



Coca-Cola HBC
Hungary

SUSTAINABILITY REPORT 2022



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1. ABOUT THIS REPORT

Reporting period

2022 calendar year: 1 January 2022 – 31 December 2022 The reporting period of the financial report is the same.

Date of the most recent publication

The most recent annual report is the Coca-Cola HBC Hungary Sustainability Report 2021, published in 2022.

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 2022 materiality assessment, this report presents the material issues related to the operations, programmes, and initiatives of Coca-Cola HBC Hungary Ltd., covering a total 14 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 2022 materiality assessment and the GRI Standards guidelines. Details on any re-statements of information can be found in the GRI index table.

Reporting claims

The report is based on the GRI Standards (2021) applicable from 1 January 2023, and meets the „with reference” standard.

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.



2. LETTER FROM THE CEO

Dear Reader!

Coca-Cola HBC Hungary has published its annual Sustainability Report, which summarises our activities and key results for 2022.

In 2022, the world faced significant new challenges. The ongoing war in a neighbouring country has triggered major economic and social changes for our operations. However, strengthened by the difficulties of the last couple of years, our company faced these obstacles with agility. We extend our solidarity to those who have been affected and we will continue to do our very best to support our colleagues and their families, as well as the humanitarian aid work in Ukraine and the surrounding countries. Our company has supported the work of the Hungarian Red Cross through voluntary assistance, as well as through providing products and financial donations.

While international developments continue to generate rapid economic, environmental, and social transformations, sustainability cannot be relegated to the background. We understand that companies need to respond swiftly, and we are under pressure to continuously improve. The role of regulators has become increasingly prominent, and we are experiencing rising expectations from consumers.

With all this in mind, I am proud that Coca-Cola HBC Hungary is continuing to grow steadily and embed sustainability as a core principle across our operations. We are also honoured that our efforts have been recognised by being voted the most attractive place to work in the FMCG sector in Hungary again this year. We are particularly proud that our Group has also again been ranked at the top of the Dow Jones Sustainability Index (DJSI) for 2022 among the world's beverage companies. I would like to take this opportunity to sincerely thank our colleagues for their tireless commitment and hard work!



1. Letter from the CEO

In terms of our economic performance, 2022 represented a strong year for the company. Our turnover increased by more than 30% and we achieved a 12% increase in sales. Several major projects were also completed. Our company took over the distribution rights for Bacardi-Martini, we entered the snack market, and we joined the ranks of countries distributing Bambi brands with the launch of MyWellness biscuits. In addition, we became the second largest coffee distributor within the Coca-Cola HBC Group. At the beginning of the year, our company was one of the first to become the exclusive distributor of Caffè Vergnano premium Italian coffee products in Hungary, after acquiring a 30% stake in the brand owner Casa del Caffè Vergnano in October 2021. Thanks to our partners' cooperation with banks and fintech organisations, our Hungarian partners are the first in the Group to be able to pay via instant transfer or credit card. This development will make financial transactions significantly easier, faster, and more secure. However, the success of the first half of 2022 could not be sustained until the end of the year. Rising inflation, changes in the National Health Product Tax (NETA) and unpredictable increases in energy prices have determined much higher costs for our company than planned. The adverse

economic effects also had a negative impact on the pricing of our products.

In 2022, we celebrated the 20th anniversary of the construction of the Zalaszentgrót factory. We are proud of the fact that Coca-Cola HBC Hungary's products are made with green energy. Our factories in Zalaszentgrót and Dunaharaszti have been using 100% renewable electricity since 2016 and 2017 respectively. The green operation of our factory in Zalaszentgrót is also supported by heat pumps, which supply the operation with green thermal energy, making it almost carbon neutral.

Coca-Cola HBC Hungary has modernised a large part of its car fleet and changed to low or zero carbon vehicles as part of the „Green Fleet” programme to achieve our parent company's 2040 carbon neutrality commitment. In 2022, our company reached another milestone on the road to a zero-waste world by replacing the previous aluminium packaging foil used for our 4 and 6-pack multipacks with 100 percent recyclable carton packaging using the innovative KeelClip™ technology. In addition, we were the first in the Hungarian market to provide beverage packaging with a fixed cap, in compliance with EU industry regulations.

This development supports the collection and deposit scheme (to be introduced in Hungary in 2024), through an industry cooperation our company also played a key role in the legislative development process.

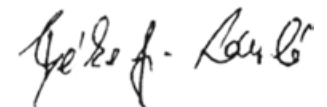
I am delighted that, despite the difficulties, employee engagement in our company has increased and that more than 110 colleagues have recently received promotions.

With the support of The Coca-Cola Foundation, our Zero Waste Tisza River programme continued in 2022. The development of a water cleaning container that functions as both a waste collector and a recycling centre represented the biggest innovation in the awareness-raising programme to clean up the Tisza. In addition to waste collection, the year has also brought many other notable achievements, including better waste mapping supported by GPS-based tracking, allowing the experts of the Plastic Cup to detect the path and volume of plastic pollution in the river.

Our #YouthEmpowered corporate responsibility programme which helps young people find a job, continues to be a success. Our online platform is now also accessible to visually and hearing disabled people, people

with reduced mobility and people with autism. The Jamba Foundation has been our partner in the development of the programme and provides training and career development opportunities for people with disabilities.

Overall, 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 2022



31%
net revenue
growth

2022: HUF 166, 255 billion
2021: HUF 126, 725 billion



INVESTMENTS

2022

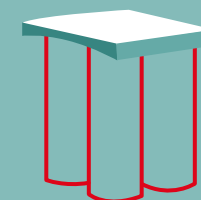
HUF 10
billion

(CAPEX: supply chain improvement,
purchase of equipment)

2021

HUF 4 billion

**Development of a
water purification
container**
in the Zero Waste
Tisza River programme



**100% recyclable
KeelClip™
paperboard
packaging**
replaced the foil
on Coca-Cola aluminium can
multipacks



In 2022, our employees spent

14 763
hours

at different trainings

PRODUCED BEVERAGES

2022

624
million litres

2021

562 million litres









**Environmentally-
friendly fleet:**
179 cars replaced
by hybrid electric or gas (LPG)
cars in 2022

**Accessible
learning**

in the #YouthEmpowered
programme

4. AWARDS

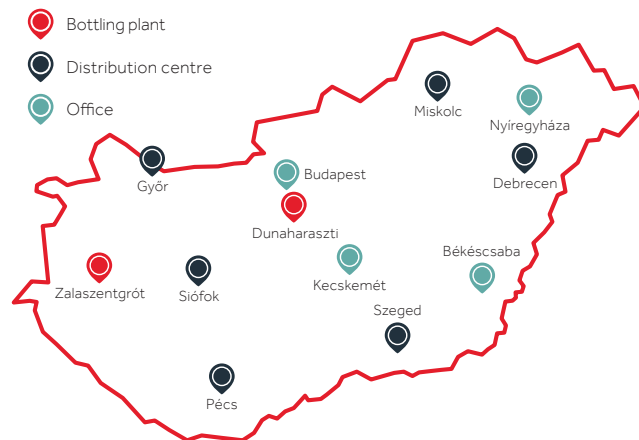
Category	Award	
 Sustainability		2022 Dow Jones Sustainability Index World's Most Sustainable Beverage Company
 HR		PwC's Most Attractive Employer Award 2022 FMCG Sector Category: 1st place, Coca-Cola Hungary Randstad Employer Branding Research 2022 FMCG Sector Category: Hungary's Most Attractive Workplace
 Brand		National Pálinka and Grape Pálinka Competition We nominated seven 'Rézangyal' Pálinka products, one of which received gold certification, three received silver and another three received bronze awards

5. COCA-COLA HBC HUNGARY

5.1. About our company

Coca-Cola HBC Hungary Ltd. is Hungary's leading beverage producer, bottler, and distributor. Our company is 100% owned by CC Beverages Holdings II. B.V. As a member of the Coca-Cola HBC AG Group and strategic bottling partner of The Coca-Cola Company, we contribute to serve 715 million consumers annually. The headquarters of our company is located in Dunaharaszti, and our mineral water bottling plant operates in Zalaszentgrót. We employ around 1 000 people in our two plants, 6 distribution centres and offices, however through our supply chain we indirectly support the employment of nearly 13 000 people. In

addition to domestic sales, we export more than 100 kinds of products to 26 countries. As a full-scale beverage manufacturer, Coca-Cola HBC Hungary has built a diverse portfolio of high-quality products which meets numerous consumer needs. Every year, we expand our product portfolio with new products along with the introduction of new packaging, both in our domestic and foreign markets. The main driver of developing our portfolio is to meet the constantly evolving consumer demands.



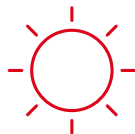
5. Coca-Cola HBC Hungary

5.2. Our portfolio

Coca-Cola HBC Hungary bottles and distributes market-leading brands. Our partnership with The Coca-Cola Company helps us to continuously expand our portfolio, taking into consideration changing market trends and the demands of our consumer base. As a result of our ever-expanding portfolio, we continue provide products that serve consumer needs at any time during their day.

We take responsibility for creating a healthier consumer environment with our products by transforming our existing drinks and introducing new low-sugar and low-calorie products, thus expanding the range of options we provide.

In our sustainability strategy, we have committed to reducing the calorie content of our carbonated soft drinks by 25 % by 2025. Accordingly, we have significantly increased the number of our low-calorie and reduced-sugar products.



5. Coca-Cola HBC Hungary

5.2. Our portfolio

Coca-Cola HBC Hungary strengthens its coffee portfolio with Caffè Vergano, the crown jewel of Italian coffee heritage

Hungary is among the first countries in the Coca-Cola HBC Group to exclusively distribute the products of the premium Italian coffee "Caffè Vergano" from the 1st of January, 2022. The launch of the brand is an important milestone for Coca-Cola HBC Hungary, as the company is expanding its extensive portfolio with these premium products in order to provide its customers and consumers with the right choice for every time of day. Caffè Vergano complements one of Hungary's large coffeehouse chains, Costa Coffee's current product range and allows it to cater to an even wider range of consumer tastes and segments.

Caffè Vergano's portfolio offers espresso variants of different origins and intensities, decaffeinated and organic coffees grown with respect for the local ecosystem and is available for our consumers to enjoy in various formats such as beans, ground coffee and capsule packages. Sustainability is also a key tenet of the brand and Caffè Vergano's Nespresso-compatible capsules are 100% compostable.



5. Coca-Cola HBC Hungary

5.2. Our portfolio

Finlandia invented the taste of Finnish summer

Hungary's most popular vodka brand, Finlandia, is expanding its portfolio with a refreshing summer drink specialty. The new product family, Finlandia Botanical, brings the pure and crisp essence of the Finnish summer to consumers with crystal clear glacier water and natural ingredients found in the Nordic regions, and with no added sugar.



The Finlandia brand, which is included in Coca-Cola HBC Hungary's premium spirit portfolio since 2008, is now the leading product in the Hungarian vodka market with a market share of over 50 percent. Quality alcohol products are becoming more and more popular among consumers, and the brand strives to meet changing consumer needs through continuous product development.

The culture of consuming low-alcohol drinks is becoming more and more popular in Hungary, and the creation of the Finlandia Botanical product family is a response to this trend.

With its 30% alcohol content, it serves as the perfect basis for alcohol-based refreshments that are typically popular in summer, such as cocktails or light long-drinks, but can also be consumed as a shot on their own. The products are made using only natural flavours and aromas and contain no added sugar or artificial flavour enhancers, which is good news for those who would like to maintain a health-conscious lifestyle.

Coca-Cola HBC Hungary enters the snack market

As the largest domestic soft drink producer in Hungary, in 2022 we entered the biscuit segment that accounts for 42 percent of the total value of the 'snack' category. On average, we consume 2.9 kilograms of biscuits a year, however Hungarian consumers are paying more attention to products rich in nutrients, important for the body or with added functionality.

Our company is committed to continuously improve its portfolio in order to offer the right product for every occasion. Although the new MyWellness biscuits differ from the company's core business segments, we are optimistic about entering the this market, as the consumption of snacks is closely related to soft drink consumption.

MyWellness biscuits are products of the Serbian company Bambi. Coca-Cola HBC's parent company bought the Serbian company in 2019, which has since become part of the Coca-Cola HBC Group, and its products are distributed in 29 countries. Hungary is joining a long list of countries that sell Bambi brands with the

periodic introduction of MyWellness biscuits. MyWellness is an innovative, modern, and attractive brand that contains beneficial and nutritious ingredients for the human body. The products are 100% made of whole grain flour and are rich in vitamins and fiber. They are available in many flavours with the coating made of high-quality, chocolate. MyWellness biscuits are all vegan products, thus they can be excellent choice for a balanced diet.



Our portfolio is available on our **website**

5. Coca-Cola HBC Hungary

5.3. 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 through several highly collaborative processes.

Firstly, the planning stage involves assessing production and transport needs, raw materials, and export-import and domestic replenishment deliveries. Towards minimising waste, 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 plans the sourcing processes and develops our procurement strategy.

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 centre. It supplies the end of production lines, receives products from local plants and imported products as well as water from Zalaszentgrót, and 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 centres in Győr, Siófok, Pécs, Szeged, Debrecen and Miskolc, in addition to the central warehouse in Dunaharaszti.



853 Hungarian suppliers



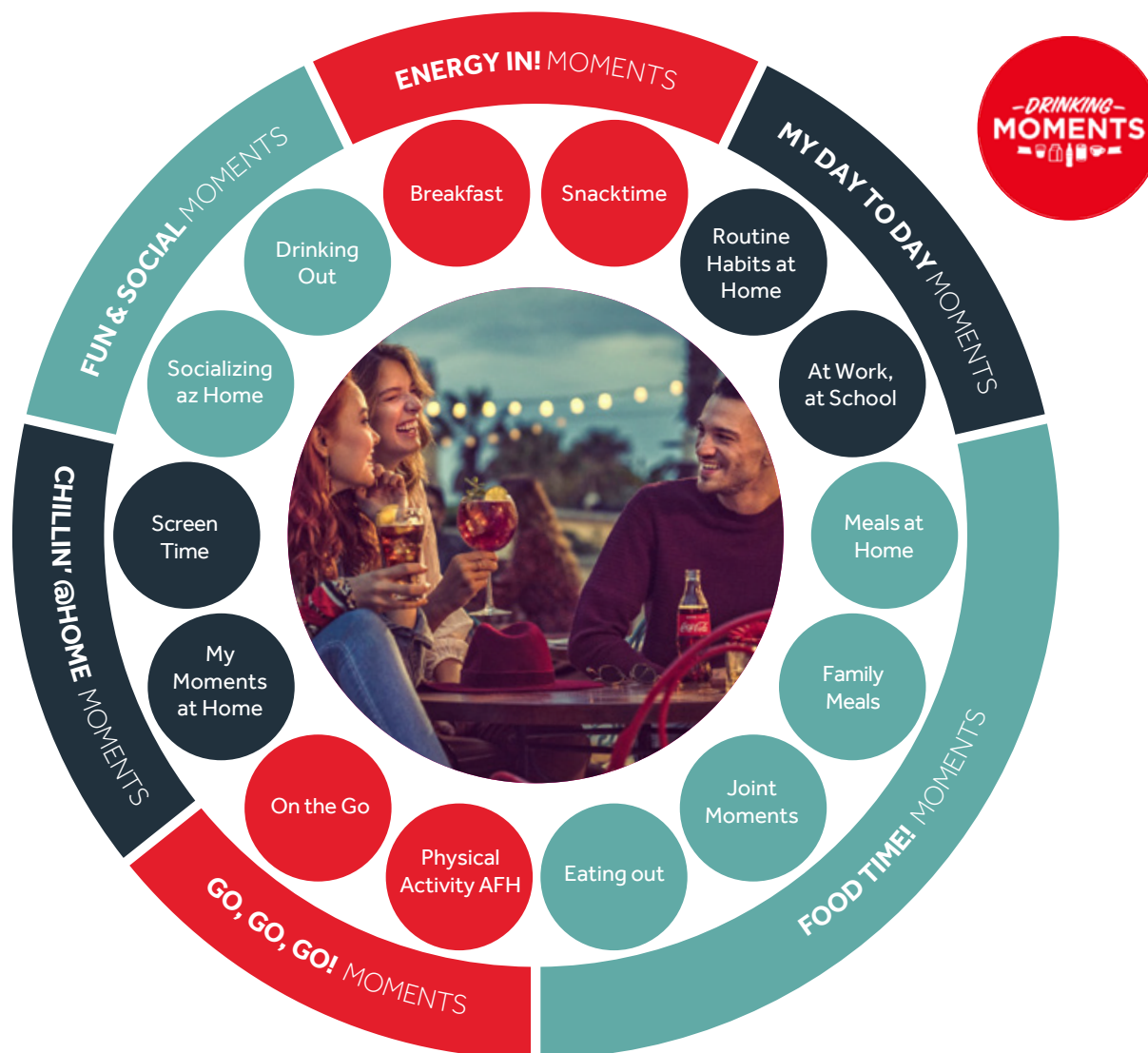
In line with the previous year, a large number of our supplier partners (80%) are based in Hungary. Our local supply partners received 64% of all supplier payments.

5. Coca-Cola HBC Hungary

5.4. Our strategy that defines us

At Coca-Cola HBC Hungary, we work tirelessly to remain the leading beverage company on the market, creating value for all of our stakeholders: our group, our 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 extent of our portfolio diversification, our consumers can avail of high-quality products that meet their needs - at any time of the day. In accordance with our 24/7 strategy, we have defined "Drinking Moments" and associated the most suitable drinks we offer, so that our product portfolio is able to meet all of our consumers' needs.



5. Coca-Cola HBC Hungary

5.4. Our strategy that defines us

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 team is highly motivated and results-oriented when working with our customers, building on our 24/7 portfolio and leveraging our competitive advantages to ensure the value growth of the beverage category. Our objectives are set in line with the five pillars of our growth strategy:

Our five-pillar growth strategy:

1

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

See on page 9

2

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

See on page 8

3

Innovating and digitalising for competitiveness

See on page 58

4

Creating opportunities for our employees and nurturing talents

See on page 28

5

Expanding our social licence

See on page 73

Developing a customer-centric approach, continuously broadening our product portfolio

A holistic approach to building growth capabilities. In addition to customer satisfaction, ensuring further market growth

Continuous development and investments in addition to fair and transparent operations

Creating outstanding labour practices and continuously improving our employees' lives are the cornerstones of our company

Continuous improvement of our community projects and #YouthEmpowered program. Creating a circular economy



5. Coca-Cola HBC Hungary

5.4. Our strategy that defines us

Our values for growth

Our values, as well as our goals and strategy, set us a path that contributes to our future success and differentiates us from others in what we consider important and how we operate.

Our values for growth



Winning together with our partners



Taking care of our colleagues



Excellence



Authenticity



Learning



Consistent operation

5.5. Our business model

Sustainability is a core component 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 - the cornerstones of Coca-Cola HBC's sustainable growth.

Our resources



Financial

We always seek to use all funds efficiently, whether generated from our 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.

5. Coca-Cola HBC Hungary

5.6. 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. 97% 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.



Producing cost efficiently

We produce, package and distribute our products using concentrate and other ingredients from The Coca-Cola Company. All our production plants have warehousing and distribution centres. 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, considering prevailing market conditions.



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.

5. Coca-Cola HBC Hungary

5.7. 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.



Suppliers

We give preference to predictable partner relationships, locally sourced suppliers, and we see an outstanding opportunity in long-term co-operation with local partners. As a result of this commitment, positive economic benefits are present along the entire value chain of the company.



Employees

Developing, recognising, and rewarding our people secures a skilled and motivated workforce. We provide a stable workplace and competitive salary. This has resulted in strengthened loyalty, increasing 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.



Customers

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














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 minimisation of environmental impact.

5. Coca-Cola HBC Hungary


5.8. Our stakeholders

Stakeholders	Methods of contact	Frequency	Key topics in 2022	Growth pillars
 Coca-Cola HBC Group	Performance reporting, daily business contact, internal communication, company events	Continuous	All areas related to business operations	1 2 3 4
 The Coca-Cola Company	Daily business contact, company events, joint initiatives and commitments/policies	Continuous	All areas related to business operations	1 2 5
 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
 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
 Customers and sales partners	Daily business contact, meetings, annual customer survey	Continuous	Product pricing, sales and distribution	1 2
 Suppliers	Daily business contact, supplier audits	Continuous	Provision of ingredients and services necessary for our operations Materiality assessment for the Sustainability Report	3 5
 Authorities and decisionmakers	Bilateral and multilateral meetings, inspection by authorities, chamber of commerce memberships, correspondence, events	Regular	Legal and regulatory framework for business operations, individual administrative matters Materiality assessment for the Sustainability Report	1 5
 Media	Occasional engagements, communication campaigns, press events, mailings	Regular	Issues regarding the operation of our business operations and products	1 5
 Academic and educational institutions	Cooperation, traineeship program, events	Regular	Youth training and labour market integration	4
 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
 Industry organizations	Memberships in associations, professional forums, events, mailings	Regular	Legal and regulatory framework for business operations, federal initiatives Materiality assessment for the Sustainability Report	1 5

5. Coca-Cola HBC Hungary

5.9. Membership in associations

Membership in associations in 2022

Effekteam		Member	Hungarian Beverage and Vending Association		Member of the Board
Hungarian Food Bank Association		Member	Hungarian Spirits Association		Member
Association of Responsible Food Producers		Member of the Board	Joint Venture Association		Member of the Board
Hungarian Mineral Water, Fruit Juice and Soft Drink Association		Member of the Board	Hungarian Chamber of Agriculture		Member
Nutrition, Lifestyle, Exercise Platform		Member	Greek-Hungarian Chamber of Commerce, Industry and Tourism		Member



You can read more about our partner organisations on our [website](#).

6. SUSTAINABILITY AT COCA-COLA HBC HUNGARY

6.1. Our sustainability strategy and goals

At Coca-Cola HBC Hungary, we continuously monitor the direction and objectives set by our Group and formulate our own commitments in accordance with these goals. We always strive to create value for our stakeholders, while also seeking to make a significant contribution to the development of the society in which we operate, through employment, a wider supply chain and support for communities.



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 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 programmes, extended commercial loans)
- Reducing the sugar content of our products, promoting our Zero products
- Constantly adapting to the changing consumer needs



Supporting our communities

- Financial and product support; human resource support
- Supporting volunteer programmes
- Organising campaigns to protect and support people's safety and well-being
- Expanding cooperation with health organisations



Protecting our environment

- Monitoring our sustainability goals
- Developing and utilising innovative packaging solutions
- Reducing CO2 emissions
- Protecting our waters

6. Sustainability at Coca-Cola HBC Hungary

6.1. Our sustainability strategy and goals

We continuously integrate sustainability into our everyday decision-making. Our sustainability targets for 2022 have been set in line with the Group’s guidelines. We took into consideration our previous year’s performance and our portfolio and volume plans, which were approved by the Group at the beginning of the year. Three of the six main Group sustainability focus areas are focused on packaging (World Without Waste), nutrition, and people and communities. In many cases, these areas also overlap with the other three group-level objectives: reducing emissions, responsible water use and management, and procurement of raw materials.

Our sustainability targets for 2022

Coca-Cola HBC Hungary commitments	Targets for 2022	Results for 2022	Status
Reduction of CO2 emissions intensity (Scope 1-2)	19,9 g CO ₂ /lpb	18,1 g CO ₂ /lpb	 Achieved
Reduction of energy used for production	0,46 MJ/lpb ¹	0,42 MJ/lpb	 Achieved
Reduction of water used for production ²	1,72 liter/lpb	1,69 liter/lpb	 Achieved

¹ Based on one liter of product.
² The commitment regarding water consumption is understood without the water consumption of distribution centers..

6. Sustainability at Coca-Cola HBC Hungary

6.1. Our sustainability strategy and goals

The company's long-term target remains unchanged, with the aim of further increasing our use of recycled PET (rPET). We are also committed to achieving net-zero emissions along our entire value chain by 2040 (NetZero40).

We are actively involved in the launch of a nationwide beverage packaging return system, and we are also committed to strengthening waste collection education both inside and outside the company. The promotion of this new return system will lead to an increase in packaging waste collection rates in many markets, a process that has the potential represent a significant step forward in the creation of a circular economy and a World Without Waste.






Our company aims to comply with product packaging regulatory requirements by introducing KeelClip™ solutions and inseparable caps, while reducing our plastic consumption. In 2022, we also finalised our new bottle washers, which will allow us to further reduce our company's energy consumption. In addition, we have replaced more than a third of our entire car fleet with hybrid electric or gas (LPG) vehicles, marking another milestone for our company. All these achievements contribute to minimising the environmental impact of our operations.



6. Sustainability at Coca-Cola HBC Hungary

6.1. Our sustainability strategy and goals

Our sustainability mission to 2025

Areas	 Nutrition	 World Without Waste	 Renewable energy	 Emission reduction	 Water use and stewardship
	-25% We will decrease the calorie content of our soft drinks by 25% (per 100 ml of drinks).	100% All our primary packaging should be 100% recyclable.	100% 100% of our electricity consumption will originate from clean and renewable sources.	-30% We will reduce our direct CO2 emissions by 30%.	-20% We will reduce our water usage by 20% in water scarce locations.
The Coca-Cola HBC AG Group's commitments until 2025		35% The recycled material content of our PET bottles and aluminium cans will reach 35% by 2025.	50% 50% of our plants' total energy consumption will originate from clean and renewable sources.	50% We will replace 50% of our refrigerator units with energy-efficient ICOOLERS	100% We will ensure 100% water supply safety in water scarce locations.
		75% We will contribute to the collection of packaging waste corresponding to 75% of beverage bottles.			

6. Sustainability at Coca-Cola HBC Hungary

6.2. Sustainability challenges: 2022, the year of development

In 2022, one of our priority sustainability topics was reducing CO2 emissions at a company level. We strive to make a positive impact on people's lives, communities and the planet through water replacement, packaging recycling, sustainable sourcing practices and carbon reduction across our value chain. We have made net zero emissions and reduced waste production a key focus of our decision-making.

In our current economic environment, we need to respond to several external factors beyond our control, such as rising energy and raw material prices, and the development of new production systems due to various regulatory changes. Consequently, our company has responded with agility to develop internal solutions that did not require us to change our sustainability objectives.

In 2022, we have continued to focus on improving internal communication on sustainability with several campaigns. We have introduced detailed management briefings on our environmental performance. We organised training sessions for colleagues on the subject,

which helped them to put environmental protection in context with economic activities. Through these sessions, our employees can deepen their understanding of the steps needed to integrate environmental efforts into their daily lives and into our business operations through their work with us.



In 2022, Coca-Cola HBC was again ranked as Europe's most sustainable beverage company by the Dow Jones Sustainability Index (DJSI). Our sustainability performance was also recognised by several industry-recognised organisations including MSCI ESG, CDP, FTSE4Good and FTSE Russel ESG.



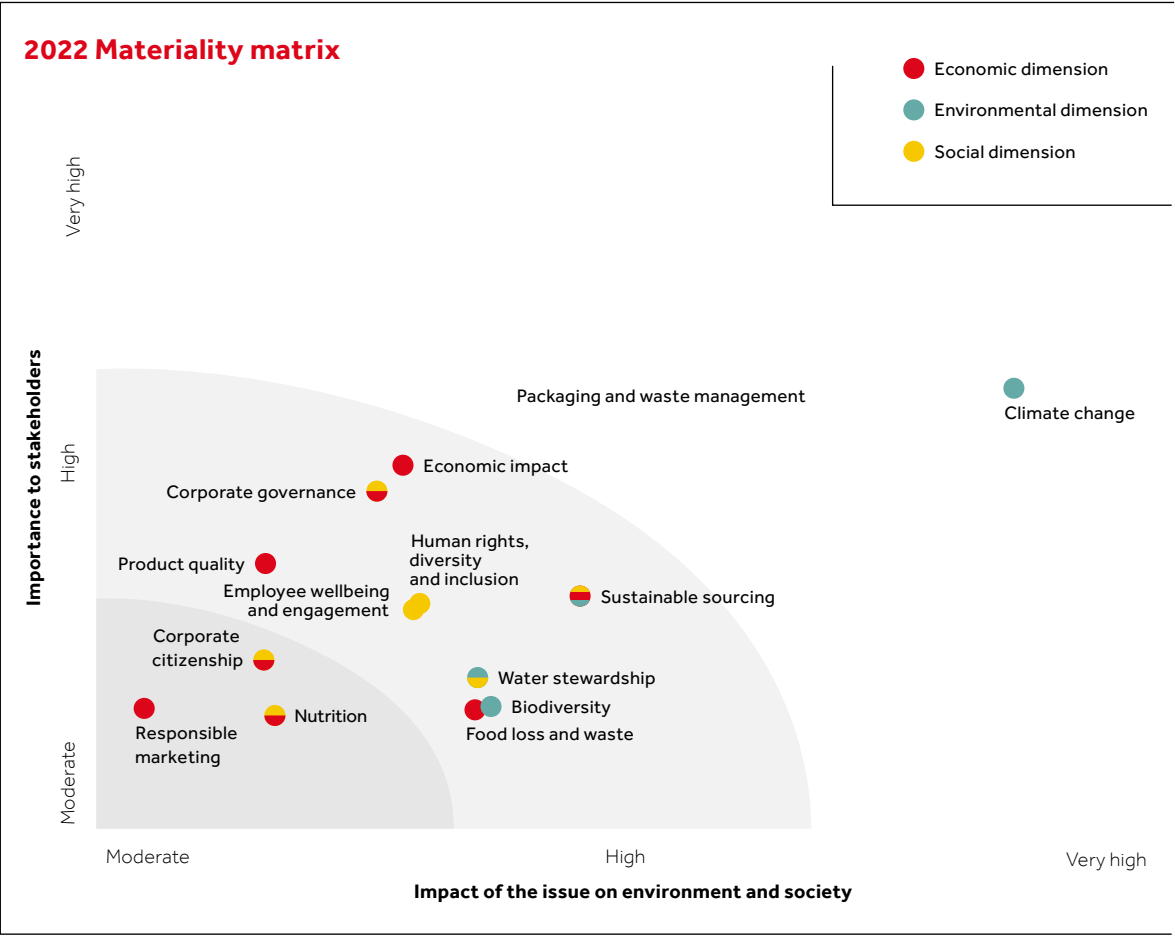
6. Sustainability at Coca-Cola HBC Hungary

6.3. Materiality assessment

Regular materiality assessments form the basis for our approach to sustainability, ensuring that we focus on our most significant impacts and address the most important issues. Our materiality issues are embedded in our strategy, our short, medium, and long-term goals, they are linked to our risks and opportunities, and are aligned with the Sustainable Development Goals (SDGs), in addition to guiding our disclosure and the content of our sustainability reporting.

The topics for our 2022 report have been identified based on a materiality assessment carried out by the Coca-Cola HBC AG Group. The results of the Group's materiality assessment are consistent with the content of the Coca-Cola HBC AG Group Integrated and Coca-Cola HBC Hungary Sustainability Report.

For the third year in row, climate change, and packaging and waste management have been the primary materiality issues for Coca-Cola HBC. The Group's 2022 materiality assessment also confirmed the critical importance of sustainable sourcing, economic impact, and corporate governance. In 2022, our materiality assessment process identified two new material topics: biodiversity and food loss and waste are now treated and disclosed as material issues.









The methodology for conducting the materiality assessment is available in **the Coca-Cola HBC AG Group Integrated Report.**

6. Sustainability at Coca-Cola HBC Hungary

6.3. Materiality assessment

The table below shows the impacts on society and the environment of the material issues we have identified at each stage of our value chain, based on the scale, severity, and probability of impact:

	Upstream		Direct operations	Downstream		
	 Agriculture and ingredients	 Packaging	 Manufacturing*	 Distribution	 Cold drink equipment	 Customers and communities
Biodiversity	▲	■	■	■		●
Climate change	▲	▲	■	■	●	●
Corporate citizenship			■			●
Corporate governance	■	■	■	■	■	■
Economic impact	●	●	●	■	■	●
Employee wellbeing and engagement			▲	■		■
Food loss and waste	●	■	●		■	▲
Human rights, diversity & inclusion	●	●	●	■		■
Nutrition	■		■			●
Packaging and waste management	■	▲	●	■	■	▲
Product quality	■	■	●	■	■	●
Responsible marketing		■	■		■	●
Sustainable sourcing	▲	▲		■		■
Water stewardship	▲		●			●
























































*Includes our direct operations, not only manufacturing plants.

■ Low ● Medium ▲ High

6. Sustainability at Coca-Cola HBC Hungary

6.3. Materiality assessment

The material topics and sustainability objectives have been set in line with the UN Sustainable Development Goals.

Material topics	Category	GRI name	GRI indikátor	SDG
Economic impact	Economic	Economic performance	GRI 201	
Economic impact	Economic	Indirect economic impacts	GRI 203	  
Sustainable sourcing	Economic	Procurement practices	GRI 204	
Corporate governance	Economic	Anti-corruption	GRI 205	
Corporate overnance	Economic	Anti-competitive behaviour	GRI 206	
Climate change	Environmental	Materials	GRI 301	 
Climate change	Environmental	Energy	GRI 302	    
Water stewardship	Environmental	Waste and effluents	GRI 303	 
Biodiversity	Environmental	Biodiversity	GRI 304	    
Climate change	Environmental	Emission	GRI 305	    
Climate change	Environmental	Waste	GRI 306	    
Sustainable sourcing	Environmental	Supplier environmental assessment	GRI 308	
Food waste	Environmental	Management approach, company-specific disclosure	-	
Employee well-being & engagement	Social	Employment	GRI 401	  
Employee well-being & engagement	Social	Labor management relations	GRI 402	
Employee well-being & engagement	Social	Occupational health and safety	GRI 403	  
Employee well-being & engagement	Social	Training and education	GRI 404	    
Employee well-being & engagement	Social	Diversity and equal opportunity	GRI 405	 
Human rights, diversity and inclusion	Social	Non-discrimination	GRI 406	 
Corporate citizenship	Social	Local communities	GRI 413	 
Sustainable sourcing	Social	Supplier social assessment	GRI 414	  
Product quality	Social	Customer health and safety	GRI 416	
Responsible marketing	Social	Marketing and labeling	GRI 417	 
Nutrition	Other - FP	Products with reduced saturated fat, trans fat, sodium and added sugar	GRI G4	
Nutrition	Other - FP	Products with increased nutritional value	GRI G4	

7. RESPONSIBILITY TOWARDS OUR EMPLOYEES

7.1. Commitment and well-being

At Coca-Cola HBC Hungary we are continuously working to create an inclusive workplace, where our employees feel that they are appreciated and supported. In 2022, we needed to react flexibly and innovatively to the situation caused by the pandemic. Our priority was the safety of our employees. This principle did not change with the abatement of the pandemic. For example, the flexible option of working from home is still available for our employees. We pay special attention to the expectations of our workers, to understand how we can support them to achieve their workplace wellbeing and career ambitions. Despite the turbulent market, our unwavering commitment to innovation helps our colleagues to quickly adapt to our new reality and create sustainable growth.

In 2022, we undertook serious efforts to retain our employees. Accordingly, we regularly circulated engagement surveys, in which we asked questions about the well-being of our colleagues and with their help we determined points for improvement. It is essential to create value for our employees and therefore we are continuously working on our action plans.

We implemented several new initiatives in the past year which required an increase in our current workforce and retaining our current colleagues. In 2022, Hungary was the first place within the Group to apply machines based on Artificial Intelligence (AI) with the aim to support the work of our employees – detailed information can be found in the chapter **9.4 Direct and indirect economic impacts.**



7. Responsibility towards our employees

7.1. Commitment and well-being

Maintaining well-being

Taking care of our employees is highly important at Coca-Cola HBC Hungary. We strive to the work without obstacles, and to keep the employees despite the changing circumstances. A cornerstone of our HR strategy is to become a constantly evolving, better and happy workplace. Since the beginning of our operations, the most important thing for us is that our employees feel safe, and be proud to be members of the Coca-Cola HBC Hungary's community. We are continuously working on to provide our employees with opportunities for professional development, to ensure the attractive professional advancement opportunities, the ideal place to work and to create the safe circumstances. We strive to ensure the wellbeing of our employees in physical,

material, and social aspects of their working lives. We regularly examine the satisfaction of our employees with a survey in accordance with international standards, and we implement systematic, company-wide action plans that responds to these results. Our HR Director is responsible for implementing our HR policy and measures.

Women are key actors in shaping our company and in our shared success. In 2010 our Group company set a goal to enable the economic participation of 5 million women by 2020.

„Women in Coffee“

The difficult situations facing women working in different areas of the supply chain is highlighted by Vergnano Coffee's „Women in Coffee“ campaign. We believe in creating equal opportunities for women, which we promote through contracts with cafés that require a female ownership structure. We support these cafés with pink cups as part of our campaign.



7. Responsibility towards our employees

7.1. Commitment and well-being

The aim of our wellbeing and health supporting programmes is to enable our employees to safeguard their mental and physical health. Our workers have access to the services of Medcover Health Centre and can choose a contribution to private health insurance as one of the benefits offered in our Benefits 'Cafeteria' Framework. Additionally, we created the Employee Support Program (MTP) in order to support the mental wellbeing and physical health of employees, with initiatives such as health awareness weeks, organised on annual basis. We support flexible working opportunities and constantly review relevant regulations and adapt our operations accordingly.



Bar Me Tender

Our company supports the employment of members of the younger generation with the "Bar Me Tender" programme, in which we provide free bartender courses and mixer courses to 100 applicants each year.

Young people can get into the programme by submitting a CV and then participating in the selection process, which helps them to be able to perform work with to an elevated standard.

7. Responsibility towards our employees

7.2. Development and recognition of our employees

Continuous consultation with our employees is essential when we formulate our strategy and focus points. We believe in an open, feedback-driven workplace and foster this corporate culture both inside and outside our organisation. Our company pays special attention to the quality of professional development for our employees. Therefore, we have recently expanded our toolbox with several new digital training solutions. Our goal is to develop knowledge, abilities, and skills to achieve more efficient operation.



In 2022 our employees spent
14 763 hours
on various training courses



Distribution of training hours by gender			
Male		Female	
8 467		6 296	

Distribution of training hours by position			
Front Line Leader	Change Leader	Top300	Other categories
2 279	792	272	11 420

7. Responsibility towards our employees

7.2. Development and recognition of our employees

During our training programmes, we strive to provide quality development opportunities for our employees that can help them become better equipped for their future professional aspirations. With our 'Passion to Lead' and 'Fast Forward' trainings, we want to provide the best leadership training for our senior employees. Within our Supply Chain, CCHBC Group launched the Supply Chain Academy in 2022. The Supply Chain Academy includes bespoke learning materials for every colleague, from are junior team members to managers. The programme places great emphasis on

practical experience and our colleagues can access the curriculum through an online platform. Upon completion, they are awarded with a certificate.

To facilitate cooperation between departments, we organise factory and market visits for new colleagues. Our company considers it important to strengthen collaboration among our employees, and we also devote time to developing communication, conflict management and efficiency development skills. Our trainings vary in length, and the number of sessions depends on the topic and form.

At Coca-Cola HBC, the development of our employees is fundamental, so we also place great emphasis on regular performance evaluation. In 2022, all employees of our company, regardless of gender or employee level, participated in career and performance assessments.



World of Winners

In our World of Winners programme, we reward our high-performing employees. In 2022, 318 of our employees were recognized in 6 categories.



7. Responsibility towards our employees

7.3. Occupational health and safety system

Our employees are the fundamental to Coca-Cola HBC Hungary's long-term growth and success. The key factors that determine the excellent performance of our employees that provides value not only for our organisation, but also to our partners and consumers, are employee satisfaction, continuous development, occupational safety, and opportunities for career advancement. Every employee is equally important to us and working with them is our shared success. We want to remain the most attractive employer overall and especially for women.

Last year, inflation and increased costs had detrimental effects on our operations, which is why we placed a particular emphasis on protecting jobs. We supported colleagues who returned from maternity leave by providing part-time jobs, offering them the opportunity to work from home, and ensuring they remain considered as team members even during their absence.

Our number of employees decreased last year, and the turnover rate also decreased compared to the previous year's rates.



We are proud that our company has won PwC's Most Attractive Workplace of the year award in the FMCG category for the fourth time.



Change in employee numbers

	2019	2020	2021	2022
Total number of employees³	1159	1067	1035	982

By employment type				
Full-time	1146	1056	1022	969
Male	781	712	681	667
Female	365	344	341	302
Part-time	13	11	13	13
Male	-	-	1	-
Female	13	11	12	13
By employment contract				
Permanent	1130	1043	1010	954
Male	767	700	673	657
Female	363	343	337	297
Temporary	29	24	25	28
Male	14	12	9	9
Female	15	12	16	19
By status				
Employees	1078	997	974	884
Temporary agency workers	81	70	61	98⁴
By location				
Dunaharaszti	960	850	835	762
Zalaszentgrót	69	72	61	56
Distribution centres	130	145	139	136

³ Our company does not have employees with non-guaranteed working hours.

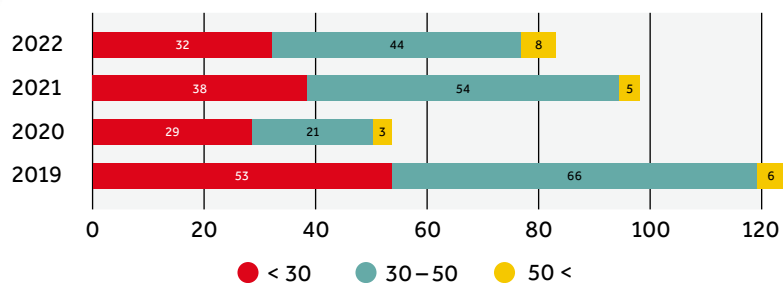
⁴ This category includes our employees working as trainees.

7. Responsibility towards our employees

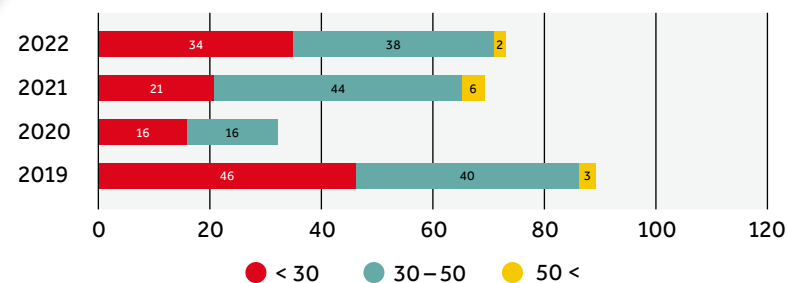
7.3. Occupational health and safety system



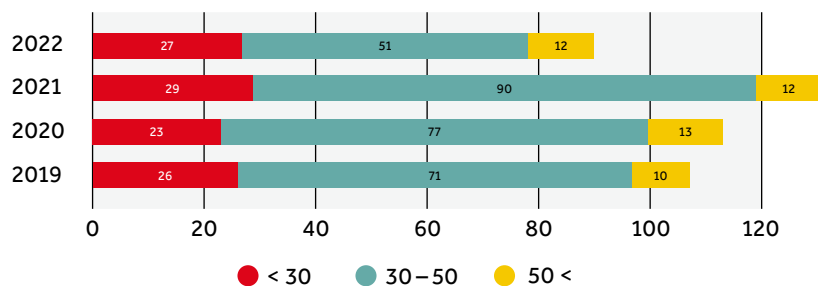
New employee hires – male



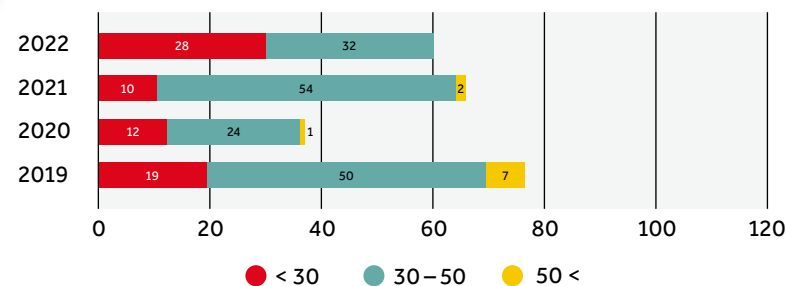
New employee hires – female



Employee turnover – female



Employee turnover – male



New hires rate

2022

16,1%

2021

16,2%

2020

8,5%

2019

18,5%

Turnover rate

2022

15,3%

2021

19%

2020

15%

2019

15,8%

7. Responsibility towards our employees

7.3. Occupational health and safety system

A total of 32% of our colleagues returned after parental leave. The ratio was 18% for female colleagues and 100% for male colleagues. Our overall retention rate was 31%, for female colleagues this ratio was 64%.



Parental leave at our company (2022)



	FEMALE	MALE
Total number of employees entitled to parental leave	77	37
Total	114	
Total number of employees taking parental leave	77	15
Total	92	
Total number of employees returning to work during the reporting period after the end of parental leave	14	15
Total	29	
Total number of employees returning to work after the end of parental leave who have continued to be employed 12 months after returning to work	9	0
Total	9	

7. Responsibility towards our employees

7.3. Occupational health and safety system

Our occupational health and safety system

We are committed to providing a safe and healthy workplace and complying with all health and safety laws, regulations, and internal requirements. Establishing an appropriate occupational safety system is one of the most fundamental aspects of a safe working environment. We continuously monitor and strive to minimise occupational health and safety risks and provide the appropriate environment and conditions for all our employees. Our goal is to continue to meet Hungarian and international expectations by implementing effective occupational health and safety programmes.

At each 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 safety system consists of legal requirements and recognised risk management and governance systems. Our risk management and governance system are based on ISO 45001. Our governance system covers all our employees and their

activities⁵. As part of the occupational health and safety management system, we define work protection-related tasks and responsibilities annually, which is part of our annual business plan.

We operate our occupational safety system in conjunction with other management systems, with an emphasis on prevention. As a rule, we carry out occupational safety risk assessments every 3 years, which are reviewed at least annually in every area. Our risk assessments are carried out by employees with relevant qualifications as members of the H&S team. One of our core principles is a „No Blame” culture: we do not blame or punish anyone for their mistake as long as it is not due to culpable conduct, intentional action, or repeated non-compliance. As part of the 'Behaviour Based Safety' (BBS) and the 'Near Miss' programmes, we constantly encourage our employees to report occupational safety hazards via an online platform. In the event of an incident, we apply our risk assessment procedure, within which we record the mitigation measures taken in an online action plan (as well as corrective measures taken during our internal "Quality Safety Environment" visits).



In addition to conducting 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 are stricter than Hungary's occupational safety laws. Moreover, we operate group-level occupational safety programmes, thus ensuring the continuous development of occupational safety processes and involve our employees in them as much as possible. Involvement takes place through occupational health and safety representatives, workers involved in a

behavioural occupational health and safety policy programme and near-accident reporting. We request feedback from our employees via satisfaction surveys and various other forums.

Our company's occupational safety trainings are comprehensive and involve employees from all levels of our organisation. We organise occupational health and safety training for all new employee hires, however annual sessions are open to all employees. We also organise an annual 'Safety Week', during which our

⁵ There is no case such some employees are not subject to the scope of the occupational health and safety management system.

7. Responsibility towards our employees

7.3. Occupational health and safety system

employees participate in training courses to raise their awareness of the importance of this topic. We also publish monthly awareness-raising briefings ("Toolbox Talks"). Additionally, we provide observation and awareness (BBS) trainings and Lockout Tagout (LOTO) trainings for those working in affected roles.

All our employees working in roles that require specific degrees receive the required training, such as fire protection safety examinations, and trainings for forklift operators, radiation protection and „A dangerous goods" (ADR) vehicle drivers.

We are committed to minimising the risk of exposure to accidents, injuries and health hazards and thereby maintaining a productive workplace. All accidents resulting in loss of working time, injuries involving medical care and injuries involving local first aid are investigated under the leadership of the occupational safety team. Our company has an Occupational Health and Safety Committee, which includes both employees and board members. The frequency of meetings, responsibilities and decision-making powers are determined on

the basis of the Labour Protection Act. Our occupational health and safety policy, which is approved by our General Manager, is reviewed annually and updated when 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. Our measures comply with the current legal requirements, including the regulation on occupational health services. At the Dunaharaszti site, we have a medical treatment station, where an OHS doctor from Swiss Clinic is available during office hours. At our other premises health services are provided by Swiss Clinic contractors.

Number of occupational injuries

	2019	2020	2021	2022 ⁶
Number of injuries ⁷	4	7	8	5
Male	3	6	7	3
Female	1	1	1	2
Deaths	0	0	0	0
Injuries to workers who are not employed by the company	6	4	3	5
Male	5	4	3	5
Female	1	-	-	-
Deaths	0	0	0	0
Number of working hours	1 337 961	985 566	888 391	1 112 237
Male	1 218 951	928 633	852 140	1 081 844
Female	134 536	56 933	36 251	30 393

⁶ Accidents relate to injuries during traffic (3 cases), injuries due to wrong steps or movements and fractures due to foreign impacts..

⁷ There were no serious incidents or reportable accidents.

7. Responsibility towards our employees

7.4. Human rights and diversity

Across our operations, we are in touch with people from different social and cultural backgrounds every day. One of our core values is to always respect human rights and diversity, and to ensure equal opportunities. We exemplify these values, not only as an employer but also as a business partner, throughout our entire supply chain. Respect for human rights is essential to the sustainability of Coca-Cola HBC Hungary and 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, ensuring that in the course of our business operations we listen to, understand, and take into account our stakeholders' views.

We are committed to maintaining a workplace which is free from discrimination or harassment based on gender, race, national or social origin, religion, age, disability, sexual orientation, political opinion, or any other status protected by applicable law. Decisions about recruitment, assignment, training,

remuneration and promotion are made on the basis of qualification, performance, skills and experiences. During the reporting period, there were no cases of discrimination that required further investigation or corrective actions.

Our organisation fosters a culture of open dialogue with our employees. Through a variety of internal communication platforms, we provide them with up-to-date information about management news, information related to corporate operations and programmes. Additionally, we have set a minimum notice period of 30 days for major organisational and operational changes affecting our employees. If any legal or ethical incident occurs at our company, it will be the subject of a rigorous and robust investigation in line with the procedures and principles set out in our internal policies.

Distribution of the board by gender and age group (2018-2022)

	2018	2019	2020	2021	2022
Percentage of male employees in management positions	66%	67%	89%	75%	75%
<30	10%	11%	0%	0%	0%
30-50	48%	47%	89%	75%	75%
50<	9%	10%	0%	0%	0%
Percentage of female employees in management positions	34%	33%	11%	25%	25%
<30	10%	10%	0%	0%	0%
30-50	21%	20%	11%	25%	25%
50<	2%	2%	0%	0%	0%

7. Responsibility towards our employees

7.4. Human rights and diversity

There is an even split of female and male managers within our management team, and we are working to strengthen and maintain this ratio. Our Group has set the global goal of reaching 50% of female leaders by 2030.

As an employer, we are committed to ensuring equal opportunities, something which is enshrined in our Code of Business Conduct, Inclusion and Diversity policy, and Human Rights policy. All our employees are entitled to the same respect, and their career development should never be affected by any

circumstances other than their professional performance. We wholeheartedly value the diversity of our employees. As core elements of our long-term strategy, 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. In 2022, there were no cases of discrimination within our organisation.



Distribution of employee levels⁸ by gender and age group (2022)

	Male	Female	<30	30-50	50<
Total number of employees ⁹	68%	32%	20%	63%	17%
Front Line Leaders	68%	32%	16%	68%	16%
Change Leaders	67%	33%	0%	93%	7%
Top 300 Leaders	75%	25%	0%	100%	0%
Professionals	43%	57%	29%	59%	12%
Troopers	74%	26%	37%	46%	168%
Future Driver	76%	24%	16%	60%	24%
Supporter	33%	67%	67%	33%	0%
Other	68%	32%	16%	68%	16%

⁸ **Classification of employee levels:**
Supporter: support jobs, such as administrator, manual worker.
Troopers: salespeople such as business developers, phone salespeople, AW Key Account Managers.
Professionals: Specialists/experts.
Front Line Leaders: team leaders, supervisors, Key Account Managers..
Change Leader: leaders of strategic importance.
Top 300: function managers.
Future Driver: employees participating in a traineeship program.

⁹ The results of the distribution of employees are included in temporary agency work.

7. Responsibility towards our employees

7.4. Human rights and diversity

At our 2022 Annual Leadership Forum, the participants could hear a presentation on creating an inclusive workplace culture in which people accept each other and the opinions of employees count.



Our Human Rights Policies is available to everyone, and we communicate it to our employees on a regular basis. We demand ethical behaviour from our business partners and each of our partners has to accept our Supplier Guiding Principles, which prescribe respecting human and labour rights and the prohibition of any discrimination.



You can find out more about our Human Rights Policy on our **website**.

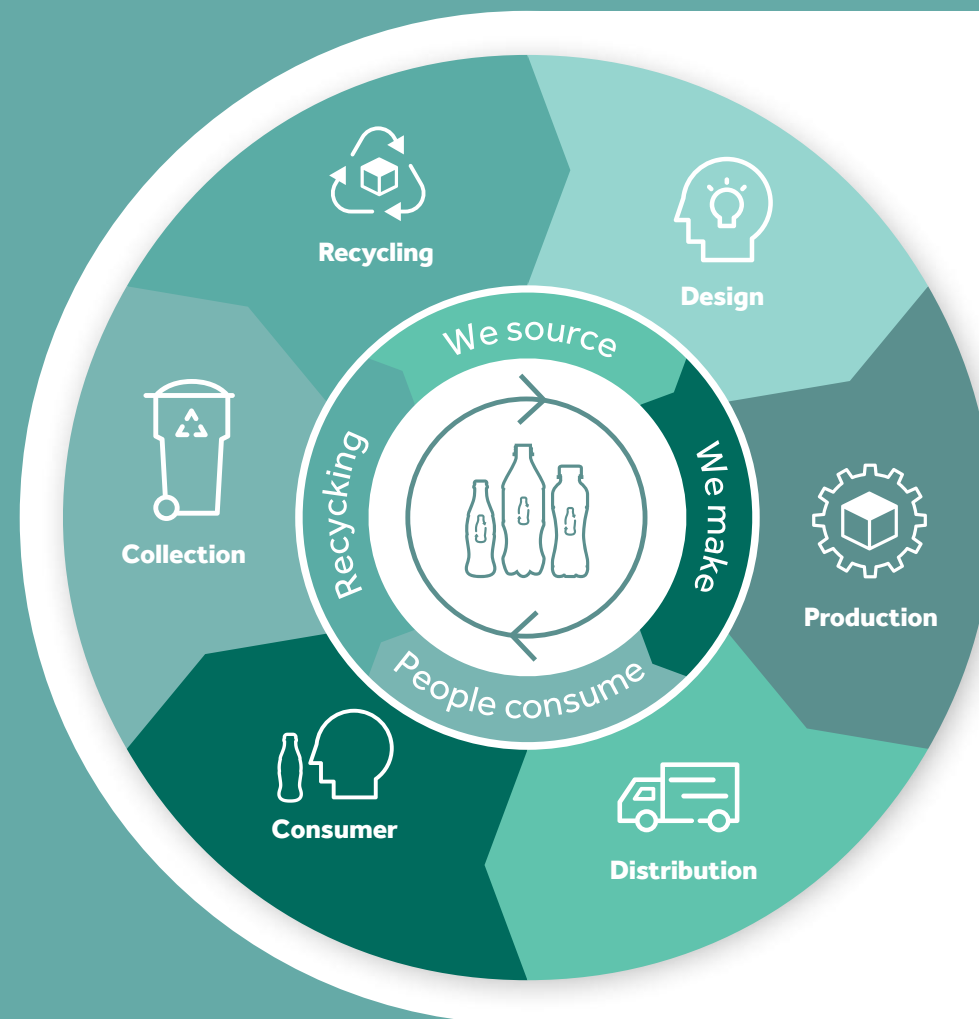
8. FOR A SUSTAINABLE ENVIRONMENT

Corporate sustainability and responsibility are an essential part of Coca-Cola HBC Hungary's organisational culture. As responsible economic operators, we consider it paramount to minimise the environmental effects and risks arising from our operations and to make a positive contribution to the protection of our environment and natural resources. 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.

Additionally, we ensure that the sustainable 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, and we believe that broad collaboration is the key to achieve our sustainability objectives.

8.1. Packaging, recycling and waste management

The long-term negative environmental impact of packaging, especially plastics, has made it clear that we need to look for new, sustainable solutions. Our company believes it is important that we play an active role not only as a player but also as a driver of change. Our sustainability approach related to packaging waste was included in our World Without Waste strategy. As part of this, we are working on creating a sustainable cycle spanning the entire life cycle of our products, including social cooperation towards a common goal.



8. For a sustainable environment

8.1. Packaging, recycling and waste management

Pursuing a circular economy

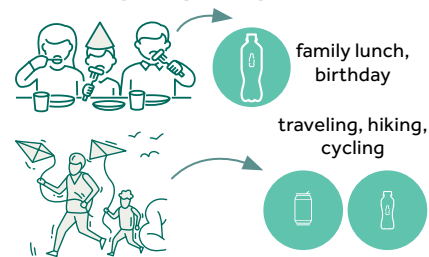
Improper handling of plastic waste is causing serious environmental problems. Our company has been working for many years to promote the circular economy by actively participating in the processes related to our products, from the sourcing of raw materials to the design and recycling of products and their packaging, from manufacturing processes to packaging recycling. In a circular economy, we avoid the unnecessary and wasteful use of raw materials, and we provide them with continuous value throughout the cycle. Collecting and recycling packaging waste is the most effective way to create a cycle.

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, regulatory organizations and with our consumers, in order to collect beverage packaging waste as much as possible, and thus realize a circular economy.

You only see this from the cycle!

Consumer

Choose a good package!



Collection back

Always throw it in the right bin!

Keep it with you until you can throw it in the right bin!



If the cycle is interrupted, our direct environment is also at risk.



Check out what's happening in the background!

Recycling

If disposed properly, most packaging can be recycled

PET cycle



PET bottles can be recycled 100%

aluminum cycle



The aluminum can be recycled many times

paper cycle



Look for FSC certified paper! Choose recycled paper products!

Design

Do you see the arrows on the PET bottle? Easier and faster compression.



Soon 100% recycled paper cups in coffee machines.

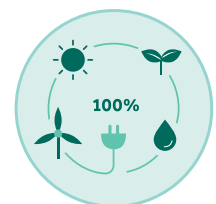


Development of 100% recycled paper bottles



Production

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



8. For a sustainable environment

8.1. Packaging, recycling and waste management

The path of our products in circulation



Procurement

As a part of a circular economy the 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. In 2022, Coca-Cola HBC Group's rPET capacity was grouped into other regions based on the group's strategic decision, so our company turned its attention to additional green solutions during the year.



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.

8. For a sustainable environment

8.1. Packaging, recycling and waste management

Our goal is a World Without Waste

Our World Without Waste strategy takes an ambitious and forward-looking approach to reduce the negative environmental impacts of packaging materials, especially plastic packaging.

Our aim is to keep our products in the economic cycle for as long as possible and with as high a quality as possible, resulting in less new raw material usage.



Our commitments related to World Without Waste for 2030:



All primary packaging will be 100% recyclable

→ 2030
100%



We will use 50% recycled plastic to produce PET bottles

→ 2030
50%



We will consent to the 100% of the collection of the waste quantity of beverage bottles

→ 2030
100%

8. For a sustainable environment

8.1. Packaging, recycling and waste management

We are constantly seeking ways to make a greater contribution to a more sustainable future through our activities. This includes striving for efficiency in all areas of our organisation. In addition to sustainable materials in our packaging, we also focus on using less and less material.

Deposit Refund System (DRS)

From 1 January 2024, the Deposit Refund System (DRS) for products on the domestic market will be introduced at national level. The products covered by the DRS will be specified in a government decree. According to the draft submitted for public consultation, these will include metal, plastic and glass beverage packaging up to 0-6 litres (except for milk-based beverage products).

In order to achieve a circular economy, the European Union (EU) has set strict guidelines to recycle as much of the waste generated in Member States as possible. The introduction of a Deposit Refund System will enable Hungary to comply with EU waste management legislation, thus taking a major step towards sustainability.

Our company is also an active participant in the industry collaboration that aims to provide professional support for the new waste management system that is being launched in Hungary. Under the new waste concession, our company contributes to the collection of empty bottles generated after the consumption of our products and their sustainable and responsible processing and disposal by paying the Extended Producer Responsibility (EPR) fee. In addition, we have introduced new innovations in other areas (Tethered Cap, KeelClip) that reduce the amount of waste generated. Our company remains committed to its 2025 targets. We are adapting to changing circumstances that bring new opportunities to achieve our goals.



Packaging design and development

We consider packaging waste to be a strategically important environmental issue. Proper packaging is essential for the freshness and food safety of our products. We are constantly improving our packaging materials, both PET bottles and aluminium cans, with the following main pillars:



For further information on waste concessions, please visit the **MOHU website**.

8. For a sustainable environment

8.1. Packaging, recycling and waste management

In 2022, the focus was on innovative solutions:

Sustainable packaging

KeelClip



To make our operations more sustainable, our company has replaced the previous shrink wrap used for 4 and 6-pack multipack aluminium cans with 100% recyclable carton packaging using innovative KeelClip™ technology in 2022.

With the investment of more than HUF 800 million, the company will reduce its plastic consumption in Hungary by nearly 230 tonnes per year, while providing consumers with a practical, easy-to-use packaging.

The 100 percent recyclable cardboard used for KeelClip™ packaging is sourced from sustainable, responsible forestry and is FSC certified, ensuring that the products marketed meet the criteria for environmentally and socially responsible production and manufacturing.

We are inseparable

Tethered Caps



As part of our World Without Waste strategy, we provide our soft drinks with a bottle cap that is inseparable from the packaging. Significantly ahead of the June 2024 deadline set by EU industry regulation and the first of its kind in Hungary, we introduced the new caps for carbonated soft drinks, making it easier to collect and recycle bottles and caps together, while also providing a more pleasant, hygienic experience for consumers.

Thanks to the innovative design of the new caps, consumers can use the bottles as usual, but with a fixed cap. As the packaging remains intact, lost or discarded caps do not harm the environment. The new packaging is also more hygienic for consumers, as they do not have to hold the cap in their hand when drinking and can avoid the cap becoming contaminated if dropped on the floor.

8. For a sustainable environment

8.1. Packaging, recycling and waste management

Waste management

We are committed to the sustainable disposal of waste generated in our processes and after consumption of our products. Our waste management processes are ensured by our ISO14001:2015 environmental management system. 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. The monitoring of the generated waste is supported by continuous data collection and is supervised by our waste management system specialist. 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.

On our Dunaharaszti site, we outsource the appropriate disposal of waste to an external partner. We continuously update and monitor our partner's permits and verify proper operation through on-site audits. In 2022, we audited two of our waste management partners, both of them were compliant.

In addition to reducing the amount of waste, we strive for the greatest possible utilisation 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 centres. We want to completely eliminate the need to send waste to landfills, i.e. waste that cannot be used is sent to an incinerator for energy production. Every year, we inform our employees about the importance of recycling and proper management of waste as part of our culture, and we regularly look for new waste management opportunities.

Type of waste (tonnes) ¹⁰	2019	2020	2021	2022
Total volume of waste	4354	3975	2639	2686
Non-hazardous waste	3564	3347	2404	2290
Recycle	3203	3076	2140	1987
Incineration	359	270	263	302
Landfill	2	1	1	1
Hazardous waste	790	628	235	396
Incineration	18	61	8	16
Recycle	772	567	227	380

¹⁰ The data show the amount of waste generated in our plants in Dunaharaszti and Zalaszentgrót.



Our commitment to waste reduction and recycling is summarised in our **Environmental Policy.**

8. For a sustainable environment

8.2. Food waste

As an environmentally conscious company, we believe it is important to take action for a sustainable future in all areas of our business. This includes food waste, which Coca-Cola HBC Hungary strives to minimise in a variety of ways. Our commitments not only aim to reduce the amount of food wasted, but also include education on the importance of this issue.

Our company is a member of the 'Every Crumb Counts' initiative of the European food and drink industry, which aims to prevent food from being thrown away and to promote a life-cycle approach to reduce food waste. This pledge also aims to proactively engage participants in national, European, and global solutions and initiatives in this area. As a member, we are committed to raising awareness of the need to reduce food waste in our processes and throughout the value chain as effectively as possible, and working with all relevant groups to contribute to the development and promotion of best practices.

Our company collects information on the disposal processes, which helps us to take effective action against food waste. Coca-Cola HBC Hungary donates the products that are close to their expiry date to the

Hungarian Food Bank, our partner, to help ensure that our products are consumed within their shelf life while supporting our communities.

8.3. 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.

90% of the emissions in the entire value chain of the company group come from third parties and are counted in our Scope 3 emissions. Consequently, Coca-Cola HBC is expanding its partnership agreements with its suppliers to ensure they can contribute as much as possible to the achieve climate goals. If a problem cannot be completely eliminated, the company will seek to mitigate its impact by investing in other climate protection measures. We pledge to achieve carbon neutrality by improving energy

efficiency, building a circular economy, greening our fleet and additional innovations.

Energy efficiency

Our core activities, production and the related transportation of our products, would be impossible without significant energy consumption. Consequently, we are committed to increasing our energy efficiency while reducing the emission of carbon dioxide and other greenhouse gases (GHG) resulting from our activities.



You can find out more about our energy management on **our website.**

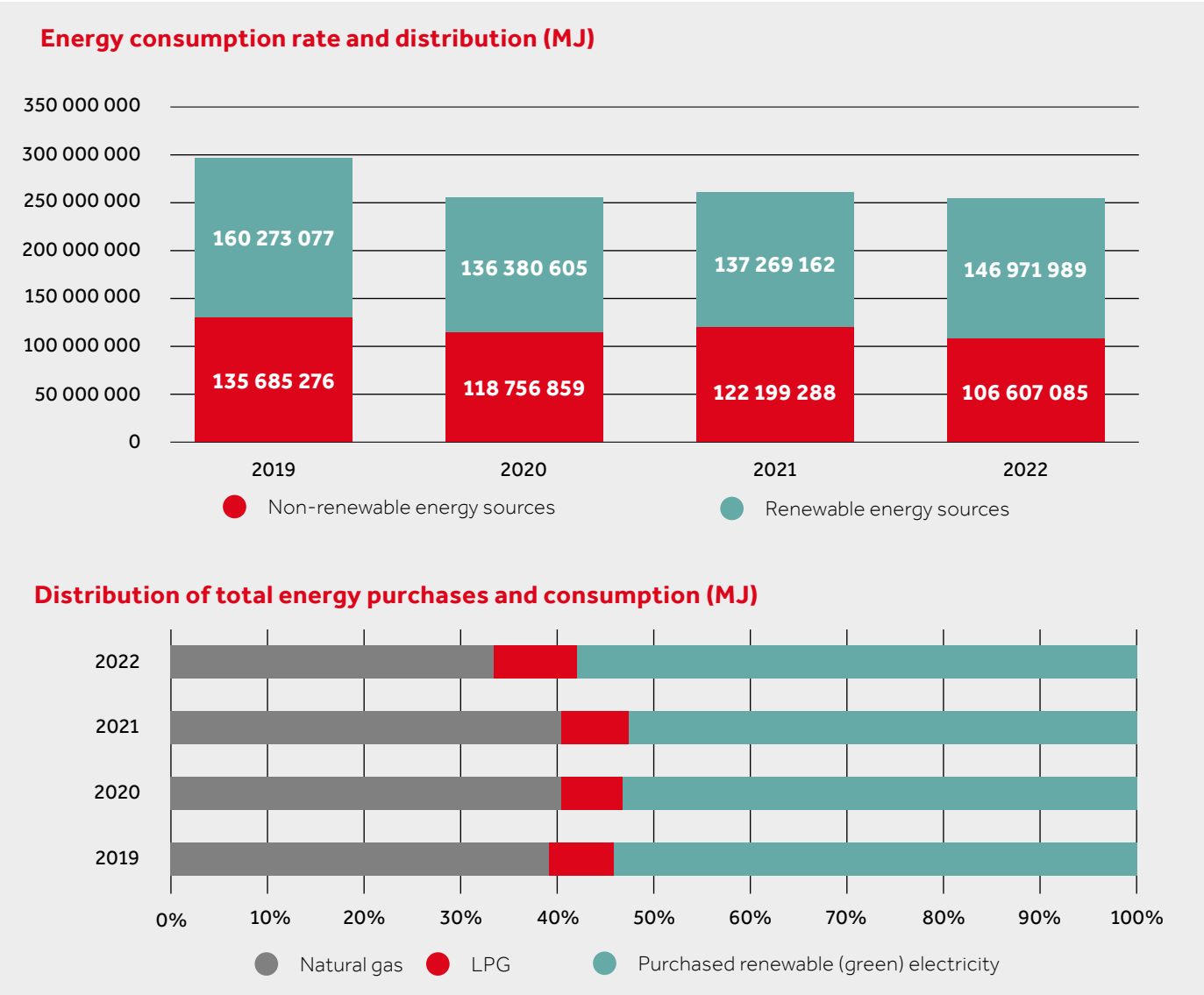
8. For a sustainable environment

8.3. Energy efficiency and climate protection

In 2022, the national target was 0.46 MJ/lb - we achieved 0.42 MJ/lb, below the projected target.

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 iterative development. Our annual action plans contribute to improving efficiency and reducing our energy consumption. During our annual training sessions, we regularly highlight the importance of energy efficiency and sustainability. Additionally, energy reduction projects and targets are designed annually, which are also considered during capital expenditure (CAPEX) planning.

Over the year, our company was able to save 300 MWh electricity.



8. For a sustainable environment

8.3. Energy efficiency and climate protection

Towards achieving a more sustainable operation, we have prioritised environmental considerations throughout 2022, despite higher energy prices. This means that we have not switched to cheaper and more polluting energy sources despite increased costs, but instead have taken advantage of other options.

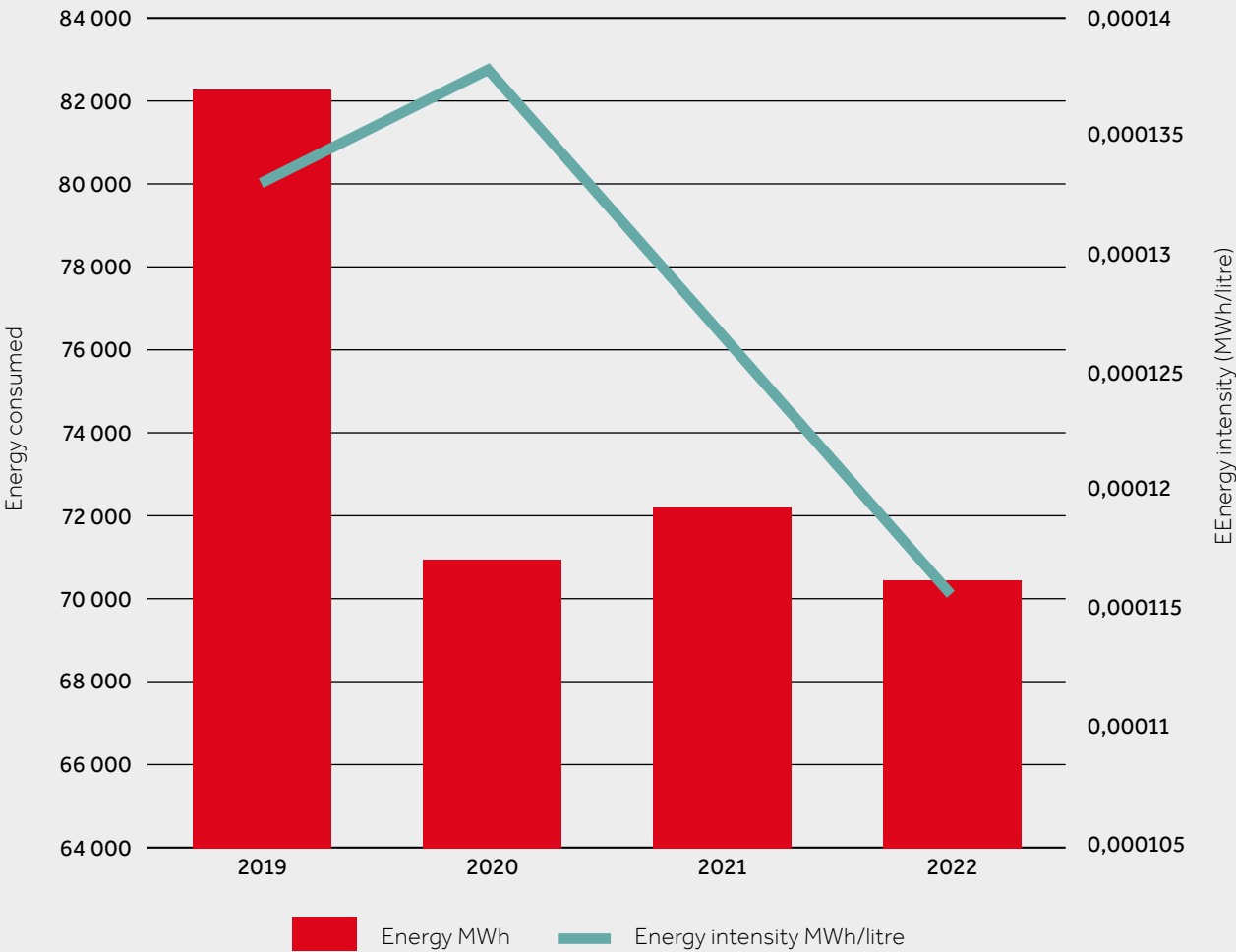


We are proud that our production plants operate using 100% green electricity.

The green operation of our factory in Zalaszentgrót is also supported by heat pumps, which supply the plant with heat energy. Consequently, Zalaszentgrót is nearly completely carbon neutral.

In 2022, we managed to reduce our company's electricity consumption and the related energy intensity despite the increase in the volume of produced goods. This means that our company can produce one litre of finished product more efficiently and using less energy.

Electricity use and energy intensity



8. For a sustainable environment

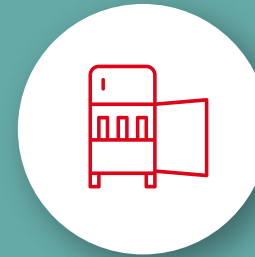
8.3. Energy efficiency and climate protection

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 through the lens of sustainability. We believe that together with our employees, suppliers and partners, we can find sustainable solutions to effectively tackle climate change.

We are continuously monitoring our carbon dioxide emissions in order to produce an accurate picture of our GHG emissions. The calculation of GHG emissions is done in accordance with the Greenhouse Gas Protocol. Our other greenhouse gas emissions are converted into carbon dioxide equivalent emissions using conversion factors defined by The Coca-Cola Company and treated cumulatively. All of this helps to determine the actions and measures that support the reduction of our carbon footprint and makes sure that we set appropriate goals in the long term and achieve continuous development in the given area.

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. Most of our company's direct carbon dioxide emissions come from the energy consumption of our bottling plants and the operation of our fleet of machines and vehicles. The most significant indirect emissions arise from the procurement of raw materials – for ingredients and packaging – as well as logistics processes and the operation of equipment offering chilled drinks.



We replace our old equipment with new types of coolers

In 2022, we continued to work on replacing the coolers which store our chilled drinks, thus reducing our CO₂ emissions. We are constantly replacing old refrigerators with new types of iCoolers that operate with higher energy efficiency. We achieved savings of 5 150 tons of CO₂ emissions during 2022, and since the launch of the replacement programme, our company's GHG emissions have already been reduced by almost 13 000 tons of CO₂.

2022
-5150
tons of CO₂

reduced by almost
13 000
tons of CO₂

¹¹ Conversion factors are compiled in accordance with IPCC guidelines.



You can find out more about the guidelines related to climate change on **our website**.

8. For a sustainable environment

8.3. Energy efficiency and climate protection

Our Scope 1-2 CO2 emission index is determined every year in cooperation with the Coca-Cola HBC Group. The 2022 target was 11.50 kt CO2¹² for the full year, which was achieved below the limit, at 11.02 kt CO2. During the winter, we put great emphasis on optimising the heating of our plants, which allowed us to reduce our company's emissions by 300 t CO2.

The following graph shows the ratio of our company's Scope 1 emissions relative to our total CO2 emissions. Our emissions over which we have a direct influence are steadily decreasing compared to emissions related to our entire corporate operations, which is due to the sustainability measures we have implemented. In 2022, we were able to reduce our Scope 1 emissions by nearly 1.3 %.

The largest emissions associated with our company are Scope 3, which accounted for nearly 93% of our total CO2 emissions in 2022. We have no direct influence on this category, however, we strive to contribute to its reduction with all our corporate decisions. Our company is constantly collecting detailed emissions data and conducting ever deeper analyses to reduce our environmental impact in the relevant areas. Reduction plans are

carried out based on the roadmap developed for this purpose.

The Coca-Cola HBC Group does not track NOx, SOx and particulate matter (PM) emissions nationwide. We only track and use this data to calculate the environmental impact charge of our boiler.

Our Scope 1 emissions to total emissions



¹² Kilotons
¹³ From 2022, the Coca-Cola HBC Group will not set annual CO₂ emission targets per finished product.
¹⁴ The percentage is calculated by comparing annual Scope 3 emissions to total annual absolute emissions.

8. For a sustainable environment

8.3. Energy efficiency and climate protection

Our company is replacing its cars with a green fleet

In 2022, Coca-Cola HBC Hungary replaced 179 of its fleet of 504 cars with hybrid electric or gas (LPG) cars, significantly reducing CO2 emissions and fuel consumption in the company fleet, with Toyota Corolla and RAV4 cars delivered to the company. Toyota's latest, fourth-generation self-charging hybrid electric cars, which has been a leader in the development of partially or fully electric vehicles for 25 years, enable up to 50-80% purely electric, emission- and consumption-free driving in urban traffic. In 2022, thanks to the greening of the fleet, we were able to reduce 150 tonnes of CO2.

Coca-Cola HBC Hungary aims to reduce vehicle emissions by 53 % by 2030 compared to 2017 levels, which is why the company is reducing the number of cars in its fleet and is constantly switching to alternatively powered vehicles. In addition to hybrid electric and LPG vehicles, the company plans to have battery electric cars in its fleet from 2023 onwards, and from 2025 onwards, Coca-Cola HBC Hungary will not purchase petrol or diesel cars.



8. For a sustainable environment

8.4. Water management and water protection

At Coca-Cola HBC Hungary, we believe that the protection of our natural resources represents a key role in our business processes. Water is a primary component of our manufacturing processes: it is an essential raw material to produce 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.


Responsible water management

We operate according to 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.

To identify impacts related to water management, we engage external experts who consider social, environmental, economic and regulatory risks to reduce water use.

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 wells, and additional supplies are provided by the city's network. The use of water and wastewater in our distribution centres and offices are limited to social water use, which is also supplied by the public utility network. Our glass bottling equipment was renovated last year, and our washing process was also optimised: the bottles are now cleaned in 3 stages (formerly 5), saving a significant amount of water and detergent.

In addition to reducing our water consumption, we also want to minimise the environmental impact of our operations by treating the wastewater generated. In our production plant in Zalaszentgrót, the pH of the wastewater is adjusted with the help of a neutralisation system installed on the site, that treats the water in accordance with the law before entering the city sewage network.



Our water management activities are summarized in our **Environmental Protection Policy and Water Management Policy**.



As a further step under 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, which helps us implement and develop good water management practices.



8. For a sustainable environment

8.4. Water management and water protection

The industrial wastewater of our production plant in Dunaharaszti is received directly 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 inspections in accordance with our permits, the results of which we regularly send to the relevant authority.

In order to quickly identify issues, we are in constant consultation with stakeholders who have considerable influence in the field of water management. For example, we are in

close contact with the relevant authorities, local governments, water suppliers 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.

We held discussions with representatives of the municipality and the Wastewater Treatment Plant on the most important issues related to water management.

Topics covered:

- 1

Water use, emission measurement, data evaluation, risk identification
- 2

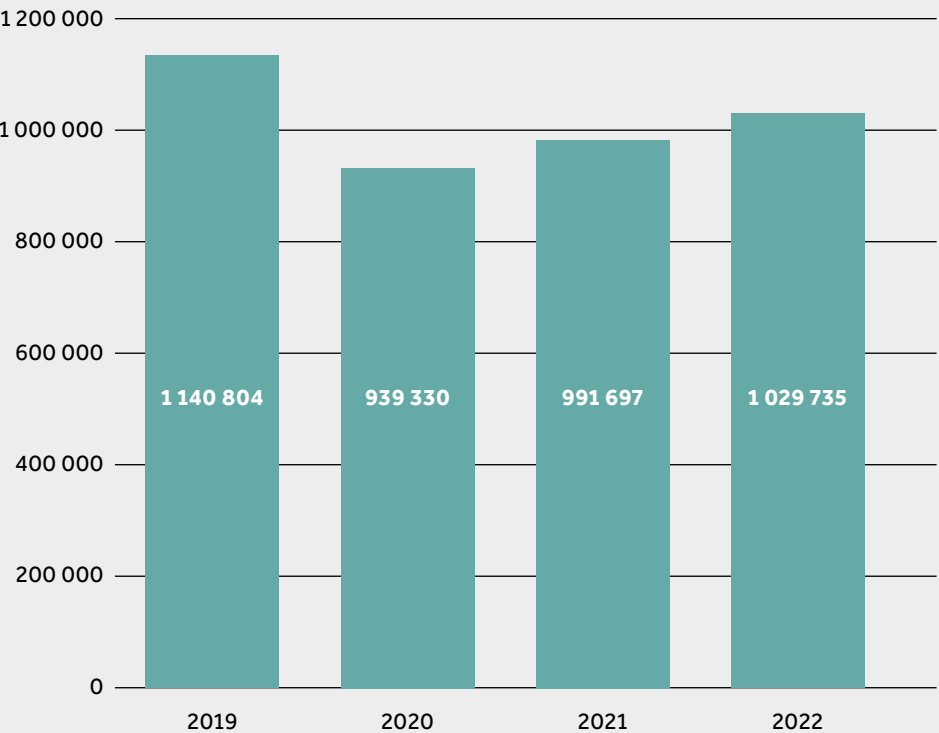
Sustainable water balance
- 2

Good water quality
- 4

Good condition of aquatic terrains/habitats
- 5

Access to safe, clean drinking water

Total water consumption (m³)




We monitor our water consumption targets annually and pursue further initiatives based on the results. In 2022, our water consumption target per 1 litre of finished product was 1.72 litres of water, and our final result was 1.69 litres.

8. For a sustainable environment

8.5. Sustainable raw material procurement

The procurement of raw materials for our products and the performance of our suppliers greatly contributes to the size of our economic, operational and environmental footprint, and we consequently 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.



You can find out more about our supplier guidelines on our **website**.

Our responsible procurement policy

An integral component of our company's responsible behaviour is our selection of suppliers based on independent principles. To this end, we have established internal regulations delineating our processes by 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 every case, we strive to invite a wide range of potential suppliers for our tenders.

During the selection process, employees from our procurement department cooperate with managers of relevant teams, facilitating the impartiality of the process. Our procurement policy outlines the steps of the process and its basic principles, ensuring compliance is verifiable. For all new suppliers, we check whether they meet our high-quality expectations based on a robust risk analysis. Through 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 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 undertake 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 to ensure that the requirements contained in the Supplier Guidelines are known and fulfilled.

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

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
- Carbon-dioxide
- Nitrogen
- Water
- Concentrate

For packaging

- Plastic (PET)
- Glass
- Aluminium
- Steel
- Cardboard

8. For a sustainable environment

8.6. Biological diversity

A key part of our company's long-term, sustainable growth is preserving ecosystems for future generations.



Our biodiversity policy and commitments:

- We are committed to reducing our CO2 emissions;
- In our processes, we strive for efficient water use and water reduction, which we support with a number of measures;
- 100% of our key ingredients are sourced in line with the Coca-Cola HBC Group's Sustainable Agriculture Principles in partnership with The Coca-Cola Company to protect and support biodiversity and ecosystems;
- We consider it vital to preserve forests and other ecosystems, so we support the promotion of sustainable forest management and help protect forests from deforestation and illegal logging;
- Our approach to implementing our World Without Waste strategy has a positive impact on ecosystems by preventing our packaging from entering waterways as waste, as well as reducing air pollution and damage to biodiversity as a result of incineration;
- We regularly measure and report on progress towards our Mission 2025 commitments, including those related to biodiversity.

We monitor the indirect and direct effects of our manufacturing plants on biodiversity. In order to uphold our commitments to conservation, we keep review the condition of the ecosystem in our operational areas to protect the species and habitats. According to wildlife protection criteria, our plant in Dunaharaszti is not situated 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.

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 established that the current operation of the production unit does not raise any

problems related to nature conservation. The destruction of habitats and species inside and outside the site can be excluded and minimized by observing the official regulations and technological restrictions. Additionally, as the area of the plant has been under industrial use for a long time, it has established processes for maintaining for containing pollution. Protected areas and habitats of greater importance from a nature conservation point of view are mostly located at a safe distance, so it is not expected that they undergo any damage or endangerment.



You can find out more about the current performance of the Coca-Cola HBC Group and its 2025 targets on its **website**.

9. RESPONSIBLE OPERATIONS AND PRODUCT RANGE

9.1. Product quality and responsibility

In response to constantly evolving consumer demands we're placing an increasing emphasis on developing our sustainable product range. Together with The Coca-Cola Company, we work hard to bring excellent products to the market. Within the industry, we have one of the strongest, diverse, and most flexible product portfolios. We have many brands loved by consumers and in 2022, we distributed a total of 238 types of products.

Every year, we review our current product portfolio, determining the next steps in the production and distribution of our products based on several KPIs. We make our decision based on a variety of considerations, such as export country needs. During the production and bottling of carbonated and non-carbonated soft drinks and natural mineral water, we comply with the relevant regulations and consumer requirements,

thus striving to provide safe products that meet the expectations of our customers.

In 2022, there was no legal non-compliance regarding product quality, compliance and labelling regarding our distributed products. In order to ensure the correct and safe use of our bottles, we inform our consumers about the proper use of the fixed cap introduced in 2022 through our educational campaign. In addition, we have implemented another product-based innovation: you can find more information about the launch of KeelClip™ in the **8.1 Packaging, recycling and waste management** chapter.



¹⁵ You can read more about our brands and products on our **website**.

9. Responsible operations and product range

9.1. Product quality and responsibility

Our product portfolio

In 2022, we expanded our premium spirits portfolio by introducing new product lines and collaborating with other premium brands such as Finlandia Botanical, The Macallan Double Cask ultra-premium and several limited edition products. In 2022 we have become the exclusive domestic distributor of the Bacardi-Martini, and our company's premium spirits product range has been expanded with over 60 products. With these developments we have taken another significant step forward in implementing our 24/7 Strategy and becoming a leading distributor in the domestic premium alcohol market. In addition to high inflation and increased energy prices, there were changes in our existing partnerships (e.g. we have discontinued the distribution of Campari products).

Consumer awareness in the premium alcohol and coffee category is an ongoing priority, however, the production is a highly water-intensive process. In addition to producing our products in environmentally-friendly packaging, we try to compensate for the high alcohol content of these beverages with

mixing offerings, in which our zero products play a prominent role during pairing. We have also observed among our consumers that alcohol consumers prefer quality over quantity, so we continuously shape our mixing products in response to trends in alcoholic and non-alcoholic beverages. Our goal is to win consumers of products with lower alcohol content by introducing additional types of products.

We want to reduce the alcohol content of our drinks and the alcohol consumption of our customers, which is easier to achieve with our mixing products, since despite the low alcohol content, the consumer experience is not impaired.

In 2022, our company started developing a vertical portfolio, expanding to include the domestic snack market. We are diversifying our current offerings with the launch of flavoured oat and functional biscuits called MyWellness.

Greening our product portfolio

When contracting with brand owners, the partner's sustainability approach is a key-criteria for our company. In 2022, our company expanded its portfolio with Caffé Vergnano, a second coffee brand besides Costa Coffee, which was launched with the packaging of coffees in degradable capsules.



„We are constantly improving our offerings and services in order to respond to evolving consumer needs. We find that snacking is becoming an increasingly popular activity in Hungary as well, and that consumers are happy to combine their sweet or savoury snacks with their favourite drinks. Therefore, we consider it a logical business decision to serve these emerging needs too. The current market test provides an excellent opportunity to gain experience in order to establish a foothold in the Hungarian snack market in the long run.“

Márton Vajda

Head of Premium Alcohol and Coffee portfolio at Coca-Cola HBC Hungary



9. Responsible operations and product range

9.2. Health and nutrition of our consumers

At Coca-Cola HBC Hungary, our goal is to provide our consumers with a product range that satisfies all their needs and preferences. As a dominant actor in the domestic soft drink market, we strive to satisfy a wide range of consumer needs through our comprehensive portfolio. We are committed to offering our consumers a variety of alternatives and helping them eat more health-consciously. We believe that the consumption of our products can be a part of a balanced lifestyle while maintaining a healthy diet. Integrated into the right diet and lifestyle, our products are a part of a balanced nutrition, and we represent our responsibility for this in our core operations, i.e., through our product range and marketing activities. Over the years, together with The Coca-Cola Company, we supported a variety of health and calorie reduction programmes in various ways.

It is fundamental to our business to produce our products in full compliance with food safety standards and legislation. We are committed to best-practice manufacturing and hygiene processes, and to the continuous improvement of our corporate

quality culture in a way that spotlights food safety at the forefront of all aspects of product production. To ensure compliance, our company operates a certified ISO 9001 and FSSC 22000 management system.

Our company evaluates all raw materials, semi-finished and finished products during production, storage, transportation, distribution and use to provide healthy and safe food for our consumers. Additionally, we have set our food safety goals to protect our consumers, keeping in mind the continuous development. These are regularly reviewed to avoid possible non-compliance. We actively pursue consumer feedback and determine corrective and preventive measures. In 2022, there were no legal non-compliance or recalls concerning health and food safety among our distributed products due to product non-conformity.



Introducing new products

- We are constantly optimising our portfolio by introducing new products, while striving to increase the proportion of low-calorie, sugar- and calorie-free products in our product range.



Evolving our recipes

- We are constantly exploring ways to improve the formulas of our products already on the market to reduce sugar and calories.



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.

9. Responsible operations and product range

9.2. Health and nutrition of our consumers

Less sugar, more choice



In 2022, 51,36% of our portfolio is low-calorie or calorie-free.

Coca-Cola Zero Sugar has achieved double-digit volume growth within our distribution in five of the last six years.

Industry cooperation for domestic sugar reduction

Coca-Cola HBC Hungary, together with the members of the Hungarian Mineral Water, Juice, and Soft Drink Association, voluntarily undertook to reduce the sugar and energy content of its products by 50% by 2020 compared to the base year of 2010. The -50% commitment refers to the average sugar and calorie content of soft drinks per 100 millilitres.

These figures are now 45% lower than in 2010. According to the data, in 2010, the average energy content of soft drinks per 100 millilitres was 40 calories, **in 2022 it was 22 calories.**



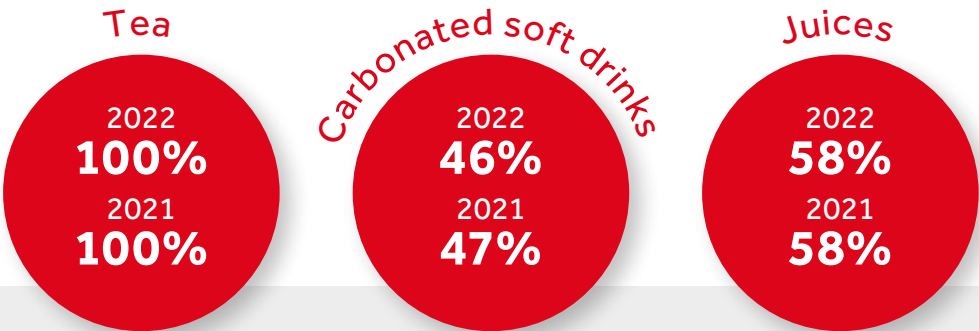
9. Responsible operations and product range

9.2. Health and nutrition of our consumers

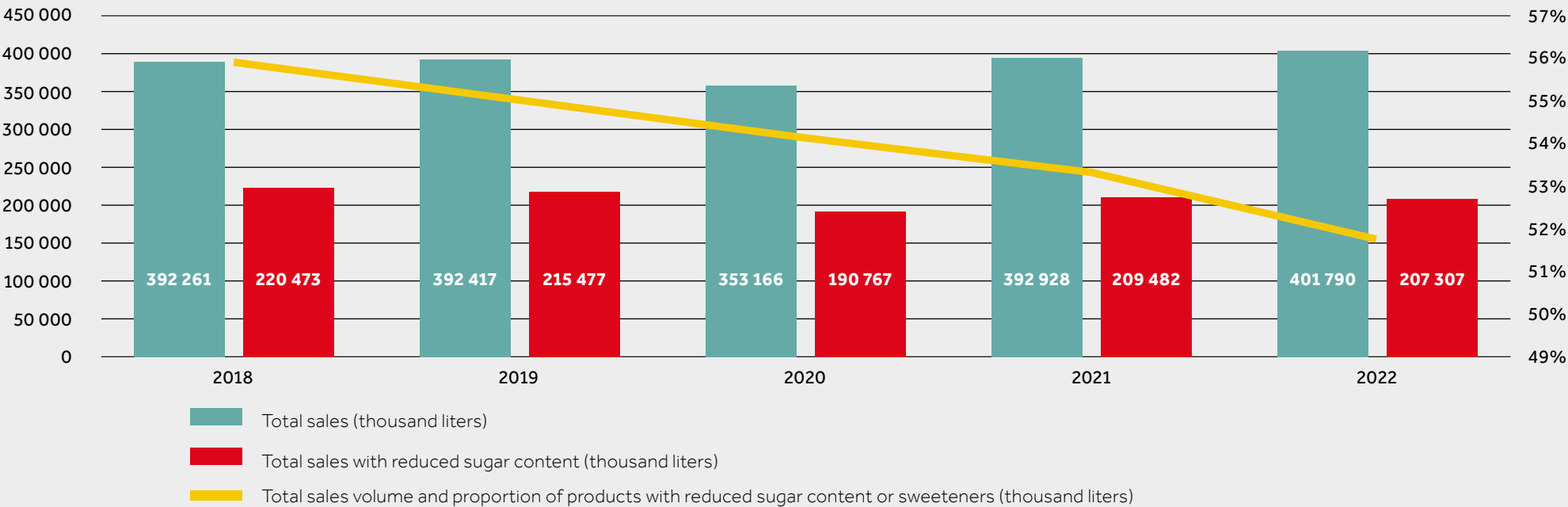
In the recent years there were no significant changes in the ingredients of our products. We are constantly developing our portfolio by introducing new products with reduced or zero sugar content, which leads to a widening of the category. By adapting existing formulas and introducing new, innovative products, the share of reduced-calorie and calorie-free beverages in our portfolio in the

non-alcoholic beverage category increased from 23% to 61% between 2010 and 2021. There is cooperation at industry level to reduce the sugar and calorie content of products, an objective that is in line with our own commitments. Our goal is to provide our consumers a selection in which everyone can find the most suitable products.

Share of sales volume of reduced- or sugar-free products in our company's portfolio



Total sales volume and proportion of products with reduced sugar content or sweeteners (thousand liters)



9. Responsible operations and product range

9.3. Responsible marketing communications

Responsible marketing is an essential element of our impact on the economy, environment, and society. It is quite important for our sustainable business operation that we undertake our marketing activities efficiently and responsibly. We always strive to provide balanced, true, and clear information about our products, while paying attention to the target audience and messages that our advertisements and promotions convey. In 2022, we placed great emphasis on the conscious consumption of carbonated soft drinks and alcoholic products from a marketing and communications perspective.

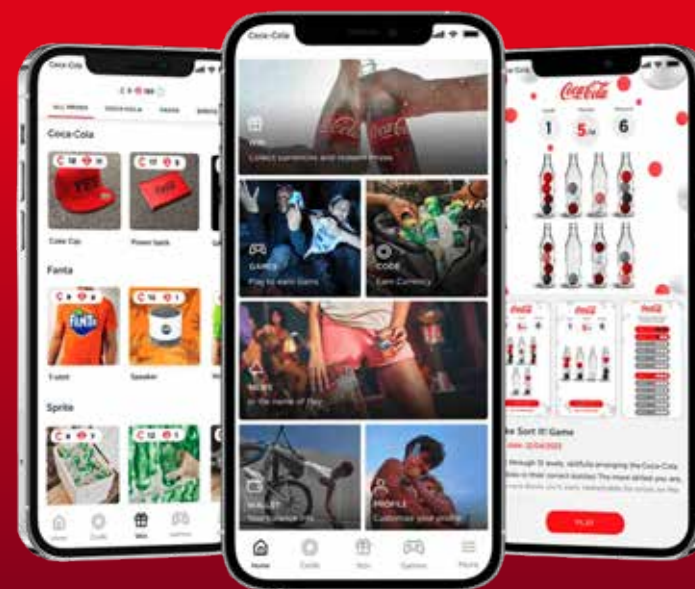
We treat our consumers with the utmost respect and communicate to help them to build a more responsible and sustainable world. When purchasing our products, we strive to ensure that the packaging is not only suitable and easy to handle, but that also our consumers are aware of the afterlife and management of packaging waste. In 2022, we published information on the packaging of our products, emphasising the possibility of recycling and the importance of separate waste collection for our consumers. To achieve our food safety goals, we communicate regularly and effectively with our external and internal stakeholders.

In 2022, in addition to our marketing communication campaigns, our company continued its biggest campaigns launched in previous years, among which we would like to highlight the „Empty bottles are also valuable” and „We are inseparable!” educational activities related to the topics of attached caps to the bottle, which are all part of the World Without Waste strategy.



Discover the Coca-Cola App

During our campaigns, we consider it vital to be able to measure success, which we monitor electronically with the help of the Coca-Cola Application. With the help of the newly introduced application, our consumers can take advantage of our numerous loyalty promotion offers by uploading the information in the product caps.



During the COVID-19 pandemic, The Coca-Cola Company developed its own contactless menu interface that can be used on smartphones and was made available

free of charge to domestic restaurants, thus supporting safe ordering among guests.

9. Responsible operations and product range

9.3. Responsible marketing communications

In addition to consumer-centric development of our product range, we will continue to drive growth in our low-calorie and calorie-free portfolio. The conscious lifestyle of our consumers has an impact on the development of our business and marketing strategy.

We facilitate communication through clear labelling on the recommended daily intake, the placement of our products in retail outlets and our advertising activities. Due to the expansion of our product portfolio with premium alcoholic beverages, the importance of our responsible marketing communication has been heightened. 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.

In addition to complying with our legal obligations, we have made voluntary commitments to ensure that we communicate our products to our consumers in a responsible manner. In 2022, we did not have any non-compliance with our legal or voluntary commitments regarding product labelling and marking.

Recognising the risks associated with alcohol consumption, we have established our global policy on responsible alcohol consumption at group level, in which we have defined that:

- We ensure responsible marketing of our alcohol brands;
- We support local responsible consumption partnerships and communication programs aimed at reducing harmful consumption of alcohol;
- We are committed to providing tools and information that enable our consumers to make informed decisions;
- We offer our employees and partners the opportunity to become ambassadors for responsible consumption.



As a member of the European Non-Alcoholic Beverage Manufacturers Association (UNESDA), we have made voluntary commitments to responsible advertising and commercial communication. Accordingly, we do not advertise on media platforms that would directly influence children, and we firmly stand by the fact that we do not carry out direct commercial activities in primary schools, so we only sell mineral water and fruit juices in school cafeterias. From 2019, we only sell calorie-free (maximum 4 calories/100 ml energy) or low-calorie drinks near schools, both for primary and secondary school students. You can find out more about our further commitments on our website.



9. Responsible operations and product range

9.3. Responsible marketing communications

Sustainable marketing communications

Our company has been working in close partnership with the Sziget Festival for years, during which we carried out important activities for the circular economy in 2022. With the help of our volunteers, we collected a huge amount of waste and returned it to the

product lifecycle. In addition, we highlighted the importance of selective waste collection with educational messages at selective waste collectors.



In the festival area, we placed eight containers, each capable of storing 4 m³ of waste, and we managed to exceed the expected amount of 100-150 m³ of collected plastic, because the amount of collected waste exceeded 250 m³.



In 2022, we started making our on-site promotional activities more sustainable, replacing our paper displays with wood-based ones. Consequently, it is no longer necessary to constantly replace them, it is enough to renew their inscription.

9. Responsible operations and product range

9.4. Direct and indirect economic impacts

At Coca-Cola HBC Hungary, our goal is to create value for our company and our stakeholders for sustainable growth.

Our goal is to become a full-fledged beverage partner and to grow together with customer partners. We are fully committed to serving our consumers and making sure everyone can find the best drinks for any occasion. To this end, we actively encourage our employees to develop their skills so they can reach their full potential.

A competitive spirit is a fundamental feature of our company, owing to which we regularly achieve outstanding results in driving efficiency and savings. Our strategy includes specific targets, which we break down into annual sub-targets and operate on the basis of the defined objectives. It is important to point out that we always fully comply with financial and accounting legislation, for which our CFO is responsible. One of the main principles of our business is to minimise risks. We are fully accountable under our risk management policy, for which our Audit and Risk Management Committee is responsible. We verify this through quarterly reports to the Group's Board of Directors through our Enterprise Risk Management System (ERM).

Our ERM system is continuously updated to further embed it operationally and culturally into our operative processes.

Our shared and divided economic values

The changes, resulting from external conditions, also affected economic processes, creating an inflationary environment that also affected our company. Nevertheless, in 2022 we reached a record in sales and volumes, resulting tight work in supply chain and more deliveries. One of the highlights of the year was that our consumers preferred private label products and larger packages. As a result, our sales revenue also increased significantly by an overall 31 percent compared to 2021. We increased our revenue in both domestic and export activities. However, in addition to revenue growth, the economic situation was reminiscent of an increase in our costs, which resulted in an overall decrease in profit compared to 2021.

Our economic operations continue to be based on adapting our business processes as quickly and sustainably as possible to the ever-changing market conditions in order to fully serve our consumer needs.

Economic results

Total economic value generated and distributed (HUF thousand)	2018	2019	2020	2021	2022
Direct economic value generated	131 505 113	138 086 549	115 309 633	126 725 760	166 255 860
Revenue	131 505 113	138 086 549	115 309 633	126 725 760	166 255 860
Direct economic value distributed	46 506 657	52 031 118	39 740 427	45 294 586	164 144 439
Operating costs	26 267 074	28 358 909	23 725 171	26 643 552	133 407 140
Employee wages and benefits	10 420 748	10 499 876	9 324 685	9 947 523	11 005 706
Payments to providers of capital	7 451 702	10 535 387	4 986 904	6 681 503	3 630 532
Payments to government	2 367 133	2 636 946	1 703 667	2 022 009	16 051 061
Direct economic value retained	84 998 456	86 055 431	75 569 206	81 431 173	2 111 421

¹⁶Our export revenues accounted for 13% of our total revenue in 2022.

¹⁷Payments to the state budget include the corporate income tax, local business tax, innovation contribution, food chain inspection fee, VAT, national health product tax, environmental product fee and community investments.

9. Responsible operations and product range

9.4. Direct and indirect economic impacts

Our indirect economic effects

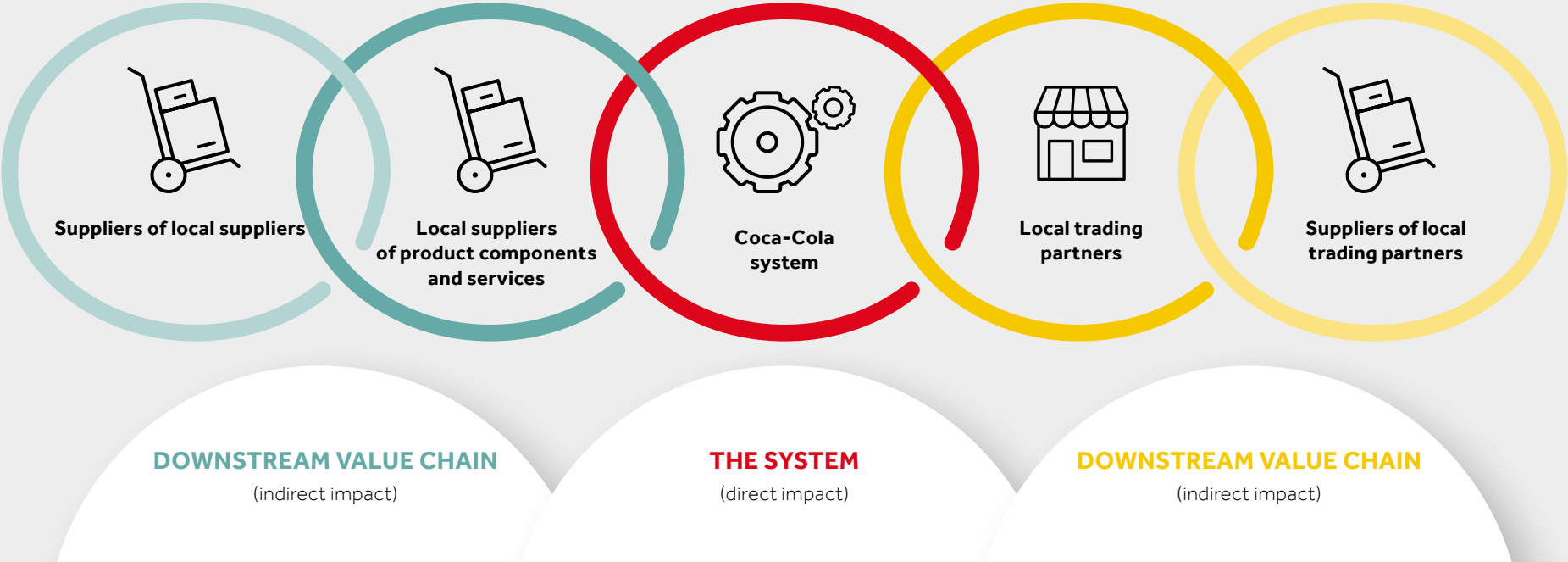
Coca-Cola HBC Hungary contributes tens of billions of HUF annually to the state budget in Hungary while paying special attention to compliance with all the relevant laws and government programmes. All areas of our company are stimulating economic activity in and contributes to the economic growth of Hungary.



Our company directly creates numerous jobs through its bottling plants and pays the wages of its employees. We indirectly contribute to the growth of local suppliers by purchasing their products and services. We also influence retailers and their suppliers by distributing purchased goods. We indirectly contribute to the increase of domestic employment by creating thousands of jobs. The ongoing

war in a neighbouring country has also had a major impact on the labour market. However, we were able to provide jobs to many of our colleagues who had been forced to flee from the war-torn country.

Value chain actors of Coca-Cola HBC Hungary



9. Responsible operations and product range

9.4. Direct and indirect economic impacts

FinTech solution at Coca-Cola HBC Hungary

Our company was the first in Hungary to introduce a cash-free payment solution, which allows the clients to pay instantly by bank transfer or credit card. Coca-Cola HBC Hungary was the first to launch 400 myPOS Carbon devices in 2022. With the help of the CCHB Pay application developed by IQOM Kft., contactless payments can be made by card and instant transfer. The financial solution operates 24 hours a day and the transaction lead time is only 5 seconds. The innovation was very well received by our customer partners.



The infrastructure of our company is constantly evolving, which is also demonstrated by the fact that we are taking additional steps towards to establish the largest production base of the Coca-Cola HBC Group in Central Europe, covering 29 countries. In the past 26 years, we have made investments worth HUF 125 billion, built 2

manufacturing bases and 8 logistics centres representing a significant contribution to creating new jobs in Hungary. We pay special attention to digitalisation and automation, which continue to facilitate ever more accurate customer service.



Implementation of an innovative investment in our factory in Dunaharaszti

One of the biggest investments in 2022 was the installation of robotics powered by artificial intelligence in our factory in Dunaharaszti. As a unique innovation in logistics, many tasks have been taken over by robots. AI-based technology continues to improve the quality of manual product collection, increasing efficiency and making the process measurable. Further improvements can be made through data analysis.

Thanks to this investment, the processes are carried out with three automatic robotic arms, forklifts, and smaller vehicles. Our robotic arms work at more than twice the speed of humans and can assemble six pallets every two hours, 20 hours a day. With the symbiosis of human and robot resources, our company has already achieved a 15% increase in efficiency in the Dunaharaszti factory. The development is considered unique at group level as well.

9. Responsible operations and product range

9.5. Corporate governance, compliance, and anti-corruption

At Coca-Cola HBC Hungary, we are fully committed to ethical behaviour. We foster a culture of integrity that applies to all employees and extends to every part of our company. We insist that morale and morality be reflected in the behaviour of all colleagues, regardless of position. We pay close attention to cases that violate our regulations. In the event of such an incident, a robust internal investigation is conducted and may even result in dismissal. This is essential to ensure that our partners' trust in us is not compromised and it benefits our successful financial stability and reputation.

Our Risk Management Policy is overseen by the central Audit and Risk Management Committee and defines our risk management strategic goals and responsibilities. All relevant parts of the policy are regularly reviewed to ensure that they are successfully integrated culturally and operational. We report to the Board of Directors on a quarterly basis in order to properly identify and monitor risks.

Organisational structure¹⁸



¹⁸The most senior executive of our company is the General Manager. Due to the limited corporate law form, our company does not have a board of directors. IT services and sustainability functions operate at regional level, so their local leaders report to the appropriate regional managers.

9. Responsible operations and product range

9.5. Corporate governance, compliance, and anti-corruption

Our company is committed to sustainability, which is reflected by the fact that it plays an important role in the operation of several of our areas. We integrate the principles of sustainability and social responsibility into our daily operations.

The General Manager is responsible for achieving our sustainability goals, but our efforts to implement our sustainability strategy are also reflected at the highest levels of the governing body. The Board of Directors' Social Responsibility Committee sets principles for social and environmental

management and oversees performance management to achieve our sustainability goals.

In addition to our General Manager, our management team ensures that important topics affecting our company are properly implemented in line with our overall strategy. This includes setting and publishing targets and indicators to measure progress. You can find more information on the governance of sustainability topics on our [website](#).

Corporate compliance and related policies

Our corporate culture is based on ethical operations

Our company has an extensive Code of Business Conduct essential for internal operation and compliance with legislation. Our policy is adopted by the Board of Directors of Coca-Cola HBC Group and is binding on all our employees. Coca-Cola HBC Group is responsible for reviewing our internal policies and amends the Code of Business Conduct as necessary.

Our company is strictly regulated in all areas. Many of our guidelines, policies and regulations apply to responsible business conduct. This includes, but is not limited to our Code of Business Conduct, **Supplier Policy**, **Human Rights Policy**, **Energy Policy** and **Inclusion and Diversity Policy**. These documents serve as guidelines and good practices and help us to respond to any problems or challenges in compliance with internal and external regulations. All employees are obliged to declare that they

understand and comply with the relevant regulations.

Everyone at our company is obliged to report any concerns about the violation of the Code of Business Conduct. The regulations specify the cases when it is necessary to contact the company's top management directly. Our "Anytime and for any cause, Raise Your Voice!" reporting platform is used to report any concerns that arise. The platform is accessible to all employees and violations can be reported completely confidentially, anonymously upon request. We defend whistle-blowers honestly and in good faith.



You can find more information about our Code of Business Conduct on our [website](#).

9. Responsible operations and product range

9.5. Corporate governance, compliance, and anti-corruption

Anti-corruption and compliance

At Coca-Cola HBC Hungary, we have zero tolerance for all corruption and bribery cases. In 2022, there were no suspected or corruption-related cases at our company.

Our corruption policy is publicly available. The policy defines bribery and provides various examples of cases where corruption is at risk. In case of any questions, our ethics and compliance officers can be contacted for guidance on this policy. Our colleagues can contact them depending on their position.

We regularly communicate our anti-corruption policy to our employees. New colleagues are always obliged to attend anti-corruption training. The anti-corruption policy must be accepted by everyone, reminder trainings are organised every 2-3 years.

Anti-corruption trainings in 2022		
Group 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

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.

Our Supplier Guidelines and Terms and Conditions clearly delineate our expectations of our suppliers. Our principles are based on the belief that social responsibility is an important factor for our long-term business success. This should be reflected both in the

relationships established and in all related activities. We expect all of our suppliers to comply with applicable laws in the countries in which they operate and do business. All our trading partners must commit to fully comply with our anti-corruption policy and the ethical conduct rules set out in the compliance manual. In 2022, our company had a total of 1,067 suppliers.

We pay special attention to fully comply with legal requirements and all applicable legal provisions in all our business activities. Our Legal Department is responsible for ensuring that the compliance framework is formalised

and operational throughout our business processes. This department prepares template contracts and approves individual agreements during concluded agreements.

In all cases of our business decision-making, we conduct legal consultations and ensure legal compliance. Our rules are set out in our Terms and Conditions, Anti-Corruption Policy and Competition Policy, which we regularly review.

For Coca-Cola HBC Hungary, the social dimension of sustainability is part of our corporate governance. We conduct all our business activities in accordance with the highest legal and ethical standards. We make every effort to comply with all applicable local laws and legal obligations.



You can find out more about our anti-corruption policy on our **website**.

9. Responsible operations and product range

9.5. Corporate governance, compliance, and anti-corruption

Fair competition

Our company remains committed to fair competition. We comply with applicable competition laws in all cases, that govern our actions in relation to customers and other parties. This is binding on all our employees, as violations of the law can result in severe penalties, sanctions, and other obligations.

Our Competition Policy sets out in detail all the principles necessary to operate fairly in compliance with competition law, and includes our commercial, promotional, and pricing activities, also the communications with competitors regarding our business processes.

The Competition Handbook summarises our company's commitments under competition law and describes the rules that apply to relations with competitors, customer partners, distributors and other third parties. The handbook is available for all our employees.

In 2022, our company did not have any lawsuits related to anti-competitive behaviour or violations of legal regulations.

Our environmental policy

Our company pays special attention to activities related to the protection of the environment. In accordance with this, we try to take measures that take the environment into consideration when implementing and maintaining effective control systems. We have set ourselves the goal of minimising negative impacts on nature and biodiversity during the production of our products and services. In financial planning, we monitor the risks and opportunities caused by climate change and they appear as an important aspect in the planning process.

Our comprehensive approach to enterprise risk management ensures that all business risks and opportunities, including those related to climate change, are identified, and appropriately managed at both operational and strategic levels.

We operate an environmentally friendly system in our factories in Dunaharaszti and Zalaszentgrót, as well as in our depots in Mály and Balatonfűzfő. All managers and

employees of our company are bound by the commitment to protect the environment and to minimise and prevent pollution. We strive to reduce the number of hazardous substances used.

Our Quality, Safety and Environment Manager is responsible for our environmental policy. We place special emphasis on ensuring that all our colleagues are familiar with and aware of our policy and the goals of our environmental management system. We provide them with the necessary training and education to make environmental protection part of their everyday lives.

We pay special attention to the complying with all applicable laws, as well as apply our company's internal environmental regulations and other environmental regulations. In order to ensure responsibility and continuous development, we implement and certify the MSZ EN ISO 14001:2015 environmental management system for our activities. The environmental impact of our

economic activities is regularly reviewed to ensure the proper protection of nature and the compliance with legislation.

Given the ongoing energy crisis, we always pay attention to save energy and to use the resources economical during our work.



You can find out more about our environmental policy on our **website**.

10. SOCIAL ENGAGEMENT

For Coca-Cola HBC Hungary, social engagement and a commitment to sustainability are an essential part of our corporate culture. They form the basis for our business decisions and long-term investments, ensuring sustainable value creation. Our support activities are carried out in accordance with all this. The main objective of the company's social responsibility is to strengthen local communities through responsible operation and to adapt to their expectations by assessing their needs. Our goal is to support programs and events that primarily contribute to the competitiveness of young people in the labour market and are related to environmental protection.

In 2022, **114** of our employees volunteered to help local communities.



10.1. Supporting local communities

Our corporate volunteering programme has been a key part of our corporate responsibility strategy since 2007. The company has been a partner of several voluntary initiatives for years. 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 all to join and can be initiated by anyone. We have targeted our donation and grant programmes to the needs of local communities in the spirit of community development, assessing how and in what ways we can help local people.

We do not carry out full social and environmental impact assessment across our programmes, but we do seek to collect data and feedback to monitor the social and environmental impact of our company. The involvement of local communities and stakeholders is a priority for us, and we believe that mutual cooperation with external stakeholders creates long-term impact and value.



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



One summer day, 13 of our colleagues of the procurement department visited the Elek-Ágh Animal Shelter in Tököl. Our colleagues painted fences, decorated the walls of the boxes of dogs living in the shelter, mowed the lawn, pruned the branches of trees in the big runway, and of course made friends with the four-legged animals waiting for the loving owner.



10 of our volunteers helped at the Santa Claus Factory.



10. Social engagement

10.1. Supporting local communities

Cooperation against food waste

A donation convoy loaded with food donations worth one hundred million forints – including a van of Coca-Cola HBC Hungary – passed through the historic city centre of Budapest on the occasion of World Food Day (16 October). The convoy of 20 trucks organized by the Food and Agriculture Organisation of the United Nations (FAO) and the Hungarian Food Bank Association transported more than 60,000 kilos of cargo, which was offered by food manufacturers and distributors. The purpose of the Donation Convoy is not only to draw the attention of government, business, civil society and the public to the food insecurity affecting much of humanity; it also offers tangible help to the

most vulnerable, delivering food donations to tens of thousands of people in need.

Today's global crises, a persistent pandemic, conflict, climate change, inflation and international tensions are all having a serious impact on food security. With more than 800 million people worldwide suffering from hunger and rising sharply, governments, companies and NGOs need to work together, as well as raise awareness and support for the population - warn FAO, the Food Bank and the Ministry of Agriculture on World Food Day.



Humanitarian aid

Coca-Cola HBC Hungary and the Hungarian Red Cross have been working together for years to lighten the burdens of the everyday lives of people living in need.

More than 12 years of strategic partnership bind the two organisations together, with the past two years focusing on mitigating the humanitarian catastrophe caused by the coronavirus pandemic and the war in Ukraine.

War began in neighboring Ukraine on February 24, 2022. In the months since, more than ten million people have left Ukraine to seek refuge across Europe. More than one million refugees have arrived

in Hungary. To welcome them, a unique cooperation of NGOs, companies and individuals was formed.

Our company supported the activities of the Hungarian Red Cross with a financial donation of HUF 37 million, 120 000 bottles of products and the voluntary work of 50 colleagues.

Coca-Cola HBC Hungary volunteers joined the logistical work of the Hungarian Red Cross, the distribution and collection of donations, thus helping the donations reach their destination and the continuous supply of refugees.



10. Social engagement

10.1. Supporting local communities

Zero Waste Tisza River Programme

In the summer of 2019, Coca-Cola Hungary joined forces with the water management authorities and civil society to help clean up Hungary's second largest river, the Tisza. Within the framework of the two-year Zero Waste Tisza River programme, nearly 170 employees of the company participated in three actions, where they helped to free the river from a total of 7 tonnes of waste with the volunteers of the Plastic Cup. Coca-Cola's global foundation, The Coca-Cola Foundation, provided \$250 000 to the programme, which helped to remove 80 tonnes of waste.

Tisza Plastic Cup also pays special attention to the research of river plastic pollution in the collection, sorting and processing of floodplain waste.

However, the Zero Waste Tisza River program was able to contribute much more to the Tisza and the participants beyond short-term waste collection: GPS-based tracking was launched for waste mapping,



which helps the experts of the Plastic Cup reveal the path and extent of plastic pollution on the river; with the cooperation of the Directorate General of Water Affairs, the first Kisköre River Rescue Centre was built in the vicinity of the Kisköre Water Step, where waste is carefully sorted and prepared for recycling; as a useful secondary raw material, plastic took on a special form in plastic kayak prototypes. Thanks to the success of the two years, the programme was renewed with another \$150 000 grant, and the awareness-raising programme aimed at cleaning up the Tisza continued for one year from September 2021.

The conflict in Ukraine and the growing number of refugees have made it difficult for some people in Transcarpathia to access clean drinking water, sanitation

In the summer of 2022, more than 90 Coca-Cola volunteers contributed to the success of the Zero Waste Tisza River program by collecting a total of nearly 2.5 tonnes of waste on two corporate volunteer days.



and washing facilities. A mobile water purification container developed by Plastic Cup specialists and external experts has helped them. The mobile water stand can perform several functions: its water purifier makes the water from the Tisza River drinkable, but it also provides water for washing, and showering, and hosts a kitchenette, making it a community centre for the users. The container also functions as a waste collection and recycling centre where residents can drop off their waste.



Zero Waste Tisza River Program
in **Tiszaderzs** and **Dinnyeshát**.

10. Social engagement

10.2. #YouthEmpowered

We have made the #YouthEmpowered website accessible

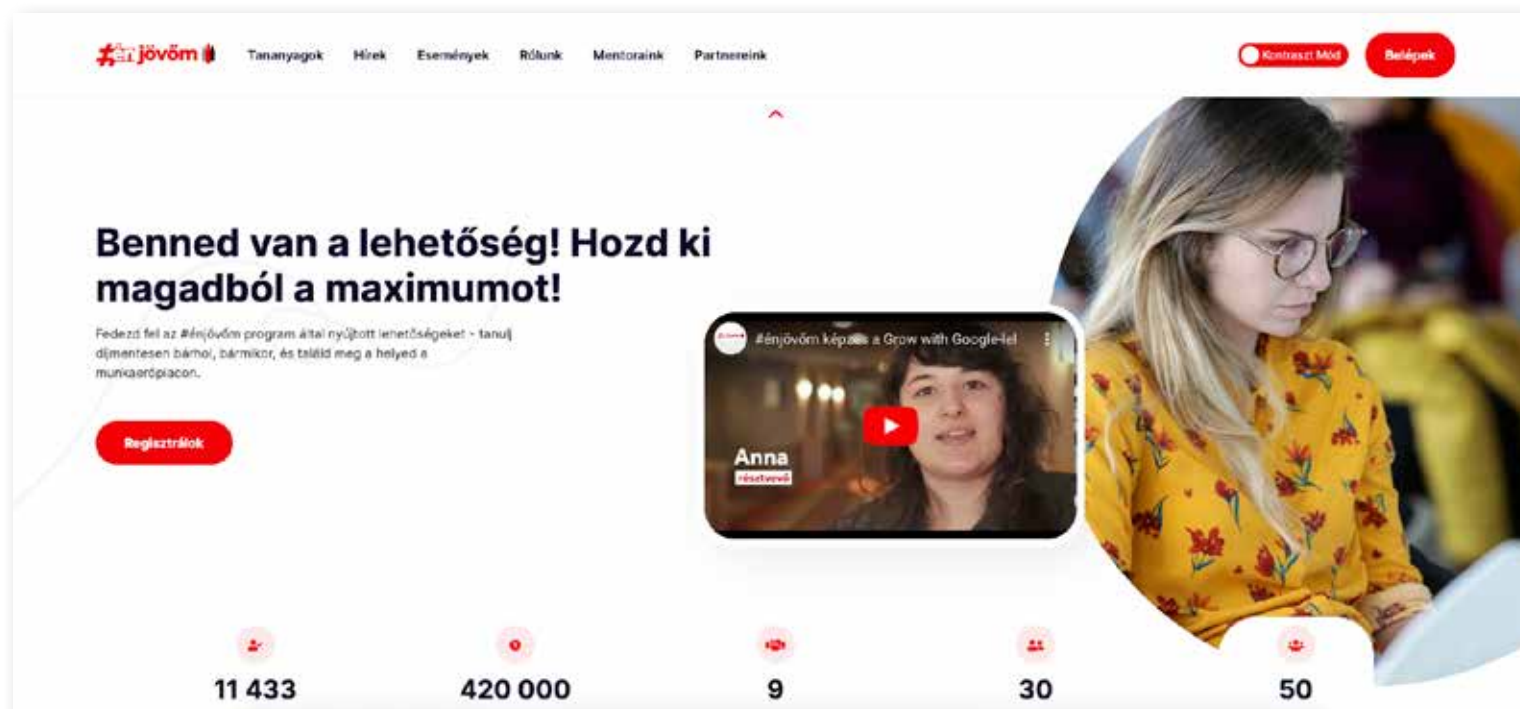
People with visual and hearing impairments, mobility impairments and autism can learn without barriers on the #YouthEmpowered's educational platform.

Coca-Cola Hungary's #YouthEmpowered programme was launched in 2017 with the primary aim to support young people aged 16–35 entering the labour market. The programme supports participants in finding a job, choosing a career, changing careers, or starting a business by providing free learning materials and organising personal workshops in small groups. Over the past few years, the target groups of the programme have expanded and now its main goal is to help people with disabilities find work. The prerequisite for this is that the knowledge required for this should be easily accessible and acquired.

The updated website of Coca-Cola Hungary's #YouthEmpowered programme is now accessible to those with hearing and visual impairments, people who use eye devices and people with autism, both on mobile phones and desktop devices, without external assistance. The Jamba Foundation, a

provider of training and career development opportunities for people with disabilities, was a partner in this multi-stage development. The web development process was focused on ensuring that the accessible website provides the same content as the original and that the user experience would not be

compromised. Among other things, the site's contrast can be adjusted to help people with autism, all videos are captioned, the site can be used with a reader and the button spacing is optimised for people with sight loss.



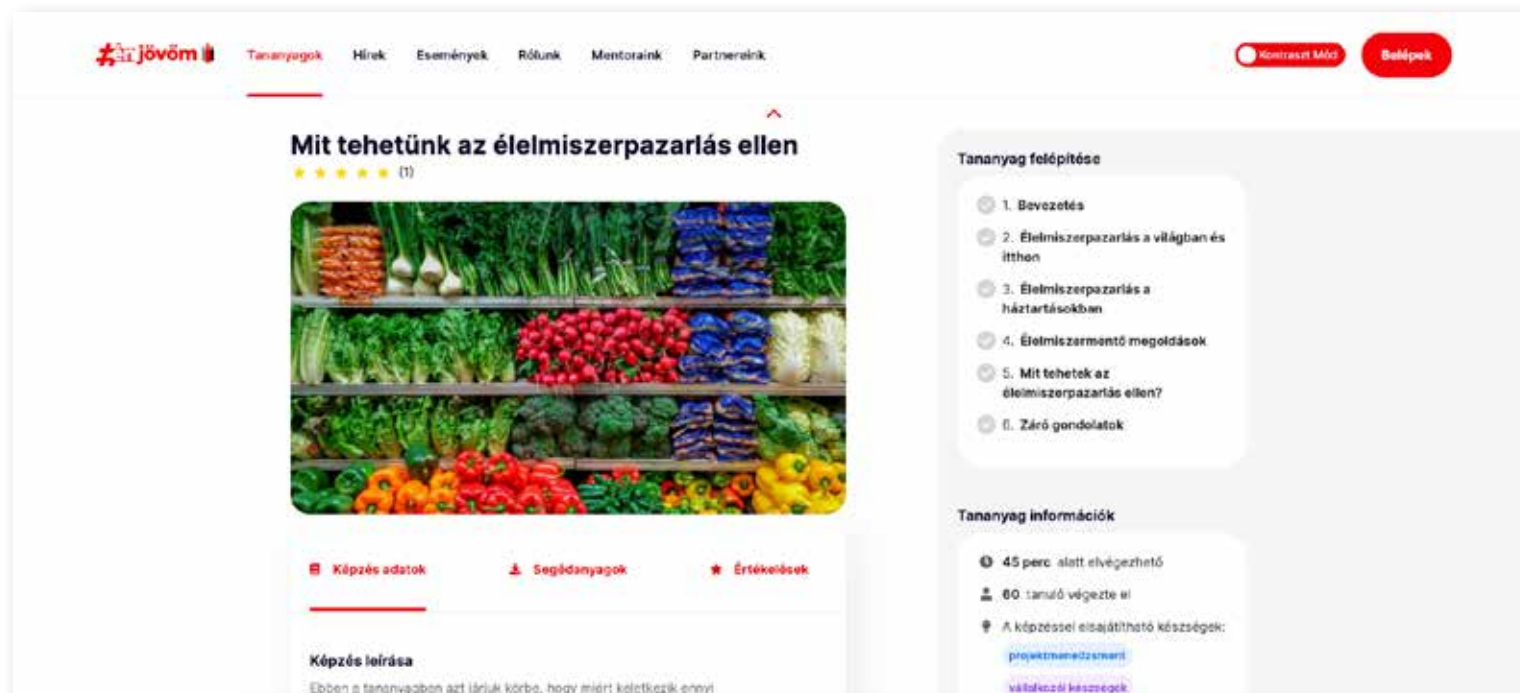
10. Social engagement

10.2. #YouthEmpowered

Sustainability-related topics have been added to the curriculum of the #YouthEmpowered programme

The curriculum developed jointly with the Hungarian Food Bank Association in the #YouthEmpowered program aims to reduce domestic food waste

In Hungary, the average person still generates nearly 65 kg of food waste annually in their homes. Among others, the new, jointly developed online curriculum of the Hungarian Food Bank Association and its #YouthEmpowered programme draws attention to this. The aim of the free food waste learning material is to support users of the site in preventing food waste with various tips and tricks, and it also discusses in separate chapters which life situations most often lead to waste and how to avoid them.



10 491
registered users

400 000
minutes spent learning online

9
partners

30
#YouthEmpowered mentors

22
trainers



The website of the #YouthEmpowered programme is available here in **Hungarian version** only.

11. GRI CONTENT INDEX 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 2 General Disclosures – 2021				
GRI 2-1	Organizational details	Coca-Cola HBC Hungary	8	
GRI 2-2	Entities included in the organization's sustainability reporting	Coca-Cola HBC Hungary	8	Coca-Cola HBC Hungary Ltd.
GRI 2-3	Reporting period, frequency and contact point	Coca-Cola HBC Hungary	3	
GRI 2-4	Restatements of information	-	-	
GRI 2-5	External assurance	Coca-Cola HBC Hungary	3	We do not conduct external assurance on the Sustainability Report for the Hungarian operations.
GRI 2-6	Activities, value chain and other business relationships	Coca-Cola HBC Hungary	12	In 2022, there were no significant changes in our company and our value chain.
GRI 2-7	Employees	Coca-Cola HBC Hungary	33	The employee values are determined as at 31.12.2022.
GRI 2-8	Workers who are not employees	Coca-Cola HBC Hungary	33	
GRI 2-9	Governance structure and composition	Responsible operations and product range	69	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 2-10	Nomination and selection of the highest governance body	Responsible operations and product range	-	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the „Corporate Governance Report“ section of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report
GRI 2-11	Chair of the highest governance body	Responsible operations and product range	69	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Responsible operations and product range	-	The information provided in this report does not completely follow the GRI disclosure structure. More information is available on the Coca-Cola HBC Group website. https://www.coca-colahellenic.com/en/a-more-sustainable-future
GRI 2-13	Delegation of responsibility for managing impacts	Responsible operations and product range	-	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the „Corporate Governance Report“ section of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 2-14	Role of the highest governance body in sustainability reporting	Responsible operations and product range	–	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the 'Managing risk and materiality' and 'Corporate Governance Report' chapters of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report
GRI 2-16	Communication of critical concerns	Coca-Cola HBC Hungary	–	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the 'Chairman's letter' and 'Chief Executive Officer's letter' chapters of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report
GRI 2-17	Collective knowledge of the highest governance body	Coca-Cola HBC Hungary	–	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the 'Corporate Governance Report' section of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report
GRI 2-21	Annual total compensation ratio	Coca-Cola HBC Hungary	–	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the '2022 GRI Content Index' section of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report
GRI 2-22	Statement on sustainable development strategy	Sustainability at Coca-Cola HBC Hungary	20	
GRI 2-23	Policy commitments	Responsible operations and product range	58	
GRI 2-27	Compliance with laws and regulations	Coca-Cola HBC Hungary	58	In 2022 there were no incidents of non-compliance with laws and regulations.
GRI 2-28	Membership associations	Coca-Cola HBC Hungary	19	
GRI 2-29	Approach to stakeholder engagement	Coca-Cola HBC Hungary	18	
GRI 2-30	Collective bargaining agreements	Coca-Cola HBC Hungary	–	There is no labour union at our company, therefore, we do not have any collective bargaining agreement with our employees.
GRI 3 Material Topics - 2021				
GRI 3-1	Process to determine material topics	Sustainability at Coca-Cola HBC Hungary		
GRI 3-2	List of material topics	Sustainability at Coca-Cola HBC Hungary		
GRI 3-3	Management of material topics	Sustainability at Coca-Cola HBC Hungary		

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
Economic Topics				
GRI 201 Gazdasági teljesítmény – 2016				
GRI 3-3	Management of material topics	Responsible operations and product range	66	
GRI 201-1	Direct economic value generated and distributed	Responsible operations and product range	66	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Responsible operations and product range	66	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 203 Indirect Economic Impacts - 2016				
GRI 3-3	Management of material topics	Responsible operations and product range	67	
GRI 203-1	Infrastructure investments and services supported	Responsible operations and product range	68	
GRI 203-2	Significant indirect economic impacts	Responsible operations and product range	67	
GRI 204 Procurement Practices - 2016				
GRI 3-3	Management of material topics	Responsible operations and product range	56	
GRI 204-1	Proportion of spending on local suppliers	Responsible operations and product range	12	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 3-3	Management of material topics	Responsible operations and product range	71	
GRI 205-1	Operations assessed for risks related to corruption	Responsible operations and product range	–	The information provided in this report does not completely follow the GRI disclosure structure. More information is available in the „2022 GRI Content Index” section of the Coca-Cola HBC Integrated Annual Report 2022. https://www.coca-colahellenic.com/en/investor-relations/2022-integrated-annual-report
GRI 205-2	Communication and training about anti-corruption policies and procedures	Responsible operations and product range	71	
GRI 205-3	Confirmed incidents of corruption and actions taken	Responsible operations and product range	71	

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 206 Anti-competitive Behavior - 2016				
GRI 3-3	Management of material topics	Responsible operations and product range	72	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Responsible operations and product range	72	
Environmental Topics				
GRI 301 Materials - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	56	
GRI 301-1	Materials used by weight or volume	For a sustainable environment	56	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 301-2	Recycled input materials used	For a sustainable environment	42	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 302 Energy - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	48	
GRI 302-1	Energy consumption within the organization	For a sustainable environment	49	
GRI 302-3	Energy intensity	For a sustainable environment	50	
GRI 302-4	Reduction of energy consumption	For a sustainable environment	51	
GRI 303 Water and Effluents - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	54	
GRI 303-1	Interactions with water as a shared resource	For a sustainable environment	54	
GRI 303-2	Management of water discharge-related impacts	For a sustainable environment	55	
GRI 303-5	Water consumption	For a sustainable environment	55	

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 304 Biodiversity - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	57	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	For a sustainable environment	57	
GRI 304-2	Significant impacts of activities, products and services on biodiversity	For a sustainable environment	57	
GRI 305 Emissions - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	51	COe emissions are measured in CO2 equivalent. All greenhouse gases are included in the calculation.
GRI 305-1	Direct (Scope 1) GHG emissions	For a sustainable environment	52	
GRI 305-2	Energy indirect (Scope 2) GHG	For a sustainable environment	52	
GRI 305-4	emissions	For a sustainable environment	52	
GRI 305-5	GHG emissions intensity	For a sustainable environment	53	
GRI 305- 7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	For a sustainable environment	52	
GRI 306 Waste - 2020				
GRI 3-3	Management of material topics	For a sustainable environment	47	
GRI 306-1	Waste generation and significant waste-related impacts	For a sustainable environment	47	
GRI 306-2	Waste by type and disposal method	For a sustainable environment	47	
GRI 306-3	Waste generated	For a sustainable environment	47	
GRI 308 Supplier Environmental Assessment - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	56	

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 308-1	New suppliers that were screened using environmental criteria	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.
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 3-3	Management of material topics	Responsibility towards our employees	28	
GRI 401-1	New employee hires and employee turnover	Responsibility towards our employees	34	
GRI 401-3	Parental leave	Responsibility towards our employees	35	
GRI 402 Labor/Management Relations - 2016				
GRI 3-3	Management of material topics	Responsibility towards our employees	28	
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 403 Occupational Health and Safety - 2018				
GRI 3-3	Management of material topics	Responsibility towards our employees	36	
GRI 403-1	Occupational health and safety management system	Responsibility towards our employees	36	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Responsibility towards our employees	37	
GRI 403-3	Occupational health services	Responsibility towards our employees	30	

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 403-4	Worker participation, consultation,	Responsibility towards our employees	36	
GRI 403-5	Worker training on occupational health and safety	Responsibility towards our employees	37	
GRI 403-6	Promotion of worker health	Responsibility towards our employees	30	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsibility towards our employees	29	
GRI 403-9	Work-related injuries	Responsibility towards our employees	37	
GRI 404 Training and Education - 2016				
GRI 3-3	Management of material topics	Responsibility towards our employees	31	
GRI 404-1	Average hours of training per year per employee	Responsibility towards our employees	31	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Responsibility towards our employees	32	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Responsibility towards our employees	31	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 405 Diversity and Equal Opportunity - 2016				
GRI 3-3	Management of material topics	Responsibility towards our employees	38	
GRI 405-1	Diversity of governance bodies and employees	Responsibility towards our employees	38	
GRI 406 Non-discrimination - 2016				
GRI 3-3	Management of material topics	Responsibility towards our employees	38	
GRI 406-1	Incidents of discrimination and corrective actions taken	Responsibility towards our employees	–	There were no incidents of discrimination in our organisation in the year of reporting, so we did not need to take action to monitor them.
GRI 413 Local Communities - 2016				
GRI 3-3	Management of material topics	Social engagement	73	

11. GRI Content Index 2022

GRI Disclosure	Description	Chapter	Page	Direct response
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Social engagement	73	The information provided in this report does not completely follow the GRI disclosure structure.
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Social engagement	–	Our company does not conduct any activities that have a negative impact on local communities. We comply at all times with the legal requirements necessary for our operations and monitor our processes to ensure that we can respond immediately to any problems and provide a solution.
GRI 414 Supplier Social Assessment - 2016				
GRI 3-3	Management of material topics	For a sustainable environment	56	
GRI 414-1	New suppliers that were screened	For a sustainable environment	–	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 414-2	Negative social impacts in the supply chain and actions taken	For a sustainable environment	–	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 3-3	Management of material topics	Responsibility towards our employees	60	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Responsibility towards our employees	–	No discrimination occurred in the organization during the reporting year, so it was not necessary for Coca-Cola HBC Hungary to take action on their review.
GRI 416-2	Incidents of non-compliance	Responsibility towards our employees	60	
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	62	
GRI 417 Marketing and Labelling - 2016				
GRI 3-3	Management of material topics	Responsible operations and product range	63	
GRI 417-1	Requirements for product and service information and labeling	Responsible operations and product range	64	
GRI 417-2	Incidents of non-compliance	Responsible operations and product range	64	
GRI 417-3	Incidents of non-compliance concerning marketing communications	Responsible operations and product range	64	

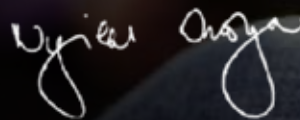
12. ACKNOWLEDGEMENT

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.



Jakab János

Vállalati kapcsolatok
és fenntarthatósági igazgató



Nyilas Orsolya

Közösségi és ügyfél
partnerségi vezető





Coca-Cola HBC
Hungary