the most successfully relaunched product over the last three years. Our consumers' habits have changed in the wake of the pandemic, with a shift towards buying larger packs and consuming our products in their homes. In addition to our carbonated soft drinks category, the energy drinks category in particular has increased its market share. We are proud of the success of many of our product launches, which have allowed us to serve a wider range of consumers and support our long-term sustainable growth trajectory.

As part of our 24/7 portfolio, we have added two high-quality brands to our coffee category in 2020 and 2021, providing our consumers with excellent products and a great coffee experience. In addition to Costa Coffee, from the beginning of 2022 consumers can also enjoy the products of Caffè Vergnano.

Caffè Vergnano and Coca-Cola HBC: Italian coffee heritage and outstanding market execution combined

In 2021, we took significant steps towards adding another premium coffee brand to our portfolio. The Coca-Cola HBC AG group acquired a 30% share in Casa del Caffè Vergnano (Caffè Vergnano), one of the oldest coffee roasters in Italy. Coca-Cola HBC has signed an exclusive distribution agreement in markets outside Italy for Caffè Vergnano products, which are now available to consumers in Hungary in ground, bean and capsule form. The Caffè Vergnano brand is also committed to sustainability and to passing on an authentic Italian coffee experience. Its activities are in line with the most important international sustainability certifications and regulations, and its fundraising project,



'Women in Coffee', supports small communities of women working in coffee plantations. Their innovative product developments include 100% compostable Nespresso compatible capsules and coffee bean containers made from recycled plastic for its HoReCa partners, an initiative launched in 2020.



We believe in the importance of continuously monitoring changes in consumer habits. In Hungary, 85% of the adult population drink coffee and half of them take regular coffee breaks at their workplaces. Coffee consumption habits have also changed as a result of the recent COVID-19 pandemic. The rise of coffee drinking at home has helped retail brands such as Costa Coffee to gain market share. However, the trend of coffee consumption was already changing and evolving before the pandemic. As the demand for high-quality coffee is

constantly growing, the market is shifting away from functional coffee towards experiential coffee consumption and the consideration of coffee as a gift. Simultaneously, an increasing number of people in Hungary are also opting for high-end coffees, resulting in an expanding market for beans and capsules, and a strong demand for quality in the coffee machine market. Our company provides coffee machines delivering top-quality beverages, as well as high-quality barista training, technical support and service to our customer partners.

In search of the frog - Rainforest Alliance

Founded in 1986, the Rainforest Alliance (RFA) aims to protect tropical rainforests. Only operations and farms that meet a high set of criteria for rainforest protection are rewarded with this certification. When selecting packaging materials, we believe it is also important to use raw materials certified by the organisation to avoid damaging the environment.

One of the RFA certified products in our portfolio is Costa Coffee, which offers Hungarian consumers the option to choose sustainable coffee. Costa Coffee not only ensures that its beans are from certified sources, but also uses only Rainforest Alliance-approved materials in its soft packaging. We are proud that our FUZETEA brand is RFA certified as well, as the tea leaves that give FUZETEA's flavour come from 100% sustainably operating farms.



For further information about Rainforest Alliance please visit our [website](#).



As part of the premium spirits segment, we distribute brands such as Jack Daniel's, Finlandia, Bacardi, Brugal, Rézangyal, Aperol, Campari Cinzano and The Famous Grouse, and also

the non-alcoholic Fluére mocktail. We also have cold and hot drinks and snack vending machines.



5.2. The product journey: Our supply chain

The products manufactured, bottled and distributed by our company make their way from the production line to our customers in a seamless process that involves many collaborative areas.

The production planning stage involves assessing production and transport needs, the planning of the raw materials to be used, and export-import and domestic replenishment deliveries. It is our aim to keep stock levels as low as possible while always being able to meet market demand.

Procurement of the right raw materials, equipment and services is carried out by a dedicated team which gathers the needs, plans the sourcing processes and develops the procurement strategy.

In 2021, there were still a number of restrictions on catering establishments due to the COVID-19 pandemic, which has also caused temporary difficulties in our supply chain, affecting our suppliers.



950
Hungarian suppliers

In line with the previous year, a large number of our supplier partners (85%) are based in Hungary. Our local supply partners received 62% of all supplier payments.

The logistic services coordination team is responsible for the cost-effective storing, moving and delivering of finished products. Ensuring on-time and on-location deliveries to our customer partners, associate departments and internal customers is the result of the combined efforts of our warehousing-, dispatch-, distribution-, customer logistics-, beverage machine service- and fleet staff.

Warehousing covers raw materials, finished products, marketing materials, workwear, refills for vending machines and snack machines, in addition to a tax and excise warehouse for storing alcoholic beverages. Our central warehouse is located in Dunaharaszti, which also serves as a regional distribution center. It supplies the end of production lines, receives products from plants as well as imports and water from Zalaszentgrót, and also services trucks transporting products to domestic and export markets.

Dispatching is the link between sales and warehouses. The tasks of the dispatching team include stock control and insurance, organizing and tracking transportation, cooperating with transporters, maintaining master data on customers and keeping in constant contact with partner departments.

In Hungary, to provide smooth service to our customers, distribution is carried out through six distribution centers in Győr, Siófok, Pécs, Szeged, Debrecen and Miskolc, in addition to the central warehouse in Dunaharaszti.

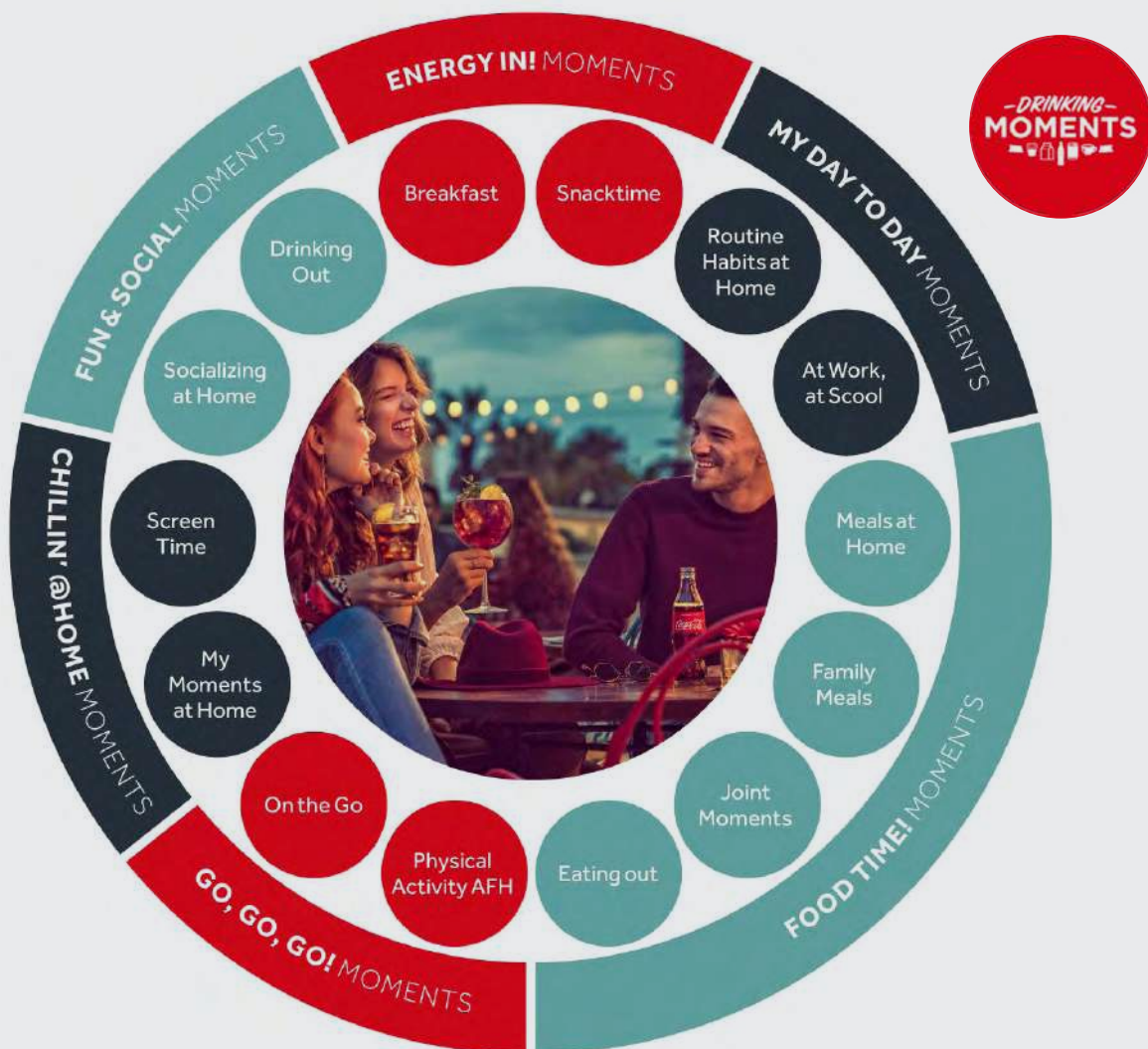
5.3. Our strategy – Driver of our growth

At Coca-Cola HBC Hungary, we work every day to remain the undisputed top beverage company on the market, creating value for all of our stakeholders: our group, strategic partner The Coca-Cola Company, customers, retail and HoReCa partners, communities and our employees. Our goal is to be a leader in growth through a responsible, sustainable and profitable growth strategy, continuous improvement of our portfolio and a well-prepared team.

As a beverage manufacturer, bottler and distributor, we are proud to offer a wide range of products to our partners in

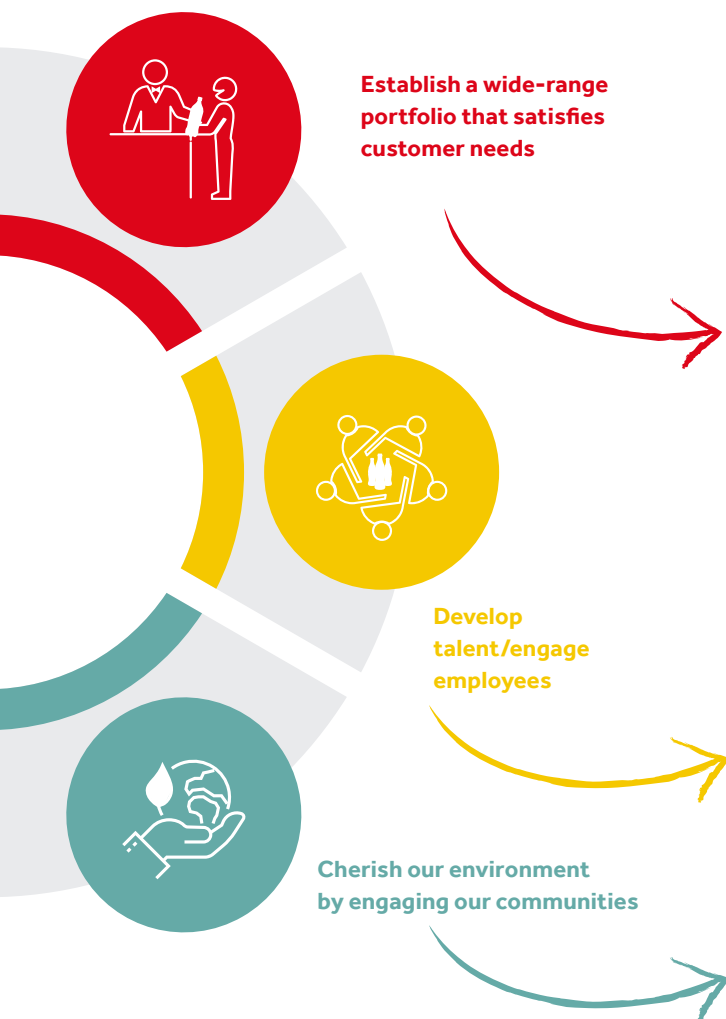
retail and the HoReCa industry. As a result of the success of our portfolio development, our consumers can access high quality products that fully meet their needs at any time of the day.

In accordance with our 24/7 strategy, in our portfolio we have defined "Drinking Moments" and the functional advantages of our products. We have associated the most suitable drinks we offer to these moments, so that our product portfolio is able to meet consumer needs at all hours of every day of the week.



Our 2025 global growth strategy is based on a five-pillar approach that supports our goals and provides a competitive advantage in the market. Coca-Cola HBC Group aims to develop its strategy based on these five pillars: leveraging our 24/7 portfolio, expanding

market share, driving growth through investment and competitiveness, developing the potential of our people and reducing our environmental footprint. Our objectives are set in line with the five pillars of our growth strategy:



1

Partnering with customers to grow category value by leveraging our 24/7 portfolio



Read more on page 9.

2

Growing our presence in the market while adding value to our customers



Read more on page 8.

3

Innovating and digitalising for competitiveness



Read more on page 14.

4

Creating opportunities for our employees and nurturing talents



Read more on page 26.

5

Expanding our social licence



Read more on page 58.

Our values for growth



5.4. Our business model

Sustainability is an indispensable part of our company culture. Our sustainability objectives are connected to our business goals, and form an integral part of our business strategy,

while also focusing on people, who are the cornerstones of Coca-Cola HBC's sustainable growth.

Our resources



Financial

We always seek to use all funds efficiently, whether generated from operations or investments.



Assets

We carefully manage our fixed assets, including equipment and buildings, to ensure continuous production and storage of our products.



Human

We are continuously developing the skills and abilities of our people, with a strong focus on finding, retaining and developing talent.



Natural

Water, energy and other natural resources are important inputs in our value creation processes, so we use them as efficiently as possible.



Intellectual

Our knowledge-based assets include our brands, patented technology, standards, licenses and processes.



Social and relationships

Our social and relationship capital includes our company's reputation and our ability to earn and keep the trust of our stakeholders.

Our added values



Working with partners and suppliers

Our partnership with The Coca-Cola Company (TCCC) gives us exclusive rights to manufacture and sell their branded products. Ninety-seven percent of the product volume we sell is developed and owned by TCCC. They also manufacture and supply our company with concentrate and syrup, the main ingredient in our soft drinks. We rely on our supply chain for many aspects of our business, including our equipment and machinery, consultants and software. Partnering with our responsible, reliable and efficient suppliers allows us to focus on what we do best - making and selling products that bring a smile to the faces of our consumers.



Serving our consumers and communities

We offer a wide range of beverages to meet all consumer needs and to ensure that our products can be part of a health-conscious lifestyle. We create value for the communities in which we operate by producing products that meet consumer needs, and through operating a responsible, sustainable business.



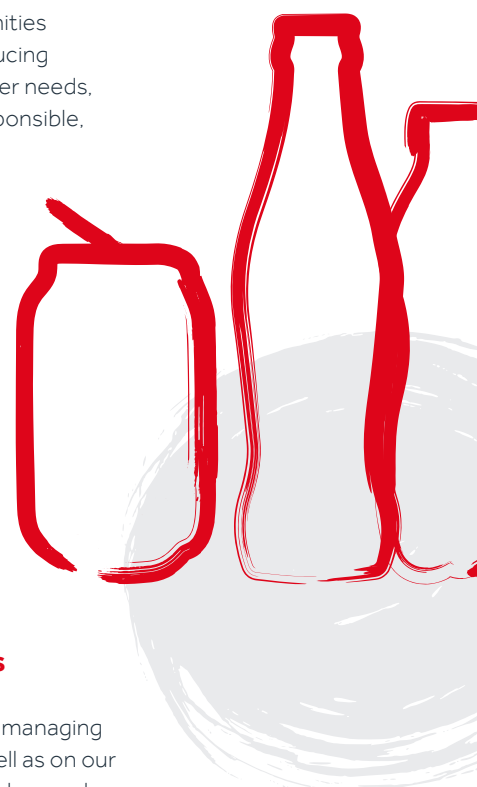
Producing cost efficiently

We produce, package and distribute our products using concentrate and other ingredients from The Coca-Cola Company. All of our production plants have warehousing and distribution centers. Conscious and efficient use of our facilities helps us to produce our products responsibly, which is also key to our profitability.



Serving our customers effectively

We place great emphasis on managing customer relationships as well as on our promotions and physical displays and marketing materials at points of sale. Our customers rely on us for access to a full range of quality products on their shelves every day, so that they can satisfy their consumers' refreshment needs. To give our customers the best possible service, we segment each market and serve each customer based on size and needs, taking into account prevailing market conditions.



Shared values and value creation

By running our business sustainably and responsibly, we create value that strengthens our company and is shared with all our stakeholders. Our role in creating

value is also reflected in our prudent and profitable financial management which focuses on the responsible administration of our results and expenditure.



Shareholders

By managing all inputs to our business well, we create profits that benefit shareholders through dividend payments and share value.



Employees

Developing, recognizing, and rewarding our people secures a skilled and motivated workforce. We provide a stable workplace and compatible salary. The resultant strengthened loyalty increases the time employees spend at the company, which facilitates middle- and long-term business development as well as with the taking and execution of business decisions.



Communities

When our business is profitable, sustainable, and responsible, the communities in which we operate benefit through job creation, tax payments to governments, useful products and services, and the minimization of environmental impact.



Suppliers

We prefer predictable partner relationships, locally sourced suppliers, and we see an outstanding opportunity in long-term co-operation with local partners. Due to our commitment to such preferences, positive economic benefits are evident along the entire value chain of the company.



Customers

Producing products efficiently and responsibly builds value for our customers' businesses. We always seek to achieve long-term partnerships and innovative solutions.

'Open to wonder' – Our brand philosophy celebrates humanity

A year and a half of the pandemic has highlighted the fact that every day we are surrounded by miracles. In September 2021, our partner, The Coca-Cola Company, unveiled a renewed global brand philosophy and communications platform for the Coca-Cola brand.

The 'Open to Wonder' platform reflects the changing trends of today's world and updates the brand's everlasting promise to bring people together and create joy through Coca-Cola products. The new, long-term philosophy encapsulates the brand's belief in exceptional people, unexpected opportunities and wonderful moments in life.



5.5. Our stakeholders

As an integral part of our company's sustainability activities, we proactively seek opportunities to involve individuals and organizations directly or indirectly affected by our activities.

We identify our stakeholders in line with our business and sustainability strategies.

Stakeholders	Methods of contact	Frequency	Key topics in 2021	Growth pillars
 Industry organizations	Memberships in associations, professional forums, events, mailings	Regular	Legal framework for business operations, federal initiatives Materiality assessment for the Sustainability Report	1 5
 Suppliers	Daily business contact, supplier audits	Continuous	Provision of ingredients and services necessary for our operations Materiality assessment for the Sustainability Report	3 5
 Customers and sales partners	Daily business contact, meetings, annual customer survey	Continuous	Product pricing, sales and distribution	1 2
 Authorities and decision-makers	Bilateral and multilateral meetings, inspection by authorities, chamber of commerce memberships, mailings, events	Regular	Legal framework for business operations, individual administrative matters Materiality assessment for the Sustainability Report	1 5
 Local communities, NGOs	Sponsorship, community initiatives, volunteering, events, meetings, mailings	Regular	Local aspects of our business operations (infrastructure), supporting local communities, environmental protection, active staff lifestyle, NGO initiatives Impact assessment for the Sustainability Report	5
 Academic and educational institutions	Cooperation, traineeship program, events	Regular	Youth training and labour market integration	4
 Media	Occasional engagements, communication campaigns, press events, mailings	Regular	Issues regarding the operation of our business operations and products	1 5
 Consumers	Website and social media, communication campaigns, plant visits, product testing, other events, mailings	Regular	Consumer questions, complaints, product testing (tasting) Impact assessment for the Sustainability Report	1 2 5
 The Coca-Cola Company	Daily business contact, company events, joint initiatives and commitments/policies	Continuous	All areas related to business operations	1 2 5
 Coca-Cola HBC Group	Results reporting, daily business contact, internal communication, company events	Continuous	All areas related to business operations	1 2 3 4
 Employees	Annual employee engagement survey, internal communication, social committee, company events, internal meetings	Continuous	Internal operations issues, cooperation with our departments, support of product portfolio, Covid outbreak management, supporting communities, events, our auditable thematic programs in the online space, employer branding	4

5.6. Membership in associations

Membership in associations in 2021	
	AmCham – American Chamber of Commerce National interest organization
	FÉSZ – Responsible Food Producers Association (member of board) National industrial organization
	Greek-Hungarian Chamber of Commerce, Industry and Tourism National interest organization
	Hungarian Mineral Water, Fruit Juice and Soft Drink Association (member of board) National industrial organization
	Hungarian Vending Association National industrial organization
	Hungarian Brand Association National interest organization
	Hungarian Spirits Association National industrial organization
	Hungarian Chamber of Agriculture National interest organization
	Advertising Standards Boards National interest organization
	Effekteam

6 Sustainability at Coca-Cola HBC Hungary

6.1. Sustainability in 2021

The threat posed by the pandemic has reinforced our commitment and responsibility to society. In addition to these measures, we have given high priority to improving our internal communication regarding sustainability and have implemented several campaigns in this regard. We introduced detailed reporting to management about our environmental performance and have organized training sessions for our colleagues on this issue to help them place environmental protection in the context of economic activities. One of the main topics of the training sessions was the methodology for

measuring carbon emissions, which serves as a guide for our employees as to how long various solutions will be useful in their specific area of the business. Thus, our employees are learning how to incorporate environmental protection efforts into daily operations.

The decisions we took in March 2021 set the path forward, and we had to redefine our annual plans and start our actions accordingly.



Protecting our employees

- Taking actions and providing tools for protecting and maintaining the health of our employees
- Expanding work-from-home options
- Protecting jobs
- Supporting adaptation to the new digital work environment



Securing supply

- Continuous operation of our bottling plants and distribution centres
- Developments to provide faster service to our sales partners
- Supporting members of our supply chain (through partner programs, extended commercial loans)
- Adapting to shifting customer demands



Supporting our communities

- Financial and product support, human resource support
- Organising campaigns to protect and support people's safety and well-being
- Expanding cooperation with medical organisations







Protecting our environment

- Monitoring our sustainability goals
- Supporting volunteer programs
- Developing and utilising innovative packaging solutions
- Preserving our waters

6.2. Our sustainability strategy and goals

At Coca-Cola HBC Hungary, we constantly monitor the direction and objectives set by our Group and formulate our own commitments in accordance with those goals. In addition to the Group's guidelines, our annual targets for 2021 were

determined by considering our previous year's performance and the projected portfolio and volume, which were approved by the Group at the beginning of the year.

The Coca-Cola HBC Hungary commitments	2021 targets	2021 results	Status
Increase the proportion of PET content from recycled and/or renewable materials in our PET bottles	17%	12,2%	 72% Achieved
Reduction of CO ₂ emissions intensity (Scope 1-2)	21,69 g CO ₂ / lpb	21,17g CO ₂ / lpb	 Achieved
Reduction of energy used for production	0,47 MJ / lpb ¹	0,46 MJ / lpb	 Achieved
Reduction of water used for production ²	1,80 liter / lpb	1,75 liter / lpb	 Achieved

Circumstances resulting from COVID-19, such as the shortage of raw materials or increased costs, had an effect on efforts to increase our recycled PET (rPET) rate. The company's target remains unchanged, with the aim of further increasing its use. In order to improve, it requires further measures, including the launch of a national deposit return system, in the planning of which the company is actively involved.

Despite the difficulties, we managed to achieve our goals in almost every area. Our sustainability strategy and focus have not changed in 2021 either: we continue to work to be even more effective in all target areas and to embed sustainability in all aspects of our business operations.

¹ Per litre of product

²The commitment for water consumption reduction excludes the consumption of water by distribution centres.

Our sustainability mission to 2025

Areas	The Coca-Cola HBC Group's Commitments until 2025 ³		
 Táplálkozás	-25% We will decrease the calorie content of our soft drinks by 25% (per 100 ml of drinks).		
 World Without Waste	100% All our primary packaging should be 100% recyclable.	35% The recycled material content of our PET bottles and aluminium cans will reach 35% by 2025.	75% We will contribute to the collection of packaging waste corresponding to 75% of beverage bottles.
 Renewable energy	100% 100% of our electricity consumption will originate from clean and renewable sources.	50% 50% of our plants' total energy consumption will originate from clean and renewable sources.	
 Emission reduction	-30% We will decrease our direct CO ₂ emissions by 30%.	50% We will replace 50% of our refrigerator units with energy-efficient ICOOLERS.	
 Water use and stewardship	-20% We will reduce our water usage by 20% in water-scarce locations.	100% We will ensure 100% water supply safety in water-scarce locations.	

³Compared to 2017 baseline values

6.3. Materiality assessment

At Coca-Cola HBC Hungary, we report on material topics based on changes in the external environment affecting our business, and on feedback from internal and external stakeholders, in accordance with the GRI guidelines.

The topics for our 2021 report have been identified based on a materiality assessment conducted by the Coca-Cola HBC AG Group. The survey was assessed and validated according to 27 indicators selected by the GRI Standards and 12 focus areas ('material issues') of the Coca-Cola HBC AG Group, which delineates the issues having the greatest impact on the Group's operations.

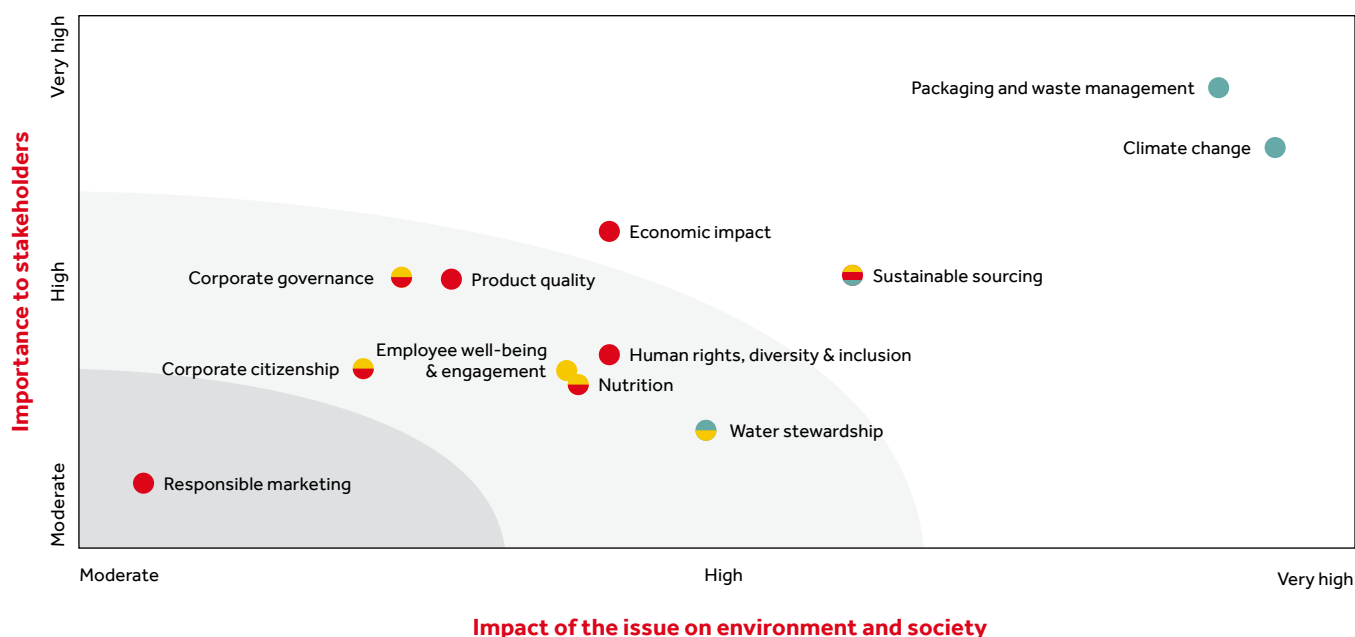
The Coca-Cola HBC AG Group annually assesses the material issues so that our Group can understand and address sustainability risks and gain insight into areas of challenge and opportunity. At the end of 2021, the Group surveyed approximately 1,860 internal and external stakeholders, including consumers, customers, suppliers, employees, communities, governments, NGOs, investors, trade associations and academics.

Based on the results of the survey, material topics were ranked in order of importance. The results of the Group materiality assessment are consistent with the content of the Coca-Cola HBC AG Group Integrated Annual Report and Coca-Cola HBC Hungary Sustainability Report.

Our material topics for 2021 have been assessed and identified by Coca-Cola HBC AG through a survey of internal and external stakeholders.

Based on material issues, we prepared a materiality matrix to guide the performance of Coca-Cola HBC Hungary in 2021. Our material topics are focused around 27 GRI areas, and are complemented by one material topic for Coca-Cola HBC Hungary (product quality and product compliance), which is reported for the sake of transparency of our commitments and our reporting. As part of the Coca-Cola HBC AG Group, we contribute to several global objectives through our initiatives and by addressing our material issues, in addition to aligning them with the Sustainable Development Goals (SDGs).

Material issues matrix



● Economic dimension ● Environmental dimension ● Social dimension

Material issues and sustainability objectives have been identified in line with the UN Sustainable Development Goals

Coca-Cola HBC AG Group	GRI Topic	GRI disclosure	Related SDGs	More information
Packaging, recycling & waste management	<ul style="list-style-type: none"> Materials Effluents and waste 	GRI 301 GRI 306	   	 Page 33
Water stewardship	<ul style="list-style-type: none"> Waste and effluents 	GRI 303	 	 Page 45
Corporate governance	<ul style="list-style-type: none"> Anti-corruption Anti-competitive behaviour Environmental compliance Socio-economic compliance 	GRI 205 GRI 206 GRI 307 GRI 419		 Page 48
Climate change	<ul style="list-style-type: none"> Energy Biodiversity Emissions 	GRI 302 GRI 304 GRI 305	  	 Page 42
Human rights, diversity & inclusion	<ul style="list-style-type: none"> Diversity and equal opportunity Non-discrimination Human rights 	GRI 405 GRI 406 GRI 412	 	 Page 32
Nutrition	<ul style="list-style-type: none"> Customer health and safety Products with reduced saturated fat, trans fat, sodium and added sugar 	GRI 416 GRI G4	 	 Page 54
Sustainable sourcing	<ul style="list-style-type: none"> Procurement practices Supplier environmental assessment Supplier social assessment 	GRI 204 GRI 308 GRI 414		 Page 41
Employee well-being & engagement	<ul style="list-style-type: none"> Employment Labour-management relations Occupational health and safety Training and education 	GRI 401 GRI 402 GRI 403 GRI 404	 	 Page 24-25
Economic impact	<ul style="list-style-type: none"> Economic results 	GRI 201 GRI 202 GRI 203		 Page 52
Corporate citizenship	<ul style="list-style-type: none"> Local communities 	GRI 413	 	 Page 58
Responsible marketing	<ul style="list-style-type: none"> Marketing and labelling 	GRI 417		 Page 56

7 Responsibility towards our employees

7.1. Protecting our people

At Coca-Cola HBC, we constantly strive to create a stable workplace where our employees feel valued and supported. As employers, we have to respond in a flexible and innovative way to the changes of the labour market caused by the pandemic. Our principles and approach to provide a safe and secure workplace that meets our employees's expectations have not changed due to the pandemic having diminished and have remained our first priority. We have paid particular attention to our employees' needs, to understand how to support them most effectively in these rapidly changing times. Dedication, perseverance and innovation are the core skills which assist our employees to adapt to the new reality and which help us to continue our pursuit of sustainable development in these turbulent market conditions.

During the pandemic, we have implemented precautionary measures in alignment with the national authorities' recommendations, to comprehensively protect the health and safety of our employees at all function levels and locations. After health restrictions ceased, we have continued to handle working arrangements in a flexible manner. Employees whose role doesn't require constant in-person presence have the opportunity to work from home, while for those who need to work on-site measures currently recommended by the authorities are in place and protective hygiene equipment is provided. Moreover, we have devised an extensive internal policy that sets out the general rules for working on site or in the office.

We have also tightened our relationship with employees in the digital space: in our all-staff newsletters we regularly sent information about current developments and changes affecting our operation, shared messages from leadership,

and organized informal online events relevant to all employees. Having a direct relationship with our employees is crucial and we encourage them to ask, even anonymously, if they have any questions or queries.

As the pandemic eases, we have still been working on ways to improve the efficiency of digital collaboration and apply its tools as effectively as possible. On several occasions, we invited external presenters to address staff, and organized quarterly executive briefings and webinars summarizing business performance.

Well-being

At Coca-Cola HBC Hungary, we pay a lot of attention to our employees. Our endeavour is to work without barriers and to retain our employees despite the changing circumstances. The cornerstone of our HR strategy is to create a continuously evolving, friendly, and appealing work environment. Since the beginning of our operations, we have always emphasized making our employees feel safe, to elicit their positive feedback about our company, and also to make them proud to be part of the Coca-Cola HBC community. We strive to provide opportunities for continuous development and an attractive career path for our employees, while also working hard on creating an ideal and safe working environment. Through our internal measures, we want to ensure the physical, material and social well-being of our employees, whose satisfaction and engagement are measured every two years in line with international standards. Based on the results, we prepare company-wide and functional action plans. Our HR director is responsible for the implementation of our HR policy and measures.

JUST SAYING TO YOU!



This initiative aims to cultivate a forum where leaders can meet with colleagues and share their relevant experiences and challenges. Together, they can discuss leadership practices and thoughts about the ideal team, effective collaboration and successful cooperation.

More than 400 colleagues participate in Coca-Cola Christmas Open Day

Community events are essential parts of employee well-being. In December, we were happy once again to be able to celebrate the holidays together. The focus of the Coca-Cola

Christmas Open Day was on shared relaxation and festive preparation, giving our colleagues and their families a chance to finally meet again in person.



The employee well-being and health promotion programs aim to help our employees stay mentally and physically healthy, providing staff access to Medical Health Centre services. Employees can also choose health fund contributions as part of their cafeteria system benefit. To help our employees maintain their mental health, we established the Employee Support

Program, and also organize an annual health awareness week. We also support flexible working options, as many of our employees are working from home due to the pandemic. Moreover, we are constantly reviewing the opportunities and regulations for remote working and trying to revise them to meet the needs of both the business and our employees.

7.2. Employee development and talent management

Ongoing consultation with our employees is especially important in order to take their opinions into account when formulating our strategy and focal points. We believe in open, professional relationships based on feedback, and this is the culture we promote inside and outside of the company, which embraces the continuous development of employees. Therefore, we have recently implemented numerous new digital training solutions.

In 2021, our employees completed 32 007 hours of training.



Distribution of training hours by gender			
Male		Female	
21 221		10 786	
Distribution of training hours by position ⁴			
Front Line Leader	Change Leader	Top 300	Other categories
5 277	604	101	26 025

'Learn Fest Hungary'

In 2021, our colleagues once again had a chance to participate in a thematic week organized by our learning-development team that included a diverse offering of presentations and workshops. During the eight-day-long virtual event, employees could choose from 40 inspiring presenters on various thematic stages.



'World of Winners'

Our World of Winners (WoW) program, which recognizes outstanding performers, was tweaked and expanded

to include some new elements. In 2021, 244 staff members in four categories received such recognition.

Learning and Improvement Award
21 awards received

Customer-driven Employee of the Quarter Award
19 recognised

Team of the Quarter Award
184 recognised

Supporting Inclusion Award
20 recognised

⁴**Classification of employee levels:** Front Line Leaders: team leaders, supervisors, and key account managers. Change Leader: strategically important leaders. Top 300: function managers.

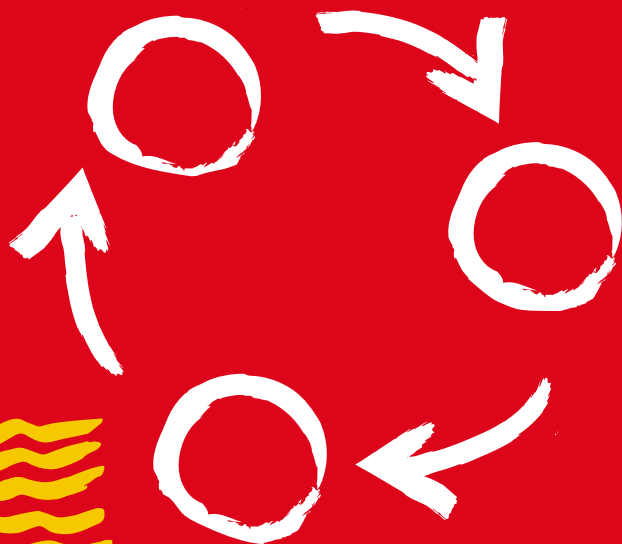
7.3. Retaining our employees

Our employees are the key drivers for the long-term growth and success of Coca-Cola HBC Hungary. Employees satisfaction, health and safety, continuous development and attractive career opportunities are the foundation of their outstanding performance, which creates value for us, as well as for our clients and customers. Each employee is equally important to us: every person is valuable in a different way, and successful collaboration with them is the key to our success.

Since the beginning of the pandemic, we have placed particular emphasis on maintaining employee positions in the midst of delicate labour market conditions. Our employee numbers did not change noticeably in 2021, while the turnover rate slightly increased from the previous year. After the pandemic had eased, labour market flows became more significant, therefore, we began putting greater emphasis on the retention of our employees by continuously monitoring changing needs and requirements. During the first half of the year, positions that were mainly affected by the pandemic were successfully re-organized into other areas where additional workforce was required and similar competencies were needed. In order to ensure business continuity, we did hire some temporary agency workers.



**We are proud that in 2021
Coca-Cola Hungary became
the most attractive workplace
in the FMCG sector.**

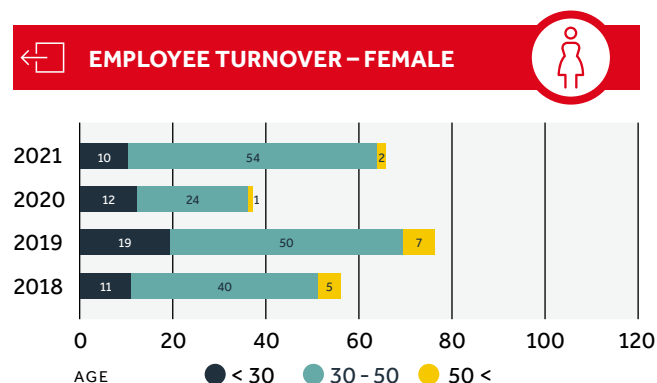
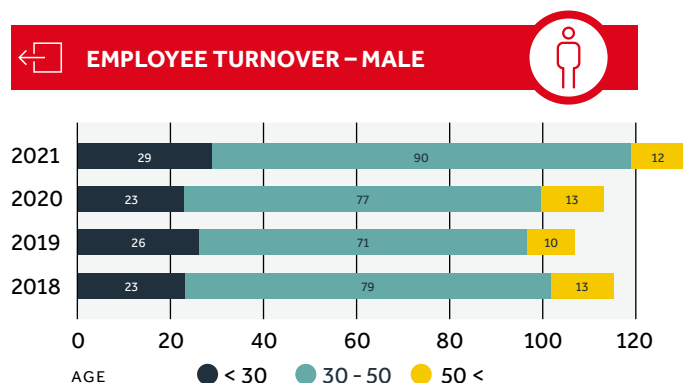
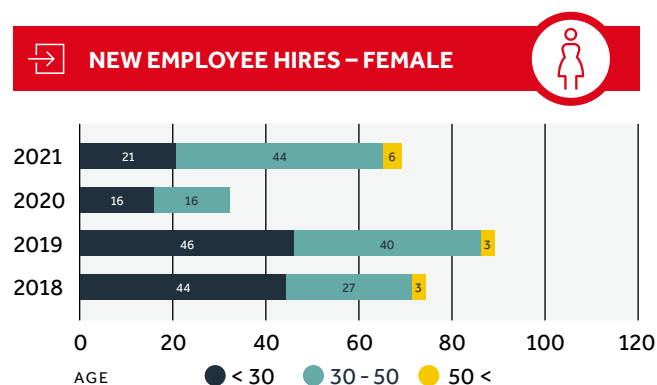
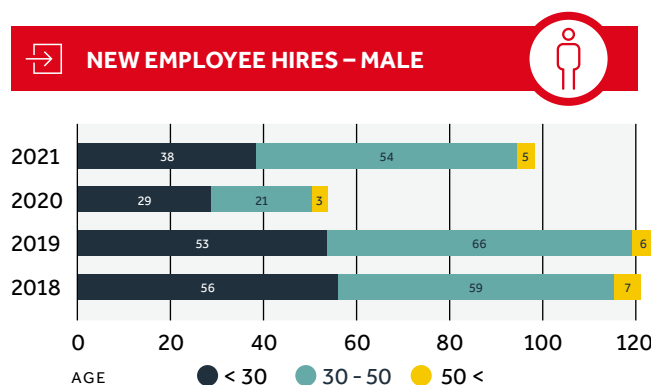


Our revised operational model for adaptability

In 2021, we introduced a new operational model aimed at adaptability. It is designed to define business focus, organisational structure and working processes that help us to realise our new objectives. As a result, the whole Coca-Cola HBC Group has continued its operation in a new, integrated organisational structure that ensures effective collaboration among teams, departments and countries through well-defined roles and responsibilities, and decreased senior layers of management.

Change in employee numbers

	2018	2019	2020	2021
Total number of employees	1154	1159	1067	1035
By employment type				
Full-time	1144	1146	1056	1022
Male	767	781	712	681
Female	377	365	344	341
Part-time	10	13	11	13
Male	-	-	-	1
Female	10	13	11	12
By employment contract				
Permanent	1134	1130	1043	1010
Male	763	767	700	673
Female	371	363	343	337
Temporary	20	29	24	25
Male	4	14	12	9
Female	16	15	12	16
By status				
Employees	1049	1078	997	974
Male	724	749	686	661
Female	325	329	311	313
Temporary agency workers	105	81	70	61
Male	43	32	26	21
Female	62	49	44	40
By location				
Dunaharaszti	957	960	850	835
Zalaszentgrót	65	69	72	61
Distribution centers	132	130	145	139



New hires rate

2021
16,2%

2020
8,5%

2019
18,5%

2018
17%

Turnover rate

2021
19%

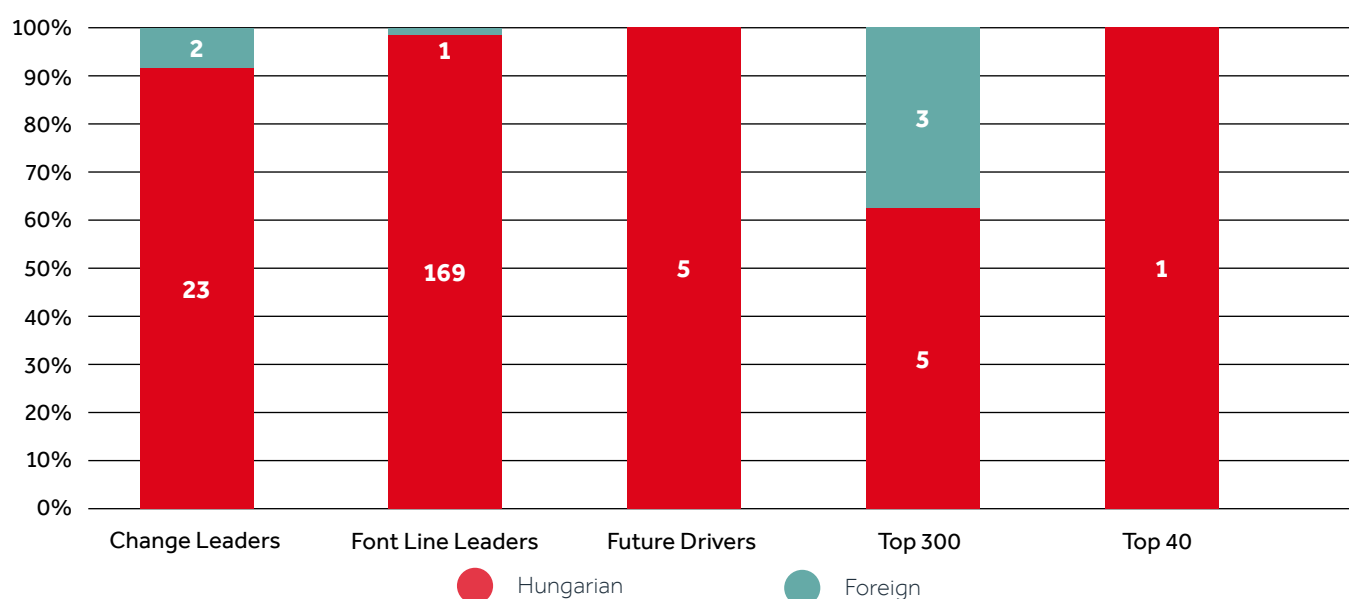
2020
15%

2019
15,8%

2018
14,8%

Most of our employees are Hungarian⁵ and most of our leaders are from local communities⁶. Ninety-seven per cent of management-level positions are filled by Hungarian colleagues.

Management levels by nationality (headcount)



⁵Term refers to employees who are originally from Hungary

⁶Term refers to the community of Hungarian employees

7.4. Occupational health and safety system

We are committed to providing a safe and healthy workplace, complying with health and safety laws, regulations and internal requirements. Developing an effective occupational safety system is one of the most fundamental parts of a safe work environment. We are committed to the continuous revision of our protocol on, and to minimizing, occupational health and safety risks, meaning we strive to provide an ever-safer working environment and conditions for all our employees.

At all of our sites, we operate in accordance with the OHSAS 18001 (MEBIR 28001) standard and are aligned with current legislation – both that of The Coca-Cola Company's and our own Group's internal regulations. Our Occupational Health & Safety policy is revised and assured regularly by an external independent organization, SGS Hungária. Moreover, we perform regular internal audits in line with our annual internal audit plan. As part of the workplace safety system, we define the key tasks and responsibilities annually that are also part of our annual financial plan.

We operate our occupational safety system in conjunction with other management systems, with an emphasis on prevention. The occupational safety risk assessments are revised annually

in every area – such as production, warehousing processes, office workers, and market sales team processes – and improvement measures are taken as necessary. In addition to risk assessments, we are also aligned with the occupational health and safety regulations of Coca-Cola HBC Group and The Coca-Cola Company, which in some cases may even be stricter than Hungary's occupational safety laws. Moreover, we operate group-level occupational safety programs, thus ensuring the continuous development of occupational safety processes and, at the same time, we try to involve our employees in them as much as possible. Occupational health and safety regulations and training is applied to operational and production processes as well. As part of the 'Behaviour-Based Safety' (BBS) and the 'Near Miss' programs, we constantly encourage our employees to report occupational safety hazards, which they can do via an online platform. We organize occupational health and safety training for new employee hires, while those who've joined previously can attend annual sessions. Every year, we also organize our 'Safety Week', when our employees participate in training courses and presentations to raise their awareness of the importance of this topic. We also publish awareness-raising monthly briefings (so-called 'Toolbox' talks).

Number of occupational injuries

	2018	2019	2020	2021
Number of injuries⁷	6	4	7	8
Male	4	3	6	7
Female	2	1	1	1
Of which: injuries resulting in lost workdays	4	3	5	6
Number of lost days	83	115	54	32
Male	75	83	40	22
Female	8	32	14	10
Number of missed (absentee) days	6094	5452	6672	5252
Incidents of occupational disease/ injury	0	0	0	0
Number of fatalities	0	0	0	0

⁷Figures in the table refer to our employees. In cases of workers who are not employed by our company (temporary agency workers), there were three incidents of injury in 2021.

We are committed to minimizing the risk of accidents, injury and exposure to health hazards, and thereby maintaining a productive workplace. All lost time accidents, injuries requiring medical treatment, injuries requiring local first aid are investigated by the occupational safety team's lead. The rate of work-related incidents⁸ varied from 0.7 to 0.9 between 2018 and 2021. Our occupational health and safety policy, which is approved by our General Manager, is reviewed annually and adjusted if necessary. The occupational health and safety policy (like all other QSE

policies) is made available to all our employees at our sites and in electronic form.

Occupational health services are provided to our employees and measures are implemented, complying with current legal requirements. At the Dunaharaszti site, we have a medical treatment station, where an OHS doctor from Medcover is available during working hours. At our premises in the countryside, health services are provided by Medcover contractors.



Celebrating a record: the 3000th accident-free working day in Zalaszentgrót

The management of the company congratulated our colleagues from Zala for their performance in the fields of quality, safety and production. As a gift, the Zalaszentgrót

team received a new counter, which records accident-free days and will hopefully inspire them to achieve new records.



⁸Due to the size of the company, the calculation of the rate is based on 200 000 working hours. The rate is calculated based on occupational injuries and working hours per FTE.

7.5. Human rights and diversity

Each and every day we are in touch with people from different social and cultural backgrounds. One of our core values is to always respect human rights, diversity, and provide equal opportunities. We are true to these values, not only as an employer but as a business partner, throughout our entire supply chain. Respect for human rights is essential to Coca-Cola HBC in the communities in which we operate. At our company, we ensure that people are treated with dignity and respect. We are committed to involving stakeholders in relevant communities, making sure that in the course of our business operations we listen to, understand, and take into account stakeholders' views.

We are committed to maintaining a workplace that is free from discrimination or harassment on the basis of race, gender, ethnicity, national or social origin, religion, age, disability, sexual orientation, political opinion or any other status protected by applicable law. Decisions about recruitment, assignment, training, compensation and promotion are made on the basis of qualification, performance, skills and experiences. During the reporting period, there were no cases of discrimination that would require further investigation or corrective actions. If any incident occurs, it will be investigated following the procedures and principles set out in our internal policies.

Distribution of employee levels⁹ based on gender and age

	Male	Female	<30	30-50	50<
Total employees¹⁰	66%	34%	17%	65%	18%
Front Line leadership level	71%	29%	11%	71%	15%
Change leadership level	58%	42%	0%	92%	8%
Top 300 leadership level	75%	25%	0%	100%	0%
Professionals level	42%	58%	28%	59%	13%
Troopers level	72%	28%	21%	66%	13%
Future Driver level	40%	60%	80%	20%	0%
Supporter	76%	24%	12%	63%	25%

As an employer, we are fully committed to ensuring equal opportunities, something which is guaranteed by our Code of Business Conduct, Inclusion and Diversity policy, and Human Rights policy. All of our employees are entitled to the same respect and esteem, and their career development should never be affected by any circumstances other than their professional performance. As core elements of our long-term commitment, we promote equal opportunities, respect diversity and involvement, and do not tolerate

any discrimination or harassment. Any potential violation in this regard is investigated thoroughly in line with our ethical procedures. Our Human Rights Policy is available and communicated to all our employees.

We demand ethical behaviour from our business partners as well. Each of our partners has to accept our Supplier Guiding Principles, which prescribe respecting human and labour rights and the prohibition of any discrimination.

⁹Classification of employee levels:

Supporter: support jobs such as administrators, and physical workers

Troopers: salespeople such as business developers, telephone salespeople, AW key account managers

Professionals: specialist and experts

Front Line Leaders: team leaders, supervisors, and key account managers

Change Leader: strategically important leaders

Top 300: function managers

Future Driver: employees participating in an internship program

¹⁰The results distribution of employee levels are to be understood as including temporary agency workers.



Our Human Rights Policy
is available on our [website](#).



8 For a sustainable environment

Corporate sustainability and responsibility are an essential part of Coca-Cola HBC Hungary's culture. As responsible economic operators, we consider it important to minimize the environmental effects and risks arising from our operations and to make a positive contribution to the protection of our environment and natural resources in many different areas. Our sustainability goals include improving energy efficiency, reducing greenhouse gas emissions, responsible water management, and the collection and reuse of packaging waste. Our sustainability

strategy and objectives are tightly linked to our business goals, and they are also the driving force behind our operational growth.

In addition, we ensure that the development of our responsible, sustainable operating processes goes hand in hand with raising the awareness of our employees, partners and consumers. Sustainability is a common goal. That is why we believe that broad collaboration is the key to achieve our sustainability goals.

8.1. Towards a World Without Waste

Pursuing a circular economy

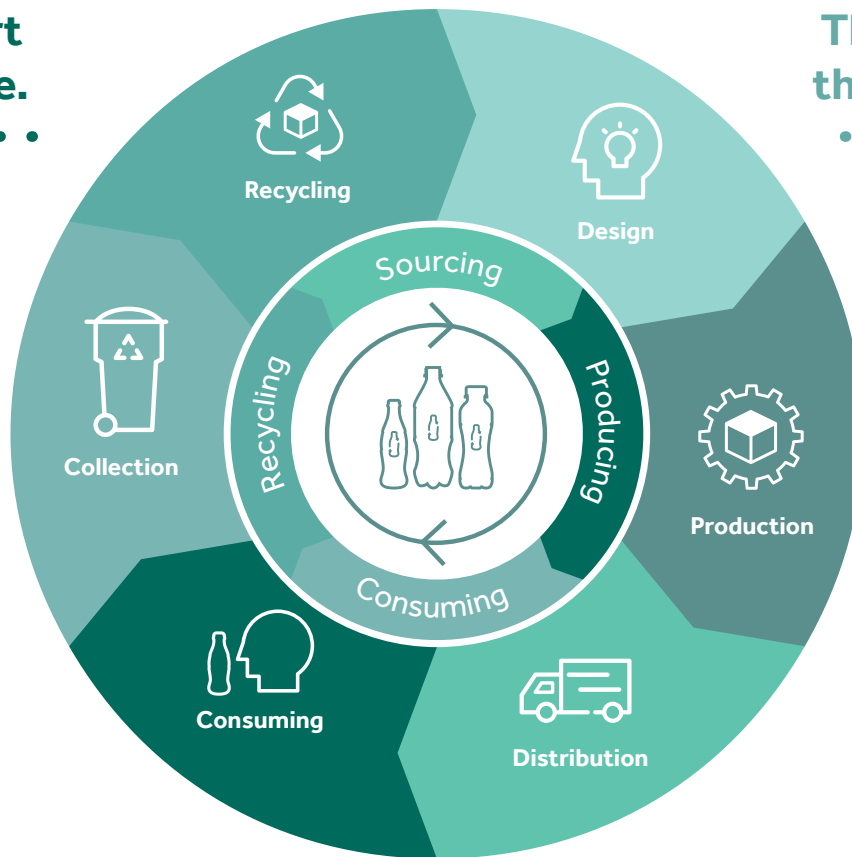
Improper handling of plastic waste is causing serious environmental problems. In recent years, we have worked to become more and more a part of creating a circular economy, one which avoids the unnecessary or wasteful use of raw materials and ensures their value within the cycle. In addition

to promoting the collection and recycling of plastic waste, we want to become part of a comprehensive solution. Coca-Cola HBC Hungary promotes the creation of a circular economy through partnerships and collaborations.



Visible part of the cycle.

This happens in the background.



Consumer

Choose a suitable packaging!



Collection

Always throw it in the right place.

Keep it with you, until then.



If the cycle breaks, our environment is also at risk.



Recycling

If placed correctly, most packaging can be recycled.

PET cycle



PET bottles are 100% recyclable.

Aluminum cycle



Aluminum can be recycled however many times.

Paper cycle



Look for FSC certified paper. Choose recycled paper products.

Design

See the arrows on the PET bottle? Easier and faster to compress.



Soon 100% recyclable paper cups in our hot vending machines.

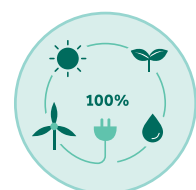


Development of a 100% recyclable paper bottle.



Production

- Sustainable water management in our Dunaharaszti and Zalaszentgrót plant – Alliance of Water Stewardship (AWS) certification
- Our plants operate with 100% green electricity
- Heat pumps for green operation in our Zalaszentgrót plant – the operation is almost completely carbon neutral
- Domestic raw materials, less transport, smaller footprint



The creation of a circular economy requires multi-stakeholder cooperation, which we at Coca-Cola HBC Hungary are also trying to encourage. We strive for active dialogue and cooperation with suppliers and regulatory organizations and with our consumers, in order to collect beverage packaging waste as much as possible, and thus realize a circular economy.

The path of our products in circulation



Procurement

Procurement of rPET is a key element in increasing the proportion of recycled material in our bottles. Procurement options largely determine the fulfilment of our sustainability commitments.



Production

During our operation, we also pay attention to reducing negative effects on the environment. Conscious and responsible management characterizes our production processes, during which we strive to optimize our energy and material use and water management.



Consumption

We also place great emphasis on shaping social attitudes and education. We encourage our consumers to collect recyclable waste with attention-grabbing messages on our drink bottles. In addition to campaigns promoting selective collection, our company also directly participates in waste collection and recycling programs.



Recycling

In addition to working with NGOs, we are building partnerships with our suppliers, industry and professional organizations and policy makers to promote waste recovery and stimulate the circular economy.

Our goal is a world without waste

Plastic waste is a global problem, and we can only solve it if we all work together, from large companies to consumers. We, at Coca-Cola HBC Hungary, are committed to be not only actors, but also drivers of change. Our sustainability approach and goals related to packaging waste were included in a unified framework in our 'World Without Waste' strategy announced at the beginning of 2018. As part of this, we are working on creating

a sustainable cycle spanning the entire life cycle of our products, which includes the procurement of raw materials, the design and recycling of products and packaging, production processes, and social cooperation for a common goal. The essence of the World Without Waste strategy is the elimination of packaging waste and the creation of a sustainable, circular economy in which all waste becomes raw material, again and again.

Our commitments related to World Without Waste for 2030



By 2030, all primary packaging must be 100% recyclable - the beverage packaging used by Coca-Cola HBC Hungary is 100% recyclable.

2030

100%



An increasing proportion of recycled raw materials must be used for the production of our bottles and aluminium cans - the target is 35% by 2025 and 50% by 2030.

2025

35%

2030

50%



We will consent to the collection of 75% of the waste quantity of beverage bottles by 2025 and 100% by 2030.

2025

75%

2030

100%

Paper cups replace plastic cups in our vending machines

We announced in 2021 that we were withdrawing single-use plastic cups typically used in our coffee and other hot drink vending machines from the domestic market and would replace them with 100% recyclable paper cups.

The replacement of the plastic cup will be spectacular and attention-grabbing, as in cooperation with Moholy-Nagy University of Art and Design we held a graphic design competition for university students. The goal of the contest is for the new paper cup to have a design that supports

consumer awareness and draws attention to the importance of keeping waste in circulation, thus encouraging the recycling of paper cups. The winning designs will appear on the paper cups that will gradually replace single-use plastic cups in our company's hot drink vending machines in the first half of 2022. Thus, from more than 1,000 hot drink vending machines across the country, tea, coffee or hot chocolate will be available in fully recyclable paper cups designed to raise consumer awareness.



Waste management

Our waste management processes are ensured by our ISO 14001:2015 environmental management system. On the one hand, our goal is to reduce and manage the waste generated during production continuously, as well as to minimize the amount of waste that ends up in landfills. In the spirit of awareness, we try to resell as much waste as possible according

to its function (for example, barrels, cans, IBC containers), thus extending their useful life in new target areas. We set annual goals for the amount and recycling of waste, which our sustainability group continuously monitors. Our commitment to reducing the amount of waste and recycling is summarized in our Environmental Protection Policy.

Empty bottles also matter

In January 2021, Coca-Cola Hungary launched the campaign 'Empty bottles also matter' in order to promote selective waste collection and to reach circular economy and a 'World Without Waste'. The initiative presented our packaging materials, their characteristics and recycling methods, while also encouraging selective waste collection. Campaign participants received valuable prizes and practical information.

As part of the campaign, we placed recycling bins next to our own and our competitors' vending machines in several shopping centers in Budapest. In our opinion, it doesn't matter whether it's Coca-Cola or other brands, PET bottles or aluminium cans, beverage packaging can only be recycled if it's not discarded in nature.



You can find out more about our post-consumer packaging waste management on our [website](#).



In addition to reducing the amount of waste, we strive for the greatest possible utilization rate. During our production processes, plastic and cardboard waste is mainly generated from the packaging of raw materials, while hazardous waste mainly comes from the serving of cold drinks and replacement of some technical equipment. Since 2017, the waste generated at our plant in Dunaharaszti has been 100% recycled. We collect waste selectively in our production units and distribution centers. We want to completely eliminate landfilling, so waste that cannot be used is sent to an incinerator for energy production. Every year, we inform our employees about the importance of waste recycling and proper management

as part of our culture, and we regularly look for new waste management opportunities.

The amount of our waste decreased by almost 37% in 2021. The reason for this is that less scrapping - replacement of glass bottles, scrapping of machines and equipment - took place. This also resulted in a reduction in the amount of recyclable and hazardous waste (e.g. refrigerators). In recent years, selective waste collection and recycling have also received greater emphasis. As a result, in 2021 the combined rate of recycled hazardous and non-hazardous waste was 99.95%.

	2017	2018	2019	2020	2021
Total volume of waste (tonnes)¹¹	4 007	3 396	4 227	3 039	2 224
Non-hazardous waste	3 489	2 744	3 437	2 411	1 989
Recycle	3 203	2 372	3 076	2 140	1 725
Incineration	282	369	359	270	263
Landfill	4	2	2	1	1
Hazardous waste	518	652	790	628	235
Incineration	518	652	790	628	235

¹¹Numbers in the table show the amount of waste generated in our factories in Dunaharaszti and Zalaszentgrót.

8.2. Packaging design and development

Appropriate and sustainable packaging is also essential for the freshness of our products and for food safety aspects. With respect to packaging materials - both PET bottles and aluminium cans - we are constantly making improvements. Our goal is to use sustainable packaging solutions, thereby reducing the environmental impact of our products. We are also investigating the possibilities of using alternative raw materials.

We can achieve the recyclability of our products by consciously and innovatively designing their packaging, transforming the use of raw materials, and developing innovative and environmentally friendly packaging technologies. It is important for us not only to work on solving the problems of the present, but also to take advantage of future opportunities that promote recycling. Our packaging design and development activities are based on three pillars:



Weight reduction



Use of recycled materials



Innovative packaging solutions

The PET bottles distributed by Coca-Cola HBC Hungary are not only 100% recyclable, but we also use recycled plastic (rPET) for their production. In 2021, the average proportion of recycled plastic in our bottles was 12.2%. The procurement of recycled raw materials was significantly affected by the COVID-19 pandemic, as a result of which collection opportunities and waste processing capacities were

reduced, the market coverage of plastic recycling companies decreased, while the demand for rPET continued to increase. Together, all these effects caused a shift in the balance between supply and demand in the area of the recycling value chain. Despite the challenging circumstances, our company's goal is still to use 50% recycled plastic in the production of PET bottles by 2030.



Hungarian consumers try Coca-Cola's paper bottle prototype for the first time

On 15 June 2021, a prototype of the paper bottle jointly developed by the Danish startup Paboco and Coca-Cola arrived in Hungary, and Hungarian consumers were the first to participate in its testing. During the first European market test, domestic customers could try the innovatively packaged AdeZ plant-based drink via a purchase on kifli.hu. The online supermarket collected the packaging from all purchasers, and even asked them to help the developers' work by filling out a questionnaire.

The 100% recyclable bottle consists of a paper shell, with a recyclable plastic liner and cap suitable for storing liquids.¹² In the coming years, we will continue developing this first generation bottle, with the aim of creating one that does not contain plastic in its lining and can be fully recycled as paper.

¹²Where the technology is available.

8.3. Sustainable raw material procurement

The procurement of raw materials for our products and the performance of our suppliers greatly contribute to the size of our economic, operational and environmental footprint, so we also try to act responsibly in our procurement processes. We expect our suppliers to conduct their business in an ethical manner, as well as to protect and preserve the natural environment. Our General Terms and Conditions and our Supplier Guidelines contain the rules and principles our business partners must follow during our collaboration.

Our responsible procurement policy

It is part of our company's responsible behaviour to select our suppliers based on independent principles. To this end, we create internal regulations based on which we select our suppliers in a fair, transparent and verifiable manner after requesting and evaluating the required number and quality of offers in an auditable manner. In all cases, we strive to invite a wide range of potential suppliers to the tenders we launch.

During the selection process, employees from procurement cooperate with managers of the applicable departments, facilitating the impartiality of the process through their professional experience. Our procurement policy lays out not only the steps of the process, but also its basic principles, and makes compliance with them verifiable. For all new suppliers, we check whether they meet our high-quality expectations based on a quality risk analysis. With the involvement of an independent third party, we regularly carry out supply chain audits in which we examine not only legal compliance, as well as compliance with the guidelines of the Coca-Cola HBC Group. In addition, The Coca-Cola Company regularly audits our company and our suppliers.

As part of our continuous effort to develop and strengthen our supplier relationships, we have adopted and use the Coca-Cola HBC Group Supplier Guidelines in our relationship with our direct suppliers. These principles are based on the belief that social responsibility is fundamental to our long-term business success, and that this must be reflected in

the relationships and activities we develop and carry out in the marketplace, workplaces, environment and communities. We expect all Coca-Cola HBC Group suppliers to adopt the guidelines and develop and implement business processes that ensure compliance. Working with The Coca-Cola Company, we routinely use independent third parties to assess our suppliers' compliance with the Guidelines. We are happy to cooperate with suppliers in order to ensure that the requirements contained in the Supplier Guidelines are known and fulfilled.

We expect our suppliers to take care of the protection and preservation of the natural environment in the course of their business activities, in addition to the aspects of social sustainability, and to comply with the minimum applicable environmental legislation in all countries where they operate. Furthermore, we strongly encourage all our major suppliers to join EcoVadis, our preferred online sustainability assessment platform.



You can find out more about our supplier guidelines—on our [website](#).

Raw materials from sustainable sources

Natural raw materials make up a significant proportion of our raw material needs, the availability and safety of which are affected by many global challenges. The performance of our suppliers in this area directly affects our performance. We are committed to working with suppliers in the Coca-Cola system who procure their agricultural raw materials in a proven and sustainable manner.

Our raw materials



For our products

Sugar and sweeteners
Concentrate
Carbon-dioxide
Nitrogen
Water



For packaging

Plastic (PET)
Glass
Aluminium
Steel
Cardboard

8.4. Energy efficiency and climate protection

In October 2021, the Coca-Cola HBC Group made a commitment to make its entire value chain carbon neutral by 2040. Through this scientifically-based target, the company will reduce its direct and indirect greenhouse gas emissions within the entire value chain by 25% by 2030 and by a further 50% in the next decade. Since 90% of the emissions in the entire value chain of the company group come from third parties, Coca-Cola HBC is expanding its partnership agreements with its suppliers in order to ensure that its partners can contribute as much as possible to the achievement of climate goals. Where the problem cannot be completely eliminated, the company

mitigates it by investing in other climate protection measures. We pledge to achieve carbon neutrality by, among other things, improving energy efficiency, building a circular economy, fleet-greening and innovations.

We pledge to be carbon neutral in our entire value chain by 2040.



You can find out more about the guidelines related to climate change on our [website](#).

Reducing our carbon footprint

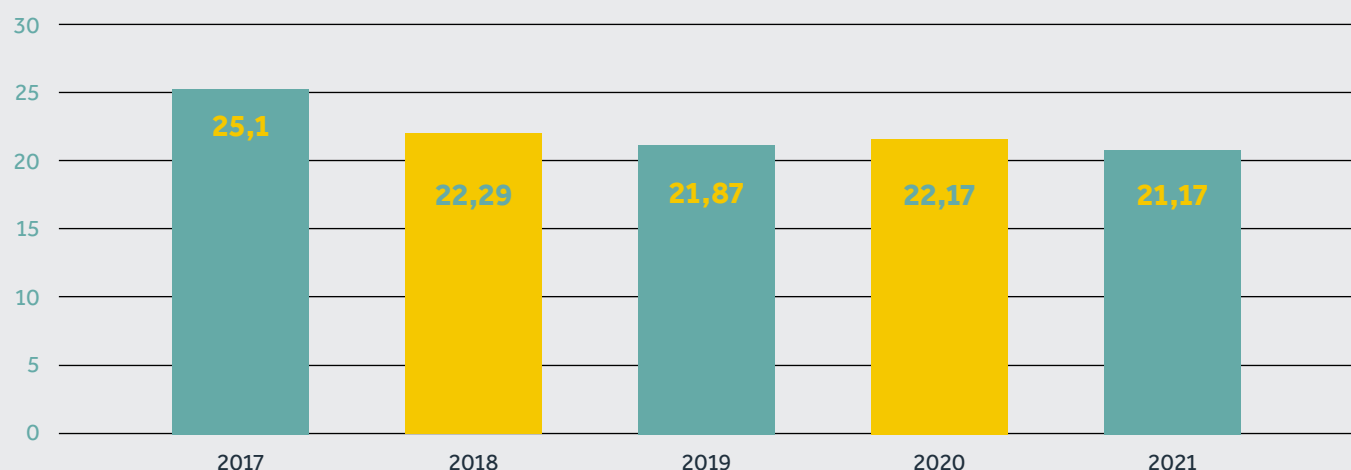
At Coca-Cola HBC Hungary, we do everything we can to reduce our impact on nature, and we try to conduct all our business activities taking into account sustainability aspects. We believe that together with our employees, suppliers and partners, we can find sustainable solutions to deal with climate change.

We are continuously monitoring our carbon dioxide emissions in order to get an accurate picture of the greenhouse gases resulting from our operations. The calculation of greenhouse gas emissions is done in accordance with the Greenhouse Gas Protocol. All of this helps to determine the actions and measures that support the reduction of our carbon footprint, and also to make sure that we set appropriate goals in the long term and achieve continuous development in the given area.

The greater amount of our company's direct carbon dioxide emissions comes from the energy consumption of our bottling plants and car fleet. The procurement of raw materials – ingredients and packaging – logistics processes, and the operation of equipment offering chilled drinks contribute the most to indirect emissions.

At Coca-Cola HBC Hungary, we pay close attention to the direct (Scope 1) and indirect (Scope 2) carbon dioxide emissions of our company's operation, as well as to any changes in the carbon emission intensity.¹³ The CO₂ intensity index (Scope 1 and 2) is calculated on the basis of the direct and indirect emissions per unit produced. In 2021, this value was 21.17 gCO₂/lpb, which is lower than the annual target (21.69 g CO₂/lpb).

Carbon-dioxide emission intensity (gCO₂/lpb)



¹³Having published our Scope 1 and 2 results, we are also monitoring Scope 3.

Energy efficiency

Our core activities, production and the related transportation of our products are impossible without meeting the necessary energy demands. That is why we are committed to being energy efficient while reducing the emission of carbon dioxide and other greenhouse gases resulting from our activities.

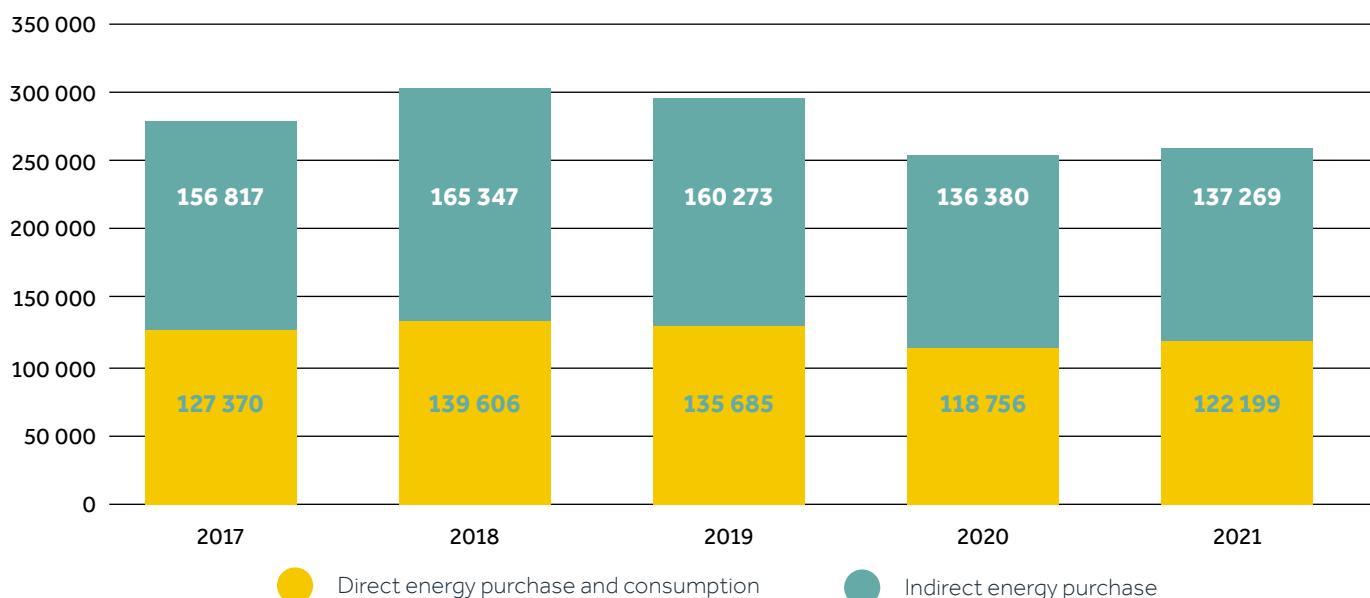
Our energy management is outlined by our ISO 50001 energy management system, which is certified by SGS Hungária. The system continuously monitors our performance, creating the opportunity for constant development. Our annual action plans contribute to improving efficiency and reducing our energy

consumption. During our annual training sessions, we regularly draw our employees' attention to the importance of energy efficiency and sustainability. Our related activities are recorded in our Energy Policy, which is available to everyone on the company's website. Our Sustainability Manager is responsible for monitoring the fulfilment of our goals.

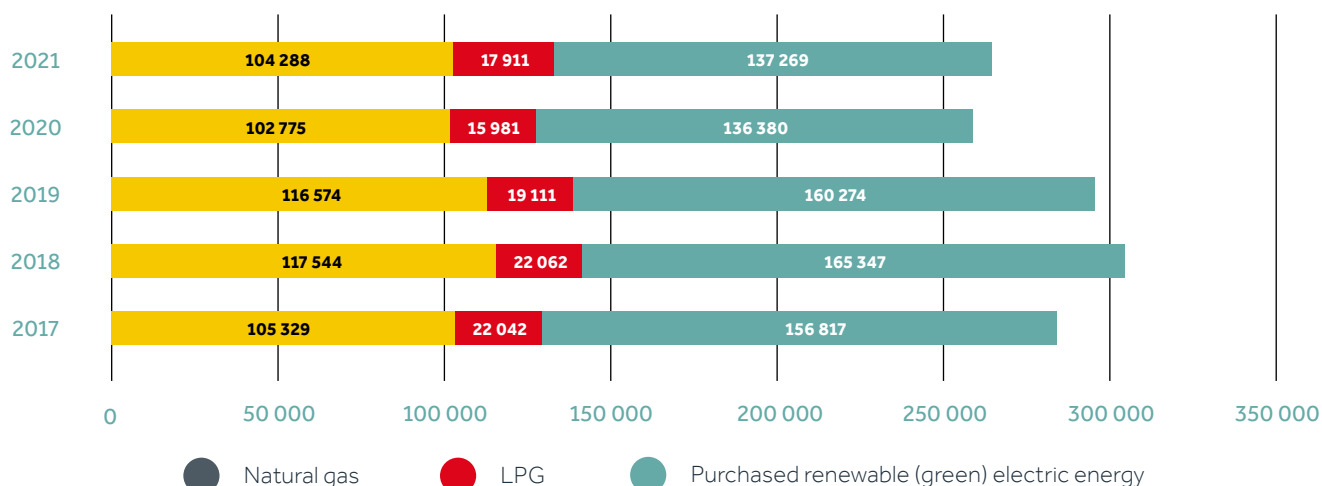


You can find out more about our energy management on our [website](#).

Total energy consumption (GJ)



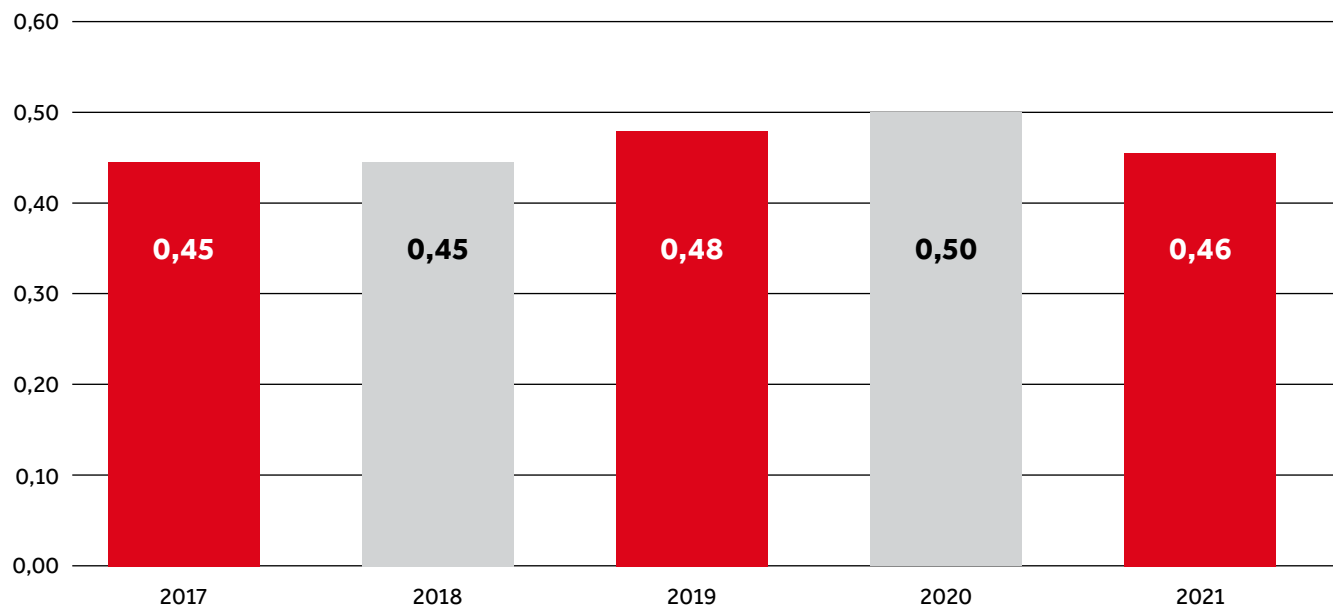
Distribution of energy sources (GJ)



Our energy consumption increased in absolute terms in 2021, which can be explained by an increase in production. In order to monitor our performance, we also consider it important to present specific indicators, the most important of which is the energy consumption per unit of manufactured product, which we try to improve every year. Our energy intensity index in 2021 was 0.46 MJ/litre, which exceeded our annual goal (0.47 MJ/litre).

We have reduced our specific energy consumption.

Energy intensity (MJ/L)



In order to achieve our goals and improve our results, we renovated our glass washing equipment and replaced a boiler burner head used in producing industrial hot water with a more

modern one. In order to further improve our performance, we are constantly looking into investment opportunities aimed at energy efficiency and increasing renewable resources at our sites.



Our production facilities operate via
100% green electricity.

We are proud that our production plants operate using 100% green electricity. The green operation of our factory in Zalaszentgrót is also supported by heat pumps, which supply the plant with green heat energy, thanks to which its operation is nearly completely carbon neutral.

8.5. Water management and water protection

At Coca-Cola HBC Hungary, we believe that the protection of our natural resources plays a key role in our business processes. Water is a primary component of our manufacturing processes: it is an essential raw material for the production of our products and the agricultural raw materials used in our production. Water is essential in many production steps, especially cleaning. Responsible water use permeates all our production processes and our supply chain. Our water management activities are summarized in our Environmental Protection Policy and Water Management Policy.

In addition to reducing water consumption, we also want to minimise the effects of our operations on the environment

by cleaning any wastewater generated. Regarding our production plant in Zalaszentgrót, the pH level of wastewater is set using a neutralization system installed at the site. Water thus leaves the site after being treated in accordance with the law, and from there enters the municipal sewage network. The industrial wastewater of our Dunaharaszti plant is disposed of by the water utilities through a cleaning process that follows strict rules.¹⁴

In order to identify impacts related to water management, we also involve external experts, who take into account social, environmental, economic and regulatory risks in order to reduce water consumption.¹⁵

Responsible water management

We operate the ISO 14001:2015 environmental management system to monitor our environmental performance, including our water consumption. Every year, we define our targets for water use, for which we develop action plans and implementation projects which also form the basis of our annual investment plans. We prepare regular reports on the current results, and we also monitor related trends and customer needs.



As a further development of the European Water Stewardship (EWS) certification, in 2020 both of our domestic locations - Dunaharaszti and Zalaszentgrót - obtained the AWS International Water Stewardship Standard gold level certificate by which we strive to implement and develop good water management practices.

Our production plants in Dunaharaszti and Zalaszentgrót use a significant amount of water due to the nature of

their operation. Most of the industrial water needs are covered from our own drilled wells, and additional supplies are provided by the city's piped network. The use of water and wastewater in our distribution centers and offices is limited to social water use, which is also supplied by the public utility network. The industrial wastewater of our production plant in Dunaharaszti is directly received for cleaning by the Dunaharaszti Sewage Treatment Plant operated by Észak Dunántúli Vízművek Zrt. The quality of the wastewater is measured by the wastewater plant, and we also carry out self-inspection in accordance with our permits, the results of which we regularly send to the relevant authority. In order to identify our common issues, we are in constant consultation with stakeholders who have considerable influence in the field of water management: i.e., we are in close contact with the competent authorities, local governments, drinking water supply and wastewater treatment companies.

The goal of the Coca-Cola HBC Group is to reduce water consumption in water-scarce regions, that is, to reduce water consumption by 20% for corporate units operating in water-stressed regions by 2025. Although our plants in Hungary are not located in a water-scarce area, reducing the amount of water used to produce our products is one of our priority goals.

¹⁴We do not have information on the suppliers' water use and wastewater treatment.

¹⁵Our company does not collect information related to water storage.

Distribution of total water consumption

	2017	2018	2019	2020	2021
Total water consumption (m³)	1 116 781	1 185 097	1 140 812	939 330	984 841
Water consumption Low water stress areas¹⁶ (m³)	936 821	1 009 452	978 857	832 678	866 056
Water consumption High water stress areas¹⁷ (m³)	179 960	175 645	161 955	106 652	118 785

We annually monitor our water consumption target and pursue further initiatives based on the results. In 2021, our target was to use 1.80 litres of water to produce 1 litre of product, and our actual result was 1.75 litres.¹⁸ In order to achieve our goal, we renovated glass bottle washing equipment, replaced and remodelled water pipes on our production lines. By 2022, we have defined additional specific steps to further reduce our specific water consumption.



We decreased our specific water consumption.



You can find out more about our water management policy on our [website](#).

¹⁶Determination of low water stress areas based on the [Aqueduct Water Risk Atlas](#). At the identification of areas, we examined the locations with low (<10%) and low-medium (10-20%) values.

¹⁷At the identification of high water stress areas, we examined locations with medium-high (20-40%) and high (40-80%) values.

¹⁸Not including the water consumption of distribution centres.

8.6. Biological diversity

Preserving ecosystems for future generations is a key part of the long-term, sustainable growth of our company. As part of our 2025 mission, we are committed to preserving biodiversity through efficient energy use and reducing pollutant emissions. In addition, we place great emphasis on the optimization of water use, the preservation and restoration of priority areas in terms of water use, and the sustainable procurement of agricultural raw materials. We are committed to promoting sustainable forest management, helping to prevent deforestation and illegal logging, thus supporting the protection of forests and other ecosystems.

We monitor the indirect and direct effects of our plants on biodiversity. In order to preserve nature conservation values, we constantly keep the state of the ecosystem in our operational areas under control to ensure that the species and habitats under protection are in a suitable condition. According to wildlife protection criteria, our plant in Dunaharaszti is not in a protected area and does not directly border a protected area.

The impact on the protected natural areas and areas of high nature conservation value located in the 25 km vicinity of the plant is not significant or cannot be detected.

However, protected natural areas and Natura 2000 areas can be found in the direct and indirect vicinity of our bottling plant in Zalaszentgrót. Based on wildlife protection surveys, it has been stated that the current operation of the production unit does not raise any nature conservation problems. The destruction of habitats and species inside and outside the site can be excluded and minimized by observing the official regulations and technological restrictions. In addition to all this, as the area of the plant has been under industrial use for a long time, it has favourable conditions for keeping and localizing polluting effects in case of possible contamination. Protected areas and habitats of greater importance from a nature conservation point of view are mostly located at a safe distance, so they are not foreseen to undergo any damage or endangerment.

Our investigations for the purpose of nature conservation

Between 2015 and 2018, with the help of Pannon University, we monitored protected plant species and insect life in order to receive feedback on the state of the ecosystem around our bottling plant in Zalaszentgrót based on a habitat map of the area. As part of the survey, we examined the number of individuals of various plant species, including the sedge, Siberian sedge, bulbous carnation, scallion and the bulbous sedge, while the zoological survey mainly focused on species groups which have not been studied thoroughly, and on

protected animal species (e.g. dwarf snail, etc.), concentrating on their frequency of occurrence.

Based on the results of the investigation, we identified a total of nine protected plant species from the area, of which the chequered lily exhibited the greatest numbers. During an entomological survey, we identified a total of 463 species, of which 18 are protected.



9 Responsible operations and product range

9.1. Corporate governance, compliance, and anti-corruption

At Coca-Cola HBC Hungary, our commitment to integrity and ethical behaviour drives all of our business activities. Firm business ethics are an integral part of our corporate culture and values, and are essential to our long-term financial success, our reputation and the trust of our partners. Our approach extends to all financial and non-financial aspects of corporate governance in a holistic manner, with zero tolerance for breaches of any of our relevant policies.

We shape the way we do business to minimize risk and seize opportunities. Our Group's Risk Management Policy

sets out the strategic objectives and responsibilities for risk management and is monitored by the Group Audit and Risk Management Committee at Coca-Cola HBC AG. In support of this Policy, we continuously review our approach to corporate risk management processes to ensure that they are embedded both culturally and operatively in our business activities. At Coca-Cola HBC Hungary, we apply a robust system to identify and monitor risks, which are reported to the Group Board on a quarterly basis.

Organizational Structure¹⁹



¹⁹The top executive of our company is the Country General Manager. Due to the legal formulation of the firm, there is no executive board. IT services and sustainability functions are operated regionally and local managers report to regional leaders.

Corporate compliance and related policies

Ethical operation in corporate culture

Our Code of Business Conduct sets out our internal operating requirements in line with our values and applicable laws. The Code is adopted by the Board of Directors of the Coca-Cola HBC AG Group and is binding for operations in all countries and their employees without any exceptions. Within our company, it is essential that all stakeholders are aware of and take responsibility for compliance with all relevant legislation. Our policies are reviewed by the Country General Manager and Country Legal Manager.



Our Terms of Business is available on our [website](#).

Our Compliance Officers ensure that our employees receive training on our Code of Conduct biannually and on entry into the company and must declare their understanding of and compliance with its provisions in writing. Our colleagues may contact our Compliance Officers and our management with questions and concerns about ethics. Our employees are required to report any perceived ethical misconduct, which they can do anonymously. Those who wish to report anonymously can do so via the 'Raise Your Voice!' (Emeld fel a hangod!) line, which is managed by an independent company to ensure the objectivity of the investigation. All ethical reporting is fully investigated in the utmost confidentiality, and we guarantee that there will never be any negative consequences for those who report something in good faith.



Ethics and Compliance Week

Our company organized 'Ethics and Compliance Week' in 2021 as well. Our work to create a transparent corporate culture and our compliance program will help us to be seen as a trusted and respected business partner by our stakeholders and communities. The focus of this thematic week was on refreshed online training on our Code of Conduct and Compliance Manual. By completing the training, our colleagues were able to participate in a competition individually and across countries.



Our Anti-bribery Policy is available on our [website](#).

Environmental compliance

Our leaders at Coca-Cola HBC Hungary seek to create a fine balance between achieving our business goals and protecting the environment. Our company is committed to implementing and maintaining effective control systems and reliable measures that take into account environmental considerations to provide high-quality products and services to our partners and consumers in a safe and environmentally friendly way.

Throughout our business activities, we aim to comply with all applicable legislation and apply the Group's internal environmental standards and other environmental regulations as required by the Group. By operating our environmental management system (ISO 14001:2015), we ensure accountability for our activities and the possibility for continuous improvement. Our certified management system covers all of our operational units, including our plants in Dunaharaszti and Zalaszentgrót, as well as our distribution centers in Mályi and Balatonfűzfő. We regularly examine the environmental impact of our economic activities related to the

production of our products and the operation of our plants. Our aim is to ensure that our operational plants and production processes are 100% compliant with legal requirements.

We have defined and implemented environmental objectives and programs to help us achieve our Environmental Policy. In addition to communicating our Environmental Policy to our employees, we provide them with the necessary training and more detailed information to make environmental awareness an even more integral part of their daily activities. Protecting our environment and preventing pollution is the duty and responsibility of every manager and employee in our company. The Environmental Policy is the responsibility of our Sustainability Manager.

As in previous years, in 2021 we were not involved in any procedure related to the breaching of environmental compliance.



Our Environmental Policy is available on our [website](#).

Integrity in business relations

It is in the fundamental interest and ethical principle of our company to fully comply with the provisions of the legislation in force in all business relations and to adapt our operations to the expectations and needs of society. Our Legal Department provides the framework for this compliance, both in a formalized way and through its operational framework, to ensure that legal compliance is part of the business process. All agreements entered into by the company are in the form of a model contract written by our Legal Department or an individual agreement approved by them. Ensuring legal consultation and compliance is part of the business decision-making process. In addition, our Code of Business Conduct, Anti-Corruption Policy and Competition Policy ensure that we

operate in a socially responsible manner. The Internal Audit function regularly reviews compliance with company policies and regulations.

For Coca-Cola HBC Hungary, the social dimension of sustainability is part of our corporate governance, which also impacts our internal operations and business relationships. We conduct all our business activities in accordance with the highest legal and ethical standards. Our company makes every effort to comply with all applicable local laws and legal obligations and did not experience any non-compliance in 2021 with regard to regulations affecting economic and social issues.

Zero tolerance for corruption

Our commitment towards responsible and ethical behaviour is particularly important when it comes to corruption. Our approach is clear: we have a zero-tolerance policy towards all cases of corruption and bribery.

Our anti-corruption policy is communicated to all of our employees and adherence to it is mandatory for everyone. New colleagues joining the company during the integration process, as well as all managers and staff, are required to attend online and classroom anti-corruption training every two years, something which is monitored by our HR department. In 2021, 232 manager colleagues and 932 employees completed the Coca-Cola HBC Code of Business Conduct eLearning course.

Employees regularly interacting with third parties, government officials or making procurement-related decisions through their

work are considered 'at risk' employees and therefore receive more in-depth and thorough training. For them, an additional anti-bribery module is added to the e-learning materials. For members of the Management Board, the Legal Department conducts online or classroom training annually.

Besides our internal operations, we expect integrity from our business partners as well. Our Code of Business Conduct and Supplier guiding principles contain the rules and standards covering all our business relations. Our trading partners agree to abide by the ethical conduct set out in our Anti-Corruption Policy and Compliance Manual when entering into a contract. In 2021, we communicated in writing to all our suppliers (1113 companies) the importance of complying with the Code.

Anti-corruption training in 2021

Groups of employees		Training requirements
Governance body members	Senior managers made up of the directors' immediate subordinates	Annual online or in-classroom management training, compliance, and anti-bribery e-learning courses
'At-risk' employees	Employees responsible for reaching out to third parties on behalf of the company and making decisions regarding sales and the supply chain	Compliance and anti-bribery e-learning courses every two years

Fair competition

We believe in fair competition and never seek to gain an unlawful or unethical competitive advantage. Our principles of fairness in compliance with applicable competition laws are set out in our Competition Policy, which is binding on all members of the Coca-Cola HBC AG Group. The policy sets out the principles on which we organize our commercial practices, pricing and promotional activities, and the way we communicate with our competitors and about our business processes.

We are committed to fully comply with the competition law rules in the market. The company's competitive commitments and rules are summarized in a Competition Handbook for employees, which regulates relations with competitors,

customers, distributors and other third parties and provides detailed guidance to colleagues on competition law issues relevant to the company.

In 2019, the Hungarian Competition Authority (GVH) initiated proceedings against our company following a third-party notification of alleged anti-competitive behaviour. The investigation is ongoing and is being conducted with the full cooperation of our company. In 2021, we were not involved in any proceedings related to anti-competitive proceedings in which our company was identified as a party. In line with our internal policies, we intend to continue to place a strong emphasis on ensuring compliance with the law.

9.2. Direct and indirect economic impacts

At Coca-Cola HBC Hungary, we pursue a sustainable growth strategy that makes us a successful, reliable and value-creating company and business partner. We are constantly working to improve our market position and customer satisfaction in order to achieve dynamic growth. We are developing and expanding our portfolio, whose high-quality products we produce through our efficiently expanding production capacities.

Aligned with our strategy, we set targets for business and financial performance, which are broken down into annual sub-goals and supported by measures. We operate in full

compliance with national finance and accounting legislation, for which our Finance Director is responsible.

We are committed to managing our business in a way that minimizes risks while maximizing opportunities. The Group Risk Management Policy ensures accountability, for which the Audit & Risk Committee is responsible. We operate a robust risk identification and tracking system within our enterprise risk management (ERM) framework, which is reported to the Board on a quarterly basis. Our ERM system is continuously updated to further embed it operationally and culturally into our operative processes.

Economic results

Total economic value generated and distributed (HUF million)	2017	2018	2019	2020	2021
Direct economic value generated	116 432 746	131 505 113	138 086 549	115 309 633	126 725 760
Revenue	116 432 746	131 505 113	138 086 549	115 309 633	126 725 760
Direct economic value distributed	35 922 268	64 099 639	73 240 867	57 042 964	66 348 967
Operating costs	24 714 812	26 267 074	28 358 909	23 725 171	26 643 552
Employee wages and benefits	10 148 495	10 420 748	10 499 876	9 324 685	9 947 523
Payments to providers of capital	293 954	7 451 702	10 535 387	4 986 904	6 681 503
Payments to government ²⁰	765 007	19 960 115	23 846 695	19 006 204	23 076 389
Direct economic value retained	80 510 478	67 405 474	64 845 682	58 266 669	60 376 793

In 2021, Coca-Cola HBC Hungary's objective was to return to a growth trajectory as soon as possible, but in the first half of 2021 the pandemic still had a significant impact on our economic results. From the second half of 2021 onwards, however, we saw a dynamic increase in demand, which resulted in an overall successful 2021 financial year, with our sales increasing by almost 10% compared to the previous year's figure. However, our turnover from export activities

continued to decline by around 14%, which can be explained by the concentration of our target market on domestic demand.

Our sustainable business operations continue to be based on adapting our business processes to the ever-changing market conditions and serving our customers as efficiently and promptly as possible.

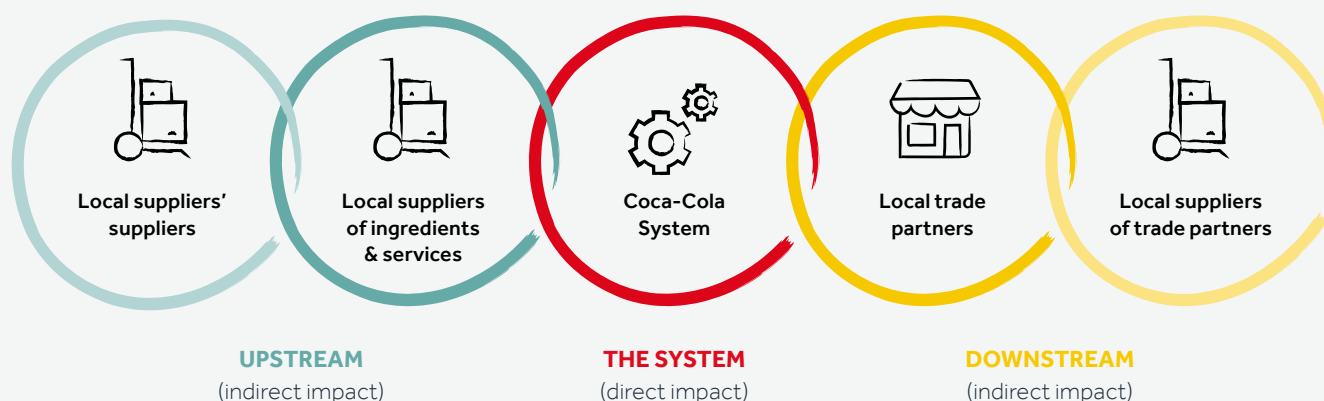
²⁰Payments to the state treasury include income tax, local business tax, innovation levy, food chain supervision fee, VAT, public health product tax, environmental product charge and community investment.

Indirect economic effects

Throughout the entire value chain, Coca-Cola HBC Hungary contributes hundreds of millions of forints to the state budget every year. Through the production, packaging, promotion and delivery of soft drinks to customers, the activities of the

company's entire value chain stimulate economic activity, from the farmers who produce the raw materials to the partners who sell soft drinks throughout Hungary.

Coca-Cola HBC value chain



In addition to contributing to economic growth in Hungary, we are actively involved in domestic production. Through our bottling plant, we create jobs and pay wages directly, but we also provide these indirectly by purchasing goods and services from local suppliers, and by influencing retailers and their suppliers through the distribution of our products. We also indirectly contribute to the creation of thousands of jobs through our local manufacturing and distribution processes, thus helping to promote domestic employment.

Although the COVID-19 pandemic was still present in the first half of 2021, our commitment to development has not

decreased, as we have replaced approximately 150 cars to reduce fuel consumption and emissions and replaced around 2,000 coolers with the support of our partners. We have also gradually started to phase out plastic cups used in coffee machines. By replacing the millions of cups we use each year, our company will be able to use around 25-30 fewer tonnes of plastic.

Our company is reducing carbon emissions from direct operations through continuous energy efficiency improvements and innovations, including a shift to 100% renewable electricity and low-carbon energy sources.

'Touch-free interface'

The difficulties caused by the pandemic have also been a challenge for our business partners. Many businesses in the HoReCa sector were partially closed in the first half of 2021. It was vital for us to pursue a common goal with our business partners during these difficult times. In 2021, we were looking for ways to make takeaway service as secure as possible, which led to the birth of a touch-free menu interface.

The platform, created by The Coca-Cola Company, provides a convenient, secure and touch-free menu for our beverage-manufacturing catering partners and their guests, completely free of charge, in order to support the re-launch of the domestic food and beverage industry.



Via this service, when visiting a restaurant with a touch-free menu, a QR code can be scanned with a smartphone, enabling the customer to make menu selections.

9.3. Health and nutrition of our consumers

At Coca-Cola HBC Hungary, our aim is to provide our consumers with a range of products that meet all their needs and preferences. As the leading player in the Hungarian soft drinks market, we aim to satisfy a wide range of consumer needs through our comprehensive portfolio. We are committed to providing our consumers with a variety of alternatives and helping them to eat consciously. We believe that the consumption of our products can be part of a balanced lifestyle, while of course maintaining healthy moderation. Our products are part of a balanced diet and lifestyle, and our responsibility for this is reflected in our core operations, i.e. our product portfolio and marketing activities.

It is important to us that our products are produced with the utmost respect for food safety. We are committed to good manufacturing and hygiene practices, and to the continuous improvement of our corporate quality culture in a way that truly places food safety at the forefront of all aspects of product production. To ensure compliance, we operate a certified ISO 9001 and FSSC 22000 management system.

In 2021, there was no case of non-compliance with legislation regarding product quality and conformity for any of the products we market.



Introducing new products

We constantly expand our portfolio with new products, while also increasing the proportion of sugar- and calorie free or low-calorie drinks.



Evolving our recipes

We are continuously assessing options to evolve recipes in order to reduce our products' sugar and calorie contents. In 2021, we introduced two new low- or zero calorie products: Kinley Ginger Ale, FUZETEA Apple-Cinnamon.



Reducing pack sizes

One way to control the number of calories you consume from our products is to reduce the portion sizes. We also support the marketing of pack sizes smaller than 300 ml through our business and commercial strategy.



Information and awareness raising

We also support informed choices through our business and marketing tools, by making labels easy to understand, indicating the recommended daily intake, improving our shelf-positioning guidelines, or through product advertising, which now promotes 50% calorie-free products. In 2019, we were the first beverage distributor in Hungary to introduce front-of-pack ('FoP') labelling of calorie content and daily reference intake.

In 2021, 44,2% of our portfolio is low calorie or calorie free.

In 2021, we offered over 55²¹ types of products.

²¹By brand, regardless of packaging and taste.

Joining forces within the industry for domestic sugar reduction

Coca-Cola HBC Hungary, together with the members of the Hungarian Mineral Water, Fruit Juice and Softdrink Association, has voluntarily committed to reduce the sugar and energy content of its products by 50% by 2020 compared to the 2010 base year. These values are now 45% lower than in 2010. The data show that the average energy content of soft drinks per 100 millilitres was 40 calories in 2010, reduced to 22 calories in 2021.

-50%

The commitment refers to the average sugar and calorie content of soft drinks per 100 millilitres.

By modifying existing recipes and introducing new, innovative products, the share of reduced- and zero calorie drinks in the non-alcoholic beverage category increased from 23% to 61% between 2010 and 2021. The results show that the

calories consumed from soft drinks represent only 2-3% of the average total calories consumed by Hungarian consumers. The industry target is also in line with our own calorie reduction commitments.

The proportion of the total sales volume of product categories "lowered in sugar" and "sugar substituted by artificial sweetener" in our portfolio

RTD Tea

2021
100%

2020
100%

Sparkling Softdrinks

2021
47%

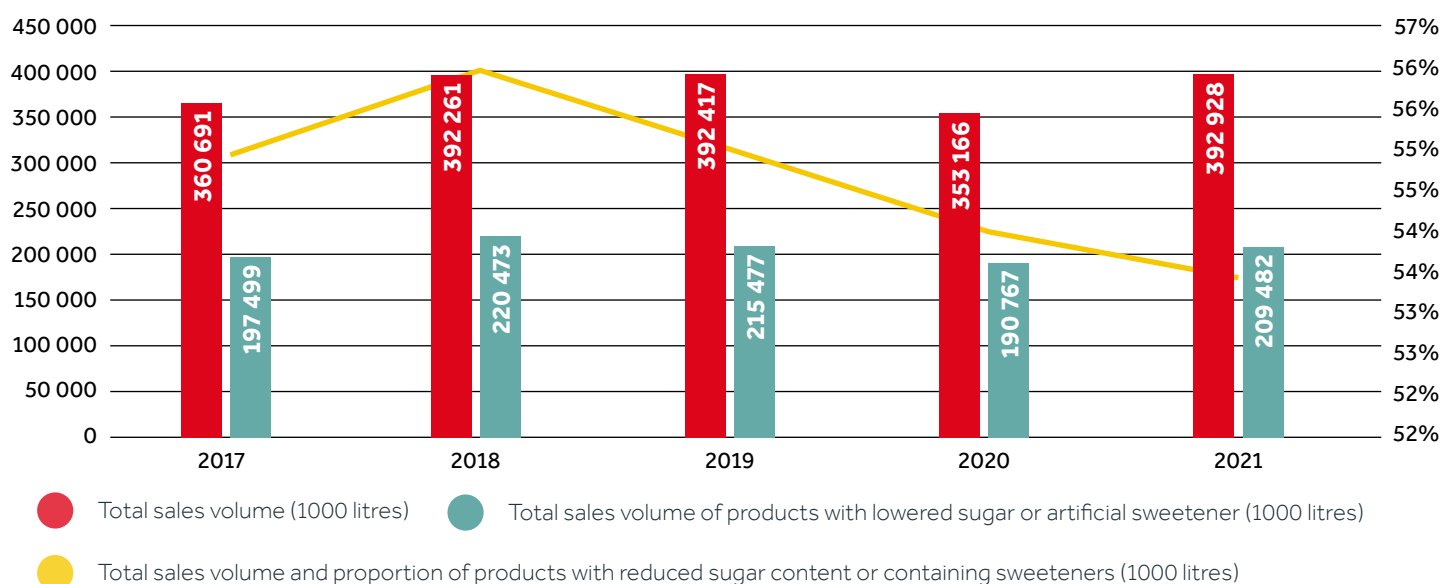
2020
49%

Juices

2021
58%

2020
55%

Total sales volume and rate of products with lowered sugar or artificial sweetener (1000 litres)



In 2021, we placed a strong focus on sparkling soft drinks from a marketing communications perspective. We are continuously developing our portfolio with an increase in new

reduced- or zero sugar products, leading to a broadening of the entire carbonated soft drinks category.

9.4. Responsible marketing communication

Responsible marketing communication continued to play a key role in 2021. We considered it important to play an active role in providing the right information during the pandemic.

The pandemic affected our operations more significantly at the beginning of the year



Communication campaign for hospitality in the wake of the pandemic

From the end of June 2021, Coca-Cola HBC Hungary offered support to restaurants and cafés reopening after the pandemic with a strong message and action through its award-winning 'Open Like Never Before' campaign. The aim of the campaign was to bring the players of one of the industries hardest hit

by the pandemic – including restaurants, cafés, bars and their customers – back together to be able to enjoy dining out more than ever. Our campaign was awarded first place in both the HoReCa and Beverage categories of the Trade magazine's 'Most Successful Promotion of the Year' competition.



"It is a great recognition that in this challenging year we have been ranked first in two important categories - HoReCa and Beverage. Our main objective is to offer a product that meets the needs of our customers every minute of the day, for every consumption occasion, and we are very proud when our creative marketing activities are recognised by the industry. Last year we paid great attention to supporting both our customer partners and our communities. We are proud to have experienced and talented sales and marketing professionals supporting our company on the path to success."

András Palkó, Head of Marketing Operations,
Coca-Cola HBC Hungary

In addition to that successful communication campaign, The Coca-Cola Company has developed its own touch-free menu application, which can be used on smartphones, and made it available free of charge to restaurants in Hungary, thus supporting safe ordering among guests.

We believe that responsible marketing is an essential part of our impact on the economy, the environment and society. It is crucial for our sustainable business that our marketing activities are both effective and carried out in a responsible way. We always strive to provide balanced, fair and clear information about our products, while paying attention to the target audience and the messages our advertising and promotions convey. The addition of premium alcoholic

beverages to our portfolio has further increased the importance of our responsible marketing communications. In addition to complying with legislation, we have made voluntary commitments to ensure that we communicate our products to consumers in a responsible way. In 2021, we did not have any non-compliance issues with our legal or voluntary commitments on product labelling and marking.

Coca-Cola HBC's responsible marketing policy for premium alcoholic beverages is designed to provide clear and consistent guidance to all our employees on the rules that should be applied in the responsible marketing, advertising and promotion of premium alcoholic beverages distributed by the company and sold on behalf of its business partners.



As a member of the Union of EU Soft Drinks Association (UNESDA), we have made voluntary commitments to responsible advertising and commercial communication. Accordingly, we do not advertise in media and platforms aimed at children under 13, we avoid directly influencing children, and we are firmly committed to not engaging in direct commercial activity in primary schools, so we only sell mineral water and fruit juices in school canteens. From 2019 onwards, we have only been selling calorie-free (maximum 4 calories per 100 ml) or low-calorie drinks near schools, for both primary and secondary school children. In addition, we always keep healthy and balanced nutrition in mind in our own promotions and those of our partners.

We are responsible in not purchasing advertising where more than 35% of the direct audience is children under 13. Our policy applies primarily to television, radio and print

media, but also covers internet and mobile services. We strongly oppose direct commercial activity in primary schools.



10 Social engagement

Coca-Cola HBC Hungary has been a partner in several volunteering initiatives for years. In 2021, as the pandemic eased, our programs went back to the physical environment, supporting local communities. Our corporate social responsibility objective remains to empower local communities through our responsible operations, and to adapt to their needs and expectations.

In 2021, a total of 65 of our employees volunteered in local communities.

10.1. Supporting local communities

Our corporate volunteering programme has been a key part of our corporate responsibility strategy since 2007. Through our volunteering activities, we play an active role in the life of our communities, integrate a social responsibility approach into our daily operations and increase our employees' sense of responsibility for their communities. Corporate volunteering is open to all our employees, and programs are open to anyone to join and can be initiated by anyone. We have targeted our donation and grant programs to the needs of local communities in the spirit of community development, assessing how and in what ways we can help local people. As in previous years, in 2021 we carefully sought out opportunities to use our expertise and resources to help those in need in the most effective way. We do not carry out

a full social and environmental impact assessment across our programs, but we do seek to collect data and feedback to monitor the social and environmental impact of our business.

Involving local communities and stakeholders is a priority for us, as we believe that mutual cooperation with external stakeholders creates long-term impact and value. As a result, our sites in Dunaharaszti and Zalaszentgrót have attained AWS International Water Stewardship certification in 2020. In the context of Coca-Cola HBC Hungary's water management, we have also assessed the opinions, suggestions and comments of our stakeholders in Zalaszentgrót and Dunaharaszti, including from the municipality, water authority and effluent facility in 2021.



For more information on the AWS International Water Stewardship certification, visit the organisation's [website](#).

Supporting the local residents of our sites



We participated in the Dunaharaszti Municipality's tree planting program by planting trees, bushes and other plants. The trees planted are expected to remove 2 tonnes of CO₂ from the air each year and create a more sustainable environment for the people of Dunaharaszti.



In the spirit of community building, we provided support to the Zalaszentgrót Municipal Football Club's sport programs.



'Empty Bottles Also Matter' campaign in Hungary's first eco-beach

In the summer of 2021, Coca-Cola HBC Hungary launched an educational campaign in the Gyömrő Lake Beach, Hungary's first eco-beach which is entirely based on eco-sustainability. During the summer months, the eco-beach and its surroundings will provide a pleasant recreational and relaxation experience for nearly 70,000 visitors. In the spirit of the 'World Without Waste' commitment, informational posters were put up to remind visitors of the importance of selective waste collection.

The circulation of packaging materials through collection and recycling is the most efficient way to manage packaging waste. The 'Empty Bottles Also Matter' campaign focuses on the importance of recycling beverage packaging for visitors to the lakeside. Large information panels include more detailed information on the plastic recycling process. Visitors will also find answers to the most important and frequently asked questions about selective waste collection, such as "How to dispose of it, and where?".



Cooperation against food waste

Once again, Coca-Cola HBC Hungary participated in the World Food Day Donation Convoy, which distributes around 33 tonnes of donations from Hungarian and international food and trade companies. This was the 16th time that the campaign was organized by the Food and Agriculture Organization of the United Nations (FAO) and the Hungarian

Food Bank Association. The aim of the event was not only to provide assistance but also to raise awareness about the need to reduce food waste. The aim is for market stakeholders to transform food supply systems in order to reduce the amount of food that is thrown away.



"Our company has been successfully and effectively cooperating with the Hungarian Food Bank Association for many years. We regularly donate to the organization products that are within their expiry date and are perfectly good for consumption, but for some reason cannot be sold. We are pleased to have supported the Food Bank's activities by donating more than

15,000 litres of soft drinks in 2021. Reducing food waste is essential to making our environment more sustainable."

Orsolya Nyilas, Head of Community and Customer Partnership, Coca-Cola HBC Hungary

10.2. Zero Waste Tisza River program

Protecting our living waters

We launched the Zero Waste Tisza River program in 2019 in cooperation with the Tisza Plastic Cup and the the National Directorate General of Water Management, with the aim of cleaning up the Hungarian stretch of the Tisza and its floodplain. The initiative was financially supported by Coca-Cola's global foundation, The Coca-Cola Foundation.

The Zero Waste Tisza River program gives much more to the Tisza and its participants than just waste collection: GPS-based tracking for waste mapping has been launched, the first Kisköre River Rescue Centre has been set up and plastic has taken a special form as a useful secondary raw material in prototype plastic kayaks. To make each kayak, around 300 kilograms of waste had to be collected from the river floodplain, from which 20 kilograms of kayak material, known as HDPE (high density polyethylene) plastic, had to be sorted. Hundreds of hours of volunteer work were spent by hard-working hands collecting, sorting, washing and grinding the waste.

Thanks to the high recycling rate of the extracted waste and regular, large-scale clean-ups, the target set for 2019 was met, with 80 tonnes of waste removed from the river and its floodplain. Thanks to the success of the program, a further USD 150,000 of support will allow the awareness-raising program to continue for a further year, from September 2021. Via this continuation, we aim to implement programs that will bring about significant changes in the Tisza headwaters. This will bring us closer to the root of the problem and a long-term solution.

In addition to financial support, our employees have been involved in cleaning up the Tisza in 2021. Together with an event organized in Kisköre in 2021, a total of 170 employee volunteers have now joined four volunteer days. Together with the Plastic Cup volunteers, the company's colleagues collected bags of waste, mainly plastic, stuck in reed beds and floating on the surface of the water. Once full, the bags were collected by the PETényi "garbage boat", which is unique in that it floats on a large number of PET bottles, which were previously removed from the Tisza. They have helped to remove more than 7 tonnes of waste from the Tisza and its floodplain. Once again, the added value of our employees and volunteer programs has proved invaluable to this natural setting.



More information about the Zero Waste Tisza River program can be found on the Plastic Cup [website](#).



The Coca-Cola Foundation supports the development of GPS waste tracking bottles

As part of the research and development program of the Tisza Plastic Cup, in January 2021, experts launched three plastic bottles equipped with GPS sensors that transmit real-time data and show on a map where the bottles are currently located. The research examines how long and how fast plastic waste travels, floats in the water, where it is deposited in floodplains, when it moves on and whether it reaches the seas. This is the first experiment to see the bottles' journey live on the Plastic Cup map. The aim of the Plastic Cup research is to use the observation of the sensor bottles to prove that marine and ocean litter is an environmental issue that is a shared responsibility and affects land-locked countries as much as coastal ones. The research is supported by The Coca-Cola Foundation, the sponsor of the Zero Waste Tisza River program, which will support the technical development, testing and monitoring of the sensor bottles.



You can follow the route of the plastic bottles live on the Plastic Cup [map](#).



Global agreement with Ocean Cleanup to restore rivers and oceans

The Coca-Cola Company has become the first global partner to join The Ocean Cleanup, a non-profit organization dedicated to protecting the clarity of natural waters. This unique partnership between a global corporation and a technology association was created out of a commitment to a common goal: to remove plastic pollution from the world's oceans by collecting the waste in rivers.

Under a partnership agreement, they will work with the Rotterdam-based foundation to build treatment systems that will intercept floating waste in rivers before it flows into the sea. The non-governmental organisation and Coca-Cola will install waste collection systems on 15 rivers by the end of 2022 and work to eliminate waste pollution worldwide.

10.3. #YouthEmpowered

More
than 8550
participant

In 2021, the #YouthEmpowered program, which supports young people's labour market integration, will enter its fifth year. The program offers free online and small group workshops, in person. The original target group, 18-30 year olds who are neither working nor studying, will be invited to participate in workshops. The original target group of young people who are Not in Employment, Education or Training (NEET) has been continuously expanded over the years: two new target groups have been added since spring

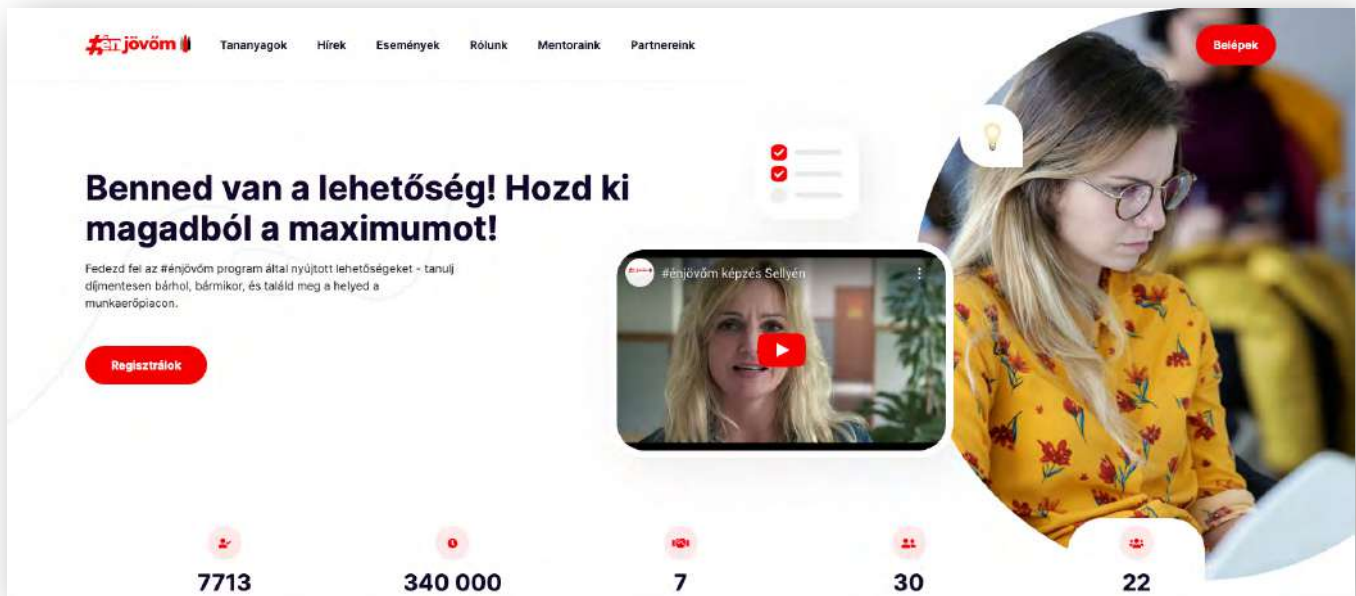
2021. Together with the Jamba Foundation and The Association of Hungarian Women in Science, we now organize workshops for young people with disabilities and young girls, interested in STEM (Science, Technology, Engineering and Mathematics) focusing on career choice and labour market skills. Involving job seekers with disabilities and young girls, the #YouthEmpowered program is now having eight different target groups: recent graduates, university students, disadvantaged Roma youth, young entrepreneurs, and young mothers, with a special focus on training young women. Although the pandemic situation in the first half of 2021 continued to influenced the #YouthEmpowered program, events in the online space continued to run smoothly.



Research on the impact of the pandemic on young job seekers

Based on Eurostat data, this research by Coca-Cola Hungary has revealed three new segments of NEET young people aged 15-35 in Hungary: the pre-pandemic groups now include young people who have dropped out of the service sector, those returning from abroad and jobseekers who have been trapped in a job-seeking position due to the pandemic. The research has categorized the different NEET groups using a 'vulnerability net', in which a jobseeker's previous experience and motivation level determines their chances in the labour

market. As the NEET group of young people is highly diverse, the help available is different in each case. New research in the program has now simultaneously looked at how existing target groups have been affected by the pandemic, what new groups of NEET young people have been added to the NEET population, and what might be the most relevant form of help for them after the pandemic. A summary of the research findings is available on the [website](#).



By autumn 2021, the development of Coca-Cola Hungary's free educational platform, the #YouthEmpowered program's user-friendly online learning platform was completed. The learning materials, compiled by expert trainers, can be accessed free of charge on a [new website](#) from any device. In addition to self-awareness, communication, financial, negotiation and leadership skills, the program has also made available two new learning modules to respond to participants' questions and concerns. The legal module, developed by expert lawyers, covers legal issues for new employees and young entrepreneurs. The module on work and motivation helps to understand users' motivational factors and gives tips

on how to build on them. In addition to learning, users can also register for webinars, interact with mentors, listen to the #YouthEmpowered podcast, and get inspiration from other users' stories or the latest program news.

In 2021, the #YouthEmpowered program was recognized internationally for the second time, winning the CSR Excellence Bronze Award in the Community Commitment category for programmes that support diverse communities. This brings the total number of awards for Coca-Cola HBC Hungary's CSR program to four.



1029
participant



45
webinars

#YouthEmpowered podcast launched

March 2021 saw the launch of the #YouthEmpowered podcast. The new podcast features experts, participants, #YouthEmpowered mentors and NGO partners discussing work, learning and challenges that young people are facing. Seven podcast episodes were produced during 2021, with guests such as Civitas Association head trainer Dr. Csilla

Judit Suhajda, founder, and head of Csörögi School Yvette Kalina, educational researcher János Setényi, and Women in Science Association expert Mónika Réti.



11

GRI Content Index 2021

GRI Disclosure	Description	Chapter	Pages	Direct response
GRI 102 General Disclosures – 2016				
Organizational profile				
GRI 102-1	Name of the organization	Coca-Cola HBC Hungary	8	
GRI 102-2	Activities, brands, products, and services	Coca-Cola HBC Hungary	8 9	
GRI 102-3	Location of headquarters	Coca-Cola HBC Hungary	8	
GRI 102-4	Location of operations	Coca-Cola HBC Hungary	8	
GRI 102-5	Ownership and legal form	Coca-Cola HBC Hungary	8	
GRI 102-6	Markets served	Coca-Cola HBC Hungary	8	
GRI 102-7	Scale of the organization	Responsibility towards our employees	28	
GRI 102-8	Information on employees and other workers	Responsibility towards our employees	28 29	The employee values were determined as of 31 December 2021.
GRI 102-9	Supply chain	Coca-Cola HBC Hungary	11	
GRI 102-10	Significant changes to the organization and its supply chain	-	-	In 2021, there were no significant changes to our organization or our supply chain.
GRI 102-11	Precautionary Principle or approach	Responsible operations and product range	48	
GRI 102-12	External initiatives	-	-	External initiatives, memberships and charters signed by Coca-Cola HBC Hungary Ltd. in 2021: <ul style="list-style-type: none"> • Voluntary sugar reduction commitments of the Hungarian Mineral Water, Fruit Juice, and Soft drinks Association • UN Global Compact Network • The Coca-Cola Company World Without Waste Initiative • UNESDA Responsible Marketing Communication Guidelines • EU Commitment on Advertising to Children • CDP (Carbon Disclosure Project) • Dow Jones Sustainability Index
GRI 102-13	Membership of associations	Coca-Cola HBC Hungary	18	
Strategy				
GRI 102-14	Statement from senior decision-maker	Letter from the CEO	4-5	
Ethics and integrity				
GRI 102-16	Values, principles, standards, and norms of behaviour	Coca-Cola HBC Hungary	14	

GRI Disclosure	Description	Chapter	Pages	Direct response
Governance				
GRI 102-18	Governance structure	Responsible operations and product range	48	
Stakeholder engagement				
GRI 102-40	List of stakeholder groups	Coca-Cola HBC Hungary	17	
GRI 102-41	Collective bargaining agreements	-	-	There is no labour union at our company, therefore, we do not have any collective bargaining agreement with our employees.
GRI 102-42	Identifying and selecting stakeholders	Coca-Cola HBC Hungary	17	
GRI 102-43	Approach to stakeholder engagement	Coca-Cola HBC Hungary	17	
GRI 102-44	Key topics and concerns raised	Coca-Cola HBC Hungary	17	
Reporting practice				
GRI 102-45	Entities included in the consolidated financial statements	-	-	Coca-Cola HBC Hungary Ltd.
GRI 102-46	Defining report content and topic boundaries	About this report	3	
GRI 102-47	List of material topics	Sustainability at Coca-Cola HBC Hungary	22	
GRI 102-48	Restatements of information	About this report, GRI Content Index 2021	3	-
GRI 102-49	Changes in reporting	About this report	3	
GRI 102-50	Reporting period	About this report	3	
GRI 102-51	Date of most recent report	About this report	3	
GRI 102-52	Reporting cycle	About this report	3	
GRI 102-53	Contact point for questions regarding the report	About this report	3	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About this report	3	This report has been prepared by the GRI Standards that satisfies the 'core' level.
GRI 102-55	GRI content index	GRI Content Index 2021	64-69	
GRI 102-56	External assurance	About this report	3	We do not conduct external assurance on the Sustainability Report for the Hungarian operations.
Economic Topics				
GRI 201 Economic Performance - 2016				
GRI 103-201	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	52	
GRI 201-1	Direct economic value generated and distributed	Responsible operations and product range	14	
GRI 202 Market Presence 2016				
GRI 103-202	Management Approach (103-1, 103-2, 103-3)	Responsibility towards our employees	24	
GRI 202-2	Proportion of senior management hired from the local community	Responsibility towards our employees	29	

GRI Disclosure	Description	Chapter	Pages	Direct response
GRI 203 Indirect Economic Impacts 2016				
GRI 103-203	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	52	
GRI 203-2	Significant indirect economic impacts	Responsible operations and product range	53	
GRI 204 Procurement Practices - 2016				
GRI 103-204	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	41	
GRI 204-1	Proportion of spending on local suppliers	Coca-Cola HBC Hungary	11	Procurement does not include resale products. We consider suppliers as material and services providers for manufacturing and sales activities.
GRI 205 Anti-corruption - 2016				
GRI 103-205	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	51	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Responsible operations and product range	51	
GRI 205-3	Confirmed incidents of corruption and actions taken	Responsible operations and product range	51	
GRI 206 Anti-competitive Behaviour - 2016				
GRI 103-206	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	51	
GRI 206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Responsible operations and product range	51	
Environmental Topics				
GRI 301 Materials - 2016				
GRI 103-301	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	33	
GRI 301-2	Recycled input materials used	For a sustainable environment	33	
GRI 302 Energy - 2016				
GRI 103-302	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	43	
GRI 302-1	Energy consumption within the organization	For a sustainable environment	43	
GRI 302-3	Energy intensity	For a sustainable environment	44	
GRI 303 Water and Effluents - 2018				
GRI 103-303	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	45	
GRI 303-1	Interactions with water as a shared resource	For a sustainable environment	46	
GRI 303-2	Management of water discharge-related impacts	For a sustainable environment	46	

GRI Disclosure	Description	Chapter	Pages	Direct response
GRI 304 Biodiversity - 2016				
GRI 103-304	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	47	
GRI 304-2	Significant impacts of activities, products and services on biodiversity	For a sustainable environment	47	
GRI 305 Emissions - 2016				
GRI 103-305	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	42	
GRI 305- 4	GHG emissions intensity	For a sustainable environment	42	COe emissions are measured in CO2 equivalent. All greenhouse gases are included in the calculation.
GRI 306 Waste - 2016				
GRI 103-306	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	38	
GRI 306-2	Management of significant waste related impacts	For a sustainable environment	39	
GRI 307 Environmental Compliance- 2016				
GRI 103-307	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	50	
GRI 307-1	Non-compliance with environmental laws and regulations	For a sustainable environment	50	
GRI 308 Supplier Environmental Assessment- 2016				
GRI 103-308	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	41	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	For a sustainable environment	–	Coca-Cola HBC Hungary does not currently assess the detailed environmental impacts of its suppliers as required by the indicator. In future, we will strive to investigate the negative environmental impacts in our supply chain and thus contribute even more to their mitigation. The first step in this is to develop partnerships with our partners that meet various expectations.
Social Topics				
GRI 401 Employment - 2016				
GRI 103-401	Management Approach (103-1, 103-2, 103-3)	Responsibility towards our employees	24	
GRI 401-1	New employee hires and employee turnover	Responsibility towards our employees	29	
GRI 402 Labour / Management Relations- 2016				
GRI 103-402	Management Approach (103-1, 103-2, 103-3)	Responsibility towards our employees	24	
GRI 402-1	Minimum notice periods regarding operational changes	Responsibility towards our employees	–	We actively communicate with our employees. We send emails with management news, information about company operations, important news, and programs. The schedule of communications is regular and up to date for employees, with timely reminders of changes. No statistics are tracked on the timing of messages that meet the precise requirements of the indicator.

GRI Disclosure	Description	Chapter	Pages	Direct response
GRI 403 Occupational Health and Safety - 2018				
GRI 103-403	Management Approach (103-1, 103-2, 103-3)	Responsibility towards our employees	30	
GRI 403-1	Occupational health and safety management system	Responsibility towards our employees	30-31	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Responsibility towards our employees	30-31	
GRI 403-3	Occupational health services	Responsibility towards our employees	30-31	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Responsibility towards our employees	30-31	
GRI 403-5	Worker training on occupational health and safety	Responsibility towards our employees	30-31	
GRI 403-6	Promotion of worker health	Responsibility towards our employees	30-31	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsibility towards our employees	30-31	
GRI 403-9	Work-related injuries	Responsibility towards our employees	30	
GRI 404 Training and Education - 2016				
GRI 103-404	Management Approach (103-1, 103-2, 103-3)	Responsibility towards our employees	26	
GRI 404-1	Average hours of training per year per employee	Responsibility towards our employees	26	
GRI 405 Diversity and Equal Opportunity- 2016				
GRI 103-405	Management Approach (103-1, 103-2, 103-3)	Human rights and diversity	32	
GRI 405-1	Diversity of governance bodies and employees	Human rights and diversity	32	
GRI 406 Non-discrimination - 2016				
GRI 103-406	Management Approach (103-1, 103-2, 103-3)	Human rights and diversity	32	
GRI 406-1	Incidents of discrimination and corrective actions taken	Human rights and diversity	32	
GRI 412 Human Rights Assessment - 2016				
GRI 103-412	Management Approach (103-1, 103-2, 103-3)	Human rights and diversity	32	
GRI 412-2	Employee training on human rights policies or procedures	Human rights and diversity	-	All our employees are properly informed of our policy on human rights at the time of entry and throughout the year. Our company does not collect quantitative data on employee training on human rights.

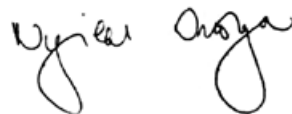
GRI Disclosure	Description	Chapter	Pages	Direct response
GRI 413 Local Communities - 2016				
GRI 103-413	Management Approach (103-1, 103-2, 103-3)	Social engagement	58	
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Social engagement	58	
GRI 414 Supplier Social Assessment - 2016				
GRI 103-414	Management Approach (103-1, 103-2, 103-3)	For a sustainable environment	41	
GRI 414-2	Negative social impacts in the supply chain and actions taken	–	–	As required by the indicator, Coca-Cola HBC Hungary does not currently assess the detailed social impacts of suppliers. In future, we will endeavour to examine the negative social impacts in our supply chain to further contribute to mitigation. As a first step, we need to set various expectations from our partners in order to develop collaboration.
GRI 416 Customer Health and Safety - 2016				
GRI 103-416	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	54	
GRI 416-1	Assessment of health and safety impacts of product and service categories	Responsible operations and product range	54	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible operations and product range	54	
G4 FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Responsible operations and product range	55	
GRI 417 Marketing and Labelling - 2016				
GRI 103-417	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	56	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	Responsible operations and product range	57	
GRI 417-3	Incidents of non-compliance concerning marketing communications	Responsible operations and product range	57	
GRI 419 Socioeconomic Compliance - 2016				
GRI 103-419	Management Approach (103-1, 103-2, 103-3)	Responsible operations and product range	48	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Responsible operations and product range	50	

12 Acknowledgement

*We would like to thank our colleagues for their support
and assistance in preparing this year's Sustainability Report.
We also owe special thanks to our senior management.*



János Jakab
Public Affairs & Sustainability Director



Orsolya Nyilas
Customer & Community Partnerships Manager



**Coca-Cola HBC
Hungary**