



# SUSTAINABILITY REPORT 2019

 **Coca-Cola HBC**  
Moldova

**BUILDING TOGETHER  
IN MOLDOVA, FOR OVER  
25 YEARS**



**25 ANI**  
*Coca-Cola*  
ÎN MOLDOVA



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**SERGEY HOVELYAN**  
Country Manager  
Coca-Cola HBC Moldova

We are pleased to present the annual sustainability report of Coca-Cola HBC Moldova. Being on a constant dynamic path towards sustainable development, the company understands the importance of a transparent dialogue with stakeholders and publicly presents the results of its activities in 2019.

Coca-Cola HBC Moldova's mission is to respond to consumer needs through a portfolio of high quality beverages, to ensure the growth of each customer and to develop our team. Through this mission, Coca-Cola HBC Moldova is constantly working to reduce the negative impact on the environment, to improve the life of communities and the socio-economic situation in the Republic of Moldova.

With clear reference objectives, Coca-Cola HBC Moldova focused on innovations. In the Republic of Moldova, the company's activities comply with the global goals and commitments to sustainability, updated in 2019. Our strategy is to meet the needs of consumers through a wide range of beverages. In this aspiration, Coca-Cola HBC Moldova actively presents new beverage flavors, new recipes, expands its product portfolio, in particular, increases the number of sugar-free drinks. All materials used in production and the ingredients of our products comply with international and local quality standards, which allows us to guarantee an adequate level of quality and safety for the health of our consumers.

Coca-Cola HBC Moldova is dedicated to achieving clear strategic priorities in the social and environmental areas. By adopting the "World without waste" strategy, we support and develop projects for responsible packaging management, especially. Furthermore, we constantly make significant investments and implement projects for skills development of young people and women in our society.

More details about the material aspects of our activities, the results of our work and the achievements of 2019, can be found in the pages of the report. At the same time, I want to affirm our desire to report the sustainability performance of Coca-Cola HBC Moldova on an annual basis.





# 25 ANI Coca-Cola ÎN MOLDOVA

The Coca-Cola Company System in Republic of Moldova, by strengthening its market leadership, makes a significant contribution to Moldova's GDP, adheres to the principles of sustainable development and provides support to important public initiatives



## BUSINESS

- Coca-Cola HBC Moldova ranks 2<sup>nd</sup> on the podium of the **Top 10 Employers** in the Republic of Moldova for its efforts to create a pleasant working environment for all employees.\*

## ECONOMY

- Coca-Cola HBC Moldova contributed to the state and local budgets with approximately **80 million MDL** only in 2019, which represents **0.13%** of the country's revenues.

## SOCIAL IMPACT

- **6.5 jobs** in the country's economy are supported by each job at Coca-Cola HBC Moldova
- **1,012.5 jobs** in the national economy are supported by the Coca-Cola System in the Republic of Moldova, which is **0.19% of country employment**.

\* according to the study: "Best Companies to Work For"

## THE CUSTOMER IS THE CENTER OF OUR ATTENTION

- Coca-Cola HBC Moldova pioneered in the industry by founding a **Call Center** to take orders for certain categories of customers, as well as ensuring quality after-sales service.
- **100% involvement:**
  - On time delivery
  - Continuous monitoring
  - Financial accuracy

## A ROBUST COMPANY AND A FAIR COMPETITOR

- Coca-Cola HBC Moldova organizes the **Ethics and Compliance Week** every year, outlining a context that leads to the generation of long-term benefits for all stakeholders. In the 2019 edition, we launched the new, simplified version of the **Code of Business Conduct** and the **Anti-Bribery Policy** and we opened the communication about our Code of Business Conduct and Anti-Bribery Policy to our suppliers as well.
- **No legal actions** on anti-competitive behavior
- **No violations** of anti-trust and monopoly laws
- **No fines** for social and economic non-compliance
- Coca-Cola HBC Moldova has **zero tolerance towards corruption and bribery**
  - **No confirmed incidents** of corruption

## A RESPONSIBLE EMPLOYER

- Coca-Cola HBC Moldova directly supports **135** employees and their families
- We invest in our people:
  - **3,406** training hours
  - **62.22%** of our employees received trainings
- **Satisfaction of our employees** is measured annually and remains steady in the last years at **96%**.
- Employee turnover rate is reduced by approx. **9 p.p.** vs 2018
- **Occupational Health and Safety Week** - biannual event with the purpose to remind everyone how important it is to maintain a preventive attitude in maintaining a safe and healthy work environment.
- **Our people** are regularly medically examined and have voluntary medical insurance
- **All our employees** are equipped with modern IT equipment and vehicles including devices to monitor compliance with traffic rules, traffic discipline, speed, etc.

## WE CARE ABOUT THE ENVIRONMENT

- **Coca-Cola Green Day**, part of the World Without Waste program initiated by the Coca-Cola Hellenic Group worldwide, is an environmental event organized every year in order to raise awareness on the biggest ecological issues and to help our colleagues better understand the impact each of us has on the environment. In 2019 only **70 volunteers collected 500 kg of waste**, leaving behind a clean and tidy park
- Our PET bottles are **100% recyclable**, with a content of up to **30% plant content**
- Thanks to the robust waste management system implemented by Coca-Cola HBC Moldova, in 2019 we:
  - Recycled and recovered about **60 tons of waste**;
  - Reduced the landfilled waste by over **40%**, compared to 2017.
- **No fines** for environmental non-compliance
- Environmental taxes of approx. **30 million MDL** paid in 2019 by Coca-Cola HBC Moldova represent more than 10% of the value of the National Ecological Fund for environmental protection and may have been used to recycle more than **2,300 tonnes** of plastic.

## YOUTH EMPOWERED

- In the extended Coca-Cola family, we take care of the young generations, of our future. We continue the Youth Support Program, as part of the **Youth Empowered Program**, through which we want to stimulate young people's ability to make decisions and increase their chances of employment. For these, we contribute to the creation and development of professional and personal skills, generating a positive impact on the lives of young people. Together with our Partners – Junior Achievement Moldova, AIESEC, ASIST we trained **730 participants** in 2019.

# OUR RESPONSE TO COVID-19

#PentruCaNePasa  
#ImpreunaVomReusi  
#LocalBusiness  
#Before&AfterCOVID19

As in the case of other businesses in the Republic of Moldova, the Covid-19 pandemic significantly affected us, by temporarily closing the HoReCa industry; In addition, this crisis has shown us all how unprepared we are for both orders and payments.

Despite the difficult context we are going through, we can say that the pandemic has helped people appreciate more the time spent with family and loved ones.

Coca-Cola HBC Moldova quickly overcame the initial natural shock caused by this unprecedented worldwide situation and from the very beginning stood by all the parties with whom we usually collaborate. During the Covid-19 pandemic, no customer was left without our support and attention. We were alongside with our clients 24/7 to help them and provide them with everything they need. We have supported our partners, with the experience and know-how taken from other countries, in the transition of business in the online environment.

Our people continued to be at the center of our attention, and from the very first days we supported them, communicated with them regularly, and provided them with everything they needed to ensure their health and safety at work. We are in constant contact with the entire organization, thus having access to best practices globally.



1615 SUPPORTED PATIENTS

4 HOSPITALS

5 MEDICAL EQUIPMENT

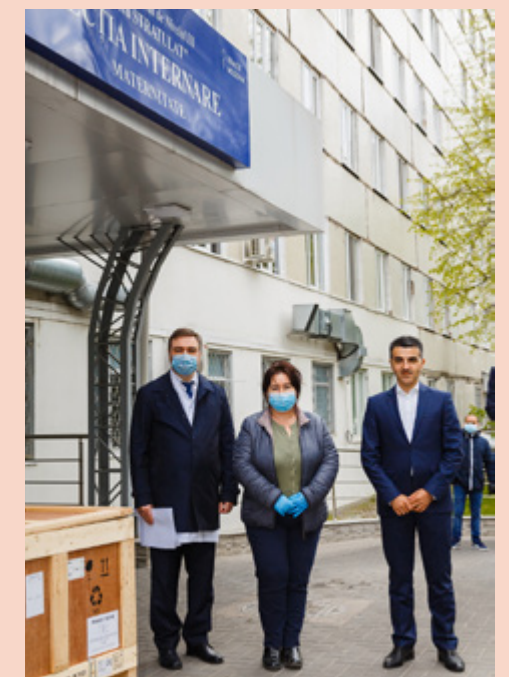
2 MONTHS

Immediate help in Moldova's battle against COVID-19

With the support of Coca-Cola

In this period too, we remain a reliable partner for local community. We were actively involved in ensuring our future, so through the Coca-Cola Foundation we donated 100 thousand US dollars and with the support of our partners from CCF Moldova – Child, Community, Family, we provided equipment of vital importance for patients infected with Covid-19 in four medical institutions in Chisinau. In just two months, over 1,600 patients – adults and children, were supported in the fight against the new coronavirus. The high-performance equipment with which we equipped the 4 hospitals helped to improve patients' chances of recovery.

This crisis has determined us to lay the foundations for rapid response systems that will increase our management capacity for future situations. Despite the negative impact on many levels, our long-term projects are only postponed for the time being, and we are determined to continue investing especially in human health and safety and environmental protection. We continue our journey forward, together and alongside our partners, and contribute to the sustainable development of the country.







# The Coca-Cola HBC Moldova system

Coca-Cola Hellenic is one of the largest bottlers for The Coca-Cola Company products in the world. Founded in 2000 through the merger of Coca-Cola-based beverage production company in London and the Greek bottling company Hellenic, Coca-Cola Hellenic has expanded permanently, currently operating in 28 countries and serving a population of approximately 560 million consumers. This dimension offers attractive growth opportunities and reduces our dependence on any market.

In carrying out operations in 28 countries, Coca-Cola Hellenic provides guidance, support and supervision to each operation, while placing day-to-day management and operation in the hands of local employees who best know their own country's characteristics, business practices, aspirations and needs of the community.

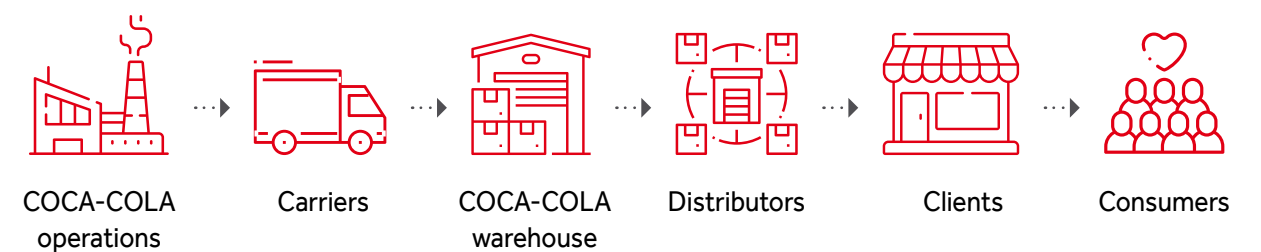
The Coca-Cola HBC Group operates in the following areas:

- Emerging markets: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Moldova, Montenegro, Nigeria, North Macedonia, Romania, Russian Federation, Serbia and Ukraine
- Developing markets: Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia
- Established markets: Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland and Switzerland



The history of Coca-Cola in the Republic of Moldova, a member of Coca-Cola Hellenic, began in 1994, with the establishment of ICS Coca-Cola Îmbuteliere Chişinău SRL (hereinafter "Coca-Cola HBC Moldova" or "Company") by CC Beverage Holdings II B.V.. At the beginning, the activity in Moldova of the most famous brand in the world was limited to the storage and marketing of a small portfolio of soft drinks – Coca-Cola, Fanta, Sprite. In over 25 years of activity in the Republic of Moldova, Coca-Cola HBC Moldova has experienced a remarkable progress and currently has a wide portfolio of products that can cover all consumption occasions 24/7, under various types of flavors and packaging adapted to consumers in the Republic of Moldova.

Starting with 2016, Coca-Cola HBC Moldova has transformed from a manufacturer into a soft drinks distributor with the trademark of "The Coca-Cola Company", importing products from factories in Romania and Ukraine. In 2017 Coca-Cola HBC Moldova expanded its range of distributed products, adding to its portfolio the famous alcoholic products from Group Campari and Edrington, which are received by consumers with special interest. In 2019 we took over the distribution in the Republic of Moldova of three brands from the Purcari wine producer's portfolio, respectively Purcari, Bostavan and Bardar.





## THE VALUE CHAIN OF THE COCA-COLA HBC MOLDOVA SYSTEM



135 employees



11 distribution centers



- Chişinău
- Balti
- Comrat
- Soroca
- Anenii-noi
- Causeni
- Ungheni
- Nisporeni
- Briceni
- Rezina
- Hancesti
- Cahul

Currently, Coca-Cola HBC Moldova responds to the needs of consumers throughout the Republic of Moldova, operating promptly through the 11 distribution centers, both its own and those of our partners.

At the end of 2019, a prestigious consulting company in Moldova, announced the results of the 11<sup>th</sup> edition of the study "Best Companies to Work For", survey involving 49 companies in the IT, distribution and sales, production, financial sector, service provision and other sectors. The study revealed the best employers in the Republic of Moldova for 2019 in terms of working conditions, salary and benefits, development opportunities and growth prospects, collaboration and the nature of relationships in the company, organizational structure and goals.

For the seventh consecutive year, Coca-Cola HBC Moldova ranks in the Top 10 employers in the Republic of Moldova. We are proud of the recognition our concerns to create a pleasant work environment for all employees, by ranking second place on the podium in 2019.

Coca-Cola HBC Moldova has an important role in the economy through the jobs created directly and indirectly (through contractors). In a recent study, we estimated that each job at Coca-Cola HBC Moldova generates another 6.5 jobs in the rest of the economy.

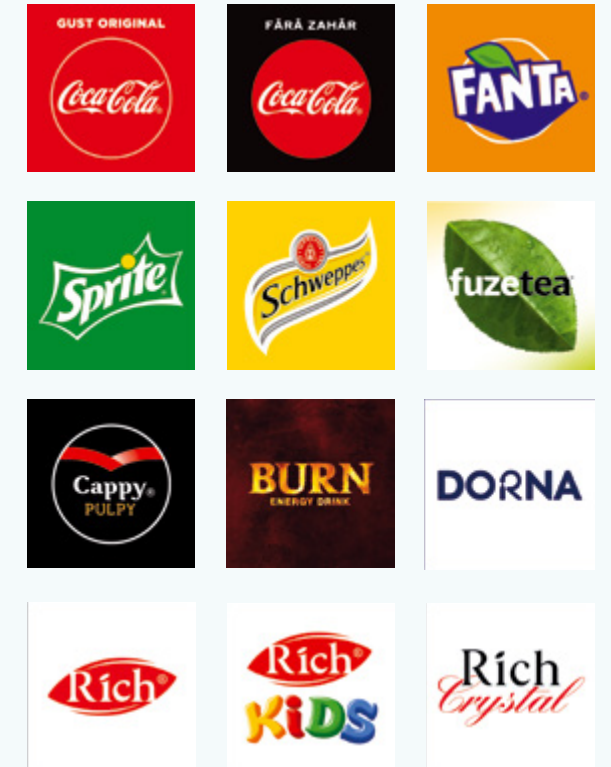
At the same time, the company contributed to the state and local budgets with approximately 80 million MDL only in 2019, which represents 0.13% of the country's revenues. In addition, this money can be used to create 20 state-of-the-art diagnostic and treatment centers, rehabilitate 2.6 kilometers of streets and sidewalks, along with creating related parking spaces and improving street lighting, building 6 kindergartens with extended hours for 800 children, to the acquisition and installation of 160 fast charging stations for electric vehicles, or to the rehabilitation of 1,500 hectares of forest through natural regeneration or afforestation. Environmental taxes of approx. 30 million MDL paid in 2019 by Coca-Cola HBC Moldova represent more than 10% of the value of the National Ecological Fund for environmental protection and may have been used to recycle more than 2,300 tonnes of plastic in the Republic of Moldova.

## OUR PRODUCTS

Our strategy is to maintain our leading position on the national and global market through the variety of product portfolio that addresses all age groups, and that can be consumed at all possible occasions. Our main objective is to generate value outside the Company too, simultaneously with our development through various promotional activities, new product launches, creating new partnerships and strengthening existing ones. By combining the innovative

character of Coca-Cola HBC Moldova and the development of new products, with the dedication of our professional employees and with the solid relationships we have developed with customers and partners, positive, desirable synergies are created to support the Company's excellence. In addition to the established products, in 2019 we launched a series of new products and flavors, which were appreciated by our public.

- Schweppes Pomegranate
- Fuzetea with a new label and new flavors:
  - Lemon,
  - Peach-Rose,
  - Berries and Hibiscus,
  - Mango- Chamomile
- Burn Mango
- Cappy Pulpy Mango-Pineapple
- Fanta Exotic Madness
- Rich Kids Apples-Pears
- Rich Caramelized pear
- Rich Aromatic Plum
- Fuzetea Plums and cloves



## OUR RELATIONS WITH THE MARKET

Our relationships with customers and partners and their level of satisfaction are particularly important for the evolution of the Company. We constantly monitor our operational performance and to ensure that our efforts meet the most demanding requirements, we annually participate in an extensive survey, which quickly helps us understand how we can improve and how we can better and more promptly respond to the needs of our partners and customers. Identified issues that can be improved become our priorities and are quickly transposed into an action plan. In 2019, Coca-Cola HBC Moldova was promoted to 2<sup>nd</sup> League, maintaining an important place in our industry and being a reference company for competition.

Always having the Customer in the center of our attention and the desire to serve all our customers and partners as well and efficiently as possible, we have developed a Customer Service Center, where our employees can take quickly orders for certain categories of customers and can provide information and solutions even after deliveries. This innovative practice has had a major impact on the entire industry in which we operate, so that competing companies have analyzed and implemented similar solutions.







# Our success

The excellence of the services and products we offer are the defining objectives of Coca-Cola HBC Moldova. The import process is well established and in line with the legislation of the Republic of Moldova. Our products are delivered to customers throughout the country, and deliveries are constantly monitored to be fully executed, on time and with financial accuracy and involvement of all departments.

At Coca-Cola HBC Moldova, we believe that our success depends on the sale of safe and quality products that meet and even exceed the expectations of our customers and consumers. Our activities are subject to the precautionary principle, in particular by identifying, evaluating and developing measures to reduce the risks that arise during the production and distribution of products. Their implementation is achieved both for the daily conduct of business and through the mechanisms for assessing financial, operational and strategic risks implemented in the Coca-Cola HBC Moldova system. Our products are certified by Accredited Bodies from the Republic of Moldova and have Sanitary Permits issued annually by the National Agency for Public Health (ANSP). At the same time, the transport and storage of products complying with high self-imposed standards is carried out in optimal conditions of temperature, humidity and hygiene.

In the few situations where complaints from consumers or customers are registered, they are rigorously investigated together with the producers and prompt answers are given to the affected persons. At the same time, at Group level, the complaints are centralized monthly in the unique monitoring system.

# Corporate governance

Coca-Cola HBC is based on the trust of company's products customers and consumers and the communities in which we operate. We all have an obligation to earn that trust every day. Our workplace culture and market success have always been based on our values: Winning with our customers, Caring for our people, Excellence, Integrity, Learning, Performing as one. The Code of Business Conduct applicable to all Coca-Cola HBC employees worldwide, regardless of location, role or hierarchical level, establishes the general principles based on which we must all evaluate our behaviors. Complementary, we have developed several corporate policies and legal requirements that apply to specific situations.

In the Republic of Moldova, the Senior Management Team (SMT), composed of all directors of each operational department, together with the General Manager of Coca-Cola HBC Moldova, is the Company's main governing body that has clearly defined responsibilities and that ensures the growth and sustainable development of the business. The organizational structure of Coca-Cola HBC Moldova is made horizontally but also matrix, which ensures fluid communication between departments. No significant fines and non-monetary sanctions were applied during the reporting period for non-compliance with social and economic laws or regulations.

Coca-Cola HBC Moldova SMT, consisting of 6 members: 2 women and 4 men, annually analyzes and executes business plans for each department, based on risk assessment and impact on economic, environmental, social and occupational health and safety issues.





The 6 members of SMT have numerous and important responsibilities, including setting performance indicators for each department covering also indicators for economic, social and environmental impact measurement and working closely with the finance department to ensure the sustainable economic growth of the Company. In addition, Coca-Cola HBC Moldova supports and integrates in the development strategy and organizational culture of the Company the 10 sustainability principles of the United Nations in the areas of human rights, social standards, environment and anti-corruption. At the same time, The SMT is concerned with creating a safe environment, enabling team development and makes decisions on improving employee skills through their participation in various vocational training courses and events. The SMT is working closely with local communities to identify new ways to support them and is developing partnerships with public institutions and non-governmental organizations.

An important chapter of the Code of Business Conduct addresses conflicts of interest and each of our employees has the obligation to report, every time, when a potential conflict of interest occurs with a

customer, supplier, employee, etc., without fear of retaliation. At the same time, for preventing and combating conflicts of interest, dedicated policies are developed and implemented and through annual training the knowledge of our employees is updated.

To promote the key values and principles and to strengthen an honest and ethical behavior in all the relationships we develop, Coca-Cola HBC Moldova organizes the Ethics and Compliance Week every year. By involving all the company's employees, a context that leads to long-term benefits creation for all stakeholders is outlined. In the 2019 edition, we launched the new, simplified version of the Code of Business Conduct and the Anti-Bribery Policy, with a new design and content, more attractive and clearer for employees, customers, suppliers and stakeholders. During the 2019 campaign, we opened the communication about our Code of Business Conduct and Anti-Bribery Policy to our suppliers as well.

We believe that we must always apply values and comply with our policies, in everything we do, in all our interactions with consumers, customers, suppliers, authorities and other stakeholders.



## FIGHTING AGAINST CORRUPTION

Through the system of policies developed at Coca-Cola HBC Group level, the risks of corruption are very carefully managed. The Group's policy on corruption is extremely simple and we have zero tolerance when it comes to bribery. The strict rules apply equally to our employees and to our suppliers, distributors, agents, consultants and subcontractors acting on our behalf.

Coca-Cola HBC Moldova considers that honesty, integrity and fairness are essential values that must be reflected in all activities performed. To prevent the occurrence of corruption practices, Coca-Cola HBC Moldova has developed its own anti-corruption policies in full accordance with the Code of Business Conduct. These documents contain internal requirements and procedures aimed at complying with applicable law and take into account the common principle of "zero tolerance" for corruption.

Corruption risks are constantly assessed during the routine activities of the Coca-Cola Moldova system,

based on risk assessment and risk management procedures, and cover all departments. Particular attention is paid to employees who, in their job responsibilities, may interact with other individuals and legal entities.

All members of Company's management bodies and all employees are annually trained on anti-corruption policies and procedures, and all our contracts with third parties include the Guiding principles for suppliers.

**NO confirmed incidents** of corruption

**NO legal actions** regarding corruption brought against the organization or its employees

**NO legal actions** regarding anti-competitive behavior and breaches of antitrust and monopoly law

In addition, Coca-Cola Company HBC Moldova does not receive or offer political support.

## DATA PROTECTION

We value and protect the privacy of all employees, job candidates, business partners and customers. All our employees and partners have a responsibility to comply with the fundamental principles of the Group regarding personal data management and with our policies on the protection of personal data and data confidentiality. Coca-Cola HBC Moldova is aligned with European and national legislation governing

the protection of personal data and is registered as a personal data operator with registration number 0002319 at the National Center for Personal Data Protection of the Republic of Moldova (CNPDCP – RM). Although we have not identified any data loss or leakage in 2019, we continue to optimize operations involving the processing and storage of this information to avoid such incidents.







# Care for employees

Our vision is to become the undisputed leader in every market in which we compete and act responsibly to ensure the sustainability of our business, the communities in which we operate and the world in which we live in. It all starts with our values; they represent the DNA of Coca-Cola HBC Moldova and are essential for our future success. The way we carry out our activity is shaped every day by the care for our people in which we believe, invest and help them grow. We believe in the power of teamwork and cooperation in any interaction, and for these each of our people brings daily added value. Forming teams of passionate and responsible people, contributing to the good of the community, with care for the environment is an important goal for Coca-Cola HBC Moldova. We stimulate our people's potential and put passion into developing ourselves and others.

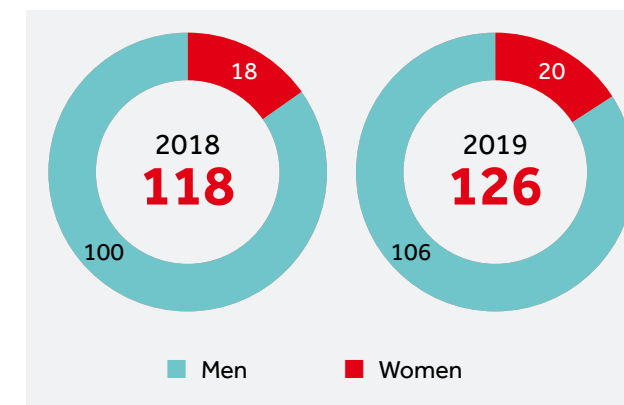
In order to create a safe and pleasant working environment, in which each employee feels respected and appreciated at fair value, the Company has developed a set of policies aimed at human rights, equal opportunities, health and safety, climate change,

environmental protection, a healthy lifestyle, attitude towards genetically modified organisms, HIV / AIDS and more. When introducing new employees to the Company, they become aware of all our policies. On-line trainings are conducted regularly in which all our policies are presented.

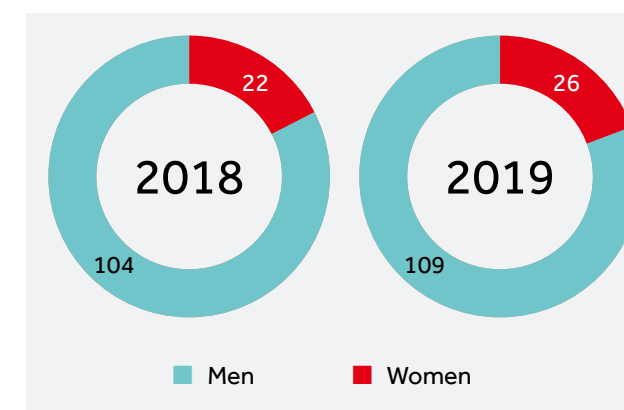
Since 2014, we have been conducting the annual employee satisfaction survey. In 2019, the survey was remodeled and aimed at employee satisfaction and organizational culture. According to the survey conducted in 2019, the level of employee satisfaction was at 96% and had a high participation rate of over 87% of total employees (2018 – 2019). It is remarkable that in 2018 we achieved a similar satisfaction level, confirming that Coca-Cola HBC Moldova is a fair employer that offers all its employees a motivating work environment, and in turn, our employees act in line with our long-term strategy. Another particularly important aspect for us is represented by the recognition and trust granted by external actors, being in the list of Top employers in the industry.

In December 2019, the staff of Coca-Cola HBC Moldova consisted of 135 people, 9 people being employed with a temporary employment contract<sup>1</sup>. Our commitments to employees are confirmed by the decrease of staff turnover recorded in 2019 to 17.3%, compared to 26.1% in 2018.

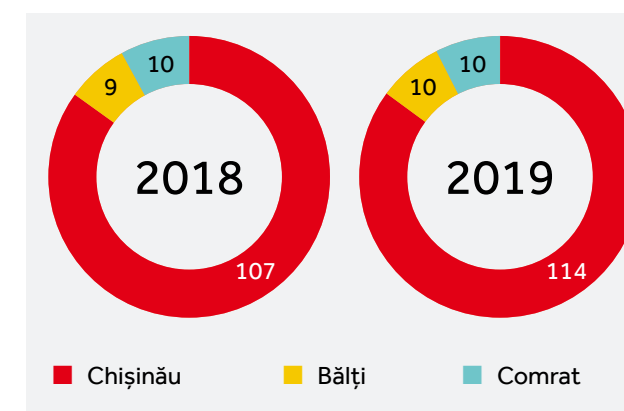
## Total employees with a permanent employment contract



## Distribution of full-time employees by gender



## Total number of employees by region



<sup>1</sup> contracts drawn up for employment during the period of maternity / paternity leave.

The Group has implemented a performance management system across the organization, allowing the company monthly performance evaluation on each area and helps identify areas that can be improved and establish an action plan to increase performance. Thus, the active involvement of employees ensures a continuous professional development and close collaboration between departments. The Group pays special attention to employees, who benefit from functional training, personal and professional development programs, projects, surveys, internal monitoring system and performance awards, career plan definition, workplace safety, etc.

In addition, to know the development areas of the employees and to contribute to their professional growth, the Company annually evaluates the performance of each employee, based on the identified results an individualized development plan is created and implemented by the employee with the support of the direct boss, during the next calendar year.

These evaluations ensure the fundamental principle of our Company's activities, that of providing equal opportunities for all its employees, regardless of their origin, social and property status, ethnicity, race or nationality, sex, language, political opinions, religious beliefs, skin color, age, sexual orientation, place of residence and family status.

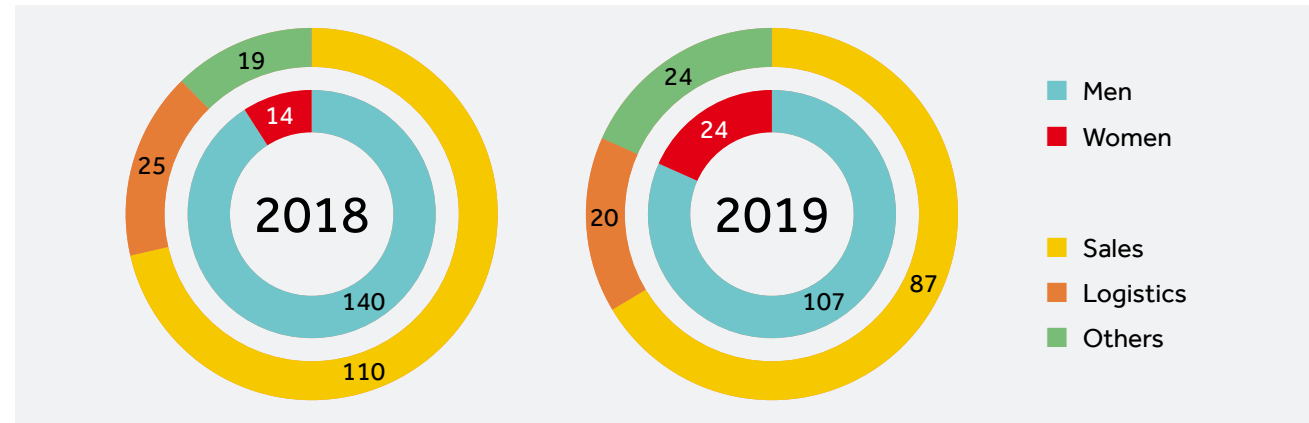
Coca-Cola HBC Moldova focuses especially on training employees for the development of functional and management skills and through accelerated development programs. In 2019, 62.22% of our employees were trained, 51.85% of which were trained for the development of functional skills. The total number of training hours that our employees completed in 2019 increased by over 46% compared to 2018, reaching 3,406, which represents an average number of over 25 training hours.

A safe and healthy workplace is important to all of us at Coca-Cola HBC and we have an effective program to ensure that we remain safe in our environment on a daily basis. The Company's management ensures that employees have efficient programs, safe equipment so that they are safe in the work environment every day.

Employee safety also depends on their level of knowledge of occupational hazards and prevention and protection measures. Twice per year we hold the Health and Safety Week event, just to remind everyone how important it is to keep a preventive attitude in maintaining a safe and healthy work environment. During the two events held in 2019 we addressed various topics, such as stress management, the importance of seat belts and practical exercises were performed using a special simulator, by involving the National Patrol Inspectorate of the General Police Inspectorate of the Republic of Moldova. These trainings present the best safety practices and highlight the main safety



■ The average number of training hours that our employees have completed



measures in our workplace and the most important rules regarding ergonomics, road traffic and warehouse traffic are analyzed in detail, so that each of us understands the importance of safety rules and the need to follow them.

Furthermore, at the entire Company level, medical examinations are carried out for employees with a risk factor: every 2 years – ophthalmological examination and annually – occupational medical examination.

Coca-Cola HBC Moldova provides employees with means of transportation and prioritizes employee safety in road traffic. Thus, the fleet of vehicles is endowed with special equipment to monitor compliance with traffic rules, traffic discipline, speed, etc. The number of accidents is monitored on a monthly basis, the causes of their occurrence are analyzed, and an action plan is drawn up to prevent similar situations from occurring.

In order to motivate and maintain a high level of engagement among Coca-Cola HBC Moldova employees, in addition to salary they are offered a series of benefits: access to training and optional medical insurance. All employees have access to daily consumption of plain water and products from the Company's portfolio for home consumption. Coca-Cola HBC Moldova offers Christmas bonus to all its employees and material assistance for special events in their families. All employees receive mobile phones and mobile

telephony services packages and all employees benefit from modern IT means to carry out their work.

Coca-Cola employees benefit throughout the year from functional corporate conferences and events, meant to promote the culture of a large Coca-Cola family within the company, to increase productivity at work, exchange of experience, etc.

Within the extended Coca-Cola family, we take care of our young people, of our future. In 2019 we continued the Youth Support Program, as part of the Youth Empowered Program, through which we want to stimulate the ability of young people to make decisions and increase their employment opportunities. For these, we contribute to the creation and development of professional and personal skills, generating a positive impact on the lives of young people. Thus, Coca-Cola HBC Moldova, in partnership with Junior Achievement Moldova, AIESEC Moldova and ASIST, trained during 2019 about 730 young people in areas such as: writing a business plan and developing a business, initiation in journalism, digitization of banking services, launching and promoting products on the market, developing local communities by implementing the concept of Smart City, etc.

Our young people are innovative, they have an extraordinary potential, and we, at Coca-Cola, will continue to invest in them, in order to grow together valuable generations, in whose hands we entrust the future.



COCA-COLA HELLENIC BOTTLING COMPANY MOLDOVA



# Environment protection



Coca-Cola HBC Moldova acts constantly in a responsible manner and in accordance with the applicable laws on environmental protection, with the high standards of the Group, as well as with other requirements to which we subscribe in the field of environmental protection, in order to continuously reduce the impact its activities have on the environment. In partnership with local communities, business partners and authorities, the Company contributes significantly to the achievement of the Sustainable Development Goals (SDGs) approved at the 2015 United Nations Summit on Sustainable Development; achieving these SDGs is a cross-cutting task in various areas of the Coca-Cola Moldova system. In order to improve its environmental performance, Coca-Cola HBC Moldova is engaged in actions aimed at preventing pollution and protecting the quality of environmental factors for its employees, contractors, customers and visitors. The Climate Change Policy, implemented at Coca-Cola HBC Moldova level and controlled and supported by the Corporate Social Responsibility Committee of the Board of Directors, outlines a robust governance system that allows the sustainable growth of the Company and supports us in our efforts to responsibly reduce the impact we generate on the environment.

SUSTAINABLE DEVELOPMENT REPORT 2019





Coca-Cola HBC has defined several commitments for 2025 on environmental protection, including reducing greenhouse gas emissions, reducing water consumption, reducing waste by recycling packaging and using recyclable packaging and the transition to renewable and clean energy.

- Less emissions in our operations – reduce direct carbon emissions ratio by 30%
- Less emissions in customers outlets – 50% of our refrigerators in customers outlets will be energy efficient
- More renewables – 50% of total energy used in our plants will be from renewable and clean sources
- 100% renewable and clean energy – 100% of the total electricity used in our plants in EU and Switzerland will be from renewable and clean sources
- Less water consumption in water-risk areas – Reduce water use in plants located in water-risk areas by 20%
- 100% water security in water-risk areas – Help secure water availability for all our communities in water-risk areas
- 100% recyclable packaging – 100% of our consumer packaging will be recyclable
- More recycled PET – Source 35% of the total PET we use from recycled PET and / or PET from renewable material
- More waste collection – Help collect the equivalent of 75% of our primary packaging placed
- "ZERO Waste" Cooperation – Engage in 20 "ZERO Waste" partnerships (city and / or coast)

Coca-Cola HBC Moldova responsibly manages the waste it generates and, in accordance with applicable law, pays on time all taxes associated with its environmental impact, so that no significant fines and non-monetary sanctions for non-compliance with environmental regulations were applied during the reporting period. During 2019, we significantly contributed to the national waste management system, paying taxes of approximately 30 million MDL for products that pollute the environment in the process of use, representing more than 35% of the total taxes paid



to the state. This amount could have been used to recycle more than 2,300 tons of plastic. We use Plant-Bottle technology and we have introduced on the local market an innovative packaging, made with up to 30% plant material. This approach has an important effect by reducing the impact on the environment caused by our PET packaging, which represents one third of the total packaging we import.

Due to the robust system for the management of the generated waste implemented at Company level, in 2019, we recycled and recovered approximately 60 tons of waste; moreover, we managed to reduce the landfilled waste by over 40% compared to the level of 2017.

The greenhouse gas emissions resulting from Coca-Cola HBC Moldova's operations come mainly from the fuel consumption of the transport fleet, from the raw materials used by the Company (packaging) and from the cooling equipment of our products. We are committed to reducing our carbon footprint and we are working towards continuously reducing both direct and indirect emissions.

In 2019 we used 424,592 liters of fuel, and our people covered 3,141,985 kilometers. We remain constantly concerned with identifying high-performance solutions and protecting the environment, for which we have invested over 12 million MDL in the last 4 years and purchased 68 new, high-performance vehicles, equipped with start-stop system and lead catalyst, to reduce fuel consumption and generate low pollutant emissions. We intend to continue this process until the complete replacement of the vehicles.

In addition, since 2015 we have initiated the program for the replacement of the cooling equipment with new, energy-efficient equipment that uses environmentally friendly refrigerants in the cooling system. Through this program, by the end of 2019 we have

invested an impressive amount of over 2.4 million euros, almost 25% of which being invested during 2019. We are very proud to say that by the end of 2019, we have replaced 2,459 cooling equipment, representing 31.4% of our fleet. We remain consistent in making this effort and will continue in the coming years this program that has major environmental benefits.

At the same time, we manage energy consumption in a responsible manner, and by implementing the latest generation LED lighting system, we managed to reduce energy consumption to 1,578 GJ during 2019, by over 20% less than previous year..

The Company is a founding member of the non-governmental, non-profit Moldovan Packaging Producers and Importers Association (APIAM), which aims to implement an integrated packaging waste management system, transparent, based on minimum costs, efficient and effective in the Republic of Moldova.

During 2019, trainings, practical seminars, thematic days on environmental pollution were organized, cultivating a responsible spirit among our employees as well.

On Global Cleaning Day, on September 21, 2019, we organized the Coca-Cola Green Day event, as part of the World Without Waste program initiated by the Coca-Cola Hellenic Group worldwide. Ecological teams of 70 volunteers – Coca-Cola HBC Moldova employees, together with their families collected waste from the park near the Republican School for Equestrian sports and modern Pentathlon "Favorit" in Chisinau, a crowded area where packaging is usually thrown. Through their efforts, our volunteers collected about 500 kg of waste, leaving behind a clean and well-kept park. The Coca-Cola Green Day event also included ecological education lessons, fun competitions for adults and children, so that everything took place in an engaging and pleasant atmosphere.



# MISSION SUSTAINABILITY 2025 COMMITMENTS

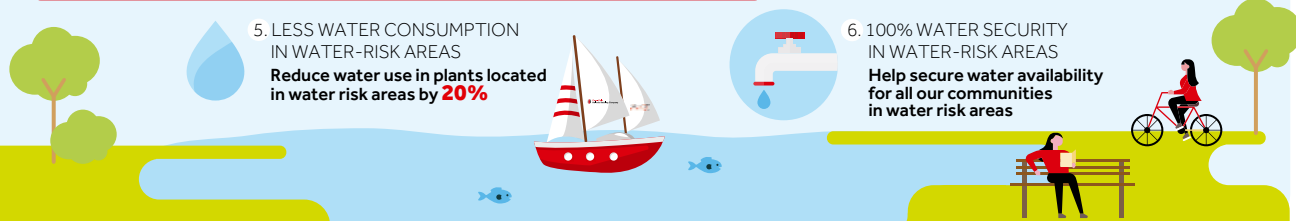
## EMISSIONS REDUCTION

- 1. LESS EMISSIONS IN OUR OPERATIONS**  
Reduce direct carbon emissions ratio by **30%**
- 2. LESS EMISSIONS IN CUSTOMER OUTLETS**  
**50%** of our refrigerators in customer outlets will be energy efficient
- 3. MORE RENEWABLES**  
**50%** of total energy used in our plants will be from renewable and clean sources
- 4. 100% RENEWABLE AND CLEAN ELECTRICITY**  
**100%** of the total electricity used in our plants in EU and Switzerland will be from renewable and clean sources



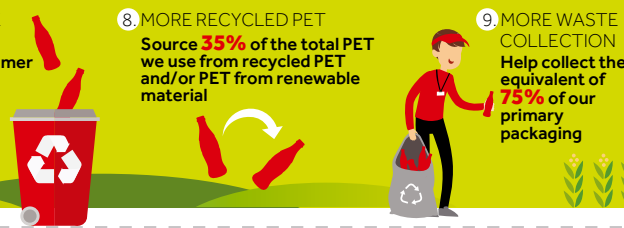
## WATER REDUCTION & STEWARDSHIP

- 5. LESS WATER CONSUMPTION IN WATER-RISK AREAS**  
Reduce water use in plants located in water risk areas by **20%**
- 6. 100% WATER SECURITY IN WATER-RISK AREAS**  
Help secure water availability for all our communities in water risk areas



## WORLD WITHOUT WASTE

- 7. 100% RECYCLABLE PACKAGING**  
**100%** of our consumer packaging will be recyclable
- 8. MORE RECYCLED PET**  
Source **35%** of the total PET we use from recycled PET and/or PET from renewable material
- 9. MORE WASTE COLLECTION**  
Help collect the equivalent of **75%** of our primary packaging



## SOURCING

- 10. SOURCING**  
Source **100%** of key agricultural ingredients in line with sustainable agricultural principles



## NUTRITION

- 11. LESS CALORIES ACROSS SSD PORTFOLIO**  
Reduce by **25%** the calories per 100ml of sparkling soft drinks



## OUR PEOPLE & COMMUNITIES

- 12. PROMOTING SAFETY FOR OUR WORKFORCE**  
Target zero fatalities and reduce (lost time) accident rate by **50%**
- 13. FULL GENDER BALANCE**  
**50%** of manager positions will be held by women



- 14. SUPPORTING OUR COMMUNITIES TO LEARN**  
**10%** community participants will join first-time managers' development programmes



- 15. SCALE UP #YE FLAGSHIP PROGRAMME**  
#Youth Empowered - train 1 million young people



- 16. ZERO WASTE COOPERATION**  
Engage in 20 Zero Waste partnerships (city and/or coast)



- 17. VOLUNTEERING**  
**10%** of employees will take part in volunteering initiatives



Baseline year 2017



# Affiliations

For effective interaction with the world, outside the usual business processes, the Coca-Cola HBC Moldova system takes an active position by sharing principles and commitments in many external initiatives, such as:

- Universal Declaration of Human Rights,
- Declaration of the International Labor Organization on Fundamental Principles and Rights at Work;
- International Commission for the Protection of the Danube River (ICPDR),
- Union of European Soft Drinks Associations (UNESDA),
- United Nations Global Compact,

- United Nations Sustainable Development Goals,
- Dow Jones Sustainability Index (DJSI).

We are also proud to mention that Coca-Cola HBC Moldova is a proactive member of the following organizations in the Republic of Moldova:

- Moldovan Packaging Producers and Importers Association (APIAM)
- American Chamber of Commerce in Moldova (AmCham),
- European Business Association Moldova (EBA),
- The Chamber of Commerce and Industry of the Republic of Moldova.



# About our report

This report presents the sustainability performance of Coca-Cola HBC Moldova in 2019, for each of the material aspects for the Company, identified through an extensive consultation process of relevant stakeholders, both internal and external. In this process, the importance of the issues retrieved from the relevant documents was assessed. Based on the results obtained in the stakeholder engagement process and the economic, social and environmental impact for each of the addressed topics, the material topics that form the basis for defining the content of this report were identified.

The stakeholder groups that were included in the consultation process consist of clients, employees, institutions and authorities, partners, certification bodies, representatives of non-governmental organizations, press. Category-specific consultation methods were used, such as market research / preference polls / projects / dedicated events / satisfaction surveys / participation in working groups / involvement in thematic education campaigns: product quality, customers and employees or partners satisfaction, community life involvement, concern for the environment, social concern, etc.

In this report we present information about our sustainability performance, focusing on social, environmental and economic aspects.

In preparing this report we used data sources based on internal monitoring systems of our sustainability performance. The company, directors, employees and other parties who worked on the report elaboration cannot be held liable for any loss, costs or expenses resulting from the use of the information provided in this report.





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