

# Quality & Food Safety, Health & Safety and Environmental Clauses for employees of contractors and subcontractors performing supplier or transport activities at the premises of Coca-Cola HBC Hungary Kft. ("Annex QSE")

## 1. Purpose

This document defines quality, food safety, health and safety and environmental rules (the "Rules") for Coca-Cola HBC Hungary Ltd ("CCHBC") or any of its affiliates, organizations selling goods to it ("Suppliers") or, in relation to various goods, contractors and subcontractors providing local and/or international freight forwarding services ("Carriers") and their employees, subject to the following sources: COCA-COLA HBC requirements

- The requirements of The Coca-Cola Company ("TCCC") (=KORE)
- Local laws and regulations applicable to the supply of goods
- COCA-COLA HBC fleet management policy

The goods can be:

- (a) soft drinks and/or other food products ("Finished Goods");
- (b) Packaging materials such as intact or damaged bottles, crates, pallets, other packaging;
- (c) Raw materials and auxiliary materials
- (d) Marketing materials
- (e) Cold Drink, Hot Beverage and Vending Equipment and Parts
- (f) Other non-hazardous materials which may periodically be required for transport;

For the purposes of this document, "Employee or Employees of the Contractor/Supplier" shall mean individuals employed by the Contractor/Supplier (hereinafter referred to as the "Contractor Partner") in any capacity for whose conduct the Contractor/Supplier is liable to CCHBC.

If a Contracted Partner or its employees violate any of the Rules, they may be escorted off the CCHBC premises.

CCHBC reserves the right to impose a financial penalty for breach of certain Rules (details of which are set out in the Penalty Table in the QSE Appendix).

## 2. Scope

The requirements, communicated in advance and set out herein apply to:

- All suppliers of, but not limited to, raw materials, primary & secondary packaging, equipment and auxiliary materials (e.g. chemicals).

As well as:

- Vehicles that bear the CCHBC and/or The Coca-Cola Company's trade name, trademarks, or trade dress;
- Contractors with long-term (more than 1 year) contracts to supply CCHBC products or contractors who supply CCHBC products exclusively

Additionally:

- Supplier must comply with the COCA-COLA HBC Supplier Guiding Principles, COCA-COLA HBC Human Rights Policy and other COCA-COLA HBC policies and/or requirements applicable to the Supplier not mentioned in this document and communicated to the supplier.
- The Supplier is required to submit all relevant documentation including, but not limited to, certificates of conformity and/or certificates of analysis, in line with the terms of the relevant supply agreement and this document, as well as safety data sheets where applicable under relevant law and requested by COCA-COLA HBC.

The Contracted Partner ensures that it will communicate and enforce this QSE Annex to all its employees concerned.

### **3. Quality, Safety and Environmental (QSE) Requirements**

#### **3.1 QSE Legal Compliance**

The supplier shall, at its sole cost and expense, comply with all applicable laws, rules and regulations. Any breach of these requirements may result in immediate exclusion from site, in addition to and without prejudice to all other legal and contractual rights COCA-COLA HBC may have.

The supplier shall comply with:

- a. loading rules & regulations, limitations on the weight of freight and stopping at scale checkpoints for weighing;
- b. issuance of transport documents;
- c. stowage and safety of consignments;
- d. driving and resting times, driver's log and tachographs;
- e. traffic regulations;
- f. safety protocols and special instructions at loading and unloading sites.

#### **3.2 QSE Management System**

It is highly recommended that the Supplier be certified or at least have a management system equivalent to ISO 9001/14001/ ISO 22001/FSSC 22000/OHSAS18001 or ISO45001.

#### **3.3 QSE Method Statement/Risk Assessment**

The supplier must provide a health safety and environment risk assessment for the loading and unloading process, if applicable and according to local legal requirements for e.g. sugar, chemical, gas, PET resin, etc. The supplier is asked to use a risk assessment process to determine quality control points and food safety risks (based on the HACCP seven-principle, twelve-step model described in the Annex to Codex Alimentarius General Principles of Food Hygiene CAC/RCP 1- 1969), which allows any identified risks to be reduced to an acceptable level or eliminated. The process must cover Good Agricultural Practices or Good Manufacturing Practices (as applicable) and support the food safety system.

#### **3.4 QSE Incident Management**

- The aim of COCA-COLA HBC is to ensure a systematic approach for prevention of any quality & food safety, health & safety and environmental related incidents;
- The supplier is instructed to report QSE incidents related to COCA-COLA HBC immediately after the incident and complete root cause and appropriate corrective actions to prevent recurrence;
- In particular, the supplier shall promptly notify CCHBC's contact person if an incident would result in injury/quality/food safety/environmental impact or damage to assets;

The supplier must also notify their COCA-COLA HBC contact immediately in the event of a near miss incident which could have resulted in any Quality, Food safety, Health and Safety, Environment and products/equipment damages.

Reporting obligation for carriers

The Carrier is obliged to provide safety data relating to its own and subcontractor's fleet, including but not limited to:

1. Monthly RTA (Road Traffic Accidents) report involving lost time, injury to driver or severe injury to members of public
2. Monthly RTA report, covering only accidents during the delivery of customer goods;
3. Annual indicator of the number of accidents per million kilometers travelled in all countries of activity of the Contracting Partner.

### **3.5 Provision of QSE information, instruction and training**

The supplier must ensure that employees, including permanent, contract and temporary employees, working for or on behalf of the supplier are qualified and competent based on appropriate education, training, licenses required, skills and experience so that all work can be undertaken to prevent road accident / injury / food safety incident / damage to COCA-COLA HBC products and equipment.

#### **3.5.1 Site training for Suppliers**

All Suppliers are required to report to the security department upon entry, where they will receive training on site rules, details of which can be found in CCHBC's Site Regulations, and QSE rules. Education is valid for 12 months, after which it must be repeated.

### **3.6 Equipment**

The supplier must ensure that any equipment used (by itself or by its sub-contractors) on a COCA-COLA HBC site for transportation and/or loading/ unloading is operated and maintained in accordance with Quality, Food safety, H&S and environmental laws and COCA-COLA HBC requirements set out in this document, where applicable.

### **3.7 Protection against unauthorized entry and security**

Products, data and infrastructure, which belongs to COCA-COLA HBC, has to be protected from wilful malicious third-party influence such as but not limited to chemical and fire risks as well as natural phenomenon by adequate construction, technical and organisational measures.

During transport, the goods must be secured with a numbered seal or lock. Duration of unattended stops needs to be agreed between both parties when applicable. When a security breach is identified, the truck is not authorized to continue to its destination, but it is to return to point of origin for inspection and investigation. COCA-COLA HBC has to be immediately notified. In case of security breach COCA-COLA HBC will collaborate with the contractor and is required access to the logistics tracking data if available to understand where trucks are stopping. When a driver stops (fuel/rest etc) it is mandatory to inspect the seals before continuing. If a seal is broken Police are to be called and action taken immediately.

### **3.8 Audits**

The supplier is subject to announced audits related to QSE COCA-COLA HBC and KORE requirements, in line with the terms of the relevant supply agreement.

## 4. Quality and Food Safety Requirements

The supplier shall comply with the following quality and food safety requirements, which supplement the relevant terms of the respective supply agreement:

### 4.1. General instructions

- Local laws and requirements in all applicable jurisdictions (including but not limited to country of production and country of delivery) must be observed.
- The quality, food safety, traceability and the general safety of products, raw materials and packaging materials must be guaranteed at all times during transport or distribution
- The delivery of products and packaging materials must be carried out in such a way that endangering the environment and people working with the delivered products can be avoided, and compliance with general occupational safety and environmental protection rules can be guaranteed.
- The proper shipping conditions protects the final products, ingredients and packaging materials from the contamination and loss of quality (See: Good Shipping Practices). Products should be protected from extremely high and low temperatures, direct sunlight, ultraviolet rays and high humidity. Exposure of products to freezing must be avoided at all times.
- Trucks transporting raw materials and primary packaging materials must be sealed.
- It is forbidden to store CCHBC products together with third-party products that do not meet food safety requirements and/or may affect the quality (especially sensory) of CCHBC products.
- In order to prevent cross-contamination and "smelling", it is forbidden to store and/or transport our products, raw materials and packaging materials together with strong-smelling substances.

### 4.2. Special quality and food safety regulations for suppliers:

#### 4.2.1 Specifications, Performance Criteria and Documentation

- Supplier will supply the Products to the Customer in accordance with the specifications and performance criteria set out in the relevant supply agreement, as these may be updated from time to time as shall be advised by COCA-COLA HBC.
- Suppliers are not permitted to change the specifications and/or performance criteria; if case of proposed changes, these need to be notified to COCA-COLA HBC and approved in writing prior to any delivery of products with revised specifications and/or performance criteria.
- The parties shall agree in writing on the identity of the third party performing the quality and performance evaluation of new products or products whose parameters have changed.
- Safety Data Sheets (where applicable under relevant law) are to be shared by supplier.
- Supplier has to provide statement of food suitability (declaration of conformity) as part of the certification of compliance / conformity prior to commencement of collaboration.
- Supplier has to share certificate of analysis per batch and general certificate of compliance / conformity once a year under the condition that there are no changes to the goods specification (type of certificate to be agreed between the parties)
- Acceptable Quality Levels (AQL) for the goods shall be included in the performance criteria description.
- In addition to the agreed specifications, and where relevant:
  - good manufacturing practice (GMP) and good hygiene practise (GHP) is to be followed by the supplier; and
  - food safety guidelines, including (without limitation) risk assessment need to be in place
- All incidents concerning quality and food safety resulting in delayed delivery of orders must be reported immediately to COCA-COLA HBC.

#### 4.2.2 Storage & Transportation

- The responsibility for the goods during transportation needs to be defined in writing
- Chemically treated pallets are prohibited.
- Raw materials as well as primary & secondary materials need to be shipped with tamper proof seals
- COCA-COLA HBC products are not allowed to be stored together with third party products, which do not comply with the food requirements and/or could have a qualitative impact (especially sensory) on the COCA-COLA HBC products.
- The goods are not allowed to be stored or delivered together with strong smelling materials, to prevent a cross-contamination.
- For raw, primary and secondary packaging materials the storage and transport conditions, defined by the supplier, are to be adhered to.
- For primary and secondary packaging materials, where supplier does not define the conditions, store/transport at 11°C – max.30°C and protected from direct sunlight and humidity.
- For finished goods a temperature range from 11°C – max.30°C is to be adhered to. Freezing is prohibited. Finished goods are also to be protected from direct sunlight and humidity.

#### 4.2.3 Traceability

At any time upon COCA-COLA HBC's request, within an acceptable period of time (2 - 3 hours) the following data must be provided by the supplier:

- Identification of product batch or the production with the same "best-before-date"
- Two-way-traceability (one step forward and backwards in the supply chain)
- Possibility to trace 100% of the stock

To ensure traceability the following information as a minimum is needed:

- Material Number
- SSCC Code or any other batch identification code
- Lot-number, production date or best-before-date
- Quantity of material
- Date of delivery
- If needed, date of dispatch

#### 4.2.4 Incoming goods visual inspection

COCA-COLA HBC may carry out a visual inspection of incoming goods upon delivery in line with its internal inspection process.

The following steps will be carried out:

1. Check delivery documents
2. Check delivered quantities and book into system
3. In case of any differences identified by COCA-COLA HBC, supplier will be contacted within 3 working days of identification
4. Damaged goods will be sorted out, documented and reported back to supplier, so that the settlement can take place in accordance the relevant supply agreement

#### 4.2.5 Non-conforming product management

The supplier has to share with COCA-COLA HBC the contact of the responsible person for the non-conformity of goods connected to CCHBC and any change of this role.

For analysis only certified and agreed upon laboratories are allowed to be used. TCCC AQL for relevant goods shall apply.

Actions/measures to be taken in the case of an incident of non-conformity of the AQLs are to be agreed in writing by the supplier and COCA-COLA HBC, subject to the provisions of the relevant supply agreement.

Defective goods, not conforming to the specifications or performance criteria, can be indicatively, but not limited to:

- Damaged and/or soiled goods
- Leaking containers
- Not fit for purpose secondary packaging, even if within specifications
- Damaged pallets, package (container, carton box, etc)
- Goods that have exceeded the remaining shelf life

The appropriate non-conforming product management procedure for defective goods depends primarily on the quantities concerned and the type of defect (AQL). The below descriptions are supplemental to and/or a brief overview of the TCCC AQLs or TCCC supplier requirements for each type of product (raw material/packaging material) where no local agreement exists and all TCCC requirements apply and supersede in case of deviations:

**Defect category 1 (food safety relevance):**

- Visible microbiological problem
- Foreign matter in raw material
- Changed/ untypical colour/ visible lumps, etc
- Out of specification resulting in food safety issue or out of stock

**Defect category 2 (general OOSpec):**

- Dirty goods
- Leaking containers
- Damaged pallets /packages
- Old goods that have exceeded the remaining shelf life
- Wrong goods
- General out of specifications, not resulting in food safety issue or out of stock

**Small amounts (defined by country) with defect category 2**

COCA-COLA HBC informs supplier about defect type and quantity upon discovery. The affected products will be sorted where possible. In case of soiled products, they will be cleaned where possible. Supplier will replace sorted defect products.

**Large amounts (defined by country) with defect category 2 or all defects category 1**

COCA-COLA HBC informs supplier about defect type and quantity upon discovery. The further procedure will be agreed with the quality department of the supplier according to the situation.

The following information will be provided as a minimum:

- Item / Item number
- Quantity of damaged/defective goods
- Lot, production date or expiry date
- Reason/Defect
- Images

**4.2.6 Goods destruction**

The goods may only be disposed when the case is closed. Labelled products are only to be disposed of according to agreed local quality COCA-COLA HBC process.

#### 4.2.7 Products under quarantine

Should quarantine transport be necessary, COCA-COLA HBC must be informed in writing by supplier well in advance. The official release of the products needs to be communicated in writing.

### 4.3 Additional quality and food safety requirements for carriers

#### 4.3.1 Compliance of vehicles

**The contractor ensures** compliance of delivery trucks/vehicles that will serve for goods transportation, regardless of their owner:

- a. To comply at its own cost to all forms of certification and / or authorization and provide copies within 30 days after signing this contract of all permits and licenses required by law for road transport operators to carry freight. (Including specific authorization for food transport).
- b. To maintain valid licenses and permits that the law requires to carry out road transport operations, throughout the duration of this contract;
- c. To meet the requirements of sanitary approvals and authorizations, according to the law.
- d. To have and maintain all trucks/vehicles, regardless if used by contractor or its consignee, in an appropriate condition
- e. To be in accordance with the operational guidelines required by any customer or its consignee and / or third party including all safety and other special regulations for loading and unloading points.
- f. To comply with operational guidelines provided by each customer including all safety protocols and special instructions at loading and unloading sites.
- g. All vehicles and equipment are suitable for goods' transportation, protected against bad weather (including frigo-trucks when ordered by customer for transportation of frozen goods), without any odour, clean and without any risk of contamination from previous loads, for example through fumes, pollution or toxic input, including without limitation toxic, flammable, explosive, radioactive or corrosive products, solvent-type products, white spirit-based paints, volatile or odorous products whose fumes may settle on plastic films around product packing;

CCHBC products are not allowed to be transport together with third party products.

Trucks and transport vehicles must be visually inspected before loading.

The CCHBC determine the special needs of the trucks depending on the specific need of the goods to be transported.

All incidents concerning quality and food safety resulting in delayed delivery of orders must be reported immediately to COCA-COLA HBC.

#### 4.3.2 Health and Hygiene of Employees

Compliance related to staff / drivers operating trucks/vehicles of the contractor:

- The contractor must inform its COCA-COLA HBC site contact if they feel ill whilst on site.
- The contractor must not enter the site if they are suffering from coughing, sneezing, diarrhea, vomiting or other infectious disease. Do not allow handling of products by persons who do not fulfill all the hygiene and health conditions and do not have all the permits / licenses / authorizations required by law.

#### 4.3.3 Good Transportation Practice (GTP)

- The transport vehicles have to be cleaned regularly. Cleaning records should be available on request, especially for raw and packaging materials but not limited.
- The goods must be sufficiently stabilized during transportation.

#### 4.3.4 Entering COCA-COLA HBC sites

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Accompanying persons, such as children or other persons are not permitted to enter COCA-COLA HBC sites. The driver is advised to drive carefully on site. The instructions on warning and safety signs must be strictly followed. Special attention must be paid to pedestrians and forklifts.

The speed limits on site must be adhered to.

The driver should park his vehicle safely at the assigned loading bay. The driver must respect site facilities such as canteens, toilets and smoking areas as well as hygiene rules.

#### **4.3.5 Transport of finished goods**

The goods (finished products, pallets, crates, etc.) must be handled carefully during loading, transport and unloading to prevent any damage. In case special temperature conditions are required (frozen, refrigerated) vehicles shall be equipped with special temperature monitoring devices with registration feature that are subject to regular verification.

Special attention must be paid to canned products which are particularly sensitive to troughs in the event of improper treatment. Transport conditions must ensure that product quality is maintained. Improper transport conditions of the finished products can easily lead to product damage such as foreign flavour or changed appearance. Contamination of the bottles and/or crates and secondary packaging is also regarded as a reduction in quality. The most common reasons for a reduction in quality are:

##### **Temperature**

The optimum transport conditions for finished products are between 11°C and a maximum of 30°C. The goods must be protected from freezing. If goods freeze, they may no longer be sold.

Preloading is only permitted after consultation with COCA-COLA HBC if night temperatures drop below - 5°C for more than 6 hours. In summer, preloading should be delayed as long as possible.

##### **Sunlight**

The finished product must not be temporarily exposed to direct sunlight, even for a short period of time, as UV rays lead to a reduction in quality.

#### **4.3.6 Defect products during transport**

Damaged products (can damages, soiled packaging, etc.) must be reported directly to COCA-COLA HBC or indirectly via an external warehouse in accordance with the defined process.

## **5. Health and Safety Requirements**

### **5.1 Insurance**

The supplier must ensure it has valid insurance policies (employers and public liability) in place to cover the works being undertaken as further specified in the relevant supply agreement. The supplier must also ensure that any of its subcontractors working for CCHBC are adequately insured as well.

### **5.2 Health and Safety Rules**

The supplier must comply with all site rules at sites managed by COCA-COLA HBC and rules at customer premises. The personnel of supplier and its subcontractors may be subject to on site drug/alcohol testing, subject to local legislation. If any personnel of supplier is found to have used drugs or alcohol they will be removed from COCA-COLA HBC premises immediately and refused entry to site. The supplier should proceed with any actions necessary to facilitate such testing.

In terms of *safe operation of vehicles*, the supplier will ensure:

- it provides controls to prevent a fall from a height of vehicles or loading ramps, avoid work at height where possible, ensure protections of persons, e.g. use of work equipment to minimize the distance and consequences of a fall at height;



- it provides measures to control risks from manual handling by avoiding manual handling as much as possible e.g. using materials handling/mechanical equipment;
- control measures are in place against risks to pedestrians in adverse weather conditions e.g. do not rely only on the side tarpaulins to ensure load stability during transport, so that pedestrians are not exposed to the danger of uncontrolled tarpaulins;
- vehicles are fitted with reversing alarms/cameras in accordance with local legislation;
- it forbids the driver of the vehicle loading / unloading to use COCA-COLA HBC vehicles e.g. forklift trucks unless agreed in writing by the contractor and COCA-COLA HBC;
- drivers are instructed to wear seat belts at all times when driving
- the load is secure and vehicle chocks should be used whenever necessary to ensure vehicle / trailer stability
- mobile phones /hand held mobile devices are not used whilst operating the vehicle;
- when vehicle is parked and there is no driver, the keys are removed to prevent unauthorized use;
- drivers remain in the vehicle or stand/wait in the designated safe zone during loading/unloading process;
- it is forbidden to jump down from the cabin or loading ramp and steps are used instead.
- it complies with site/legal traffic rules including speed limits, parking and traffic routes

**Dunaharaszti site first aid stations:** orange cabinet with stretcher in front of the plant zone management room, laboratory, shift managers' office in warehouse area, or cold drink service office and security service office. In more severe cases, equipment is also available in the medical room opposite the central dining room, where there is also a stretcher.

**Zalaszentgrót site first aid points:** Production office

### 5.3 Vehicle check and preventative maintenance

An inspection and maintenance programme must be maintained by the supplier which is at least as stringent as the manufacturer's recommendations. This guarantees the operational safety as well as no unintentional environmental impacts of the vehicles.

Vehicle inspection and maintenance must comply with legal requirements.

The Supplier is obliged to implement an inspection and preventive maintenance process that includes:

5.3.1 Pre-inspection by the driver in written form.

5.3.2 The driver is obliged to walk around each time before boarding and visually inspect the condition of the vehicle.

5.3.3 Regular maintenance/inspection of:

- Motor, powertrain and controls
- Brakes, lights and other safety equipment
- Trailer and tankers
- Emission tests
- General condition of the vehicle

5.3.4 Professional service in accordance with the manufacturer's recommendation.

5.3.5 Roadworthiness tests and inspections in accordance with legal requirements.

5.3.6 Keeping a maintenance and repair log.

Vehicle maintenance and inspection activities must comply with legal requirements and CCHBC's Fleet Management Policy.

#### 5.4 Personal Protective Equipment

- The supplier must provide personal protective equipment (“PPE”) to all of their employees in accordance with legal requirements, COCA-COLA HBC site rules and their method statement/risk assessment. PPE must comply with applicable country standards and site requirements.
- Vehicle drivers must wear high visibility vest and safety shoes in the warehouse and loading area and other PPE if necessary, based on legal or risk assessment requirements.
- The supplier must ensure that PPE is in good condition and ensure that their employees always wear their PPE.

#### 5.5 Fire safety rules

A fire protection monitoring system at CCHBC's sites and a water fire extinguishing (sprinkler) system has been installed and operated at its Dunaharaszti and Zalaszentgot sites.

At the sound signal of the fire alarm system, the employees of the Supplier are obliged to immediately leave the area and go to the designated assembly points. In the event of an emergency, they are required to follow the instructions of the CCHBC manager of the area and the security service employee.

In case of fire, hydrants and fire extinguishers located in the CCHBC area can also be used.

Fire alarms are also possible via manual beacons and telephone to the security service, tel.: 06 24 500 225.

Fire brigade phone number: 105

Traffic roads, hydrants and fire extinguishers must not be blocked, even temporarily.

## 6. Environmental Protection Requirements

### 6.1 Environment Protection Rules

The supplier must comply with environment protection rules applied in the Plant.

#### ***Fleet Management Requirements:***

The supplier must guarantee that the vehicles are subject to a regular inspection and maintenance program at least as stringent as manufacturer's recommendations to ensure that vehicles remain safe to operate with no unintended environmental impacts and meet country regulations.

### 6.2 Water consumption

The supplier must use water economically.

The supplier needs CCHBC's approval before using the on-site water resources and sources.

The supplier must consult with the CCHBC contact person before discharging waste water into the CCHBC sewage system.

### 6.3 Energy consumption

The supplier must perform its activities in an energy-efficient manner.

### 6.4 Waste Management

The supplier must seek permission from COCA-COLA HBC to use on site waste facilities and any waste must be segregated to promote recycling.

The supplier must undertake its work to minimize waste, especially when at COCA-COLA HBC site. Non-hazardous and hazardous waste must be collected segregated and stored in the designated collection container.

It is FORBIDDEN to put hazardous waste (used absorbents, oily and greasy metals, plastics, paint rolls) among the recyclable waste!

The supplier must ensure that any waste removed from site is disposed of in accordance with local regulations.

In case of a chemical spill the area must be surrounded immediately to prevent entering the sewer. The absorbed chemical must be transported to the hazardous waste storage in a closed container.

## **6.5 Hazardous Materials**

The supplier must submit technical datasheets /MSDS (Material Safety Data Sheets) for any materials which are delivered to COCA-COLA HBC and will be used on site. Approval must be received from the COCA-COLA HBC contact before works commence and materials can be used.

The supplier must ensure risk assessments include controls for working with hazardous materials have been agreed with COCA-COLA HBC before works commence.

Hazardous materials must be stored in appropriate sealed, labelled and banded containers/secondary containment (bund capacity at least 110% of volume).

All suppliers' personnel who work with hazardous materials must be trained and submit evidence of training to their COCA-COLA HBC site contact. The contractor must ensure that emergency procedures are in place and cooperate with COCA-COLA HBC site rules and procedures.

In the case of spillage or leakage of substances during the works (oil, fuel, etc.), contractor is responsible for all costs associated with the spillage/leakage of substance. Such cleaning should include all areas affected by the spilled substances, including premises, land, ground and underground water, etc.

## **6.6. Environmental performance**

### **6.6.1. Environmental performance monitoring:**

The supplier shall measure and monitor regularly the environmental parameters such as: energy, water consumption, emissions and disclose the information to CCH on an annual basis, unless otherwise stated and requested by CCH.

Where relevant and applicable, the supplier shall apply standards that are recognized for the measured and monitored parameters – such as, but not limited to- GHG for emissions monitoring. At any case the information about standards and methods used for environmental parameters monitoring shall be made available to CCH.

The supplier of packaging shall have a defined roadmap to continually increase the content of recycled or renewable material used in production. Supplier shall measure and monitor the recycled or renewable material content in the packaging material being produced and have effective system to assure the data accuracy- where relevant audited by independent company.

### **6.6.2. Environmental sustainability certification:**

The Supplier shall implement the sustainability certification for the materials delivered to CCH, such as FSC or SFI for paper, fiber packaging. The information about certifications applicable for materials delivered to CCHBC should be shared with CCHBC.

## **7. Penalties for breach of the QSE Annex**

A breach of this QSE Annex constitutes a serious breach of the agreement between the Contracted Partner and CCHC.

If a Contracted Partner or its employees or subcontractors violate any of these Rules, they may be escorted off the CCHBC premises.

A Contracted Partner also agrees to pay a penalty in the event that it, its employees, subcontractors, agents or others acting on its behalf violate certain environmental, labor and fire safety rules listed in this QSE Annex. The amounts and details of the penalties are set out in Appendix to Annex QSE. The amounts and the amounts of the penalties are set out in the Penalty Payment Agreement attached as Appendix to Annex QSE.

The CCHBC's Occupational Safety and Health Specialists, Area Managers, and Security Service Members are entitled to:

- to warn and instruct any person who is found/recognized to be engaging in conduct that endangers the health and safety of workers, the environment or the hygiene of the premises to cease such conduct.
- to record the fact and circumstances of the observed unlawful conduct in a report or ensure that it is recorded in a report.

If, on the basis of the recorded report, a breach of this QSE Annex is established, CCHBC shall inform the Contracted Partner's representative of the fact and circumstances of the breach of the rule(s) in writing (by e-mail), with a copy of the recorded report, as soon as possible. The CCHBC shall also be entitled to make use of the provisions of Appendix to Annex QSE. The CCHBC may also invoice the Contracted Partner for the penalty amount set out in Appendix 1, which the Partner shall pay to the CCHBC within 15 days.

## **8. Precedence of documents**

The requirements set out in this document supplement the requirements set out in the relevant supply agreement. In case of discrepancies, the provisions of the supply agreement shall supersede.

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**Version June 2023**

### Appendix to Annex QSE - Penalty system valid at the headquarters and sites of Coca-Cola HBC Hungary

In case of a violation of the Quality and Food Safety, Occupational Safety and Environmental Protection Regulations and Site Regulations applicable at CCHBC 2330 Dunaharaszti, Némedi út 104, you, as a CCHBC contractor or contractor employee, undertake to pay the following penalties after documenting the event. In case of violation falling into the categories below, but not explicitly mentioned here, a minimum penalty of HUF 20,000 will be invoiced to the person violating the rule or to the company employing her/him.

**Date of effect:** from 01.06.2023 until revocation

I.	Violation of general occupational safety rules	Penalty amount (HUF)
1.	Failure to use prescribed PPE (e.g. high-visibility vest, safety shoes, helmet)	20.000
2.	Breaking the rules of working at a height	30.000
II.	Violation of alcohol rules	Penalty amount (HUF)
1	Applying to work/entry/quitting while intoxicated > over 0.3 per thousand *	20.000
2	Alcohol consumption in the area > above 0.3 per thousand*	30.000
3	Driving in an alcoholic state (including driving a forklift) > over 0.3 per thousand*	50.000
	Zero alcohol tolerance! It is forbidden to enter or stay above > measured value of 0	
	* thousandths, BUT only penalties	
	>0.3 thousandths of a measured value (to exclude possible measurement error)	
III.	Violation of smoking and fire safety rules	Penalty amount (HUF)
1.	Carrying out work subject to a fire permit without a permit	30.000
2.	Smoking outside designated areas	30.000
3.	Discarding burning cigarette (also in designated smoking areas if not placed in designated bins)	30.000
4.	Blocking fire doors/gates	30.000

5.	Hydrant/hydrant cabinet blockage	30.000
<b>IV.</b>	<b>Violation of traffic rules</b>	<b>Penalty amount (HUF)</b>
1.	Parking in prohibited places (e.g. on designated footpaths, pedestrian crossings, areas closed to traffic)	20.000
2.	Dangerous traffic with unfixed tarpaulins in the area	20.000
3.	Dangerous traffic in the area with the platform/tail wall opened;	20.000
4.	Leaving a starter key behind in an unattended car or forklift	20.000
5.	Missing/inoperability of reversing acoustic signal	20.000
6.	Failure to use locking wedges during parking/loading (minimum 2 pcs)	20.000
7.	Driver within 5 m range of an active loading truck	20.000
8.	Exceeding the speed required on internal roads of the site (>20 km/h)	20.000
9.	Violation of site priority rules/failure to give priority	30.000
10.	Listen to music using headphones while driving.	20.000
11.	Failure to wear seat belts while driving	20.000
12.	Phone calls (handheld) while driving	20.000
13.	Violation of basic road traffic regulations (mandatory direction of travel, no entry, etc.)	20.000
<b>V.</b>	<b>Violation of environmental and hygiene rules</b>	<b>Penalty amount (HUF)</b>
1.	Oil spill from a car driving/parked	40.000
2.	Littering (including throwing away butts) in the interior area and car parking	30.000
3.	Violation of separate waste collection rules	20.000
4.	Urination outside designated toilet facilities on site	20.000
5.	Eating food outside the designated area	20.000
6.	Non-compliance with hygiene and dress code in a production area	30.000
7.	Failure to wash hands when entering a production area	30.000

