towards sustainability

Social Responsibility Report **2009**

Coca-Cola Hellenic

Passion for Excellence

Commitments and Progress

	2009 Goal	Progress in 2009
Water Stewardship	Publish corporate water footprint Reduce water use by 3% 100% of wastewater treated by 2010 Expand water risk assessments Watershed protection programmes in all countries Expand ISO 14001 certifications	1st corporate water footprint published Reduced water ratio by 3.4% (now 25% below 2002) Built 2 more wastewater treatment plants Risk assessments repeated across our business Tisza transboundary water programme initiated 2 more plants certified ISO 14001
Energy & Climate Change	Reduce energy use by 3% Build CHP units to cut manufacturing emissions by 20% Develop cold drink equipment (CDE) with carbon footprint on average 50% smaller Improve fleet performance Publish product carbon footprint	Reduced energy use by 4.2% (now -31% vs 2002) 3 CHP units completed Purchased more than 10,000 coolers with energy management device Safe&Eco-Driving cut fleet emissions by 6,600 tonnes Worked with Carbon Neutral to precisely understand our product carbon footprints Participated in Copenhagen climate conference
Packaging & Recycling	Continue lightweighting Use almost 7,000 tonnes of rPET (recycled PET) in our bottles Increase recycling in plants and in marketplace	Packaging efficiency improved 9% vs 2008 Avoided more than 4,500 tonnes of packaging through lightweighting Used almost 6.3 tonnes of rPET – less than target but more than 2008 Recycled equivalent of 66% of bottles and cans (exceeding 2015 goal to recycle 50%)
Consumer Health	Continue to expand beverage range Reduce average calorie content Extend GDA labels to all products in the EU Expand ISO 9001 and 22000 certifications	100 new juices, flavours, package sizes Average calorie content increased 1%, yet 18% below 2001 GDA labels on all products in the EU, where practical 5 more plants certified ISO 9001 (Quality) 22 more plants certified ISO 22000 (Food Safety)
Employee Development	Improve safety performance Expand OHSAS 18001 certifications Roll out Leadership Pipeline Model Continue to enhance and standardise training across the Group	3-year safety plan underway, 26% fewer serious accidents than PY, 5 more plants certified OHSAS 18001 Leadership Pipeline expanded to 50% of front-line managers and individual contributors New centre of excellence, new leadership and functional skills programmes, new coaching programme. Average employee training rose to 20 hours/year
Supplier Engagement	Joint European auditing with The Coca-Cola Company Develop climate-friendly refrigeration Conduct hybrid truck and CNG (compressed natural gas) trials Address global footprint with suppliers	35 additional suppliers jointly audited Co-developed 14 HFC-free, energy-saving coolers, the largest range on the market Truck trial conducted in Austria Worked with sugar refineries to understand water footprint
Community Involvement	Maintain community investment at 1.5% pretax profit Assess impact of programmes Greater alignment with relief agencies	Increased to 1.9% pretax profit Launched first impact assessments Exploring Red Cross partnership
Supporting the UN Global Compact	Actively support leadership platforms and 13 local networks	Continued support to Caring for Climate, CEO Water Mandate and 13 local networks Published 1st COP-Water for CEO Water Mandate Adopted UNGC anti-corruption reporting guidance New anti-corruption training programme

Sustainability Milestones

Future Goals

Reduce corporate water footprint by 40% by end 2010 vs 2003
No increase in absolute water use
Build final 4 wastewater treatment units, meeting target of 100% of wastewater treated by end 2010
Source vulnerability assessments and protection plans in all plants by 2012
Expand watershed protection programmes
All plants certified ISO 14001

Reduce CO_2 emissions from manufacturing by 20% by 2020
Build 15 CHP units by end 2011
All new CDE will be HFC-free by 2012
Carbon footprint of CDE fleet to be 50% lower than in 2004 by 2020
Install photovoltaic panels on roofs of bottling plants

Improve packaging efficiency by 25% by 2012
Recycle 50% of beverage packaging by 2015

Recycle 90% or more plant waste by 2015

Continuously adapt to consumer preferences
Continue efforts to reduce average calorie content
Extend GDA labels on all products in non-EU countries
All plants certified ISO 9001
All plants certified ISO 22000

All plants certified OHSAS 18001

Extend Leadership Pipeline to all managers

Certify all employees in new anti-corruption training

Expand joint audit programme to more suppliers
Continue exploring additional climate-friendly refrigeration options
Further explore green transport technologies
Explore positive screening integration of environmental criteria

Maintain 1.5% pretax profit
Roll out impact assessments to country operations
Group wide Red Cross partnership

Continue support to UN Global Compact

Milestones

2000
- Creation of Coca-Cola Hellenic Bottling Company

2001
- First country operation to be certified against ISO 14001 - commitment to certify all operations

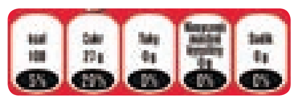
2002
- FTSE4Good listing confirmed under the new stricter environmental, social and human rights criteria
- Launch of the WWF Water Savers tool

2003
- Formed Social Responsibility Committee of the Board and executive-level Council
- First country operations certified OHSAS 18001 - commitment to certify all operations

2004
- First CSR Policies ratified for human rights, equality of opportunity, HIV/AIDS, health & safety, environment and quality
- First GRI report in the non-alcoholic beverage industry

2005
- Launched Green Danube Partnership with ICPDR
- Signed the UN Global Compact
- Ratified the UNESDA commitments

2006
- First CHP unit constructed - commitment to build 15 more
- Stopped using HFCs in insulation of Cold Drink Equipment
- Named "Notable Reporter" by the UN Global Compact
- Launched front-of-pack nutritional labeling in all EU countries



2007
- Signed UN Global Compact CEO Water Mandate, Caring for Climate statement and the Bali Communiqué
- Opened 1st industry-owned PET-to-PET recycling plant in Europe
- Joined the CSR Europe Alliance
- First country operations certified ISO 22000 - commitment to certify all operations

2008
- Included in the Dow Jones Sustainability Index
- Launched Stakeholder Forum
- Launched the "Business friends of the Danube" fund
- Extended Safe&Eco-driving courses to all countries
- Increased use of recycled PET by 70% vs previous year
- Launch of 3-year Safety Plan

2009
- Started construction of the first of 15 CHP units to reduce CO_2 from bottling operations by over 20%
- First time to reduce absolute amounts of water, energy and waste in operations
- Introduced one of the world's most energy-efficient and largest range of HFC-free commercial coolers
- First submission to Carbon Disclosure Project
- First report on UN Global Compact's COP-Water and Caring for Climate
- First corporate water footprint

Contents

About This Report

This print report is Coca-Cola Hellenic's seventh CSR report to date, and aims to provide a fair and balanced account of progress towards sustainability in 2009.

In preparing this report, we followed the three principles underlying the AA1000 assurance standard – inclusiveness, materiality and responsiveness - as well as the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) for content and quality of information. Consequently, the report focuses on the sustainability challenges of greatest concern to our business and our stakeholders, such as water stewardship and climate change.

This report is aimed at external stakeholders, such as non-governmental organisations (NGOs), the investment community, government agencies and other opinion leaders. Following requests from our stakeholder panel, we describe our measurement techniques and verification here in greater detail. Other improvements, such as enhanced social performance reporting, are described in the chapter **Engaging Stakeholders**.

We measure and report our sustainability performance using leading standards, such as the Greenhouse Gas Protocol (GHG). As we focus increasingly on the indirect impacts of our business, we again follow leading methodologies, such as that of the Water Footprint Network and the London Benchmarking Group (LBG). Certain performance indicators are specific to our industry, such as eco-efficiency indicators and consumer complaint rates.

Data is gathered at bottling plant or country level, then consolidated and validated at Group level. To improve our data management, we have implemented the Entropy integrated management system software, licensed from the British Standards Institute.

This report has gone through stringent internal controls at each stage of data collection, consolidation and verification. The following data have also been independently verified:

- Environmental, quality and health & safety management systems and the data they yield are audited annually by third-parties at every bottling plant.
- Community investment data has been checked by LBG.
- Compliance with the UNESDA commitments is independently audited as part of industry performance.
- Compliance with our Supplier Guiding Principles is assessed by independent auditors as part of our joint programme with The Coca-Cola Company.

This report covers the bottling, distribution and sales activities in our 28 countries of operation unless otherwise stated. It excludes the investments held in brewing interests in FYROM and Bulgaria, the Greek snacks company Tsakiris, and three vending businesses in Hungary, Ireland and Italy. Each of these represents less than 1% of revenue.

Since Coca-Cola Hellenic is a longstanding participant in the UN Global Compact, this report serves as its Communication on Progress (COP). We follow the Sustainability Reporting Guidelines of the GRI, and assess this report to be level B-.

More information about our sustainability strategy can be found on our corporate website as well as the new websites set up by our country operations.

Links to further sources of information are provided at the end of each chapter in the report.

Message from the Board

Dear Stakeholders,

The global economic downturn continued to present major business challenges in 2009. By controlling costs and minimising impacts, we are well-positioned for recovery – and we are seeing signs of this in some of our territories. While cost-saving measures were applied to every part of our business, we maintained our commitment to our Sustainability strategy, and to achieving results in programmes, throughout the downturn.

Energy and climate protection remain a priority as we put our business onto a low-carbon growth path. Incremental improvements are no longer enough. In the largest energy-efficiency initiative in our industry we constructed three more Combined Heat and Power (CHP) units during 2009. By building highly efficient CHP units in 15 bottling plants across 12 countries, we will cut CO_2 emissions from manufacturing by 20% before 2020 - the current EU target. As a result, we were named an Official Partner of the European Commission's Sustainable Energy Europe Campaign.

We also worked with suppliers to develop a new generation of cold drink equipment that eliminates hydrofluorocarbons (HFCs) and is up to two-thirds more energy efficient. These groundbreaking initiatives dramatically reduce our CO_2 emissions – and with immediate effect.

We are helping to raise awareness of the urgent need for climate action. At the 2009 Copenhagen climate summit, we promoted these low-carbon technologies while at the inauguration of our Romanian CHP unit, we invited Prof. Geoffrey Boulton, internationally known climate change expert, to address local businesses, authorities and communities. We improved disclosure with our first submission to the Carbon Disclosure Project.

Other environmental programmes also support our climate change strategy. Our packaging and recycling programmes are reducing a major source of indirect CO_2 emissions, while our water stewardship programmes help our business adapt to growing water scarcity, the most tangible reality of climate change.

For the second consecutive year, we decreased our absolute water use and are now close to stabilising absolute CO_2 emissions. By doing so, we are decoupling business growth from a corresponding increase in environmental impacts. Nevertheless, we still have much work to do in addressing the environmental impacts of our supply chain, which are considerably greater than those of our operations. The corporate water footprint which we have developed for the first time will be a major help in addressing such impacts.

Another focus in 2009 was safety, following poor performance in recent years. Led by a member of our Operating Committee, our three-year plan is developing a safety culture and has delivered a marked improvement in performance, with serious accidents down 26% over the previous year.

The continued economic downturn in 2009 meant that we had to restructure our business to remain competitive. We do not lightly take decisions regarding lives and livelihoods, and worked hard to minimise redundancies, focussing primarily on natural attrition, hiring and pay freezes. We ensured that restructuring was conducted fairly and with respect to all those involved.

Throughout the downturn, we continued to support the many partnerships that help us deliver effective programmes. By supporting the UN Global Compact, we demonstrate our commitment to recognised principles of good corporate citizenship. We actively participate in the CEO Water Mandate and Caring for Climate and support local networks in 13 countries. These platforms enhance our approach, while allowing us to learn from others. In 2009, Coca-Cola Hellenic was again recognised as a Notable Reporter by the Global Compact.

Although our sustainability goals are long-term, we already see benefits. By developing new technologies and insights, we are positioning our business for more resource-efficient and lower-carbon growth. We also gain reputational benefit as an employer, business partner, member of the community and business in which to invest.

During 2009, we continued to receive recognition. Most notably, we were listed on the Dow Jones Sustainability Indexes (World and European STOXX), for the second consecutive year. This places us among the top 10% of most sustainable companies worldwide and the top five sustainable beverage companies.

In this report, our seventh, we share our performance during 2009 – our highlights and shortcomings. Following stakeholder feedback, this report includes new elements, such as our first forward-looking targets for each area of focus. We have also significantly increased the sustainability section on our corporate website and launched local language country websites. We follow the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI).

We hope we provide the information you seek, and welcome your comments.

WE SUPPORT

M Llewellyn Smith

Sir Michael Llewellyn Smith
Chairman, Social Responsibility Committee

Business Overview

Coca-Cola Hellenic serves a population of approximately 560 million people across diverse cultures and geographies in Europe and Nigeria. By producing beverages locally, our business brings economic benefits in terms of investment, jobs and taxes, while reducing the climate impacts of transportation.

Sales: 2.1 billion unit cases

EBITDA: €1 billion

Employees: 44,800

Bottling plants: 77

With 77 bottling plants across 28 countries, Coca-Cola Hellenic is one of Europe's largest bottlers of non-alcoholic beverages. Each year, the Company sells more than two billion unit cases, making it the second most significant bottler of The Coca-Cola Company by revenue.

Coca-Cola Hellenic is listed on the Athens stock exchange, with a secondary listing on the London stock exchange. Coca-Cola Hellenic's American Depository Receipts (ADRs) are listed on the New York Stock Exchange. Major shareholders are The Coca-Cola Company and the Kar-Tess Group which own 23% and 30% of its shares, respectively.

Beverages and Brands

Since the Company's formation in 2000, we have significantly diversified our range of beverages. In addition to sparkling beverages, Coca-Cola Hellenic offers a wide range of other non-alcoholic beverages. These include: waters, juices and juice drinks, sports and energy beverages, ready-to-drink teas and coffees, as well as a growing number of beverages that are low-calorie or nutritionally enhanced. This growing range accounted for 43% of sales volume in 2009.

Coca-Cola Hellenic bottles and distributes brands owned by The Coca-Cola Company under licence agreements (91% of sales). In addition, we develop our own brands (4% of sales), including the Amita range of juices and the Avra, Deep RiverRock and Lyttos brands of mineral water. We also have agreements with other companies to manufacture and distribute such brands as Nestea, illy café, Dr Pepper, Schweppes, and Tuborg.

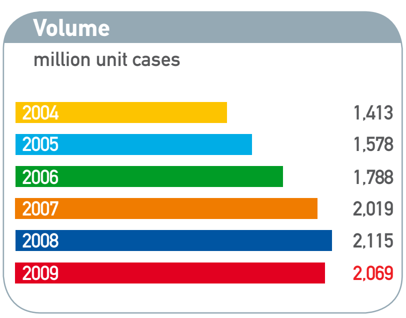
> "Our mission is to refresh our consumers, partner with our customers, reward our stakeholders and enrich the lives of local communities."

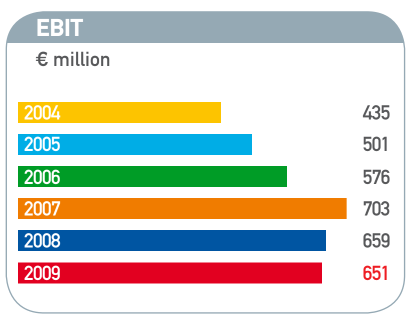
Although we are number one or two in many categories, the non-alcoholic ready-to-drink beverage industry is dynamic and competitive and our business accounts for only 19%[1] of the total market.

Committed to Sustainability

Coca-Cola Hellenic is listed on both the Dow Jones Sustainability World Index and the Dow Jones STOXX Sustainability Index of Europe's most sustainable companies. This places the Company among the top 10% of most sustainable companies worldwide. In 2009, we scored 68%, compared to an average of 53% for the beverage sector. Coca-Cola Hellenic has also consistently been listed on the FTSE4Good index since its set-up in 2000.

Financial performance





1. In Coca-Cola Hellenic's European operations

Emerging markets

Armenia
Belarus
Bosnia and Herzegovina
Bulgaria
FYROM
Moldova
Montenegro
Nigeria
Romania
Russia
Serbia
Ukraine

Developing markets

Croatia
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Poland
Slovakia
Slovenia

Established markets

Austria
Cyprus
Greece
Italy
Northern Ireland
Republic of Ireland
Switzerland

Net sales revenue

€ million

	€ million
2004	4,248
2005	4,780
2006	5,616
2007	6,462
2008	6,981
2009	6,544

Return on invested capital

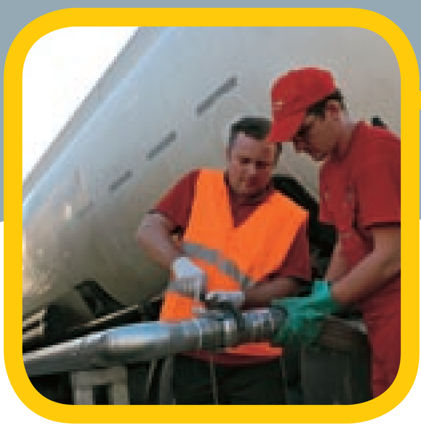
percent

	percent
2004	8.5
2005	9.4
2006	10.4
2007	12.2
2008	11.0
2009	10.4

- Our Business
- Our Product Portfolio
- Investor Relations
- Annual Report

Managing Impacts

Coca-Cola Hellenic's indirect social and environmental impacts are far greater than those of its operations alone. From the suppliers of our ingredients and packaging to the customers who sell our beverages to consumers, we work with business partners and others to understand and manage these impacts. Since most of our beverages are brands licensed from The Coca-Cola Company, we work closely together to address sustainability challenges.



Suppliers

A complex network of 84,000 suppliers provides Coca-Cola Hellenic with ingredients, packaging and other goods and services.

We work increasingly with suppliers to reduce our environmental impacts - from introducing HFC-free cold drink equipment to implementing Combined Heat and Power units. Since packaging is a major contributor to its overall carbon footprint, the Company partners with suppliers to reduce the amount of packaging used. In 2009, we saved 84,000 tonnes of glass, metals and PET, reducing CO_2 emissions from packaging by 9%. We are also studying the water embedded in our supply chain.

Supplier Guiding Principles are built into supplier contracts and audited against. Almost 90% of supplies are purchased locally.

Operations

Coca-Cola Hellenic's operations consist of 77 bottling plants, 364 warehouses/distribution centres, as well as offices. The Company employs 44,800 people and received recognition in 12 countries as an employer of choice.

Since 2002, we have worked systematically to address our three environmental priorities - water, energy and packaging. Combined heat and power (CHP) units in 15 plants will further reduce CO_2 emissions from manufacturing by 20%.

In 2009, an absolute decrease in water use was achieved for the second consecutive year. The final four wastewater treatment plants will be constructed in 2010, meeting our goal of 100% wastewater treatment. We continue to reduce landfilled waste, recycling 83% of production waste in 2009.

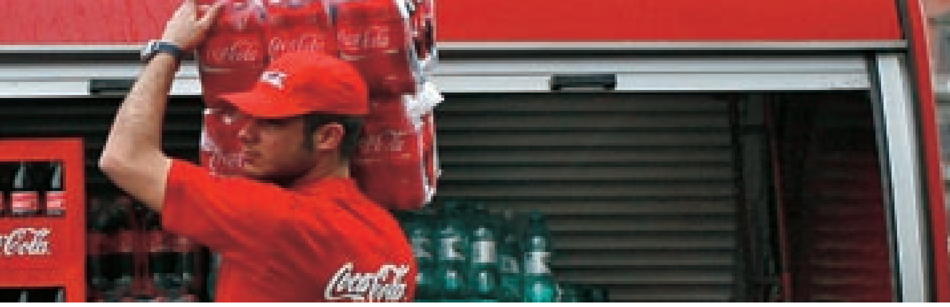
Almost all plants (75) have gained the quality standard ISO 9001, 65 plants are certified ISO 14001 (Environment), 53 have achieved OHSAS 18001 (Health & Safety) and 58 have gained ISO 22000 (Food Safety). We are working towards full certification of all plants.

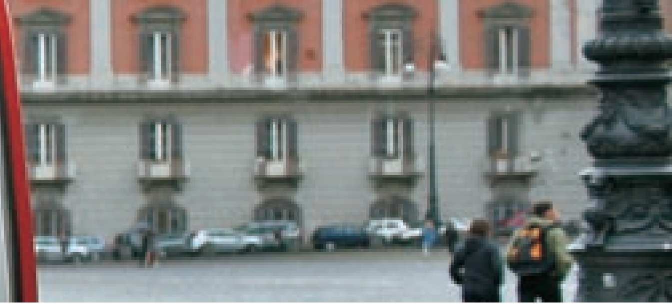
Fleet and Transportation

Since Coca-Cola Hellenic's bottling plants are largely local, the Company has a relatively small transportation footprint. The 20,300 vehicles emitted 190,000 tonnes of CO_2 in 2009.

The Safe&Eco-Driving programme resulted in a CO_2 reduction of 6,600 tonnes.

In addition, we are downsizing vehicle engines and models and implementing route optimisation technology.





Sales

We are reducing an annual 15,800 tonnes of CO_2 emissions from our cold drink equipment by introducing new coolers that are on average 50% more energy efficient than in 2004 and are free of hydrofluorocarbons (HFCs). We are also addressing the emissions from existing equipment in the marketplace.

Coca-Cola Hellenic has helped set up recovery organisations in 17 countries. On our behalf, they recycled or recovered the equivalent of 66% of packaging in 2009.

We work closely with customers, both large and small. We help small-scale distributors and retailers grow their businesses, and collaboration with larger international customers increasingly extends to sustainability themes.

Consumers

To meet consumer expectations in health and well-being, Coca-Cola Hellenic offers more reduced calorie and nutritionally enhanced beverages, in addition to waters and juices. We have placed at-a-glance nutritional information on the front of packages in EU countries and this will be extended to non-EU countries in the coming years. We also adhere to stringent industry codes on sales and marketing, especially with regard to young people.

Increasingly, we engage with consumers on environmental issues, helping them to reduce their carbon footprint through recycling, for example. Consumers can contact us with comments or questions through our local consumer response centres and country websites.

Communities

Coca-Cola Hellenic contributed €12 million to community projects and organisations in 2009, or 1.9% of pre-tax profits. Our projects help conserve watersheds and support sports, fitness and youth development.

We raise local awareness and encourage people to participate. More than 1.5 million people took part in the Company's award-winning programmes in sports and fitness or environmental clean-up activities.

From the Green Danube Partnership to 'Let's Save Yelna Bog', our environmental projects are helping to mobilise the local business community. In 13 countries, we support the local networks of the UN Global Compact.

Coca-Cola Hellenic's core business activities support jobs in its operations and, indirectly, in its value chain. The Company also brings other benefits, from making tax payments to promoting knowledge and technology transfer.

Integrating CSR

Coca-Cola Hellenic's mission is to refresh consumers, partner with customers and reward shareholders while enriching the lives of local communities. At the heart of our business, therefore, is a commitment to achieving economic growth while supporting socio-economic development and environmental conservation.

Sustainability is simply part of how Coca-Cola Hellenic does business. The Company's new operating framework enshrines CSR as an integral part of our business. It is also one of seven key results areas in which all managers must excel and on which they are now assessed and rewarded.

We continue to integrate social and environmental considerations into our business: from the way we power our plants to the beverages we offer and how we sell them; from helping suppliers develop resource-efficient low-carbon technologies to helping consumers recycle packages.

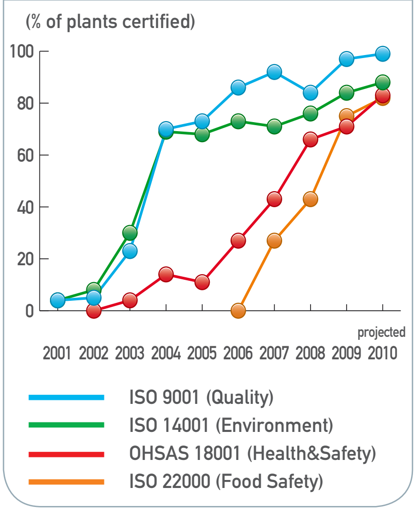
This has been a steady process of evolution. Since 2002, we have worked systematically to reduce our direct environmental impacts, and have refined our approach. Today, we are working to better understand the impacts of our value chain.

Addressing Material Issues

To create the most value – for business and stakeholders - we focus our sustainability strategy on priority issues. At our first stakeholder panel in 2008, we identified seven areas (see opposite) that represent the greatest risks and opportunities to our business. These also represent the concerns of stakeholders where we can make the greatest contribution. In 2009, we reconfirmed that these priorities remain the same.

As a result, Coca-Cola Hellenic's strategy supports its business goals, while contributing to broader social development. Our environmental priorities – water stewardship, energy and climate, packaging and recycling – are helping to drive cost efficiencies in our business while significantly reducing our environmental impact. For example, the combined heat and power (CHP) programme is reducing CO_2 emissions at each bottling plant by more than 40% while reducing plant energy costs. Similarly, our consumer health strategy supports the way that we diversify our range of beverages – another business imperative.

Certifications of bottling plants



These focus areas are interrelated. Our water stewardship and packaging reduction activities bolster our climate change strategy, for example. Yet there can also be trade-offs. Our consumer health strategy requires that we develop more products and offer more package sizes. However, this increases the use of water, energy and packaging material, which in turn leads to higher CO_2 emissions. We are working to overcome these challenges.

Systems and Standards

In 2005, Coca-Cola Hellenic signed the UN Global Compact, committing to adopting its Ten Principles that support human rights, labour rights, environmental protection and anti-corruption.

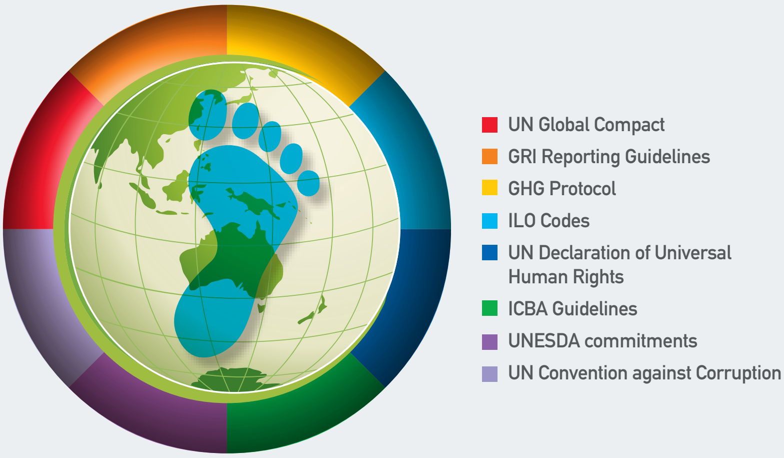
To implement these principles in our own operations, we adopt internationally recognised management systems and standards. We are working to certify all bottling plants against these standards for quality, food safety, environment, and health and safety (see table).

Coca-Cola Hellenic aims to comply with all applicable legislation. In addition, we adopt leading global standards for each CSR focus area. Where appropriate, we

External Standards	No. of plants certified and % of total	Equivalent volume
ISO 9001 (Quality)	75 (97%)	99%
ISO 14001 (Environment)	65 (84%)	92%
OHSAS 18001 (Health & Safety)	53 (69%)	76%
ISO 22000 (Food Safety)	58 (75%)	82%

help to develop industry standards, such as the commitments of the European beverage industry association (UNESDA) to the EU Platform on Diet, Health and Physical Activity. We also help pilot methodologies, such as that of the Water Footprint Group.

To underline our commitment to these external standards, we have implemented a set of internal CSR policies. These include our Code of Business Conduct, as well as policies that address climate change, environmental protection, human rights, equality, health & safety, consumer health & wellness, product quality, and other focus areas. These policies are available on our corporate website.



Supporting global efforts in social and environmental responsibility.

Topic	External Standards & Methodologies	Internal Policies
Overall	UN Global Compact GRI Reporting Guidelines	Code of Business Conduct
Water	UN Global Compact - CEO Water Mandate	Environment Policy
Energy & Climate	UN Global Compact - Caring for Climate GHG Protocol	Climate Change Policy Environmental Policy
Packaging & Recycling	UN Global Compact - Environment	Packaging Waste Policy
Employee Development	UN Global Compact – Human Rights, Labour Standards, Anti-Corruption UN Declaration of Universal Human Rights ILO Codes	Human Rights Policy Equality Policy Health & Safety Policy HIV-AIDS Policy Fleet Safety Policy
Consumer Health	ICBA Guidelines EU Pledge & UNESDA commitments to the EU Platform	Health & Wellness Policy Quality & Food Safety Policy Statement GMO Statement
Supplier Engagement	UN Global Compact – Environment, Human Rights, Labour Standards, Anti-Corruption	Supplier Guiding Principles Code of Business Conduct
Community Involvement	UN Global Compact – Environment, Human Rights, Labour Standards, Anti-Corruption LBG Model	Human Rights Policy Code of Business Conduct
Anti-Corruption	UN Convention against Corruption	Code of Business Conduct Code of Ethics Code for Dealing in Shares Supplier Guiding Principles EU Undertaking

International platforms

Dow Jones Sustainability Indices (DJSI)
Coca-Cola Hellenic has been included in the Dow Jones Sustainability Indexes (DJSI) since 2008. This follows a thorough independent analysis of Coca-Cola Hellenic's corporate economic, environmental and social performance, overall corporate governance, risk management, branding, climate change mitigation, supply chain standards and labour practices. Coca-Cola Hellenic's ratings in both the Dow Jones Sustainability World Index and Dow Jones STOXX Sustainability Index (of Europe's most sustainable companies) place it among the world's 10% most sustainable companies and one of the 5 most sustainable beverage companies worldwide.

FTSE4Good
The Company has been listed on the FTSE4Good Index since its formation in 2000, and has maintained its listing despite the criteria becoming increasingly demanding. The Company fulfils the criteria required of food and beverage companies such as the environmental, social, human rights and supply chain labour criteria, as well as the new climate change criteria.

GRI Reporter
This is Coca-Cola Hellenic's seventh social responsibility report and it is prepared in accordance with the G3 sustainability reporting guidelines of the Global Reporting Initiative (GRI). This report has been checked by GRI to be a Level B-report.

LBG Model
The Company is using the London Benchmarking Group model to measure and evaluate its community investment programmes (see **Community Involvement**).

UN Global Compact
Coca-Cola Hellenic upholds and promotes the 10 universal principles of the UN Global Compact that encourage responsible business practices in the areas of human rights, labour, the environment and anti-corruption (see **Supporting the UN Global Compact**).

GHG Protocol Reporter
The Company assesses its corporate climate footprint according to the GHG Protocol.

Governance and Management

At Board level, the Social Responsibility Committee guides and reviews progress on a quarterly basis. One of only three committees of the Board, this committee is chaired by independent director Sir Michael Llewellyn Smith.

The Group CSR Council comprising Function Heads identifies strategic issues for the business, sets standards and performance targets, and reviews performance. Region Directors ensure that our Sustainability strategy is effectively implemented in their regions, and have a particular responsibility for health and safety.

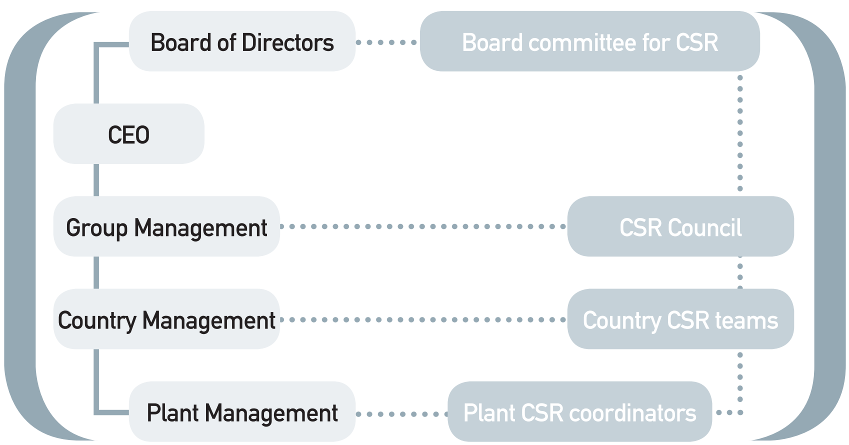
At country level, a cross-functional team implements the sustainability strategy, reporting to the country manager. Each bottling plant is supported by environmental, health and safety coordinators.

CSR programmes are managed as rigorously as other parts of the business. The new Entropy integrated management system software, licensed from the British Standards Institute, is enhancing our data management. All systems and data are subject to stringent internal controls, as well as independent auditing (see **About This Report**).

Managing Risk

An enterprise risk management (ERM) framework helps us identify, assess and manage business risks. As part of our operational management, every Company operation conducts regular assessments of all business risks - including social, environmental and ethical (SEE) risks. Our Incident Management and Crisis Response (IMCR) process helps develop mitigation plans, as well as rapid response procedures.

At Board level, the Social Responsibility Committee and the Audit Committee receive regular reports of social, environmental and ethical risks. Furthermore, an internal audit team regularly assesses



the risks of fraud and corruption across the business, reporting directly to the Audit Committee.

Material risks are disclosed in the Annual Report on Form 20-F. In the 2009 report, we include climate change as a material risk for the first time, in addition to making our first submission to the Carbon Disclosure Project.

The Coca-Cola System

We work closely with The Coca-Cola Company and other leading bottlers on sustainability challenges. This ranges from day-to-day collaboration in country operations to joint senior management boards that guide the progress of the Coca-Cola system.

"Coca-Cola Hellenic has come a long way in its approach to corporate sustainability management in the last few years.

The Company has been methodically building a robust business case for integrating social and environmental issues into corporate strategy. This has also meant listening more to its stakeholders. The adjustment to absolute targets in this year's report is part of that process and represents an ambitious move so as to assure transparency and relevance.

Coca-Cola Hellenic has invited stakeholders to come with it on a sustainability journey. There are a lot of "win-wins" along the way, including changes in mindset that are a prerequisite to organisational alignment in this challenging domain."

Dr. AILEEN IONESCU-SOMERS, CO-DIRECTOR, FORUM FOR CORPORATE SUSTAINABILITY MANAGEMENT, IMD

During 2009, the Corporate Responsibility and Sustainability Board in Europe agreed the first sustainability targets for the European Coca-Cola business to achieve by 2020. At global level, we also take part in the Coca-Cola Environmental Council, and chaired the organisation till mid-2009.

A Culture of Sustainability

For sustainability to be genuinely embedded in a business, it must take root in its culture – not be merely an 'add-on'. At every level of business, our people must understand the issues and our approach, as well as their role in helping us achieve success.

Through training and communications programmes, we are involving employees, showing what our commitments mean in practice for them. All employees are trained in the Code of Business Conduct, for example, and must score at least 80% in the new e-learning programme. Other training is job-specific. Drivers of Company vehicles are trained in Safe & Eco-Driving, for example, while the sales force is trained in responsible sales and marketing, as well as energy-efficient operation of cold drink equipment. We encourage them to participate beyond the workplace too – whether saving energy and water at home, taking part in active lifestyle programmes or providing volunteer support to our community projects.

- Sustainability Policies
- GRI Reporting & Index
- Supporting the UNGC
- Independent verification

Improving the environmental performance of new acquisitions

Coca-Cola Hellenic expects newly acquired businesses to adopt our sustainability commitments and helps them make swift progress. In Italy, for example, since acquiring the Fonti del Vulture mineral water operations, we have significantly lowered the amount of energy, water and packaging used to produce each bottle.

The water use ratio of these two plants was cut by 50% and by a further 37% between 2007 and 2009.

Engaging Stakeholders

As part of the social fabric of the communities in which it operates, Coca-Cola Hellenic shares responsibility for their sustainability and wellbeing. Both at local and global level, we must work together with government agencies, civic society and business partners to address such issues as the effects of climate change and reduced water availability.

Our partnerships are long-term, focused and deliver measurable benefits to projects and partners alike

Working in Partnership

Partnerships are central to developing and delivering many of our commitments. Through long-term partnerships with NGOs, UN agencies and others, Coca-Cola Hellenic is working to conserve watersheds and raise awareness of water scarcity and other sustainability issues.

- At country level, we work with WWF, IFRC, UNDP, UNICEF, GWP as well as local NGOs, community organisations and local authorities.
- At corporate level, we are founding members of the CEO Water Mandate and Caring for Climate. We work closely with the ICPDR and WWF on transnational projects, including the Green Danube Partnership and the Tisza.

Coca-Cola Hellenic is currently working with IFRC to develop a long-term humanitarian partnership between head offices. This builds on the health programmes and disaster relief we support in many countries around our Group.

In addition, we support broader initiatives to advance corporate responsibility and sustainable development. These include the UN Global Compact, the World Business Council for Sustainable Development and the European Alliance on CSR, as well as approximately 200 organisations at local, national and international level.

Groupwide partnerships	
UN GC	United Nations Global Compact
	CEO Water Mandate
	Caring for Climate
ICPDR	International Commission for the Protection of the Danube River
Country partnerships	
WWF	World Wildlife Fund (WWF International and WWF in countries)
IFRC	International Federation of Red Cross and Red Crescent Societies
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
GWP	Global Water Partnership

Bilateral Engagement

Stakeholders	2009 Engagement on Sustainability Issues
Investors	Following requests to outline risks and opportunities presented by climate change, we made our first submission to the Carbon Disclosure Project - and summarise the risks and opportunities in this report. We also provide more information on human rights. The investment community continues to rate Coca-Cola Hellenic's performance positively. Its second consecutive listing on the Dow Jones Sustainability Indexes (World and STOXX) places it among the top 10% of companies worldwide for sustainability. We also received improved ratings by Vigeo and other SRI analysts (see **Business Overview**). Social and environmental performance is a part of Investor Roadshow presentations, as well as the Annual General Meeting and the Annual Report.
Suppliers	In 2009, a primary concern was to maintain our support to suppliers through the economic downturn. We continue to partner with key suppliers to develop innovative technologies and make them commercially available. To reduce the burden on suppliers while ensuring due diligence, we now conduct joint auditing with The Coca-Cola Company against our Supplier Guiding Principles. We also support efforts towards common industry assessments (see **Supplier Engagement**).
Customers	Sustainability is becoming another area of collaboration and customer service with larger customers. Programmes are still at an early stage, although we have worked together on active lifestyles, packaging reduction and water stewardship in some countries. We also support independent businesses and entrepreneurs (see **Community Involvement**).
Employees	The effects of the downturn on business and workforce were the most pressing concerns. We held a special consultation with our European Works Council and consulted unions and works councils to minimise redundancies and manage the process responsibly. We aimed to communicate openly and transparently, while treating those affected fairly and with respect (see **Employee Development**).
Consumers	Building on our engagement on consumer health – providing more beverage choice, nutritional information and fitness programmes - we are now working to help consumers do more to reduce their carbon footprint. In each country, our Consumer Response Information Services respond to contacts and report findings into our management information systems (see **Consumer Health** and **Packaging & Recycling**).
Communities	As the downturn impacted our communities, Coca-Cola Hellenic maintained investment in local programmes. Through water and active lifestyle programmes, we help raise awareness and encourage participation. Our local operations respond to specific community needs and regularly invite local NGOs, customers, students and other interested parties to visit our facilities.
Governments	We continue work with government agencies on water stewardship and active lifestyle programmes. At European level, Coca-Cola Hellenic engages directly or through industry associations, such as UNESDA and EUROPEN. All interaction with politicians and authorities is governed by the Code of Business Conduct. The Company did not make any political contributions in 2009.
NGOs	We rely on NGO partners to guide how we can best contribute to broader sustainable development, while mitigating our own impacts. With strong partnerships and programmes in water, we are broadening the range of partners and issues we tackle, such as our collaboration with the Red Cross.

Engaging with stakeholders: senior government representatives at ICPDR Ministerial Meeting, Danube Basin: Shared waters - joint responsibilities.

Learning through Engagement

Coca-Cola Hellenic holds an annual stakeholder panel to help it improve its performance and reporting. Our most recent session was in Geneva in October 2009, when representatives from NGOs, academia, investment funds, UN Global Compact, trade associations and CSR specialists participated in our panel. A frank discussion yielded valuable insights which we have attempted to incorporate into this report (see table). We also received constructive feedback on our reporting from the Guilé Foundation, the Global Reporting Initiative (GRI) and the UN Global Compact.

Feedback was positive on the materiality of issues we covered, the depth to which we discussed them, and our acknowledgement of shortcomings. Key areas for improvement – along with how we are addressing these comments can be found below. Some stakeholder feedback can take time to evaluate and implement. At our 2008 panel, for example, we were urged to provide more forward-looking targets – we do so in this report for the first time.

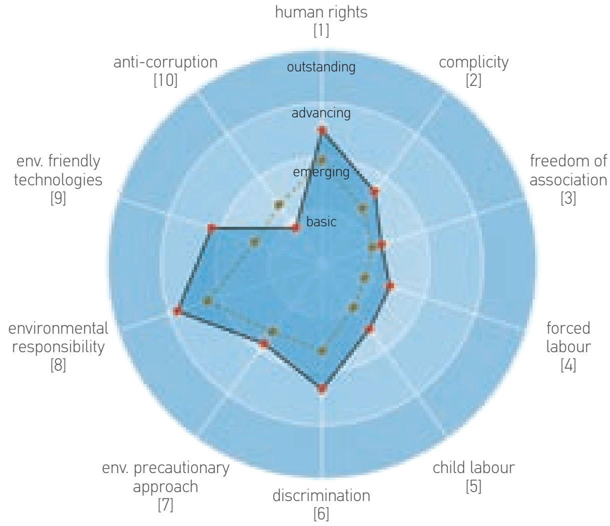
What Stakeholders said	How we improved
• Improve social reporting (anti-corruption, human rights, labour rights, governance, employee wellness)	• Follow the new Global Compact Reporting Guidance on anti-corruption • Integrate social data into our **Performance Data Summary** • Describe our activities across our value chain that support human rights, labour standards and anti-corruption in **Supporting the UN Global Compact**
• Provide absolute numbers, not relative figures and ratios • Give more detail on water use – since this issue varies by location	• Focus more on absolute measures • Provide more detail on local water risks/use
• Explain data measurement techniques and verification	• Explain data measurement techniques and controls in **About This Report**
• Provide comparisons for performance	Although external benchmarking is still at an early stage, we facilitate comparability by: • Including independent benchmarking of our report (opposite) • Publishing results from Dow Jones Sustainability Indexes online • Improving our safety metrics and reporting benchmarking results • Publishing our COP-Water scorecard
• Make business rationale more explicit	• Explain the risks and opportunities to our business, especially climate change and water
• Discuss trade-offs and dilemmas	• Discuss our greatest dilemma in 2009: maintaining the commitment and momentum of our Sustainability strategy while implementing budget cuts across our business

Engaging with Investors

The Swiss-based Guilé Foundation initiated the first investment fund whose selection criteria combine mainstream financial analysis with the vision and objectives of the United Nations Global Compact. In 2009, the Guilé Emerging Markets Engagement Fund was launched to promote corporate responsibility in regions such as Eastern Europe by means of constructive shareholder engagement.

This new fund has invested in Coca-Cola Hellenic because of our active participation in the UN Global Compact. The fund's Engagement Team analysed our reporting, benchmarking us against peer companies and reporting standards. They praised our environmental reporting but identified anti-corruption and human rights as areas for improved communication. In response, we adopted the new UN Global Compact Guidelines on Reporting Anti-Corruption and provide more detail in this Report.

Results of comprehensiveness assessment per principle for Coca-Cola Hellenic



Coca-Cola Hellenic participated in a business and environment workshop during the Copenhagen Climate Conference in 2009.

"Coca-Cola Hellenic is included in the Guilé Emerging Markets Engagement Fund. On behalf of the investors, the CSR expert team of Guilé Foundation engages with portfolio companies in a confidential yet constructive way within the framework of the United Nations Global Compact.

We are pleased about the very open discussion that we had with representatives of Coca-Cola Hellenic. Not only were they responsive to the strengths and weaknesses of the company's way of integrating CSR in its operations and communications that were identified in our assessment, but they also demonstrated willingness and ability to continuously improve CSR-related activities and to learn from peers.

We are convinced that companies such as Coca-Cola Hellenic, which extend their risk and opportunity management by considering systematically the Global Compact principles, will add long-term value not only for their shareholders, but also for their major stakeholders such as their clients, business partners, employees and finally society at large."

THOMAS STREIFF, LEADER OF THE ENGAGEMENT TEAM, GUILÉ FOUNDATION

- International platforms
- UN Global Compact
- ICPDR
- Business Friends of the Danube
- UN Economic Commission for Europe

Water Stewardship

As populations grow, their demand for water rises, too. Yet the world's freshwater resources are limited. Consequently, water stress and scarcity are spreading – even in Europe. One-third of the world's population still suffers from poor quality water and lack of safe sanitation, while increased water use by humans, industry and agriculture is having a major effect on aquatic eco-systems. Global warming is likely to exacerbate these issues.

25% improvement in water efficiency since 2002

Almost **96%** of wastewater is treated before reaching the environment

Yet the global water crisis is largely man-made – with scarcity of usable water and water pollution the result of poor governance. Sustainability of water resources can potentially be an issue everywhere, whether in developing, emerging or developed economies.

While governments are primary players in addressing these challenges, expectations of companies are rising, too. Since water is the main ingredient for our beverages, our business depends on the availability and quality of local freshwater sources. Furthermore, we will only maintain our social licence to operate if we contribute to the sustainable use of water in our communities.

Our Water Footprint

In 2009, Coca-Cola Hellenic completed its first corporate water footprint. Using the methodology of the Water Footprint Network, we calculated the water footprint of our 77 bottling operations.

The operational footprint in 2009 amounted to 17 billion litres (see graph). Retrospective calculations for previous years showed that our water footprint is now 37% smaller than in 2003. We aim to cut our water footprint by 40% versus the 2003 base by the end of 2010.

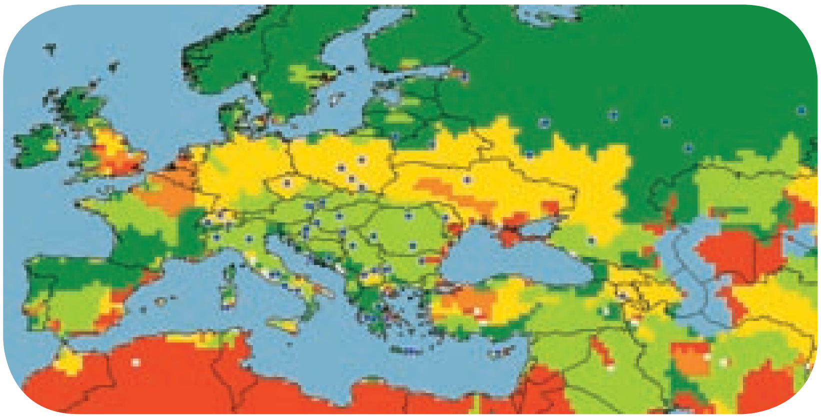
Of particular interest was the grey water footprint, which was higher than expected. Most of this is due to four bottling plants without wastewater treatment. Since 2003, the grey water footprint has decreased by 79% and will become negligible on completion of wastewater treatment units in 2010. As a result of this study, we were invited to participate in the grey water workshop of the Water Footprint Network to further develop the standard.

Looking beyond our own operations, we are investigating the water footprint of ingredients and packaging. It appears that rain water used to grow sugar crops is by far the largest share of our extended footprint, but also that beets do not need more water than natural vegetation (grassland or forests) would, so that their net green water footprint is near zero. Blue water (for beet irrigation) is very climate-dependent, being mostly used in Southern European countries. The grey water footprint varies widely with agricultural techniques, and more work is needed on the methodology in order to understand impacts. We are working with The Coca-Cola Company to collect more refined, country-level data on agricultural practices and performance.

As a founding signatory of the **UN Global Compact's CEO Water Mandate**, our water stewardship strategy covers all six elements of the CEO Water Mandate.

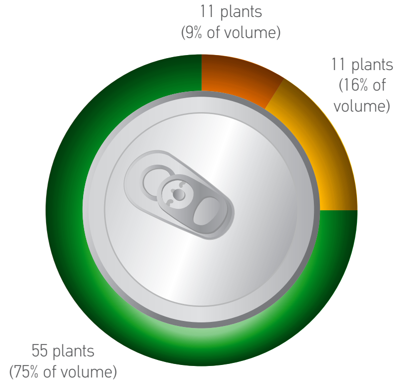
1. **Direct Operations** – We continuously improve the efficiency with which we use water in our operations.
2. **Supply Chain & Watershed** – We are studying the water use of our supply chain and our impacts on watersheds.
3. **Collective Action** – Working with NGOs and others, we are conserving vital freshwater resources and raising awareness in almost every country of operation.
4. **Community Engagement** – We raise awareness in our communities, encouraging public participation in our programmes.
5. **Public Policy** – We engage with policy-makers, NGOs and others, supporting integrated water resource management.
6. **Transparency** – In addition to this chapter, we include a scorecard assessing our implementation of the Water Mandate (see **Supporting the Global Compact**).

Water availability in the watersheds of bottling operations



Annual Water Supply Levels (1995)

- Location of bottling operations
- Extreme scarcity <500 m³/person/year
- Scarcity **500-1,000** m³/person/year
- Stress **1,000-1,700** m³/person/year
- Sufficient **1,700-4,000** m³/person/year
- Abundant >**4,000** m³/person/year



- Water scarce watersheds < **1,000** m³/person/year
- Water stressed watersheds < **1,000-1,700** m³/person/year
- Water sufficient watersheds < **1,700** m³/person/year

Our Broader Water Footprint

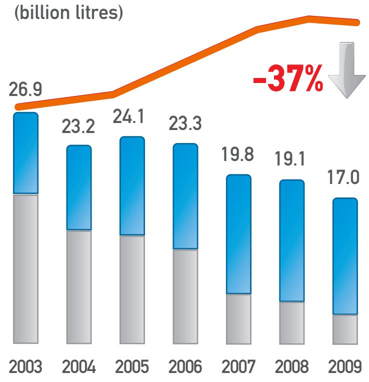
A water footprint consists of three components: the **blue**, **green** and **grey** water footprints.

- **Blue water** is defined as the amount of freshwater extracted from the watershed, minus the amount of water returned to that watershed. This includes water in our products, as well as ground or surface water used to irrigate sugar cane and other crops in our supply chain.
- **Green water** is the rain water used by vegetation. Our green water footprint comes from rain-fed crops in our supply chain. In temperate climates, crops use similar amounts of water to natural vegetation such as grassland, so that net green water use is near zero.
- **Grey water** is an indicator of water pollution and calculates the volume of clean water necessary to dilute wastewater to ecological standards. Our grey water footprint is largely due to four bottling plants without wastewater treatment. By the end of 2010, 100% of our wastewater will be treated, making this footprint negligible.

In absolute terms, the total water footprint of our operations has decreased by 37% since 2003, although production volume has risen 69%.

Operational water footprint

(billion litres)



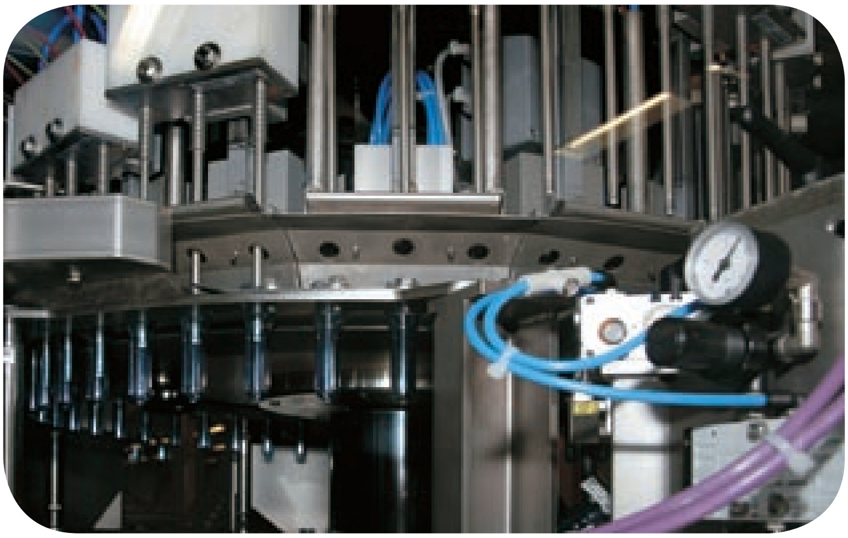
- Production volume
- Blue water footprint
- Grey water footprint

On behalf of our business system, The Coca-Cola Company participates in global programmes to improve water footprints in use in agriculture, such as the Sustainable Agriculture Initiative and the Better Sugarcane Initiative.

Understanding water risks

One limitation of water footprints is that they are quantitative calculations of water use – not an analysis of the local context for our water use which is as important, if not more so.

As a result, 22 Coca-Cola Hellenic bottling plants are located in water scarce or water stressed watersheds such as the Vistula or the Dniepr (see above). We continue our comprehensive risk assessment programmes. In 2009, we repeated our bi-annual water risk assessments at our bottling plants. These assessments – along with monthly updates and quarterly reviews – ensure that we monitor risks and have corrective action plans underway. As a result, we have an in-depth understanding of the risks associated with the quantity



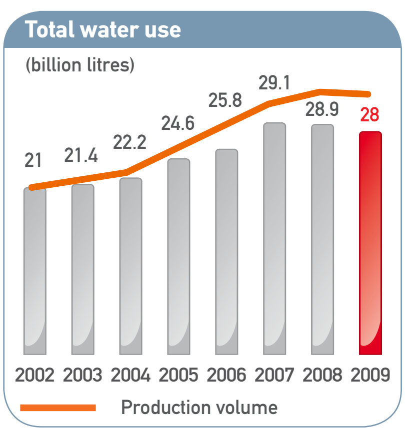
Sophisticated ionising equipment sanitises preforms prior to blow moulding, avoiding the need for water rinsing.

and quality of water supplies. By 2012, we aim to have developed local source water protection plans for all plants.

According to the risk assessments we conducted in 2009, eight bottling plants (accounting for 9% of our production volume) showed local baseline water stress. In seven plants, the volumes of water we need for future production growth are close to existing well capacity. We are therefore investigating alternative supplies so as maintain water supplies without depleting the aquifer.

Improving our efficiency

During 2009, Coca-Cola Hellenic's bottling plants used 28,023 million litres of water, of which 40% was used to produce beverages and 60% was returned to the environment.

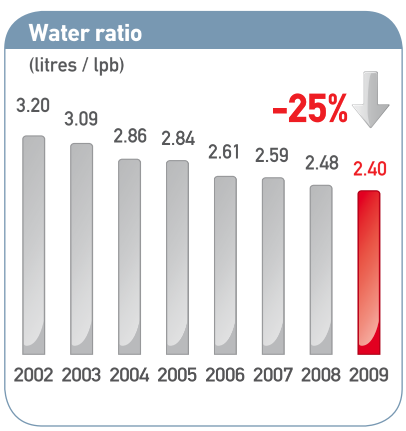


Coca-Cola Hellenic's absolute water use has increased less than production volume and has started to decrease.

This represents the second consecutive year that we have achieved an absolute decrease in water use. As a result, we now use 2.40 litres of water to produce each litre of beverage, a 3.4% improvement in efficiency for the year that exceeded our target, and a 25% improvement since 2002.

We have worked together with suppliers to develop new water-saving technologies. These include:

- **Aseptic lines** - In 2009, we piloted an innovative rinse water recovery system on our aseptic line in Poland. Coca-Cola Hellenic now has 17 aseptic lines to produce beverages without using preservatives. The enhanced cleaning processes required for these lines means that they use significantly more water than lines for sparkling beverages or water. This new system aims to recover 80% of water used in rinse sections of the lines – up to 10m^3 each hour. Results are being evaluated, and if successful, we plan to roll out to all aseptic lines.



Our water ratio (relative water use, normalised for production) has considerably decreased thanks to water saving activities.

- **Cleaning** – We identified a cold cleaning process to replace the current five-step CIP for filling lines and syrup rooms. During 2009, we validated the process, establishing that it can save up to 40% of the water and energy used by existing processes while achieving the same or better cleaning results. We plan to roll out the process in 2010.

We continue to implement dry lubrication technology, eliminating the need for water to convey beverages along our PET filling lines.

Working with The Coca-Cola Company and external specialists, we have shared water savings toolkits with plants and conducted in-depth assessments at specific plants for further opportunities to improve water efficiency.

Treating Wastewater

Pollution of water resources is another aspect of the global water crisis. Coca-Cola Hellenic is committed to ensuring that 100% of its wastewater is treated to a level that supports aquatic life before its release to the natural environment. To this end, the Company is building on-site wastewater treatment in all plants where there is no municipal facility by the end of 2010.

We are on track to achieve this goal. In 2009, a further two wastewater treatment plants were constructed, with the remaining four to be completed in 2010.

In 2009 we released 16,771 million litres of wastewater, of which 96% was returned fully treated to the environment. The quality of our wastewater has significantly improved, with a total COD discharge of 1,317 tonnes, 62% below 2003 levels.

Community Partnerships

Beyond our own operations, we work in long-term partnerships with government agencies, NGOs, UN agencies and others to address local water issues. These partnerships work to preserve watersheds while raising awareness of local water issues. A growing number of projects are transnational, such as our partnerships to protect important European rivers, including the Danube, the Volga, the Tisza and the Sava. By 2010, we will have programmes in all countries of operation.

New developments in 2009 included:

In **Hungary** – the endangered Danube Liberty Island has now been integrated into the Danube-Drava National Park as a result of our partnership with the National Park, WWF and others. Restoration work began, and in 2010 our Volunteer Club will support these initiatives. These efforts will improve the quality of water supplies to one million residents. We supported WWF fundraising by raising awareness of the project, as well as piloting payroll giving and other fundraising methods new to Hungary.

In another partnership with WWF and the ICPDR, we launched a project to address the pollution of the Tisza River. Working in **Ukraine**, the river's source, **Slovakia**, **Hungary** and **Romania**, the project will collect and recycle waste, set up a model recycling centre and educate local communities about conservation.

In **Greece** – we implemented rainwater harvesting systems together with the Global Water Partnership-Mediterranean. Addressing growing water scarcity on the Cyclades islands, the first systems will collect and store enough rainwater to supply 500 residents for drinking and household use.

Coca-Cola Hellenic's watershed protection projects now cover all major rivers and river basins across its territories. Other highlights in 2009 included:

In **Belarus** – Yelnya Bog has begun its recovery as a result of our work with APB Birdlife, a leading local NGO. Groundwater levels have risen one metre now that cascade dams have been built and irrigation canals blocked. Bird populations and original vegetation have started to return, and there has been an emissions reduction equivalent to 14,000 tonnes of CO_2 a year. In 2009, the partnership also undertook a clean-up of the Meadow of Turov, a major nesting site for wading birds.

In **Poland** – our 'Rivers for Life' project with WWF is restocking the Vistula River with salmon. Pollution, overfishing and dam construction had led to the fish almost disappearing from the river. In the last three years, almost 740,000 salmon fry have been released into the river.

In **Croatia** – the programme 'Our Beautiful Sava' aims to raise awareness of the River Sava's importance, preserving its biodiversity and developing ecotourism. Conducted with the International Sava Commission, the programme won a European Excellence Award in 2009.

Raising Awareness

Coca-Cola Hellenic also builds public understanding of water sustainability issues. We conduct high-profile river festivals in a growing number of countries, helping raise awareness of the importance of indigenous rivers to local ecological, economic and social wellbeing.

The annual Danube Day celebrations in 10 countries involve hundreds of thousands of people in conservation, education and awareness-raising activities. The programme also reaches millions more through media campaigns.

We have now extended the concept, with new annual festivals to celebrate the Volga, the Sava and the Vistula. In addition to exhibitions and discussions on sustainable development, cultural shows and concerts, and clean-up activities, innovative activities included an eco-picnic for Warsaw families to learn more about the Vistula, a series of scientific seminars about the Volga and a symbolic kayak ride along the Sava to demonstrate the river's potential for recreation, sports and tourism. In Russia, in partnership with UNESCO, Volga Day was celebrated by 3,000 participants in six cities.

Schools Education

Educating young people about water sustainability issues is a particular focus.

Translated into seven languages, our innovative Danube Box tool-kit has been used by 900,000 students in eight countries to date. Our Green Danube Partnership also holds schools activities and competitions, such as the International Danube Challenge with the Austrian Ministry of the Environment.

In **Italy**, more than 300,000 copies of our educational children's book *The Mystery of the Disappearing Water* have been distributed in secondary schools with the Ministry for Agricultural, Food and Forestry Policy. In 2009, our Missione Eco Tribù water-saving programme was launched in primary schools and will reach 100,000 children.

In Belarus, young researchers learn about water resource protection at the Water Festival summer camp.

Employees and students from 26 regions of Russia united to clean the shores of the more than 20 million year old Lake Baikal.

Aiming to inspire the next generation of hydrological experts, we also support national competitions for the prestigious Stockholm Junior Water Prize.

Community Engagement

Coca-Cola Hellenic helps to build local know-how and active participation in programmes.

In **Ireland** – we have created a network of 162 volunteer groups that act as guardians of rural beaches through the Clean Coast programme with An Taisce, the National Trust for Ireland, and Tidy Northern Ireland.

In **Ukraine** – we help community groups rehabilitate local springs through our 'Every Drop Counts' partnership with the UNDP. As the first 14 projects got underway in 2009, community members received training in water stewardship.

In **Poland** – our Kropla Beskidu Fund supports conservation in the Beskidy Mountains National Park. During 2009, 10 projects were conducted by community members together with NGOs and authorities.

At a minimum, we seek community participation in clean-up activities. During 2009, an estimated 7,500 volunteers took part in activities in 21 countries.

In **Russia** – we held our first clean-up operation with regional authorities at Lake Baikal, the biggest freshwater reservoir in the world. Student participants in the first Baikal Youth Forum helped remove 10 tonnes of waste from the Lake's shores, then handed local residents a key, symbolising the latter's responsibility for the area.

In the **Baltics** – the Company involved schoolchildren and employees in a range of activities. These included a canoe trip along the river Zeimena that collected two tonnes of rubbish, a clean-up of Tallinn's popular Pirita beach and cleaning a lakeside area in Riga."

> "Over the last few years, Coca-Cola Hellenic has advanced water awareness within its company and with key stakeholders. The work highlighted here shows the level of that commitment. In that time, they have also sought the opinions of many outside stakeholders to challenge their thinking and approaches to push them further toward delivery on shared water issues.
>
> WWF works with the private sector to be responsive and responsible water users, while helping to bring about better water management for all. We welcome Coca-Cola Hellenic's approach and commitment to water issues and commit to closely working with them to make sure they deliver on their water goals and to assess their wider water impacts in supply chains."
>
> STUART ORR, MANAGER,
> FRESHWATER STEWARDSHIP, WWF INTERNATIONAL

Local Plant Activities

While many programmes are national or even transnational, individual plants also conduct programmes in their local communities. In **Italy**, our plants celebrate the Acquando Water Festival with youth activities ranging from treasure hunts and inter-school competitions to theatrical shows – all themed around water. During 2009, 10,000 participants took part in these award-winning festivities.

Mineral water sources are especially sensitive to pollution. As a result, our mineral water plants protect local springs with neighbouring communities. For example:

In **Romania** – the Dorna mineral water plant held its fifth annual riverbank clean-up in the ecological reserve of Vatra Dornei. Over 500 volunteers cleared

Rainwater Harvesting in Greece

To address growing water scarcity, we launched a rainwater harvesting programme in Greece during 2009. Working with Global Water Partnership-Mediterranean and local authorities, we installed systems in five schools and city halls on the Cyclades islands. By collecting and storing rainwater from rooftops, these five installations alone are expected to deliver almost 400,000 litres of water for drinking and household use each year. Local technicians and teachers have been taught to operate and maintain the systems. We will expand the programme to a further six islands in 2010. The programme won first prize (Environment/Water) at the 2009 CSR Excellence Awards of the Hellenic Advertisers Association.

30 kilometres, collecting nearly 20 tonnes of waste. Signs were installed to teach visitors about conservation, while a new 'eco-patrol' of students and teachers was set up to run future activities.

In **Austria** – the Römerquelle plant promotes low-impact agriculture among local farmers, helping to protect groundwater from fertilisers. In 2009, Römerquelle gained the Ministry of the Environment's eco-label for the 15th consecutive year, and is the only mineral water to have received the award.

Water and Sanitation

Coca-Cola Hellenic also helps to improve access to water and sanitation. In **Nigeria**, we provide boreholes and overhead tanks to supply safe drinking water for neighbouring communities. In **Romania**, we worked with the UNDP and local authorities to access European funds for sewage systems and filtering stations for the village of Dorna Candreni. We also support fundraising for safe water programmes, partnering with UNICEF in **Ireland** to raise €100,000 for global safe water programmes over the last four years.

Public Policy Development

Since the water crisis is more attributable to poor and fragmented water governance than the natural limitations of water resources, we support initiatives to improve governance, transparency and stakeholder participation. In order to develop and manage water resources and deliver water services, we support the development of national policy and regulatory frameworks for integrated water resources management (IWRM). In **Ukraine**, for example, we support the development of national water policies through the Drinking Water Association.

Beverage Innovation Awards

At the 2009 Beverage Innovation Awards, Coca-Cola Hellenic received a special commendation for our water stewardship programmes in the 'Best environmental initiative' category.

The judging panel cited our watershed protection programmes, saying: *"For an outstanding and sustainable international contribution to water stewardship across an entire business – engaging with employees, communities, governments and NGOs to protect watersheds, raise public awareness and preserve water."*

Special commendations at these awards are rare; the last one was awarded in 2006 to the European beverages association UNESDA for their commitments to the EU Platform. FoodBev Media explained: *"The judging panel was impressed by the many and varied water stewardship initiatives entered by Coca-Cola Hellenic and decided that it was necessary to draw special attention to the company's entire activity in this important area."*

- Environmental Policy
- Water projects by country
- ICPDR
- Danube Day Celebrations
- APB Birdlife Belarus
- European Water Partnership Aquawareness

Energy & Climate Change

The latest research suggests that the climate is changing more rapidly than thought. At the current rate, average global temperatures will rise by over six degrees –- more than the change in temperature since the last Ice Age. To avoid the most severe impacts of climate change, every sector of society must significantly reduce its carbon footprint – and do so urgently.

31% improvement in plant energy efficiency since 2002

Constructing **15** CHP units, reducing plant emissions by **20%**

New coolers now up to **66%** more energy-efficient than in 2004

Moving our economies onto a low-carbon growth path is an immense challenge, but a challenge that is achievable. Many technologies are already available; and costs are manageable – even in the current economic climate. The private sector plays a vital role in meeting this challenge.

A Leadership Role

Coca-Cola Hellenic committed to an active leadership role by signing the Global Compact's Caring for Climate, the largest business coalition on climate. We are fulfilling this commitment by transforming our own business, as well as promoting the need for bold action now.

In the largest energy-efficiency initiative across our industry, we have committed to construct 15 on-site combined heat and power (CHP) units. We are already close to stabilising our direct emissions and this programme will help us reduce emissions by at least 20% by 2020 – the current EU emissions reduction target. Our CHP programme has been recognised by the European Commission as an Official Partner of its Sustainable Energy Europe Campaign. We are also pioneering new cold drink equipment that is up to 66% more energy-efficient than 2004 models and includes the largest range of HFC-free refrigeration in the marketplace.

An engineer checks one of the jenbacher engines at the CHP plant in Ploesti which opened in 2009.

At COP15 in Copenhagen, we demonstrated that these low-carbon technologies can be adopted now, even without major investment. We previously joined global business leaders in signing the Copenhagen Communiqué, calling on governments to develop a global deal that responds credibly to the scale and urgency of the crisis.

Understanding Climate Risks

The effects of climate change could pose regulatory, physical and market risks to our business (see opposite). We aim to mitigate our exposure to these risks while creating opportunities to gain competitive advantage in a carbon-constrained future. These are discussed more fully in our report to the Carbon Disclosure Project (CDP).

Climate Change & Our Business	Risk	Opportunity
Regulatory	• Not currently exposed; our operations are not considered major sources of emissions. • Any future regulation may affect packaging, product delivery and distribution.	• Energy pricing may increase returns on our investments in energy efficiency and on-site renewable power generation. • Our new cold drink equipment prepares us for future limitations on equipment and potential restrictions on HFC coolants.
Physical	• Production capabilities, supply chain, consumer demand could be affected. • Water scarcity could limit availability for our operations.	• Water stewardship programmes help maintain both our physical and social licence to operate.
Economic	• Reduced agricultural productivity could affect the price and availability of key crops, e.g. sugar beet, sugar cane, fruits. • Adverse weather conditions (poor weather) could reduce demand for our products.	• Our new cold drink equipment offers us a competitive advantage with customers seeking to reduce their carbon footprint. • Warmer weather in cool areas could increase demand for our products.
Other	• Failure to show leadership in combating climate change could negatively affect our reputation.	• Educating customers and consumers about our work and helping them reduce their footprint could benefit our reputation.

Reducing our Carbon Footprint

Coca-Cola Hellenic's direct emissions in 2009 amounted to 831,044 tonnes of CO_2 equivalent, mostly due to energy used in bottling plants and fleet. In 2009, we achieved a reduction of 5.7% in relative emissions. Most significantly, we are now close to stabilising our absolute emissions.

Our wider carbon footprint was calculated to be 4.58 million tonnes in 2009 - almost four times that of our direct emissions. The greatest sources of indirect emissions are cold drink equipment and packaging (see p. 23-24).

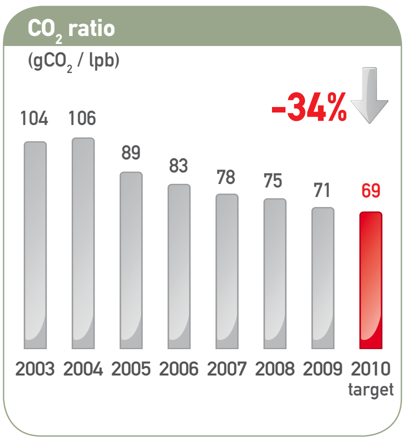
CHP in bottling operations

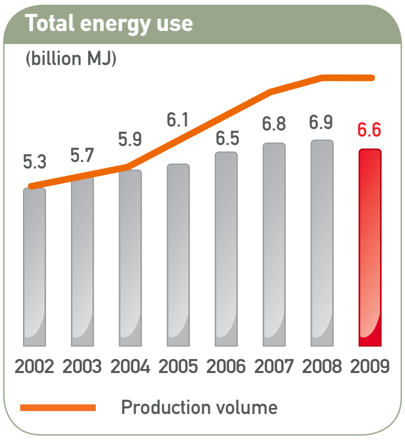
The single biggest reduction to our direct emissions will come from on-site CHP units. These facilities generate power, heating and cooling, recovering the heat energy typically wasted by conventional power plants. Using an innovative quad-generation approach, the facilities capture CO_2 and purify it to the highest levels for industrial use. As a result, the CO_2 emissions of our new CHP units are up to 95% lower than those of traditional power plants. Furthermore, by selling excess power to national grids, we help to reduce their carbon intensity.

During 2009, we completed the construction of three CHP units, in addition to the existing pilot unit in Hungary. A further 12 CHP units are under construction or awaiting permit approval. The ambitious scale and innovative nature of our programme mean that we inevitably encounter legal hurdles and administrative delays. Nevertheless, we are making solid progress and have scheduled six more units for completion in 2010.

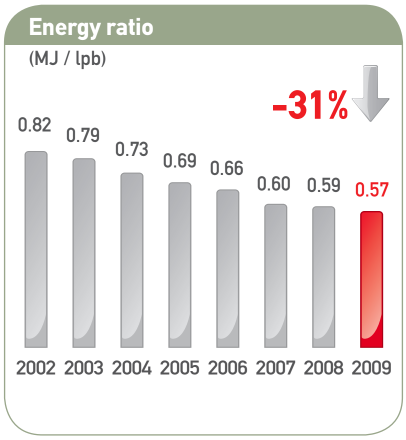
Energy Efficiency

In 2009, we reduced the energy used in our bottling plants by 4.2%, and have improved our energy efficiency by 31% since 2002. In addition to our CHP programme, all of our 77 bottling plants continue to implement energy efficiency initiatives. Our Knockmore Hill plant in **Northern Ireland**, for example, has installed an energy monitoring system to gain real-time analysis and monitoring of energy and emissions. The plant is also working with the Carbon Trust to attain Carbon Reduction Certification.

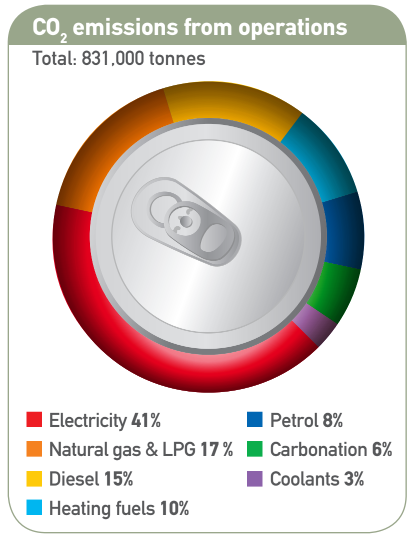




Energy use has increased less than production volume and has started to decrease.



The energy ratio has significantly decreased since 2003 thanks to energy saving programmes.



A detailed energy audit is a precondition for bottling plants that intend to construct CHP units. Since audits conducted to date have yielded valuable suggestions for further energy savings, we plan to extend this process to all bottling plants starting in 2010. We also continue to share best practice from around the Coca-Cola System.

Furthermore, we are making our buildings greener. In **Italy** and **Romania**, our new fully automatic high-bay warehouses are located on the site of bottling plants. As a result, we save on transportation between plant and warehouse as well as on-site use of forklift trucks. By reducing floor space we also save light and heating. These new facilities will improve the energy used in those warehouses by over 15%. In **Ireland**, construction of an innovative automated racking system has begun, which saves space, energy and transport within existing warehouses. If successful, this could be replicated in other locations.

Green IT

As a core element of our IT strategy, we have now firmly established a Green IT culture. All IT activities are designed and implemented with CO_2 reduction and power savings in mind. In 2009, our Green IT programme led to a reduction of 1,371 tonnes of CO_2 emissions, a 60% improvement on 2008.

We are now installing blade servers that have reduced power consumption, improved power management and take up about 35% less physical space than ordinary servers. We also use thin client terminals that require up to 50% less energy than a standard PC. Furthermore, multi-function devices now replace old copiers, printers and fax machines: 375 devices were retired in 2009. Other initiatives included server consolidation in a further four countries reducing the number of servers by 45% and data centre enhancements to meet additional business needs in the most energy-efficient way.

We are leveraging our Green IT initiatives to influence user behaviour. In 2009 employee use of video and audio conferencing more than doubled over the previous year, while their implementation of our power-saving policies on desktops, monitors and laptops reduced IT energy consumption by 12%.

Renewable Energy

Although Coca-Cola Hellenic's greatest emission reductions will come from energy efficiency initiatives in the short term, we aim to increase the proportion of renewables in our energy mix. In 2009, 18.5% of our electricity, or 7.7% of total plant energy consumption, came from renewable sources.

In late 2009, the Company agreed a project that will lead to the installation of 150,000 m^2 of photovoltaic panels on the roofs of its eight bottling plants in Italy, which will generate clean electricity.

In future, we hope to use biogas to power some of our CHP units, which currently

CO_2 reduction activities in 2009

Programme	CO_2 reductions (tonnes)
Energy saving activities in plants	30,600
Combined Heat and Power	18,000
Packaging reduction	150,000
Corporate flights offsetting	1,650
Eco-driving	6,600
Greener coolers	15,800
Green IT	1,370
Total	Over 224,000

run on natural gas. Since industrial biogas generation is relatively new in our countries of operation, however, we are still working to identify reliable local sources.

Fleet and Transportation

In 2009, we reduced CO_2 emissions from our fleet by more than 6,600 tonnes. This was largely due to our Safe & Eco-Driving programme which is active in all 28 countries of operation. Through a variety of techniques - driving at optimum speed, early gear changes, better use of vehicle momentum amongst others - our drivers are conserving fuel and reducing emissions. As part of this, we have set maximum fuel consumption standards for each vehicle.

All drivers of cars and vans have now been trained and performance is reviewed monthly. In 2010, we are extending the programme to our delivery trucks. A pilot study in Hungary in 2009 yielded a 25-tonne reduction in CO_2 emissions.

Although budget restrictions limited vehicle replacement in 2009, we analysed our fleet to identify where smaller vehicles and engines could perform as well or better. As a result, all country operations have now revised their purchasing specifications. When regular vehicle replacement resumes, we expect this initiative to eventually avoid 1,800 tonnes of CO_2 annually. In our remaining territories, our vehicles are already among the smallest available.

We continue to explore alternative fuels, testing in countries where infrastructure is conducive. During 2009, we trialed diesel-electric hybrid trucks in **Austria**, following our experiment with Compressed Natural Gas (CNG) cars. In **Bosnia**, 50% of our sales cars now run on Liquefied Petroleum Gas (LPG), and we support a local initiative to convert waste cooking oil into biodiesel. Nevertheless, our in-depth analysis of fleet CO_2 emissions showed that high-mileage clean-diesel cars produce lower emissions than either CNG or hybrid vehicles at present.

With 77 bottling plants across our territories and 90% of supplies sourced locally, our transportation footprint is kept to a minimum. Supplies and finished beverages are transported by road, rail or ship depending on the most efficient mode of transport. During 2009, we began transporting products from Vienna to western Austria by rail, rather than road, saving approximately 2,000 tonnes of CO_2 each year. As part of our rollout of the SAP system, we are deploying additional route management systems to ensure that the most efficient routes are taken. We avoid air freight wherever possible. We also discourage air travel and levy an internal carbon tax on corporate flights.

Reducing indirect emissions

Since Coca-Cola Hellenic's cooling equipment and packaging together account for over two thirds of its wider carbon footprint, these are the focus of efforts to reduce emissions in the value chain.

Cold Drink Equipment

In 2009, the Company worked with suppliers to bring about a step-change in climate-friendly refrigeration. Following intensive research and development, our new equipment is now up to 66% more energy-efficient than in 2004 – with much of the improvement achieved in the last two years.

Our greatest focus during 2009 was to expand the range of coolers that are free of hydrofluorocarbons (HFCs). Given their high global warming potential, we have committed to eliminate HFCs from all new equipment by 2012,

New fully automatic high-bay warehouses cut transport between warehouse and plant, reduce floor space and save lighting and heating.

"Coca-Cola Hellenic is not only aware of the need to reduce CO_2 emissions, but is also demonstrating that business efficiency can go hand in hand with practical actions to reduce them. Innovations such as combined heat and power generation and transport saving through high-bay warehousing demonstrate how the creative capacity of industry and technology can together rise to the challenge.

It has also shown how quickly industry can respond. It took no more than two years to implement such a development after its first consideration by the Company's Committee for Social Responsibility. If enough major businesses follow such leads, we might surprise ourselves by the speed with which energy use might change. But there is still a long way to go!"

PROF. GEOFFREY BOULTON FRS,
EDINBURGH UNIVERSITY

replacing them with natural refrigerant gases, namely hydrocarbon (HC) or CO_2. To make enough coolers commercially available to achieve our goal, we worked intensively with suppliers to develop, test and introduce 14 new cooler models. In 2010, our planned purchases will make us a leader in the use of HFC-free equipment in the marketplace. We have not purchased equipment with HFCs in insulation foam since 2006.

We also implemented other energy-efficiency measures. All new medium and large coolers are equipped with intelligent energy management devices. In 2009, we purchased 10,000 such units, bringing the total to 18,000. This saves 11,600 tonnes of CO_2 annually. New equipment now includes more energy-efficient bodies and LED lighting that uses ten times less lighting energy. Our planned purchases in 2010 will avoid 26,600 tonnes of CO_2 emissions annually.

Despite our focus on developing new cooler models, we do not overlook existing equipment in the marketplace. For the remainder of this equipment's ten-year life span, we are improving its energy efficiency in two different ways. Firstly, our sales force trains customers in a series of energy-saving tips. In addition, we will retrofit 250,000 units over the next three years with energy-saving devices. These measures will avoid more than 500,000 tonnes of CO_2 emissions each year over the next decade.

Packaging

By minimising the material in our packaging, increasing recycled content and supporting recycling, we reduced the embedded carbon in our packages by an estimated 150,000 tonnes in 2009 (see **Packaging & Recycling**).

Raising Awareness

We help raise awareness of climate change and the need for action now - on the international stage and in our territories. In **Serbia**, we supported the first Regional CSR & Energy Efficiency conference, organised by the Centre

New cooler model uses two-thirds less energy

The new Activator 700 EMS 55 HC LED is one of the most energy efficient coolers available in the marketplace today. It uses only 3.74 kWh per day, two-thirds less than its predecessor.

The improvement is the result of four different elements: a more efficient body and better insulation; an in-built intelligent energy management device; HC as the refrigerant gas; and LED lighting. Aiming to make the Activator 700 EMS 55 HC LED our most widely used cooler over time, we plan to purchase a minimum of 11,000 units in 2010.

for Monitoring and Evaluation with the Global Compact and UNDP. We shared our approach and promoted CHP technology with more than 200 participants from government, NGOs and academia across nine Western Balkan countries. We also shared our Green IT programme at the 2009 Central and Eastern Europe IT Leaders Summit and joined the EcoDrivingUSA Worldwide community.

Through our programmes such as Green IT and Safe & Eco-Driving, we show how employees can reduce emissions, both at work and at home. We are also exploring how to help customers and consumers understand our products' carbon footprint.

Adaptation

Although we focus on mitigating the most dangerous impacts of climate change, we must also adapt our business to deal with the reality of climate change. Since water availability and quality will be the main pressures under climate change, our water stewardship strategy is preparing our business to adapt to this. We are also helping our communities address local water risks, such as promoting rainwater harvesting in **Greece** to address water scarcity. Since healthy eco-systems can help to mitigate the adverse impacts of climate change, we conduct ecological programmes such as restoring the endangered Yelnya Bog in **Belarus**. Once restored, the 24,000-hectare bog is expected to absorb up to 24,000 tonnes of CO_2 annually - equivalent to our manufacturing emissions in the country (see **Water Stewardship**).

Energy management devices detect the opening hours of a store and adjusts the cooler's temperature. They turn off lights and reduce fan operation thereby saving up to 35% energy use.

Innovative quad-generation at a Romanian bottling plant

At the Ploesti plant in Romania, Coca-Cola Hellenic opened its first quad-generation CHP unit in 2009. At the opening ceremony, internationally recognised climate change expert Professor Geoffrey Boulton addressed the 200-strong audience. As a result, customers, local authorities and community representatives heard first-hand about the threat of climate change and need for action now.

The new CHP unit supplies the plant's energy, heating, cooling and carbonation needs and sells excess power to the national grid, which is still typically powered by heavy oil and coal. Another CHP unit in Romania is scheduled to start operations at the Timisoara bottling plant in 2011.

- Climate Change Policy
- Caring for Climate – UN Global Compact

Packaging & Recycling

Bottles, cans and other packaging play a major role in ensuring the quality and safety of our beverages as they travel from production line to end-consumers. Yet despite its contribution to overall product sustainability, packaging itself incurs environmental impacts at every stage of its lifecycle, from manufacture to ultimate disposal.

Avoided **84,000** tonnes of packaging in 2009

66% of packaging recycled in Europe

National recovery organisations set up in **17** countries

Coca-Cola Hellenic's holistic approach to packaging ensures that the Company continuously reduces these impacts. We minimise the materials and energy used to produce the packaging and maximise the use of recycled content. Once beverages have been consumed, we help to recover and recycle their packaging. We are also driving down waste in our own operations.

Ultimately, our goal is to close the recycling loop: recycling used packages into new in a way that is environmentally and economically sustainable. We are committed to investing in bottle-to-bottle recycling plants wherever a continuous supply of suitable recycled material is available. In **Austria**, for example, we co-own a recycling plant which recycles more than 20,000 tonnes of used PET bottles each year for converting into new bottles.

Reducing Packaging

Minimising the amount of material we use is the single greatest reduction we can make to the impact of our packaging. Given our projected business growth, we focus on the efficiency of our packaging. By making more packages using less material, we can lower CO_2 emissions throughout the package's lifecycle.

By 2012, we aim to reduce the amount of packaging we use for each litre of beverage by 25%, as compared to 2004. We made progress towards this goal in 2009, achieving a 9% reduction and using 62 grammes of material for each litre of beverage.

In absolute terms, we used 724,000 tonnes of packaging materials in 2009, 84,000 tonnes less than the previous year. Over their life-cycle, these materials would emit around 1.6 million tonnes of CO_2, an absolute reduction of 150,000 tonnes over the previous year.

These improvements were due to a number of initiatives, including:

- **Glass bottles** – We have now rolled out ULTRA-glass and other light-weight glass bottles across most of our territories. These bottles use up to one-third less glass, yet are more resilient.

Lightweighting of Packages

PET 500ml

2005 — Weight **28 g.**

2009 — Weight **24 g.**

Glass 330ml

2005 — Weight **263 g.**

2009 — Weight **210 g.**

PET 500ml

2005 — Average weight **28 g.**

2009 — Average weight **18 g.***

*Lowest achieved: 14 grammes

In 2009, this avoided use of 2,490 tonnes of glass.

- **Lighter PET bottles** – The Company continued to reduce the weight of its PET bottles. By the end of 2009, the pilot Coca-Cola contour bottle in Italy contained only 20.7 grammes of PET, 26% less than its original weight. Through lightweighting work in 2009, the still water bottle in **Bulgaria** weighed only 13.5 grammes, 4% lighter than the previous lightest water bottle. Such initiatives avoided the use of almost 2,000 tonnes of PET in 2009 and will now be further rolled out.

- **Short-height plastic closures** – The new short-height plastic closure standard (1881) was introduced on our PET bottles in **Italy** during 2009. This project allowed for a weight reduction of 0.6 grammes per plastic closure and 1.3 grammes per bottle, delivering a saving of 152 tonnes of plastic for the year. In 2010 we intend to roll out this new closure to a further seven countries.

Secondary packaging – We work to reduce our use of secondary and tertiary packaging: the pallets, cardboard, shrink film and other materials that allow safe delivery of products to customers across our countries.

In **Ireland**, for example, we worked with Tesco in 2009 to develop new merchandising units that reduce the amount of shrink-wrap used. These returnable trays can be rolled straight into the store, saving not only packaging but also time and labour for our customer.

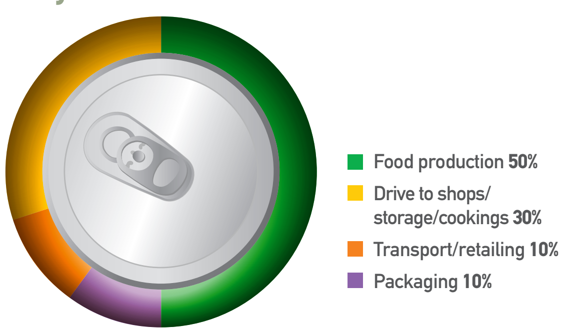
In 2009, we continued to optimise our use of stretch and shrink film in bottling plants. Over the last three years, a pilot programme has helped us avoid 305 tonnes of film, saving approximately 1,832 tonnes of CO_2.

> "Pro Europe recognises Coca-Cola Hellenic as a trustful and credible partner from the very beginning in the development of packaging collection, recycling and recovery systems in Europe.
>
> We appreciate that the Company is implementing sustainable resource use reduction through lightweighting and exploring all measures to increase the amount of recycled material content in the packaging used.
>
> PRO Europe is very happy to work jointly with Coca-Cola Hellenic as a catalyst of behavioural change on the way to achieving a sustainable society."
>
> HENRI MEIRESONNE,
> PRESIDENT OF PRO EUROPE

Packaging's contribution to society

Without packaging:

- Consumers could not live the way they do today. Worldwide, more people now live in urban than rural environments. Food and other goods are therefore made at some distance from where they are consumed – packaging is needed to ensure they survive the journey from production to consumption.
- No liquids, gels or powders would be available.
- Fruit and vegetables would not be available out of season.
- Consumers would have to grow their own food or shop daily for it.
- The environmental damage from broken goods and spoiled food would be enormous.
- Food waste has at least ten times the environmental impact of packaging waste and that's before taking account of the impact of methane from decayed food.



Source: "Packaging in Perspective", Advisory Committee on Packaging supported by INCPEN, the Packaging Federation and Valpak, October 2008.

- Of the total energy used in the food chain, 50% is used in food production, 10% on transport to the shops and retailing, 10% to make the packaging and the remaining 30% is used by shoppers to drive to the shops and store and cook food.

All company facilities have strategically placed collection points for recyclable materials. There are also facilities for the return of materials other than our own packaging materials, including printer cartridges, electronic equipment, paper and used batteries.

As we run up against the limitations of current technology, in terms of resistance and durability of materials, we are seeking innovative ways to further reduce the impacts of our packaging.

Using Recycled Content

Using recycled material is another important way we can minimise the environmental impacts of our packaging. Recycled material requires significantly less energy to produce than virgin materials – up to 95% in the case of recycled aluminium.

We are therefore working to increase the recycled content of our beverage containers. While our glass bottles and metal cans contain up to 60% recycled content, our PET bottles currently include a maximum of only 30% recycled content.

We include recycled PET in our bottles in seven countries.[1] We used almost 6,300 tonnes of recycled PET during 2009. Although this represents the most recycled PET we have used to date, it fell short of our target to use almost 7,000 tonnes and still accounts for a tiny proportion of our total PET usage.

Technically, it is possible to use up to 100% recycled content in PET bottles. Instead, the challenge is to secure a reliable source of feedstock that is cost-effective and high-quality. Only the highest-quality food-grade material can be used for food and beverage packages, making it easier and cheaper to divert the collected PET material into such industries as carpets and clothing.

Setting up bottle-to-bottle recycling plants is one way we are working to address this. In **Austria**, we co-own the PET to PET Recycling Österreich GmbH plant that provides us with a local supply of high-quality feedstock. In 2009, this plant provided us with 1,840 tonnes of food-grade material. Since the plant opened in 2007, it has recycled more than one billion plastic bottles.

Promoting Recycling

Along with other companies which utilise packaging, Coca-Cola Hellenic is a member of 17 Recovery Organisations, collecting used (or "post-consumer") packaging for recycling. We led the establishment of these bodies and have an ownership stake in 16 schemes. Across our business, we now recover the equivalent of 66%[2] of beverage packages for recycling.

In 2009, we helped launch a recovery organisation in Serbia. We are now working to launch a similar system in FYROM during 2010.

In EU member states, national targets are set for the recovery of used packaging, ranging from 55% to 80%. In 2009, national recycling rates for packaging met or exceeded targets in each of our countries of operation where they exist, except for **Cyprus**, **Greece** and **Lithuania**. Of particular note is the increased proportion of PET packages now recycled in Europe - approximately 46%[3] according to latest figures, up from 40% in 2007 - making PET the most widely recycled plastic packaging.

In our non-EU territories, national legislation is increasingly in place or under development. Here, too, we are increasing recycling rates. In **Nigeria**, for example, we have helped set up three collection centres and one recycling plant. In 2009, these facilities recycled almost 2,000 tonnes of PET.

Raising Awareness

Yet if consumers do not place their used beverage containers in collection systems, the recycling loop cannot work. Rather than becoming valuable raw material for recovery and recycling, packages will end up in landfill or as litter.

We therefore promote the importance of recycling, showing people how to do so. In **Bosnia**, where recycling is relatively underdeveloped, our new recovery organisation Bihpak supported a campaign called Put the Right Thing in the Right Place, as well as a pilot collection programme in the municipality of Gracanica.

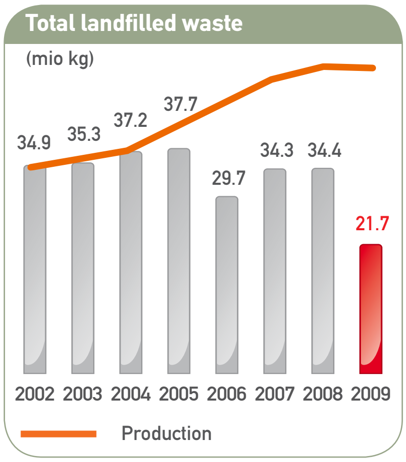
Coca-Cola Hellenic's support to recycling	
Scope	
Countries of operation with a Recovery Organisation	17
Population covered by Recovery Organisations	143 million
Municipalities contracted	19,259
Infrastructure utilised by Recovery Organisations	
Number of recycling plants	847
Number of collection bags and bins (annual)	11.9 million
Number of trucks	1,609
Amount recovered in 2009	12.1 million tonnes
Total cost to Coca-Cola Hellenic in 2009	**€33.2 million**

1. Austria, Czech Republic, Hungary, Poland, Slovakia, Slovenia and Switzerland.
2. Since this figure represents all beverage packaging, it is not possible to quantify the share of our packaging recovered. Instead, we pay fees based on our share of sales: €33.2 million in 2009.
3. Source: PETcore.org

Even where recycling is more advanced, it is important to keep communities engaged.

In particular, we focus on recycling for consumers on the go – people who would recycle beverage containers at home, but lack facilities when outdoors. We now mandate that all Company-sponsored concerts, sports and other events include a collection system for used beverage containers. In 2009, we collected 130 tonnes of packaging at such events. From the Coke Live Music Festival in **Poland** to the Amita Positive Energy Tour in **Greece**, Coca-Cola Hellenic also promotes recycling messages to hundreds of thousands of young event-goers.

Lastly, we conduct education to reduce litter. Our new transnational partnership will help to collect and recycle plastic waste in the Tisza River Basin. Originating in rural **Ukraine** and **Romania**, where there is currently no organised collection system, waste ends up floating down the Tisza River. By working in four countries, we expect our programme to collect around 66 tonnes of plastic waste, channelling it to local waste treatment plants.



Coca-Cola Hellenic has considerably decreased the total amount of waste sent to landfill.

We continue our longstanding support to local initiatives, such as the National Spring Clean with An Taisce, the National Trust for **Ireland**.

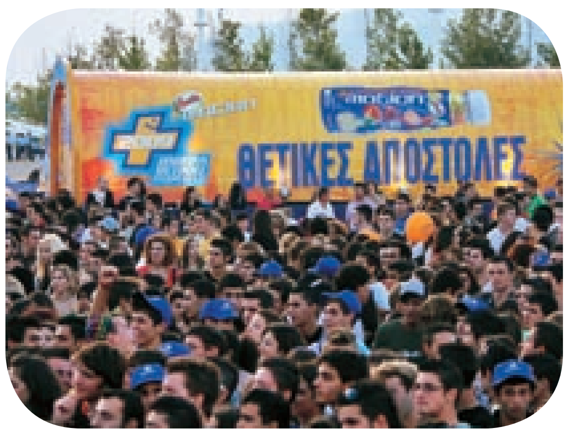
In-Plant Recycling

In our own operations, too, we are working hard to reduce the waste we generate. Our target is to achieve at least 90% recycling rates at all bottling plants by 2015. To date, 39 plants have achieved this goal. One difficulty results from the unavailability of recycling facilities at a reasonable distance from bottling plants.

In 2009, we recycled or recovered 83% of our production waste, diverting 109,000 tonnes from landfill. We generated only 11.2 grammes of waste for each litre of beverage, 13.5% less than the previous year and an absolute reduction in waste of 22,000 tonnes. Per litre of produced beverage, we have reduced the amount of landfilled waste by 69% since 2002. Much of this improvement resulted from the postponement of line and building refurbishments, which typically generate waste that is difficult to recycle.

Amita Positive Energy Tour collects 95% of beverage packaging

During the Amita Positive Energy Tour of four Greek cities, participants helped us collect 95% of all beverage packaging sold during the event. Under the banner 'Fill the planet with positive energy!' we encouraged the 67,000 young event-goers to recycle. As a result, seven tonnes of waste were collected, five times more than during the previous year. In addition, we offset the estimated 240 tonnes of CO_2 emissions of the Amita Motion Tour by supporting a wind power project in Smyrna, Turkey. The Amita Motion recycling and offsetting project is now among the top ten most recognised CSR programmes in Greece, according to MEDA Communication-VPRC research.



- Packaging and Packaging Waste Policy
- Petcore
- PRO EUROPE
- EUROPEN

Consumer Health

In addition to refreshment and hydration, today's consumers seek health and wellness benefits in the beverages they choose. They want natural ingredients, lower-calorie options, and more nutritional information. They also expect safe and reliable products that offer value for money - especially during the economic downturn.

The average calorie content of our beverages is now 18% lower than 2001

Coca-Cola Hellenic meets these changing expectations in a number of ways: from broadening its range of drinks, especially reduced-calorie and nutritionally enhanced beverages, to supporting public health initiatives; from clear nutritional information to responsible marketing. Besides meeting these evolving requirements, we maintain our longstanding commitment to expanded product choice, quality and affordability.

Many of the brands we produce are owned by The Coca-Cola Company, which is responsible for ingredients, labelling and pack sizes, as well as consumer marketing and advertising. Other aspects of our approach, including trade marketing, sales and active lifestyle programmes are our responsibility. Moreover, we are responsible for the entire consumer health strategy for our own-brand beverages.

A wider choice of beverages

By the end of 2009, Coca-Cola Hellenic offered some 180 brands with almost 270 flavour options in 17 different consumer packaging options. These include a wide variety of waters, juices, iced teas, ready-to-drink coffees, sports drinks, energy drinks and nutritionally enhanced beverages. For example:

- **Reduced calorie sparkling beverages** – Our growing range of no- and low-calorie beverages include "light" or "zero" calorie sparkling beverages such as Coca-Cola zero, Coca-Cola light (diet Coke), Fanta zero and Sprite zero. Over time, we aim to extend low calorie options to more beverages. No and low-calorie beverages comprised 6% of our volume in 2009.

- **Juices** – We now offer juices and juice drinks in almost every country of operation. In addition to their inherent nutritional content, juices do not include artificial flavours, colours or preservatives. In some emerging markets, we also offer affordable juice nectars and juice drinks for consumers with lower purchasing power, such as the Dobry brand in Russia, Ukraine, Armenia and Belarus and the Su-Voce brand in Serbia.

- **Waters** – Our water portfolio includes natural mineral waters, spring waters and table waters. Along with more than 30 different water brands, we have introduced waters that are flavoured with fruits, berries or herbal extracts, or supplemented by vitamins.

- **Nutritionally enhanced beverages** – Beverages enhanced with specific health or wellness benefits are a growing part of our product range. These beverages can include added vitamins and minerals, or have a functional purpose, such as prebiotics, fibre, omega-3 and antioxidants.

Non-carbonated beverages represent an increasing proportion of our sales volume. In 2009, juices, waters and other still beverages accounted for 37% of sales.

Reformulation

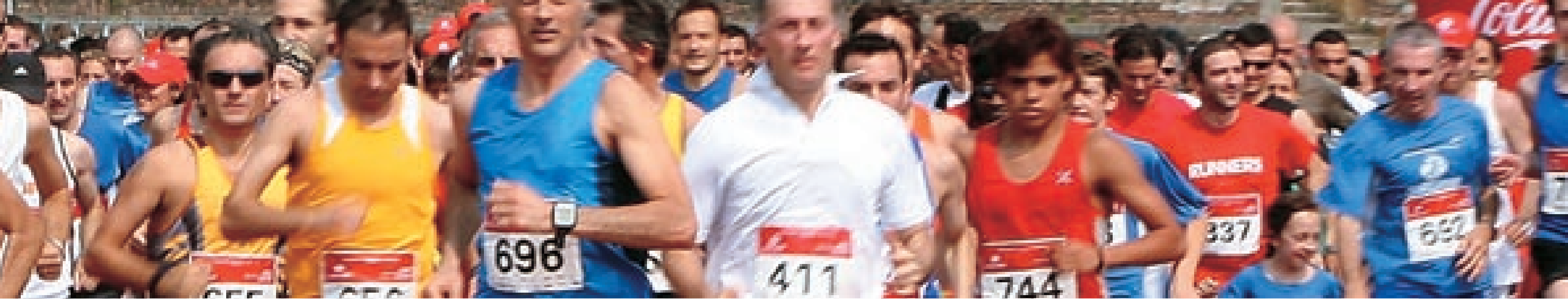
To further meet consumers expectations, we reformulated key sparkling beverages to remove preservatives and, in some cases, reduce caloric value. New formulations of Fanta, Sprite and Nestea now contain 10-20% fewer calories, depending on local tastes. As a result of this, as well as no-calorie options, the calorie content of our beverages is now 18% below the average of 2001.

"UNESDA believes that balanced diets and active lifestyles are the key to a healthy lifestyle.

Coca-Cola Hellenic works to promote variety and choice and encourages consumers to lead active lives. It also aims to market and sell its beverages in a responsible way.

As one of the signatories to the UNESDA commitments on responsible marketing to children, Coca-Cola Hellenic continues to work on the development and implementation of industry codes of practice. We are pleased to have the company on board as an active member of the European beverages industry."

ALAIN BEAUMONT,
SECRETARY GENERAL, UNESDA



New flavoured waters and other still beverages launched in 2009

Romerquelle Emotion | Amita Frooties | Amita | Nestea Greentea | Cappy | Ev Zyn

Another type of reformulation underway is in response to consumer desire for fewer artificial additives in food and drinks. Other brands, such as flagship brand Coca-Cola, have never contained artificial colours or preservatives.

Our beverages do not contain salt,[1] trans fats or saturated fats.[2]

In parallel to our own Research and Development teams, the Coca-Cola Beverage Institute for Health and Wellness supports the development of new beverages around the world, helping to evaluate emerging wellness trends and ingredients.

Serving sizes

Offering a variety of serving sizes also helps consumers to manage their calorie intake. In most EU territories, we now offer smaller 200ml bottles and 250ml cans – along with our original packages that contain 250ml and 330ml.

Nutritional Information

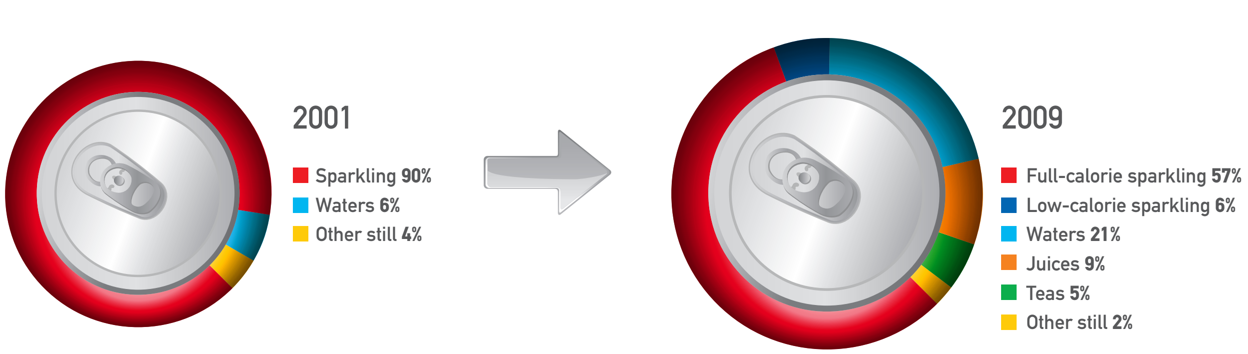
To make informed choices about what and how much to drink, consumers need to clearly see the calorie content of our beverages. In 2009, The Coca-Cola Company announced global plans to include the calorie content on the front of all packages by the end of 2011 - the first such global commitment in the non-alcoholic beverage industry.

This project was spearheaded in Europe, where front-of-pack labels showing Guideline Daily Amounts (GDAs) are now on all sparkling beverages and most other products[3]. These labels provide at-a-glance information on the five key nutrients – the calories (energy), sugar, fat, saturated fat and sodium content of our beverages - per

A poster from Austria promoting use of GDA labelling.

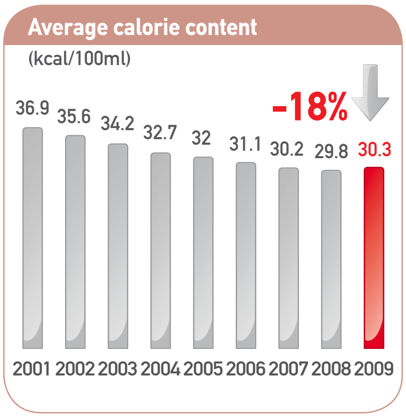
serving and as a proportion of a healthy daily diet. On the back of packages is further information on the so-called 'Big 8', com-

Growth of Still Beverages and Water



Waters, juices, teas and other still beverages represent 37% of the Company's volume - compared to only 10% in 2001

1. Except for sports drinks where salts help to replace those lost during strenuous exercise.
2. Except when occurring naturally in beverages containing milk or milk products.
3. Where practical, which excludes refillable glass bottles which do not carry any label.



prising protein, carbohydrates and fibre next to the five nutrients listed above.

We support industry campaigns to promote consumer awareness and use of these GDA labels, as well as research into their effectiveness. Following a major education campaign by industry, retailers, consumer groups and government agencies in **Poland**, research in 2009 showed consumers are already using the labels to make food choices and select lower-calorie versions.[1]

Further information about our beverages, ingredients and nutritional content is available through a range of media, including our new country websites, brochures and consumer response hotlines.

We also support nutrition education and work with nutritionist associations and government agencies to integrate this into our active lifestyle campaigns. In **Austria**, our Hydration Check campaign allows students to monitor their hydration levels. During 2009, more than 18,000 students took part in the campaign we run with the Ministry of Life. In **Hungary**, our 'Move! Wake Your Body' programme (see below "Active lifestyles") also promotes healthy diets, with dieticians available for consultation at all events.

Responsible Sales and Marketing

Coca-Cola Hellenic aims to market and sell its beverages in ways that are responsible – particularly with regard to young people. We help develop and implement industry codes of practice which are independently monitored.

We adhere to global guidelines on marketing to children launched by the International Council of Beverages Associations (ICBA) in 2008. Signatories to these guidelines commit, for all non-alcoholic beverages except water, fruit juice and dairy-based beverages, not to place marketing communication in any paid third-party media[2] whose audience consists of 50% or more of children under the age of 12. The first independently audited results of industry compliance with the ICBA guidelines were published in 2009. Among the 12 countries assessed were two of our countries of operation - **Russia** and **Ukraine**. In both countries, our industry had achieved a compliance rate of more than 96%.

These guidelines build on existing initiatives by food and beverage companies to the EU Platform on Diet, Physical Activity and Health in EU member states. These include the EU Pledge on advertising to children, as well as commitments made by the European beverages association UNESDA. As a result, we no longer directly market or sell sparkling beverages to primary schools. In schools where children are above 12 years of age, we liaise with educators and parents to identify the most appropriate beverage range to offer and we use unbranded coolers.

Compliance with the EU Pledge and the UNESDA commitments is independently assessed. In 2009, independent monitoring of the commitment not to advertise products to children under 12 found that in countries surveyed,[3] there was a 93% decline in advertising for products that do not meet the nutritional criteria in programmes targeted at children. The most recent independent audits for UNESDA showed 94% industry compliance with the commitment to cease sales and marketing in primary schools.

Active Lifestyles

A final part of our approach is to encourage people to be physically active, balancing calories consumed with those expended during exercise. In 2009, more than one million people participated in our sports and fitness activities.

Of particular note is the inclusivity of our programmes, regardless of ability. In **Hungary**, **Ireland** and **Austria**, our programmes are umbrella schemes that encourage widespread participation in many different activities. During 2009, we launched a pro-ject in **Serbia** called 'What Sports Do You Do?' in response to a decline in physical activity among local youth.

In **Hungary** – our programme 'Move! Wake Your Body' involved 400,000 people in fitness activities in 300 cities and municipalities in 2009. Working with NGOs, authorities, sports and nutrition bodies, we encourage people to try a wide variety of sports and make exercise part of everyday life. Broadening our range of partners, in 2009 we organised active lifestyle events with Tesco, one of our biggest customers.

More than one million people participated in our sports and fitness activities in 2009.

1. http://gdafacts.eu/custom_documents/documents/consumers/executive%20summary%20poland%20GDA%20case%20study.pdf
2. This covers all broadcast, print and digital media as well as cinema.
3. Including the Coca-Cola Hellenic territories of Poland, Ireland and Italy.

Quality Standards

Providing beverages that are safe and of consistently high quality is a fundamental responsibility we have to customers and consumers. We rigorously manage the safety and quality of our beverages. Ingredients and packaging are sourced from approved suppliers and tested in our quality control laboratories. Finished beverages are subject to quality testing in our plants and the marketplace. To maintain high quality standards, we may occasionally remove products from the marketplace although they are safe to consume.

Consumer feedback is another important part of our quality management system. During 2009, there were 0.33 consumer complaints per million containers sold. We aim to continually reduce the number.

In light of continued consumer concerns in Europe, we exclude ingredients that are genetically modified or derived from genetically modified organisms (GMOs). We adopt a similar position with regard to nanotechnology.

By the end of 2009, 58 bottling plants were certified against the international food safety standard ISO 22000 (representing 82% of volume), while 75 plants had achieved ISO 9001 certification (99% of volume). In 2009, our FYROM plant ranked the highest performing of all Coca-Cola bottling plants around the world.

We also lead the national Workplace Committee of Health, Nutrition and Physical Activity Platform. The programme received an award of appreciation from the Hungarian Association of Recreational Sports as well as Best Health Initiative at the 2009 Beverage Innovation Awards.

Other programme highlights in 2009 included:

In **Northern Ireland** – 50,000 participants took part in our 'Be Active' programme. This partnership with more than 20 sporting bodies and councils helps people of all ages and abilities pursue sport. For example, football activities include tournaments for women, disabled people, as well as late-night tournaments for disadvantaged youth. This last initiative was cited by police as helping to reduce anti-social behaviour in local areas. For the second consecutive year, the programme gained the prestigious Big Tick award from Business in the Community.

In **Austria** – 140,000 people took part in community and schools sports events as part of the Coca-Cola Sports Initiative during 2009. We support almost all major running events in the country, including the Vienna City Marathon along with junior marathons and kids' challenges.

Along with recreational sports in our communities, we promote active lifestyles in schools. We partner with government agencies, and sport and nutrition experts to instil positive habits in young people. For example:

In **Greece** – our programme 'Moderation-Balance-Diversity' helps children, parents and teachers learn about healthy and active lifestyles. During the 2009-2010 school year, 11,500 students are taking part. Conducted with the Ministry of Health and Social Welfare, the programme integrates nutrition and physical activity education into school curricula. To date, 51,500 students in 750 schools have taken part. The programme gained the first prize for continuous engagement in CSR at the 2009 CSR Excellence Awards of the Hellenic Advertisers Association.

In **Poland** – the 'Keep Fit' public-private partnership in schools reached more than 2.2 million children over the last three years. Supported by the Ministries of Health, Education and Sport as well as the Polish food industry, the project covered 6,463 primary and lower secondary schools.

In **Lithuania** – we signed up to a new public-private partnership led by the Lithuanian Food Bank to promote balanced diets and physical activity in schools.

We also teach our own employees about active lifestyles and nutrition, providing opportunities for them to join Company-sponsored fitness activities and events (see **Employee Development**).

- Our product portfolio
- Beverage Institute for Health & Wellness
- Quality and Food Safety Policy
- GMO statement
- Industry guidelines (UNESDA)
- Supporting healthy lifestyles

Employee Development

Ensuring that our people achieve their full potential is one of Coca-Cola Hellenic's core values. Treating everyone openly, honestly and with respect is another. We therefore aim to offer our employees challenging career opportunities in a workplace that is safe, fair and inclusive.

All managers evaluated on **7** key results areas, including **CSR**

About **1%** difference in salaries between male and female employees

Recognised as **Employer of Choice** in **12** countries

Our Workforce

At the end of 2009, Coca-Cola Hellenic employed 44,800 people (44,231 full-time equivalents), over 78% in emerging and developing economies. Permanent employees account for over 95% of our workforce.

Responsible Restructuring

To stay competitive during the downturn, Coca-Cola Hellenic continued to manage payroll costs. Since 2008, we have taken measures that avoided job losses. We implemented a freeze on hiring and on all management salaries, while cutting 'status' elements to jobs, such as company cars. Use of temporary labour was further reduced, and non-essential travel and events were cancelled.

As the downturn continued into 2009, we undertook rightsizing of our organisation. Again, we relied first on attrition and reducing our use of temporary labour, where possible. Nevertheless, 862 jobs were outsourced and restructurings led to 1,093 people across 24 countries being made redundant. As with any major organisational change, we developed plans in consultation with unions and works councils where relevant. We also liaised with the Select Committee of our European Works Council and engaged in regular dialogue with local works councils and town hall meetings attended by employees.

Aside from a period of industrial action in **Ireland** and some sporadic activity in **Italy** (see **Employee Relations**), restructuring took place without incident. We worked hard to make sure affected employees were treated fairly, with dignity and respect, in accordance with our Company's values. The Company provided severance packages that met and frequently exceeded statutory requirements. Employees were given assistance on CV preparation, training and outplacement advice. Where positions were outsourced, more than 50% of affected employees accepted roles at the new provider. In **Romania**, of the 148 people whose jobs were outsourced, 109 gained positions at the new provider on the same terms and conditions.

Training and Development

Ensuring that our people achieve their full potential is not only a corporate value to which we aspire. All managers across our business are judged and rewarded on how they develop their subordinates. During the downturn, we were able to increase training hours in 2009 due to the internal training and coaching capabilities we are building. On average, employees received 20 hours of formal training, up from 16 in 2008. CSR training courses in the topics of environment, safety, eco-driving and others totalled over 25,300 participants, out of almost 65,800 training participants.

Leadership Pipeline

Developing future leaders is of particular importance to the Company's sustainable growth. Our Leadership Pipeline Model (see case study) is helping to define and develop the wide-ranging skills and experience required of managers at each level. In addition to Business and Financial Results, other key results areas now include: Management, People Development, Leadership, Relationships, Growth and Innovation, and Corporate Social Responsibility. These seven areas are the basis for all of the people processes, from training to performance objectives to appraisals. In 2009, the Leadership Pipeline Model was expanded to reach front-line managers and individual contributors.

A Learning Culture

Coca-Cola Hellenic's goal is to make learning and development an integral part of day-to-day business, measurably contributing to business results. We also aim for employees to 'own' their career development. From team leader upwards, all employees create their own development plan. Typically, plans consist of 70% assignments and projects; while coaching accounts for 20%, and formal training the final 10%.

The Company is bringing together all learning and development activities across all countries and functions under a single,

	Fatalities Employees and Contractors		Accident Incidence Rate	Sickness Absence	Sickness Absence Rate
	Including to/from work accidents	Excluding to/from work accidents	Number of accidents with >1 day absence per 100 employees	Days of absence	% of working days missed due to sickness
2004	14	7	3.6	215,786	2.36%
2005	18	9	2.9	220,608	2.19%
2006	23	17	3.5	196,221	1.80%
2007	15	13	2.4	231,210	2.04%
2008	28	25	3.8	282,309	2.29%
2009	5	5	1.4	262,537	2.29%

cohesive framework. Our new Learning Centre of Excellence, AGORA, will accredit programmes and trainers to ensure consistently high quality of content and delivery across our Group. During 2009, more than 2,000 training hours were invested in building our internal training capabilities.

Our first two leadership programmes have now been standardised and accredited. Approximately 50% of newly appointed managers or frontline managers have now participated in our core leadership programme, Passion to Lead. We also piloted the next level in management training, the Leadership Excellence programme. Another new initiative is the Supply Chain Academy, a functional competency programme for employees in non-managerial roles. Hundreds of courses covering all aspects of the supply chain are now available online, in addition to bi-weekly distance learning courses available through webex.

Coaching

Coca-Cola Hellenic is systematically developing a coaching culture. In 2009, the first 30 senior managers (including one Opco member) were certified as internal coaches following an over-subscribed training programme. By 2012, we aim to have a network of 200 certified coaches. We introduced new workshops that will be rolled out to all senior and middle managers across the business. Coaching has also been incorporated into leadership development programmes and business plans.

A Safe and Healthy Workplace

Improving Coca-Cola Hellenic's safety record is a high priority following a dis-

Employees in Croatia are encouraged to get some exercise during a training session.

70 managers participated in the Fit for the Future Academy which educates them about our products and ingredients and how they fit in a healthy, active lifestyle.

appointing performance in recent years. Consequently a three-year plan is underway to resolve underlying systemic issues and begin building a lasting and best practice safety culture. Championed by a member of our Group Operating Committee (OpCo), the plan is supported by a cross-functional team at Group level.

Immediate steps were taken to place health and safety high on the Company's business agenda. Safety is now discussed at each monthly meeting of OpCo, and a thorough review of safety in each region has been conducted by the OpCo Champion and the respective Region Director. Health and safety is now integrated into processes, such as business planning and budget approval, and safety responsibilities are built into job descriptions and performance objectives.

Safety Performance

Solid safety improvements are already evident, with serious accidents down 26% over the previous year. There has also been a 9% reduction in vehicle accident rates due to our Safe & Eco-Driving programme (see **Energy & Climate Change**).

Yet despite these improvements, the Company's performance remains average for our industry, according to internal benchmarking. This is not good enough - for our employees or for our business. Most regrettably, two employees and three contractors lost their lives in 2009. In **Nigeria**, one employee was killed in a road traffic accident and three contractors died in industrial accidents; while on a business trip in **Russia**, one employee was the unfortunate victim of a mugging and died of his injuries. No fatal accident or injury is acceptable in the course of our business. Country general managers are now required to present a detailed root cause analysis of any fatality or serious incident to our Operating Committee, along with remedial action and lessons learned. These findings are shared with general managers across the business.

In 2010 we are conducting a series of 33 practical skills workshops to equip front line managers and supervisors with a toolbox to make them more effective at analysing and improving day-to-day workplace safety. We will introduce an in-depth assessment of health and safety capabilities and culture for newly acquired operations as well as sites struggling to achieve performance expectations.

Ranging from site entrance notice boards to safety sections in internal magazines, our branded communications programme is raising awareness of safety around our Group. Further elements of the plan will be rolled out across the business in early 2010. We also continue to pursue certification of our safety systems, and 53 plants have now gained OHSAS 18001 certification.

Health and Wellbeing

We conduct programmes that address specific health risks. In **Nigeria**, we provide HIV/AIDS education, voluntary counselling testing and anti-retroviral medicines for employees and their dependants. To reduce malaria, we provide all employees with insecticide-treated nets for use at home. Initiatives to raise awareness and provide education on HIV/AIDS were implemented in the three Baltic States, **Russia**, **Ukraine** and **Armenia**.

Coca-Cola Hellenic encourages employees to lead healthy and active lifestyles. In addition to our major programme in **Hungary**, Health and Wellbeing initiatives were rolled out in 14 other business units during 2009 which involved active participation by more than 20% of employees. These included sports events, medical checks, nutrition advice and active lifestyle programmes.

Equality and Diversity

Coca-Cola Hellenic's workforce reflects the cultural diversity of our territories, with 74 nationalities represented.

The number of expatriate managers remained constant in 2009, with 88% of our senior leadership teams now of local ori-

Workforce breakdown	Managers	Non-Managers	Total
Total	2,145	42,656	44,800
Male	73.4%	79.5%	79.2%
Female	26.6%	20.5%	20.8%
Nationals	88.0%	99.0%	98.5%
Non-nationals	12.0%	1.0%	1.5%
Under 30	4.5%	35.3%	33.8%
30-50	87.0%	56.5%	58.0%
Over 50	8.5%	8.2%	8.2%

gin. Expatriate managers are themselves diverse, with almost half (47% in 2009) from emerging and developing countries.

The number of women in senior leadership positions continues to grow. In 2009, 26.6% of managers were female (24.8% in 2008). Women still represent a minority (20.8%) in our total workforce due to the physical nature of many roles in manufacturing and distribution.

At Coca-Cola Hellenic, remuneration is based on merit – gender plays no part. At the same job grade, male and female employees earn the same salary.[1] In 2009, there were no breaches of equality legislation.

A fair and ethical Workplace

As a participant in the UN Global Compact, Coca-Cola Hellenic commits to uphold internationally recognised labour and human rights standards. We pledge a zero tolerance approach to corruption.

Human Rights

Coca-Cola Hellenic's policies on human rights and equality of opportunity are widely disseminated and integrated into management training. Child labour is explicitly prohibited, and appropriate checks are made during recruitment. We have local mechanisms to protect employees, such as anti-harassment policies and committees with independent representation to investigate concerns.

Independent monitoring helps ensure that our operations comply with our policies. In 2009, a further 13 plants were audited with no significant non-compliance issues found.

Our Human Rights policy acknowledges the right of employees to a healthy balance between work and their personal lives. Since programmes such as flexible working are more widespread in developed territories, we encourage all country operations to recognise the changing expectations of employees. In 2009, our Russian operations were recognised by the Moscow Federation of Trade Unions as one of the Best Enterprises for Working Mothers.

Code of Business Conduct

The Company is stepping up efforts to ensure employees understand the Code of Business Conduct, which outlines the ethical standards all employees must follow. In 2009, we rolled out a new e-learning module with various test scenarios to ensure our employees understand what the Code means in everyday business. Employees must gain a score of 80% or more to achieve the necessary certification. The first phase of the programme was conducted in three languages: English, Greek, and Russian. In 2010, the programme will be extended to all countries in a further ten languages, complementing our other ethics training programmes.

Raising concerns

The Company's confidential telephone hotline and email address allow employees to raise grievances and concerns anonymously. All reports were investigated and

Career progression at Coca-Cola Hellenic

Stephen Oshagbami at our Nigerian plant of Ikeja exemplifies our commitment to train and develop people. Since he began working as a technical operator in 2003, Stephen has quickly risen to become supervisor of his own production line. A key part of his career development was the three-year programme he completed at our technical training school. This hands-on training allowed Stephen not only to learn technical skills but to work alongside engineers and managers from different parts of the business. As a result, he gained an in-depth understanding of the overall business. Now Stephen will begin sharing his knowledge with other employees as he becomes a certified trainer for Focused Improvement.

1. In 2009, men's salaries were essentially equal (101%) to women's salaries at the same job grade.

Building the next generation of leaders

The Leadership Pipeline Model is helping to develop the next generation of leaders to guide the Company towards sustainable growth in an increasingly complex global business environment.

Using this comprehensive approach, potential leaders move through a well-planned pipeline that tests them in their current roles and prepares them for subsequent leadership layers. The model defines the results expected from each leadership layer against seven performance dimensions and the skills, knowledge and experience required to deliver these results. These seven performance dimensions include: Management; Business/Financial; People Development; Leadership; Relationships; Growth and Innovation, and Corporate Social Responsibility.

The model is also the foundation on which we have integrated all people processes and tools, such as performance and development, assessment and selection. With job descriptions, career planning frameworks and training courses increasingly standardised, the Model's transparency helps employees manage their career.

managed at the appropriate level, with the Audit Committee reviewing performance.

In 2009, there were no confirmed breaches of our policies resulting in litigation being brought against the Company.

Employee Relations

Freedom of association is another human right enshrined in Coca-Cola Hellenic's workplace policies. We encourage social partnership with trade union bodies. We also aim to foster social dialogue in non-unionised locations and have employee works councils with a formal communications protocol in 15 countries. As a result, there are unions and/or works councils in about 90% of operations. In order to ensure employees are well informed on labour legislation and Company policy, various countries have also carried out awareness training.

Almost half (46%) of employees are covered by collective bargaining agreements, and 24% of employees belong to independent trade unions. We consult with and inform employees and their representatives about major business developments, within timelines specified in collective agreements and local legislation. Mininum notice periods typically provided to employees in case of major restructurings amount on average to six weeks, and seven weeks in the case of employee representatives.

During 2009, the Company experienced industrial issues in two countries. In the **Republic of Ireland**, where we outsourced 130 jobs, negotiations between local management and unions broke down over redundancy terms. This resulted in a nine-week period of industrial action involving up to 160 people. Following the appointment of a third-party intermediary, agreement was reached between all parties. There were also sporadic incidents of industrial action in southern **Italy** as we integrated the newly acquired Socib operations and closed two plants.

In **Russia**, the National Agro-Industrial Trade Union Committee presented an award to our business unit in St Petersburg for constructive and fruitful cooperation with the local trade union.

Coca-Cola HBC Greece was awarded first prize in the competition Best Workplaces 2009 in the category of large companies with more than 250 employees.

Employee Engagement

The uncertainties of the downturn mean that we had to work especially hard to maintain employee engagement.

In 2009, the Company continued to implement employee recommendations from the most recent engagement survey. Internal communications remained a high priority, with new focus groups, management roadshows and briefings to ensure information-sharing and dialogue with employees. The next survey will be conducted in 2010. In **Romania**, the Company was recognised by seven different external bodies for best practice internal communication campaigns.

We also continue to expand opportunities for employees to take part in our community initiatives. With formal volunteer programmes in 21 countries, more than 7,500 employees – 16.7% of our workforce – now take part in our community projects.

Coca-Cola Hellenic Ireland awarded for its 'Xelerator' programme designed to accelerate the readiness level of talented Business Developers to progress into management roles within the Commercial function.

Rewarding Performance

To reward employees fairly and competitively, we benchmark our compensation packages against leading international and local companies. Even entry-level employees are paid above the local minimum wage in all countries and sometimes considerably more – on average 2.4 times this amount. In 2009, we paid €1,011 million in employee salaries and benefits. A breakdown of these costs and pension plans can be found in the 2009 Annual Report and Accounts.

Helping employees be more active in Hungary

In Hungary, the 'Move! Wake Your Body' programme is helping to make exercise a fun and regular part of everyday life for employees. By continually exposing them to new activities and ideas, we aim for every employee to find an activity that suits them. The new Fitness Commando programme sees a sports celebrity or fitness trainer randomly ambush offices for an impromptu exercise session. Trained employees also introduce colleagues to new activities, such as chi-kung and Nordic walking. With monthly themes, such as stress management or smoking cessation, the programme is supported by publications, consultations with dieticians and fitness trainers, and recreational activities. More than 700 employees have taken part in at least one activity, and 150 employees joined Company teams in a national workplace health competition. In 2009, we gained first prize at the Flora Healthy Workplace competition promoted by the National Institute for Health Development, the first company to win the award for two consecutive years.

- Human Rights Policy
- Equality Policy
- Occupational Health and Safety Policy

Supplier Engagement

The footprint of our business extends far beyond our own operations. The suppliers that provide our ingredients, packaging and capital equipment have environmental impacts that are more than double those of our own operations. Furthermore, the number of jobs supported indirectly by our business is many times that of our own workforce.

Coca-Cola Hellenic is working to embed sustainability across its supply chain. We are taking a phased approach, focusing on priority areas and key suppliers, working in partnership and learning more about our impacts.

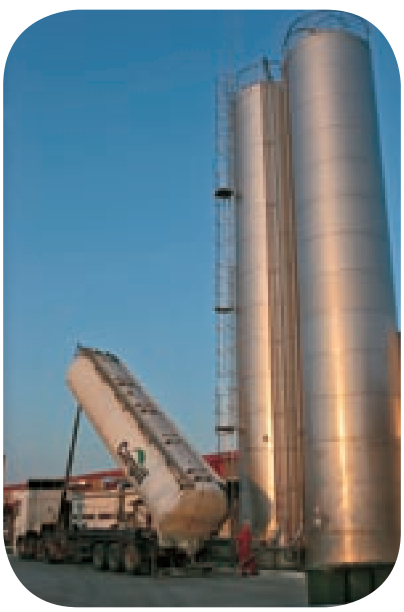
Reducing environmental impacts

Sustainable procurement is the selection of products and services that minimise environmental and social impacts. We focus on the products we purchase that account for the greatest environmental impacts. By working with suppliers, we develop new technologies that are resource-efficient and low-carbon, helping to make them a commercial reality.

Reducing CO_2 emissions

The two biggest reductions to our carbon footprint will come from such collaboration. New combined heat and power (CHP) units and cold drink equipment will reduce CO_2 emissions, by millions of tonnes over their lifetime (see **Energy & Climate Change**).

By working with suppliers we can jointly increase efficiencies in service and delivery. In this picture, bulk sugar is delivered to a plant.



- **Cold Drink Equipment** – We challenged our suppliers to develop cold drink equipment with a carbon footprint reduced by at least 50%. In 2009, we supported the work of suppliers to test and make commercially available 14 new models of HFC-free equipment. We also developed our own energy management device that improves equipment efficiency. As a result of these and other improvements, our new equipment is now up to 66% more energy-efficient than in 2004.

- **Innovative Quad-Generation** – In partnership with ContourGlobal, we are building 15 combined heat and power (CHP) plants. Working together has yielded an innovative process that captures and reuses the CO_2 emissions. As a result, our new 'quad-generation' units achieve reductions of up to 95% of the CO_2 emissions of traditional power plants.

- **Packaging** is another major source of indirect CO_2 emissions, accounting for 40% of our total carbon footprint. By working with packaging suppliers, we have reduced the embedded carbon and material used in our beverage containers (see **Packaging & Recycling**).

We are also addressing the CO_2 emissions of our IT equipment and our fleet, and have integrated CO_2 reduction into our purchasing specifications. Our collaboration with suppliers in these areas is still in early stages, but during 2009, we worked with Iveco to conduct the first trials of their hybrid electric trucks in Europe (see **Energy & Climate Change**).

Reducing water use

We also work with suppliers to improve our water efficiency. As we increase our use of aseptic line technology, we asked suppliers to reduce the relatively high water use of these production lines. As a result, we are piloting a rinse water recovery system believed to be the first of its kind. The system is expected to recover up to 80% of water used in rinse sections of the line, or $10m^3$ per hour.

Understanding our broader impacts

Although we have worked with key suppliers to address significant environmental impacts of products we source, we still have much work to do in assessing the environmental impacts of supplier processes. As a first step, we are working with others to learn more about water and energy usage in our supply chain.

In 2009, we completed our first corporate water footprint. Using the methodology of the Water Footprint Network, we gained a preliminary understanding of water use in our supply chain. Once this data becomes more accurate and detailed, we can identify ways to reduce this water use.

Since agriculture is the biggest user worldwide of water, The Coca-Cola Company is exploring sustainable agriculture strategies on behalf of the broader Coca-Cola System. The Company is partnering with WWF to reduce water use in our supply chain. Starting with sugarcane, the partnership is setting measurable targets for improving water use through the Better Sugarcane Initiative. Additionally, the Company is developing the Agricultural Water Initiative with Business for Social Responsibility to develop tools that improve water management in supply chains. Working with the Sustainable Agri-

culture Initiative, the Company is also piloting sustainable orange production practices in Brazil.

Supplier Guiding Principles

In 2009, we merged our training and auditing of suppliers against our Supplier Guiding Principles (SGP) with that of The Coca-Cola Company and other European bottlers. Companies in the Coca-Cola System share common principles that address labour rights, human rights, environmental stewardship and anti-corruption in our supply chain. Child labour and forced labour are explicitly prohibited. These principles are included in all major supply agreements and are published on our website.

This joint approach to supplier assessments will ensure that more of our supplier base is audited, while minimising disruption to suppliers. During this first year of joint audits, 35 of our largest suppliers were assessed, including the main suppliers of ingredients and packaging. In 2010, we plan to extend this joint auditing programme to more suppliers. This complements the existing auditing programme which previously focused on high-risk markets like China, India, Pakistan and Turkey, especially in the higher-risk area of promotional and marketing materials.

These independent audits have found no critical non-compliance, such as child labour or forced labour, which would result in a termination of the supplier's contract. Nevertheless, a considerable number of violations were found in areas such as overtime, time-keeping and minor health and safety issues related to local legislation. Corrective action plans are in place to address all audit findings.

An industry-wide platform

Although we are strengthening our audit programme, we do not lose sight of the real goal: to achieve meaningful improvement in overall supply chain performance. We therefore support efforts to develop industry-wide standards, which we believe will be the most effective way to assure the performance of our own suppliers and beyond. On our behalf, The Coca-Cola Company participates in AIM-PROGRESS, an industry initiative to promote responsible sourcing. In a significant step towards a common approach, member companies have agreed to accept each others' supplier audits. Suppliers not yet audited under our programme can now provide a copy of an assessment from another member company.

Bringing economic benefit

Almost 90% of our payments for goods and services go to suppliers in our territories[1] – a figure that remained constant throughout the economic downturn. We worked hard to support our suppliers - especially those within our territories - through the economic downturn, helping them to manage its impact. We honoured all existing agreements, stayed sensitive to cash flow concerns of vendors and intensified our overall supplier relationship efforts so that any problems could be addressed early. For example, we continued our purchases from the European resin industry, which was particularly hard hit due to massive over-capacity in Asia and the Middle East.

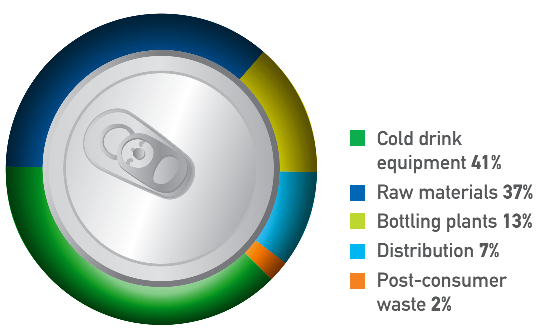
By sourcing goods and services as close to our bottling plants as possible, we generate significant cost savings for our business. This brings economic benefit to local communities and reduces the environmental impacts of transportation. Furthermore, a number of large international suppliers have established production bases in our countries of operation – at least partly due to our business and we actively support such investments.

- Supplier Guiding Principles
- The Coca-Cola Company Supplier Guiding Principles
- ContourGlobal

Environmental impacts in the value chain

Coca-Cola Hellenic's broader ecological footprint includes its direct impacts from operations as well as the indirect impacts from raw materials and cooling equipment.

The Eco-indicator 99 method used here takes into account the impacts resulting from the extraction, manufacture, use and disposal of each substance used or emitted in our operations. Most of the data is reported in the Environmental Data Table.



1. Includes our countries of operation and the European Union.

Community Involvement

Our corporate mission requires us to help improve the quality of life in our communities. We do this through the economic benefit generated by our business activities, as well as the many community programmes we support at a local level.

More than **1.1** **million** participants in Company sports programmes

€12 million contributed to community projects, over **1.9%** of pre-tax profit

More than **7,500** employees volunteered skills and time to Company projects

The economic downturn brought challenges to communities we serve. During 2009, we worked hard to maintain our support in the face of economic challenges to our own business.

Creating economic benefit

By producing beverages locally, Coca-Cola Hellenic generates economic benefits in its countries of operation. In 2009, we employed 44,800 people, while almost 90% of our supplier spend was in our countries of operation. Tax revenues are another important contribution to economies.

Although a growing proportion of customers are international chains, we support entrepreneurs and independent businesses in our value chain. In **Nigeria**, our 350 manual distribution centres (MDCs) help us deliver products in areas not easily reached by conventional distribution. More than 85% of these businesses are owned by women. Our programme is part of the broader Coca-Cola System scheme that is creating jobs and driving entrepreneurship across Africa.

In **Poland**, our business skills programme for traditional stores continues to grow. Almost 2,160 independent stores and outlets have taken part in training. In 2009, our **Czech** operations introduced a programme to help customers remodel their premises and become more profitable.

Our business also brings indirect benefits, such as technical knowledge or business skills – particularly important in countries moving towards free market-oriented economies. In **Belarus**, we were invited to train local businesses and authorities on strategic planning, business process optimisation and human resources management.

Bottled water delivered to flood hit areas of the Czech Republic.

Community programmes

In every country of operation, Coca-Cola Hellenic supports community investment programmes to help improve local quality of life. We focus our efforts on three strategic areas:

- Water and environmental protection
- Sports and physical activity
- Youth development

By tackling issues that are important to our business and our communities, these programmes support our broader sustainability initiatives. For example, watershed protection is the community component of our Water Stewardship strategy, while our

What Coca-Cola Hellenic supports

- Environment & water **24%**
- Sports & physical activity **23%**
- Youth development **14%**
- Disaster relief **4%**
- Other **35%**

How the Company contributes

- Community investment **77%**
- Commercial initiatives **14%**
- Charitable gifts **9%**

As part of a reforestation and preservation project of three Greek forests, more than 8,000 trees were planted in the Paneion mountain range outside Athens.

sports and fitness activities support our Consumer Health strategy. We also provide emergency relief where needed.

Partnerships

We enhance the effectiveness of our efforts by working in public-private partnerships with local authorities, leading NGOs and community organisations (see box) and we work with The Coca-Cola Company on numerous programmes.

We develop Group-level partnerships where we can create long-term and scaleable programmes, such as our Green Danube Partnership.

During 2009, we held meetings with the International Federation of Red Cross and Red Crescent Societies (IFRC) to explore a Groupwide partnership. To date, we have supported Red Cross activities in 11 countries. In addition to emergency relief (see case study), we have supported blood donation drives, vaccination programmes and first aid training. We have also contributed to the organisation's mine awareness programmes in **Bosnia** and safe driving in **Cyprus**, while in **Ukraine**, we helped the Red Cross disseminate information on H1N1 swine flu, medicines and masks nationwide.

We are expanding our partnership with the Red Cross in **Greece**, as we build on our existing community health initiatives. Our new integrated first degree healthcare programme, Care for Your Health, will offer health education, preventive medical examinations and first aid seminars to people living in remote areas.

Investment

Despite the downturn, we maintained our support to community programmes. In 2009, we contributed more than €12 million, or over 1.9% of pre-tax profit. We use the widely recognised LBG model to calculate our investment and are now trialling the LBG methodology to assess the impact of our programmes.

Financial support is only one way that we invest in our partnerships. We also use our marketing skills to raise awareness of issues, for example, or our distribution network to deliver emergency relief.

We encourage our employees to participate and have formal volunteer programmes in 21 countries. Approximately 7,500 employees – 16.7% of our workforce – take part in our community programmes.

Water and the environment

In every country of operation, we support programmes that promote watershed conservation and raise awareness of local water issues.

We address local water issues, such as water scarcity. As part of our Mission Water project in **Greece**, we set up our first rainwater harvesting systems in 2009, supplying 500 residents of the Cyclades Islands with water for drinking and household use. The project won first

Programmes	National Partners
Watershed protection	WWF, ICPDR, UNDP, local NGOs, environment ministries
Youth development	AIESEC, Junior Achievement, SOS Kinderdorf, local NGOs
Sports and fitness	Sports associations, education ministries
Disaster relief	Red Cross, emergency services

prize at the 2009 CSR Awards of the Hellenic Advertisers Association.

Rivers have been a particular focus. Building on our Green Danube Partnership programme that spans 10 countries, we have developed activities to support other major rivers in our territories, including the Gacka, Sava, Tisza, Volga and Vistula. Hundreds of thousands of people took part in our river festivals, 'eco-pic-nics' and clean-up activities in 2009, while media campaigns promoted conservation messages to millions. The 'Our Beautiful Sava' programme won a European Excellence Award in 2009.

Teaching young people about water sustainability is another priority. In eight countries, we have helped develop educational resources for use in schools.

Local communities are also encouraged to participate in our programmes – from cleaning up Lake Kerkini in **Greece** and safeguarding rural beaches in **Ireland** to implementing restoration projects in **Ukraine** and **Poland**. Where necessary, we help to improve access to improved water and sanitation facilities (see **Water Stewardship**).

Youth Development

Our youth programmes focus on promoting entrepreneurship and business skills. During economic downturns, it is especially difficult for young people to gain a first job.

"The Danube is more than just a river – important tributaries such as the Sava, the Drava and the Tisza pour into it. Together, they are more than just waterways – they provide life for man and nature in 19 countries. It is evident that public institutions alone cannot save the Danube rivers – this needs to be done in partnership with others.

The ongoing cooperation between the ICPDR and Coca-Cola Hellenic is testament to the benefits a trusting relationship can achieve. Results can be seen in projects such as wetland restoration initiatives, the celebration of international Danube Day, the development and dissemination of education material. With the Danube Box, for example, we have reached more than 100,000 youngsters throughout the Danube Basin.

By uniting our respective strengths we have achieved a great deal in past years and we are striving to do more.

I would like to invite other companies to similarly link with the ICPDR to add their capabilities and skills for the benefit of man and nature."

PHILIP WELLER, EXECUTIVE SECRETARY
INTERNATIONAL COMMISSION FOR THE PROTECTION OF THE DANUBE RIVER

In **Nigeria**, our new partnership with Paradigm Initiative Nigeria supports Ajegunle.org, a social enterprise improving the livelihoods of young slum-dwellers through ICT skills and entrepreneurship. We work in partnership with Junior Achievement in **Greece**, **Romania**, **Latvia** and **Lithuania** to support enterprise education. In **Serbia**, we launched a new internship programme with the University of Belgrade.

Another focus is developing future sustainability leaders, whether in business, NGOs, media or other fields. We partner with AIESEC, the world's largest student-

Students exploring Sava River Basin by canoe.

Emergency aid to Abruzzo

The earthquake that struck the Italian region of Abruzzo in April 2009 killed more than 300 people and left a further 64,000 homeless. Mobilising employee volunteers, we worked with the Italian Red Cross and Civil Protection National Service to deliver aid to residents and emergency services, including 350,000 bottles of mineral water and 90,000 packs of fruit juice. The warehouse at our Oricola plant, near the epicentre of the quake, was designated a logistics and distribution centre for NGO partners and for donations from local companies.

In support of rebuilding efforts, we donated €400,000 towards National Civil Protection projects and restoration of the local university. In our own operations, we took the opportunity to prepare for future events, training employees in crisis driving and deliveries, as well as first aid. As a result, we were nominated for Best Ethical Campaign at the international 2009 Beverage Innovation Awards.

Working hand in hand with the Italian Red Cross to supply water and essential supplies in the aftermath of the Abruzzo earthquake.

run organisation, in countries from **Latvia**, **Lithuania** and **Estonia** to **Bulgaria**, **Serbia** and **Croatia** to help young people have a positive impact on society. In **Russia**, we support the non-profit organisation SIFE that helps mobilise university students to become socially responsible business leaders. In **Nigeria**, a new programme offers student journalists a national platform for engaging with authorities. We also support national competitions for the Stockholm Junior Water Prize in **Russia**, **Ukraine** and **Belarus**, as well as the European Youth Parliament.

Other programmes support young people at risk of being marginalised – whether economically disadvantaged, disabled or growing up without family. We aim to help them develop the self-esteem and life-skills to reach their potential.

With high numbers of children's homes in our territories, we build partnerships with organisations such as SOS Children's Villages. Our Multon plant in Scholkovo, **Russia** launched a new initiative with its local children's home in 2009. By introducing the children to various professions, we encourage them to consider career possibilities. Under the Schools Business Partnership in **Northern Ireland**, we support underprivileged students, preparing them for the world of work through Company visits, job application advice and mock interviews.

Sports and Physical Activity

We support sports and fitness projects, encouraging people of all ages to be more active. During 2009, 1.1 million took part in our activities. Our programmes 'Move! Wake Your Body' in **Hungary** and 'Be Active' in **Ireland** have been particularly successful in reaching traditionally excluded groups with a broad range of activities.

It is especially important to build positive exercise habits in childhood. We therefore support programmes in schools and communities. In **Greece**, our 'Moderation-Balance-Diversity' schools programme won first place at the 2009 CSR Awards of the Hellenic Advertisers Association. In **Ukraine**, we help to address the lack of children's recreational facilities. Working with the Klitschko Brothers Foundation, we have built 77 community playgrounds over the last four years (see **Consumer Health**).

Emergency Relief

The last decade has been the hottest on record. As the climate changes, natural disasters will increase. Providing emergency relief is therefore a vital part of our community support.

In 2009, we provided more than 700,000 litres of safe drinking water to residents and emergency services following disasters in **Italy**, **Greece**, **Poland** and the **Czech Republic**. We also leveraged our infrastructure. In **Italy**, our warehouse became a logistics and distribution centre for NGOs delivering quake relief (see above), while after more wildfires in Greece, we gave fire services access to our water supplies.

- Our commitment in action
- London Benchmarking Group

Supporting the UN Global Compact

WE SUPPORT

With more than 7,700 participants, the UN Global Compact is the largest voluntary corporate citizenship programme in the world.

As a longstanding participant, Coca-Cola Hellenic implements and promotes the Compact's ten principles in its own business and beyond.

A Notable Reporter

since 2005

We actively participate in 13 local networks

Coca-Cola Hellenic is working to implement the ten principles in its own operations, its supply chain and its broader engagement and partnerships. Country operations actively support 13 local networks[1] of the Global Compact, helping to bring its principles to life in different countries and cultures. Since 2005, we have provided annual reports of our progress and have been recognised as a Notable Reporter.

Following stakeholder requests for more information about our activities that support human rights and anti-corruption, we provide below a brief overview of these activities, showing where more information can be found.

Since we also participate in the Compact's leadership platforms, the CEO Water Mandate and Caring for Climate, we publish an online progress report of how we are implementing those commitments.

Human Rights and Labour Standards

Coca-Cola Hellenic safeguards and promotes universal human rights and labour standards in three main areas: in its operations, its supply chain and through broader initiatives. The policies on human rights, equality, and health and safety can be found online, while activities from our high-profile safety programme to ongoing social dialogue with unions and works councils are discussed earlier in this report. A telephone hotline and email allow employees to raise concerns confidentially, and our human rights practices are independently monitored (see **Employee Development**). Third-party audits are also used to assess supplier compliance with our standards (see **Supplier Engagement**).

By participating in local networks of the Global Compact, we promote respect for human rights and labour standards in our countries of operation. There can be potential conflict in countries where human rights are compromised. We keep abreast of issues, using such resources as Amnesty International, and train managers in human rights.

Coca-Cola Beverages Ukraine was among the first companies to join the UN Global Network Ukraine in September 2006.

By 2008, the local UN Global Compact network grew as a visible and solid structure and numbers nearly 90 members, 12 of them are international.

The first GC Network Ukraine Steering Committee meeting at the UN House.

Anti-Corruption

We are committed to conducting our business in compliance with the highest ethical standards and all applicable laws. We use internal and external sources, such as the Transparency International Index, to assess the level of risk in our territories and have adopted the Global

1. Armenia, Belarus, Bulgaria, Croatia, Greece, Hungary, Italy, Poland, Russia, Serbia, Slovenia, Switzerland and Ukraine.

Compact's new Reporting Guidance on the 10th Principle (see case study).

Environment

Since 2002, we have worked systematically to reduce our key environmental impacts. We are also extending the focus of our activities to our value chain and our communities. By signing the CEO Water Mandate and Caring for Climate, we have committed to addressing water use and CO_2 emissions in our own business and our supply chain, while working collaboratively with governments, NGOs and other businesses to achieve broader understanding and change. Our progress reports on these two initiatives are available on our website.

- Supporting the UNGC
- UN Global Compact

Promoting Ethical Business

Integrity is one of Coca-Cola Hellenic's corporate values and its approach is one of zero tolerance towards corruption – in its own organisation and beyond.

In Operations – The Code of Business Conduct makes explicit the expectations of all employees and directors, and includes a clear prohibition of bribery and extortion. Directors are subject to an additional two codes: a Code of Dealing in Shares and a Code of Ethics.

Every employee will be required to score at least 80% in the new training module so as to demonstrate they understand the Code in practice. In 2010 the programme will target all corporate offices and job grades where the potential for serious fraud is highest. This new training module complements existing training and communication, which include an annual letter from the Managing Director to all employees, as well as in-person training and monthly electronic bulletins.

The Code of Business Conduct requires employees to raise suspected violations. Employees who do not do so are themselves violating the Code. We offer various reporting channels, including a telephone hotline and email, which allow confidential and anonymous reporting. All contacts are investigated by Internal Audit and reported to the Audit Committee. Violations always result in disciplinary action, with major violations resulting in termination. Coca-Cola Hellenic is committed to protecting good faith whistle-blowers from retaliation (see **Employee Development**).

With Suppliers – Agreements with suppliers require that they abide by our Code of Business Conduct. Our Supplier Guiding Principles also state clearly that we expect our Suppliers to follow all applicable laws. Independent third-party audits help us to ensure compliance with our SGP programme (see **Supplier Engagement**).

Across Communities – In the marketplace, we engage in fair competition based solely on the merits of our products and services. All employees in commercial roles are trained in competition law. The Coca-Cola system has given formal undertakings to European competition law authorities on a variety of trading practices (see coca-colahellenic.com -> EU undertaking); these govern the way we do business. We also promote anti-corruption and ethical business in our communities. In Romania, for example, we have participated in a longstanding programme to teach business ethics to university students.

Environmental data table 2009

	GRI Indicator	Total Amount 2009	Relative Amount 2009	Relative Amount 2008
Production		million litres beverages		
Total beverage production		11,680		
MATERIALS		tonnes	g/lpb	g/lpb
Materials used	**EN1**			
Sugar and fructose syrup		844,627	72.3	72.6
Concentrate		69,580	6.0	4.6
PET (bottles)		285,150	24.4	23.7
Plastic (closures)		25,510	2.2	2.2
Metal (crowns)		25,486	2.2	1.6
PE (labels and stretch / shrink film)		45,802	3.9	4.1
Glass (bottles)		132,160	11.3	15.4
Aluminium (cans)		34,532	3.0	3.2
Paper (labels)		1,246	0.1	0.2
Cardboard		48,622	4.2	3.4
Wood (palettes)		83,126	7.1	9.7
Percentage of materials from recycled sources	**EN2**	see CSR Report p. 27-28		
ENERGY		million MJ	MJ/lpb	MJ/lpb
Direct energy use (plants and fleet)	**EN3**	**10,585**	0.91	0.97
Electricity		2,752	0.24	0.25
Light heating oil		1,092	0.09	0.03
Heavy heating oil		85	0.01	0.01
Natural gas		2,122	0.18	0.20
LPG		192	0.02	0.02
Others in plants (steam, district heating, own power)		342	0.03	0.09
Diesel		1,647	0.14	0.20
Petrol		968	0.08	0.06
Estimated diesel in leased + 3rd-party fleet		1,384	0.12	0.12
Primary energy use	**EN4**			
Electricity		7,980	0.68	0.72
Fossil fuels		1,527	0.13	0.13
Energy use of Cold Drink Equipment				
Total cooling equipment electricity consumption		17,028		
• Coolers		16,198		
• Venders		389		
• Fountains		441		
Energy saved in bottling plants (vs. Baseline)	EN5	4,195	-39%	-36%
Initiatives for energy efficiency and renewable energies	EN6	see CSR Report p. 21-23, 40		
Initiatives to reduce indirect energy consumption	EN7	see CSR Report p. 24-25, 40		
WATER			litres per litre of produced beverage	litres per litre of produced beverage
Total water use	**EN8**	28,023 mio l.	2.40	
Water used		27,246 mio l.	2.33	2.48
Water unused (discharged unaltered)		777 mio l.	0.07	
Water withdrawal by source (% from municipal sources)		34%		
Water habitats affected by withdrawal of water	EN9	none		
Total recycling and reuse of water	EN10	1,679 mio l.	0.1 l/lpb	0.1 l/lpb
BIODIVERSITY				
Total amount of land owned	**-**	902 ha		
Land owned in protected habitats	**EN11**	none		
Major impacts on biodiversity	**EN12**	none		
Changes to natural habitats resulting from operations	EN14	none		
Programmes to protect habitats	EN13	see CSR Report p. 16-18		
Red List species with habitats affected by operations	EN15	none		

	GRI Indicator	Total Amount 2009	Relative Amount 2009	Relative Amount 2008
EMISSIONS, EFFLUENTS AND WASTE				
Greenhouse gas emissions from operations		tonnes	g/lpb	g/lpb
CO_2 from energy used in plants (scope 1)	**EN16**	221,838	19.0	19.6
CO_2 from electricity used in plants (scope 2)	**EN17**	342,292	29.3	30.4
CO_2 from fuel used in company vehicles	**EN16**	192,147	16.5	18.7
Coolant emissions from Cold Drink Equipment (CO_2 eq)	**EN16**	25,657	2.2	1.9
CO_2 for product carbonation (excluding recycled CO_2)	**EN16**	49,110	4.2	4.9
Total emissions (scope 1 and 2)		**831,044**	**71.2**	**75.4**
Indirect greenhouse gas emissions				
CO_2 from electricity use of Cold Drink Equipment	**EN17**	2,043,224	174.9	152.4
CO_2 embedded in packaging	**EN17**	1,599,652	137.0	146.9
CO_2 from 3rd-party transport		102,461	8.8	6.1
CO_2 from head office flights	**EN17**	1,651	0.1	0.2
Programmes to reduce greenhouse gas emissions	EN18	see CSR Report p. 21-23, 40		
Ozone-depleting substance emissions	**EN19**			
CFCs and HCFCs		0,317	0.00003	0.00002
Other significant air emissions	**EN20**			
NO_x		4,561	0.39	0.43
SO_2		3,194	0.27	0.29
Particulate matter		504	0.04	0.05
WASTE				
Amount of solid waste	**EN22**	see CSR Report p. 29		
Total amount		130,735	11.2 g/lpb	12.9 g/lpb
Recycling and energy recovery		109,089	83%	78%
Hazardous waste				
Hazardous waste generated	EN24	1,598	0.1 g/lpb	0.1 g/lpb
EFFLUENTS				
Discharges to water				
Quantity of wastewater discharge	**EN21**	16,771 mio l.	1.4 l/lpb	1.4 l/lpb
Total COD (Chemical Oxygen Demand) produced	**EN21**	5,782 t O_2	495 mgO_2/lpb	560 mgO_2/lpb
Total COD reaching the environment	**EN21**	752 t O_2	76 mgO_2/l	104 mgO_2/l
Water habitats affected by water discharges	EN25	9		10
Spills of chemicals, oils, fuels	**EN23**	21 t	0.002 g/lpb	0.004 g/lpb
PRODUCTS AND SERVICES				
Significant environmental impacts	**EN26**	See CSR Report p. 4-5 for cooling equipment		
Percentage reclaimable products	**EN27**	see CSR Report p. 27-28		
Rate of returnable packaging		12%		12%
Possible rate of packaging recycling		see CSR Report p. 27-28		
Achieved rate of packaging recycling		see CSR Report p. 27-28		
COMPLIANCE				
Incidents and fines	**EN28**	6		
TRANSPORT				
Environmental impacts of transport	EN29	see CSR Report p. 4, 23		
Number of vehicles		20,306		
Fuel consumption (litres)		73,916,247 l.	6.3 ml/lpb	7.4 ml/lpb
EXPENDITURES				
Total environmental expenditures	EN 30	not public		

Note: Core GRI indicators are indicated in bold typeface. Additional GRI indicators are indicated in normal typeface

Social and economic data table

GRI	Topic	2009	2008
	Employee Development		
LA1	Total workforce (No. of employees)	44,801	48,683
	Full Time Equivalents	44,231 FTEs	47,641 FTEs
	Permanent employees	>95%	Approx. 90%
	Training & Development		
LA10	Average training hours per employee	20	16
	Human Rights		
HR4-7	No. of workplace accountability audits	13	11
HR4-7	No. of human rights violations resulting in litigation against the Company	0	0
	Equality & Diversity		
LA13	Women in management	26.6%	24.8%
LA14	Male-to-female salary equality	1%	1%
EC7	Managers of local origin	88.0%	87.8%
HR4	Breaches of equality legislation	0	0
	Labour Rights		
LA4	Employees covered by collective bargaining	46%	46%
LA4	Employees belonging to independent trade unions	24%	23%
	Health & Safety		
LA7	Fatalities (includes contractors)	5	25
LA	Accident incidence (accidents with >1 day absence per 100 employees)	1.4	3.8
LA7	Sickness absence (days absent)	262,537	282,309
LA7	Sickness absence rate (% of working days missed due to sickness)	2.29%	2.29%
	No. of plants with OHSAS 18001 certification	53	55
	% of production volume covered	76%	75%
	Consumer Health		
	No. of new product launches	100	200
	Percentage of still beverages (juices, waters, etc.)	37%	38%
	Average calorie content (per 100ml)	30.3	29.8
PR3	Rollout of GDA labels in EU territories	All sparkling beverages, most others	All sparkling beverages
PR5	Consumer complaints (per million containers sold)	0.33	0.25
	No. of plants with ISO 9001 certification	75 plants (99% of volume)	70 plants (95% of volume)
	No. of plants with ISO 22000 certification	58 plants (82% of volume)	36 plants (48% of volume)
	Supplier Engagement		
HR2	No of independent SGP audits	35	9
EC1	Total supplier spend	€3,955.10 million	€4,079 million
EC6	Spending within local territories (includes EU)	90%	89%
	Community		
EC1	Economic benefits		
	Income taxes	€142 million	€106 million
	Salaries & benefits	€1,129 million	€1,159 million
	Supplier spend	€3,955.10 million	€4,079 million
EC1	Investment in community projects	€12 million (1.9% pre-tax profit)	€11 million (>1.5% pre-tax profit)
	Employee volunteers	7,500	3,000
	Political contributions	0	0

Glossary of Terms

Bottlers: Business entities that sell, manufacture, and distribute beverages of The Coca-Cola Company under a franchise agreement.

Bottling plant: A beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations.

Caring for Climate: This framework allows UN Global Compact participants to advance practical solutions to climate change and help shape public policy and public attitudes.

CEO Water Mandate: Launched by the UN Global Compact, this is a call to action and a strategic framework for companies to address water sustainability in their operations and supply chains.

Chlorofluorocarbon (CFC): Chemical compound used in cooling equipment, which damages the earth's ozone layer and contributes to global warming.

Coca-Cola Hellenic: Coca-Cola Hellenic Bottling Company S.A. and, as the context may require, its subsidiaries and joint ventures. Also referred to as "the Company" or "the Group".

Coca-Cola System: The business system comprising The Coca-Cola Company and its bottling partners. In this report, the Coca-Cola System refers to joint initiatives of Coca-Cola Hellenic together with The Coca-Cola Company.

Cold Drink Equipment (CDE): Coolers, vending machines and fountains in the marketplace that cool beverages for immediate consumption.

Combined Heat and Power (CHP): A power generation system that can produce power, heat, cooling and in some cases CO_2 in a combined process that is up to 40% more efficient than traditional processes.

Concentrate: Base of a beverage, to which water and other ingredients are added to produce beverages. It may contain concentrated plant extracts, fruit juices, colourings and other components.

Consumer: Person who drinks Coca-Cola Hellenic's beverages.

Customer: Retail outlet, restaurant or any other business that sells or serves Coca-Cola Hellenic products to consumers.

CSR: Corporate Social Responsibility.

Distribution: Getting the product from bottling plant to marketplace; includes sales, delivery, merchandising and local account management.

Dow Jones Sustainability Index (DJSI): First global indices tracking the financial performance of the most sustainable companies worldwide.

Energy use ratio: The KPI used by Coca-Cola Hellenic to measure energy consumption in the bottling plants, expressed in megajoules of energy consumed per litre of produced beverage (MJ/lpb).

EU Platform for Action on Diet, Physical Activity and Health: A multi-stakeholder initiative to combat overweight and promote physical activity.

GDA: Guideline Daily Amount.

Global Reporting Initiative (GRI): The GRI sustainability reporting guidelines are the most widely used framework for reporting CSR performance.

Global Water Partnership (GWP): Network founded by the World Bank, the United Nations Development Programme (UNDP), and the Swedish International Development Agency (SIDA) to foster integrated water resource management (IWRM).

Greenhouse Gas (GHG) Protocol: This widely used international accounting tool allows organisations to quantify and manage greenhouse gas emissions.

Hydrofluorocarbon (HFC): Chemical compound used in cooling equipment, which contributes to global warming.

ICPDR: The International Commission for the Protection of the Danube River is partner in the Company's Green Danube Partnership programme.

ISO: International Standards Organisation.

KPI: Key Performance Indicator.

LBG (London Benchmarking Group) Model: This tool is used by hundreds of leading businesses to measure corporate community involvement.

Lightweighting: Reducing the amount of raw materials used to produce lighter packaging.

Litres of produced beverages (lpb): Unit of reference for environmental indicators.

NGO: Non-Governmental Organisation.

PET (Polyethylene Terephthalate): A form of polyester used to make lightweight, shatter-resistant bottles for beverages, food and non-food. PET can be recycled into new containers, clothing, carpeting, automotive parts and industrial materials.

PET-to-PET or bottle-to-bottle: A recycling system for post-consumer PET bottles. Used bottles are collected, sorted, cleaned, ground and transformed into new material for manufacture in PET bottle preforms.

Plant: Also referred to as bottling plant, a beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations.

Preforms: Thick-walled PET forms which are blown into PET bottles before being filled with beverage.

Supplier Guiding Principles (SGPs): Coca-Cola Hellenic's social and environmental requirements from suppliers.

The Coca-Cola Company (TCCC): The world's leading producer of non-alcoholic concentrates and syrups used to produce nearly 400 beverage types under licence agreements.

UNDP (United Nations Development Programme): the UN's global development network, the largest multilateral source of development assistance.

UNESDA: The Union of European Beverages Associations is the European trade association representing the non-alcoholic beverages industry.

UN Global Compact (UNGC): The world's largest corporate citizenship initiative provides a framework for businesses to align strategies with its ten principles promoting labour rights, human rights, environmental protection and anti-corruption.

UNICEF: The United Nations Children's Fund provides long-term humanitarian and developmental assistance to children and mothers in developing countries.

Waste ratio: The KPI used by Coca-Cola Hellenic to measure waste generation in the bottling plant, expressed in grammes of waste generated per litre of produced beverage (g/lpb).

Waste recycling: The KPI used by Coca-Cola Hellenic to measure the percentage of production waste at bottling plants that is recycled or recovered.

Water use ratio: The KPI used by Coca-Cola Hellenic to measure water use in the bottling plant, expressed in litres of water used per litre of produced beverage (l/lpb).

WBCSD: The World Business Council for Sustainability Development is a global association of some 200 companies dealing with business and sustainable development.

WWF (World Wildlife Fund or World Wide Fund for Nature): The world's largest non-governmental organisation working on issues regarding the conservation, research and restoration of the environment.

GRI Index

The index below lists the disclosures and performance indicators covered in this report and in our Annual Report (AR). Text in italics refers to additional indicators.

Disclosures on Management Approach can be found on the Coca-Cola Hellenic website, as well as further information on programmes.

Text in italics refers to additional indicators
AR: Annual Report

Awards & Recognition

CSR

- **Dow Jones Sustainability Indexes** (World and Europe STOXX) – for the 2nd consecutive year
- **FTSE4Good** – listed continuously since set-up
- **Bosnia** – Best CSR Practice award 2008 (announced in 2009)
- **Hungary** – Progressive Professional Awards – best CSR programme
- **Poland** – 9th among all audited companies and 5th in FMCG category in the 2009 CSR Companies Ranking – Responsible Business Forum & PricewaterhouseCoopers
- **Greece** – Most sustainable company in the food industry; 2nd most sustainable overall Accountability Rating Greece

Employee Development

- **Belarus** – Best Employer, 2009 Brand of the Year Competition
- **Bosnia** – Employer Partner Certificate for excellence in human resources management (1st in Bosnia)
- **Bulgaria** – No. 1 FMCG Company, Hewitt Best Employer Survey
- **Croatia** – Employer Partner Certificate for 2nd consecutive year for excellence in human resources management (96% score)
- **Czech Republic** – No. 2 FMCG Company, AIESEC Survey of Most Desirable Places to Work for Students
- **Greece** – Best Workplaces 2009, Great Place to Work Institute Hellas
- **Hungary** – No. 1 FMCG Company, Hewitt Consulting survey of students
- **Italy** – 2009 Best Place to Work (3rd place), Great Place to Work Institute
- **Northern Ireland** – National Training Award, UK Department for Business, Innovation and Skills
- **Romania** – No. 1 Employer of Choice, Superbrands
- **Russia** – National Agro-Industrial Trade Union Committee award for constructive and fruitful cooperation with local trade union
- **Russia** – Recognised by Moscow Federation of Trade Unions as one of the Best Enterprises for Working Mothers
- **Serbia** – Best Employer in Serbia (runner-up), Infostud and Economist Media
- **Ukraine** – Best Employer 2009, Hewitt Survey

Water Stewardship

- **Croatia** – Best national & regional campaign for 'Our Beautiful Sava', European Excellence Awards
- **Greece** – 2009 CSR Excellence Award – 1st prize (Environment/water) for rainwater harvesting, Hellenic Advertisers Association
- **Beverage innovation awards**
  - Special Commendation for water stewardship programmes
  - 'Adopt-a-River', Romania (best environmental initiative – finalist)
- **Italy** – Komkids Liberamente Giovani Award 2009 (New Services) with Acquando for best CSR project involving youth

Consumer Health

- **Beverage innovation awards**
  - **Hungary** – Coca-Cola 'Move! Wake Your Body' active lifestyle programme - Best Health Initiative
  - **Greece** – Amita's 5-a-day campaign – Best Health Initiative (finalist)
- **Greece** – 2009 CSR Excellence Awards, 1st prize (CSR continuous engagement) for 'Moderation-Balance-Diversity', Hellenic Advertisers Association
- **Hungary** – Appreciative award for continual investment in recreational sports, Hungarian Association of Recreational Sports
- **Ireland** – BITC Big Tick for 'Be Active' programme (2nd consecutive year)
- **Belarus** – Best Product of the Year, Grand Prix for Sustained Product Quality

Community

- **Russia** – Orel Governor's Award for active participation in social development in 2009
- **Estonia** – Thoughtful Man Award (Community) 2009 for contribution to society, Mustamäe City District
- **Beverage innovation awards**
  - Best Ethical Initiative (highly commended) for Abruzzo earthquake relief
- **Ireland** – Best Corporate Social Responsibility, All Ireland Marketing Awards 2009 for Designated Driver programme

Coca-Cola Hellenic
Passion for Excellence

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