

**Social  
Responsibility  
Report  
2003**

*workplace*

*environment*

*marketplace*

*community*



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## INTRODUCTION

Coca-Cola HBC, one of the main franchised bottlers that brings to market brands owned by The Coca-Cola Company, is headquartered in Athens and serves a population of 500 million people in 26 countries, 25 of which are on the continent of Europe.

The business system comprising The Coca-Cola Company and its independent franchised bottlers, as well as self-owned operations, is known as the Coca-Cola System. Further details of The Coca-Cola Company, its environmental performance, and its stance on Corporate Social Responsibility as well as information on the "system" as a whole, are available at [www.coca-cola.com](http://www.coca-cola.com).

This report is broken into four sections, they are: The Workplace, The Environment, The Marketplace and The Community. Each section may be downloaded as a .pdf file at [www.coca-colahbc.com](http://www.coca-colahbc.com).

## SOME HIGHLIGHTS FROM 2003

### January

CCHBC Switzerland and CCHBC Greece celebrate Occupational Health and Safety Assessment (OHSAS) 18001 certification.

### February

CCHBC employees take part in Mission Antarctica 2003 to make a contribution to environmental sustainability.

### March

CCHBC Poland wins The Coca-Cola Company President's Quality & Environmental Award.

### April

System Summary Report on WWF "Water Savers" Project.

### May

The Coca-Cola System in Russia donates US \$320,000 to the State Hermitage Museum in St. Petersburg to celebrate 10 years of cooperation and partnership.

### June

CCHBC Greece implements a new Graduate Trainee Programme, called "Youth Programme 2003".

### July

Coca-Cola, "Worldwide Sponsor of the 2003 Special Olympic World Summer Games" held in Ireland.

### August

Summer community events in Poland, Austria, Romania, Hungary, Italy and Russia entertain hundreds of thousands of consumers.

### September

CCHBC Northern Ireland wins prestigious UK Charity Times Award for Corporate Community Involvement.

### October

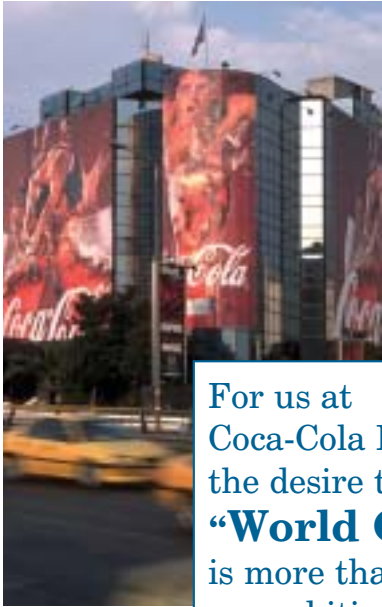
CCHBC announces completion of Multivita mineral water acquisition in Poland.

### November

First wastewater treatment plant commissioned in Nigeria operations.

### December

CCHBC Austria acquires mineral water company Römerquelle.



For us at Coca-Cola HBC, the desire to be **“World Class”** is more than merely an ambition to achieve business success.

At Coca-Cola Hellenic Bottling Company S.A. (Coca-Cola HBC) we seek to meet our social and environmental responsibilities through the pursuit of two core principles: continuous improvement and sustainability. We call it our “Journey to World Class”.

In this report, which is the first of its kind to be published by Coca-Cola HBC and covers the year ended 31 December 2003, we aim to demonstrate the progress we are making on this journey. Our starting point is a shared commitment statement and set of operating principles that have been drawn up and agreed with The Coca-Cola Company and other key Coca-Cola bottlers around the world. These form the basis of our report and our actions.

For us at Coca-Cola HBC, the desire to be “World Class” is more than merely an ambition to achieve business success. It requires us to constantly review and improve our performance in all aspects of the way we undertake our business in each of the 26 countries in which we operate.

As a leading producer in Europe of alcohol-free beverages - serving a population of more than 500 million people - there are many challenges that require constant attention. This report focuses on a number of

these challenges, including human rights, the environment, water management, packaging and packaging waste, legislative requirements, health and safety and our commitment to our employees.

You will find examples in the following pages that illustrate how local knowledge and skills are being combined with the extensive capabilities, resources and relationships across the Coca-Cola System.

We hope that this document will help you to appreciate the scope of our social and environmental vision and to gain an understanding of the dedication of our management and employees to building sustainability into our business and the communities in which we live and operate.

GEORGE A. DAVID  
Chairman

## Shared Commitment Statement

More than simple business interest and the brands we jointly produce bind Coca-Cola HBC and The Coca-Cola Company together. We also share a view of the world; we see people not as just statistics, but as individuals with aspirations for themselves, their families, and their communities. We see markets as societies that seek sustainable economies and we see differences not as obstacles, but as opportunities that draw us even closer. Together, we accept the responsibility to use our knowledge and resources to help make a positive difference to the world in which we live.

Consistent with this view of the world, we also share a set of values that underpin how we do business and how we interact with our customers, consumers, employees, the environment and the communities we serve. Those values include honesty, integrity, quality, respect for individuals and for the environment, and a fundamental sense of accountability for our actions.

Together, we strive to build and maintain a reputation for excellence in each of the countries in which we do business. That reputation built over many years is our strength. We strive for excellence not just in what we produce, but also in how we do business. This is why people reach for our products every day, and it is why investors place trust in us. That reputation endures because of our shared values and our commitment to conduct business in the right way.

Conducting business in the right way also means conducting business successfully, because the first responsibility of business is to make a profit and create wealth for those people it touches. That concept of building for the long term, profitably, responsibly, and in a principle-based manner, is core to our existence. Ultimately, it is our job, and by doing it well we continue to contribute to society through wealth and job creation, through community involvement and people development, and through philanthropy.

We are committed to acting with honesty and integrity at all times, in the way we conduct our businesses, and in the way we communicate with our respective investors and with regulatory authorities. Our core values will be reflected in all our relationships and actions - in the marketplace, the workplace, the environment, and the community. We work to avoid violations of our principles and act quickly to address violations should they occur.

In this document we intend to set out the principles that embody our shared values, and whilst implementation is the independent responsibility of each of our operating companies by following the necessary processes and management routines, we come together to reaffirm our commitment to good citizenship and ethical conduct.





The full intent and far-reaching goals resulting from this close alignment of beliefs is set out in our **Shared Commitment Statement.**

In reading this report, I hope you will observe the importance Coca-Cola HBC places on the contribution made by its close involvement and participation in the worldwide Coca-Cola System.

We recognize that, by embracing shared visions and uniform values with our partners, The Coca-Cola Company and other Coca-Cola bottlers around the globe, we add depth and a broader perspective to our business.

As Managing Director of Coca-Cola HBC, I have gained at first hand a deep appreciation of the considerable benefits of this collaboration, by working very closely with colleagues across the system, over many years. A significant feature of our interaction is not only seen in greater understanding and closer cooperation, but also in the unity of ideas and of ideals.

The full intent and far-reaching goals resulting from this close alignment of beliefs is set out in our **Shared Commitment Statement.** It has been my privilege to demonstrate our uncompromising commitment to this agreed set of principles, by signing this document, on behalf of Coca-Cola HBC.

On the following pages, we have set out in detail the ways in which we, through frequent consultation with colleagues across the Coca-Cola System, cooperate in addressing our social responsibilities in four principal areas - the Workplace, the Environment, the Marketplace and the Community.

DOROS CONSTANTINOU  
Managing Director



workplace



environment



marketplace



community

Coca-Cola HBC, as a member of the Coca-Cola System, subscribes to fundamental beliefs in regard to operational responsibilities that inform and guide the behaviour of all employees in the system with a unity of purpose.

These mutually accepted and applied beliefs have been established as our core Operating Principles.

While remaining constant, application of the Operating Principles is always being reviewed and assessed to maintain relevance, validity and efficacy as our business continues evolving in an ever-changing world.

Our Operating Principles, briefly are:

### **The Workplace**

Our commitment is to foster an open and inclusive environment, where a highly motivated, productive, and committed workforce drives business success through superior execution.

### **The Environment**

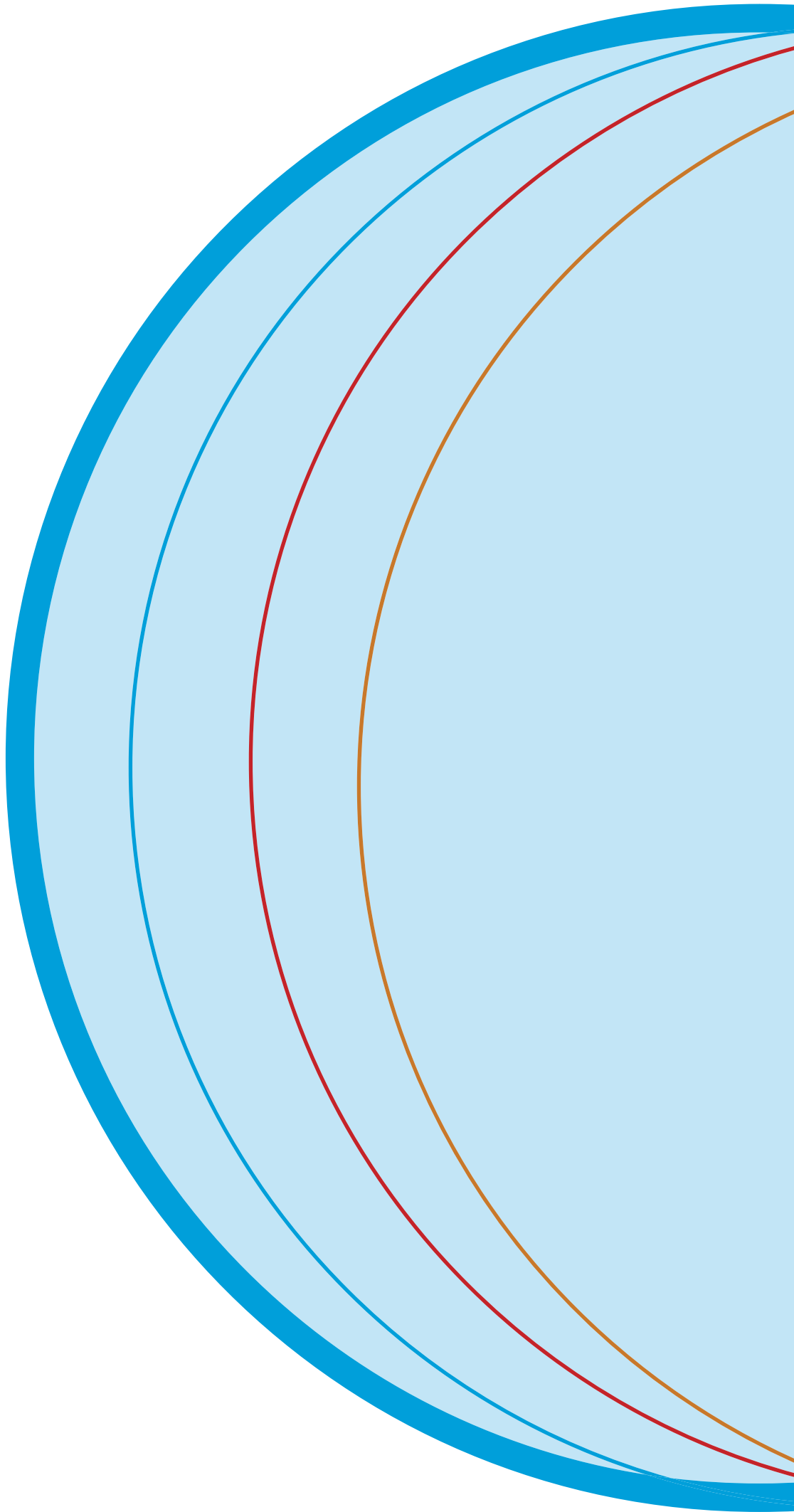
Our commitment is to conduct our business in ways that protect and preserve the environment, and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes.

### **The Marketplace**

Our commitment is to provide products and services that meet the beverage needs of our consumers. In doing this, we provide sound and rewarding business opportunities and benefits for our customers, suppliers, distributors, and local communities.

### **The Community**

Our commitment is to invest time, expertise, and resources to provide economic opportunity, improve the quality of life, and foster goodwill in our communities through locally relevant initiatives.





workplace

environment

marketplace

community



*Our commitment is to foster an open and inclusive environment, where a highly-motivated, productive, and committed workforce drives business success through superior execution.*

We deliver this commitment through the consistent application of key principles, including:

1. Establishing a strong and direct relationship with our employees through open, honest communication.
2. Treating our employees with fairness, dignity, and respect.
3. Abiding by applicable local labour laws, including those that address working hours, compensation, discrimination, and representation by third parties.
4. Valuing diversity in its broadest sense.
5. Holding each other accountable for performance at the highest levels.
6. Rewarding our employees commensurate with performance, wherever possible.
7. Providing opportunities for employees to develop personally and professionally.
8. Ensuring, with our employees, the safety of the workplace.

We will follow practices that support these principles, including the following:

1. We pay competitively within each market where we operate.
2. We do not hire anyone below the local legal working age, and in no circumstance hire anyone below 15 years of age.
3. We ensure our management and supervisory teams are trained in and held accountable for effective and fair management practices.
4. We provide appropriate training so that our employees have the opportunity to perform their jobs effectively.

5. We work proactively to avoid violations of our principles.
6. We investigate and address any alleged violations.

## CORPORATE GOVERNANCE

Coca-Cola HBC seeks to achieve high standards of corporate governance. Beyond self-imposed requirements, and those applied by regulators in Greece, where the company has its primary listing on the Athens Stock Exchange, the company also ensures compliance with the regulatory policies and systems in place at the London, Sydney and New York Stock Exchanges, where the company is also listed.

The Board of Directors includes three sub-committees:

- ✓ Human Resources Committee
- ✓ Audit Committee
- ✓ Social Responsibility Committee

The **Human Resources Committee** operates according to written terms of reference and is responsible for:

- ✓ Establishing the principles governing Human Resources policy and the Compensation Policy of the company that guide management decision-making and action.
- ✓ Making recommendations to the Board of Directors regarding company-wide compensation and benefit plans and the main compensation elements for senior managers who report to the managing director.
- ✓ Overseeing succession planning policy and making recommendations to the Board of Directors on the succession of the managing director and approving the appointments of those who report to the managing director.

## Workplace

As a Group that is focused on delivering a wide range of beverages to a large and varied range of consumers, Coca-Cola HBC employs people in many different social contexts. We believe that corporate goals must be balanced with respect for social principles, wherever we do business.



- ✓ Making recommendations to the Board of Directors concerning potential non-executive directors, drawing on the best available outside resources.

The **Audit Committee** operates under written terms of reference and its duties include:

- ✓ The appointment of external auditors, their audit fee and any questions of resignation or dismissal of external auditors.
- ✓ Discussing with the external auditors before the audit commences the nature and scope of the audit and ensuring coordination, where more than one audit firm is involved.
- ✓ Reviewing the company financial statements before submission to the board, focusing particularly on any changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards and compliance with any applicable stock exchange and legal requirements.
- ✓ Discussing issues arising from the interim and final audits and any matters the external auditors may wish to discuss.
- ✓ Reviewing the internal audit programme, receiving summaries of internal audit investigations and management's response and ensuring coordination between the internal and external auditors.
- ✓ Reviewing the effectiveness of corporate governance and internal control systems and, in particular, the external auditor's management letter and management's response.
- ✓ Reviewing and recommending approval to the board of the code of business conduct, as well as treasury policy and the chart of authority, which provide the control framework for all treasury and treasury-related transactions.
- ✓ Considering any other matters, as appropriate.

The **Social Responsibility Committee** comprises three members of the Board of Directors and takes responsibility for the development and supervision of procedures and systems to ensure the company's pursuit of its citizenship and environmental goals. Its written terms of reference, which are currently pending approval from the Board of Directors, will cover the following areas:

- ✓ Establish principles governing corporate social responsibility and environmental policies.



- ✓ Ensure transparency and openness at all levels in the conduct of Coca-Cola HBC business.
- ✓ Establish an Operating Council responsible for assessing and implementing appropriate policies and strategies, and for compliance.
- ✓ Enhance group-wide capabilities to execute policies, strategies, regulatory requirements and corporate social responsibilities.
- ✓ Ensure the regular communication of the company's status, and progress in the implementation of policies, strategies, regulatory compliance and engagement with all stakeholders.

As part of the company's commitment to best practice in corporate governance, it maintains various measures to enhance internal control and management, and it continues to institute others as the business grows and evolves. These measures include a permanent **Internal Audit** function, which reports to the Audit Committee and conducts the internal audit work for each year. The internal audit department comprises 16 full-time internal staff covering a range of disciplines and business expertise. The head of the internal audit department makes regular presentations to the audit committee.



### INTERNAL MANAGEMENT CONTROLS

A **Disclosure Committee** has been established which reports to the Audit Committee. The committee is responsible for the implementation of controls and procedures to ensure the accuracy and completeness of the company's public disclosures.

The company also has in place a **Risk Management** function for the identification, assessment and control of key business risks. Risks covered are those arising from a range of sources in three broad categories: the external environment in which the business operates, the business processes, and the information available for business decisions. The risk identification and assessment process has been incorporated as part of the company's annual business planning process since 2001. This covers all countries and involves senior management of the company and of each business unit. The process enables a regular review to take place by management of the risks associated with the business and the plans to address them.

### DIRECTORS

Under the company's articles of association, the Board of Directors must consist of a minimum of 7 and a maximum of 15 members. Currently, there are 11 Board Members and there is no age retirement requirement. Members of the Board of Directors are appointed by shareholders for a three year term, with a certain proportion standing for re-election at each Annual General Meeting.

Coca-Cola HBC complies with a recently enacted Greek law pertaining to the appointment of Directors and the constitution of the Board. Further details of the legal compliance of Board practices can be found in the Coca-Cola HBC Annual Report or Form 20F which is submitted to the New York Stock Exchange and is available on the Coca-Cola HBC website at [www.coca-colahbc.com](http://www.coca-colahbc.com).

Ten of the eleven Board Members are non-executive and three members are independent, with the remainder representing the two largest shareholders, who together comprise 54% of shareholding. An independent director is a person who does not have any direct or indirect relationship with the company or its affiliates that would interfere with the exercise of independent judgement.

### EXTERNAL ASSESSMENT

The business looks to external parties for independent assessment and includes:

**Aon**, our external risk advisors, work with our risk management function to provide a comprehensive Safety & Loss Prevention (SLP) programme across all territories. The structure of the programme includes:

- Property Loss Prevention
- Business Continuity Planning
- Worker Safety (leading to OHSAS 18000)
- Fleet Safety Management
- Environmental Safety Management (leading to ISO 14001)

**Denkstatt**, our external environmental advisors who work with our technical function to provide third party verification of our environmental programme including:

- The appropriateness of the mechanisms of Key Performance Indicators.
- The traceability and accuracy of the data collected.
- The analysis of the data collected, reporting and consistency of the data.
- The availability of the data for external scrutiny.

**Lloyd's Register Quality Assurance (LRQA) & Société Générale Surveillance (SGS) International** are certification bodies, who externally validate our systems, procedures and practices against international standards and management systems. These include:

- ISO 9001:2000
- ISO 14001
- Occupational Health & Safety Series 18001



In seeking to appoint members to the Board, Coca-Cola HBC is mindful of its responsibilities to identify and propose candidates who will provide a proper balance of knowledge and expertise that will help to fulfil the company's commitment to all its stakeholders. Major Coca-Cola HBC shareholders, such as The Coca-Cola Company, have extensive experience in matters relating to corporate behaviour across numerous countries. Directors with considerable depth and breadth of experience in environmental and social issues have been appointed. They provide valuable assistance in guiding the strategic direction of the company in these areas.

Committees established by Coca-Cola HBC to overview the economic, environmental and social aspects of the company are required to report regularly to the Board of Directors. The content of such reports, covering action taken and the identification of challenges or opportunities, are used by Board Members to determine appropriate responses, in line with strategic planning.

Mechanisms are in place for designated Board Members to be alerted to matters requiring immediate attention. If considered necessary, a full meeting of the Board can be convened to respond swiftly.

As a general matter, the Board of Directors convenes the Annual General Meeting and determines the items on the agenda. However, shareholders holding 5% or more of Coca-Cola HBC shares also have a right to convene a general meeting of shareholders.

A quorum of 67% of the holders of the share capital and a supermajority of 90% of the share capital present and entitled to vote is required to pass any resolution, concerning a change to the group's "objects and purposes".

### DIRECTORS' AND SENIOR EXECUTIVES' COMPENSATION

To achieve the business results required by Coca-Cola HBC, the company must attract, retain and motivate high calibre executives for whom it recognizes there is an international market. The Human Resources Committee aims to provide total compensation that is competitive by reference to other multinational companies similar to Coca-Cola HBC in terms of size, geographic spread, and complexity.

In line with its commitment to maximize shareholder value, Coca-Cola HBC's policy is to link the interests of key executives of the firm to those of shareholders, they are therefore eligible to participate in a Stock Option Plan. Recipients are granted awards by the Board of Directors, upon the recommendation of management, based on a view of competitive market conditions for employee remuneration and employee performance.

While a senior executive's contribution to the financial performance is a key factor, performance feedback is based on their overall performance, including the way it has "impacted on the business as a whole". In addition, a number of general managers have non-financial targets linked to Corporate Social Responsibility activities such as environmental, occupational and health & safety.

In this regard, executives, as well as middle ranking employees, receive incentives and other compensation based not only on economic factors but also on their adherence and contribution to Coca-Cola HBC values and principles. Any employee found to contravene company commitment to its Code of Business Conduct, or who is in breach of regulations relating to the environment, or any such similar matter, is potentially subject to dismissal. Our approach to Directors' and Senior Executives' Compensation is reported each year in the **Coca-Cola HBC Annual Report**.

### MISSION & VALUES

At the time of the merger that created Coca-Cola HBC in 2000, the country General Managers from each of the then 23 countries, together with the



heads of each of the Group functions, met to define the company's Mission and Values. These were then extensively communicated throughout the organization and have been positively embraced by our employees.

### Coca-Cola HBC Mission Statement

We, the people of Coca-Cola HBC, will:

- ✓ Refresh our consumers
- ✓ Partner with our customers
- ✓ Reward our stakeholders

...and enrich the lives of the communities we serve.

### Coca-Cola HBC Core Values

#### Commitment

To stretch ourselves to deliver outstanding performance.

#### Teamwork

To effectively share best practice, support our colleagues to achieve both country and group-wide goals, and to draw from the best resources available within the group.

#### Accountability

To be individually and transparently accountable to our colleagues for delivering agreed targets and goals.

#### People

To focus on creating an environment, in which a group of highly skilled and motivated people are exceptionally well trained, developed, challenged and respected.

#### Quality

To be committed, in each part of the business, to total quality of product, customer service, operations, execution in marketplace and people.

#### Integrity

We will conduct our business openly and honestly to the highest ethical business standards.

## Company Policies and Codes of Practice

Mission Statement	August 2000
Core Values Statement	August 2000
Chart of Authority	August 2000
Code of Business Conduct	August 2000
Code of Ethics	December 2000
CCHBC Operating Framework	August 2000
Supplier Guiding Principles	December 2003
European Works Council Agreement	November 2002
Core Development Curriculum	January 2001

### OUR STATEMENT OF BUSINESS PRINCIPLES

At Coca-Cola HBC we recognize our responsibility for all of our business operations and the impact that they have on our employees, our products, our customers, our consumers and the communities in which we operate.

We are committed in all our business activities to honesty and integrity, respect for the dignity and diversity of people, support for the communities in which we operate, and protection of the environment.

We are committed to the advocacy of our core values, including the principles of clear ethical standards as outlined within the **Coca-Cola HBC Code of Business Conduct**. This code details our corporate philosophy and our commitment to employees and it includes the responsibilities of employees and the company in terms of compliance with the letter and spirit of laws, regulations and business ethics. We have implemented training and awareness programmes to ensure that employees are fully aware of our philosophy and have confidential access to report breaches of the code.

The importance of applying ethical standards in conducting a successful and sustainable business was given particular focus in October 2003 when Coca-Cola HBC Romania joined forces with "Junior Achievement Romania" in conducting a seminar aimed at educating and informing young people seeking to enter the work market.

At a meeting in Bucharest, senior executives of the Coca-Cola System contributed to discussions on the

topic “Corporate Ethics: “Right Makes Might”. Items on the agenda included how to create and maintain an ethical and positive working environment, how to encourage employees to follow a code of ethics and how to verify ethical working standards”.

We are a responsible and ethical business organization and will respect the principles enshrined in the UN Declaration of Human Rights, while recognizing the need to consider the social, economic and environmental implications of our actions. We will respect the nine principles of the UN Global Compact as they address the areas of human rights, labour and the environment.

We will not hire any person below the local legal working age, and will not, in any circumstances, hire anyone below the age of fifteen years. We will not use or condone the use of forced or compulsory labour in any of our operations.

All of our operations, within 26 countries, are expected to acknowledge our principles and values as set out in this statement and to comply within an appropriate timeframe. As a basic requirement, we expect that all of our operations be in full compliance with all local laws including environmental and labour laws.

We believe that our values and principles will enhance the business reputation of our organization and accelerate the success and achievement of our business mission.

## MONITORING OUR PROGRESS

In 2003, we implemented **The Coca-Cola HBC Employee Relations Survey** to monitor the per-

2003	2002	2001
36,956*	35,590	35,103

\*Nov '03

Production	9,571
Sales & Marketing	13,203
Warehouse & Distribution	8,941
Administration	5,241
	36,956



formance of our local operations within the areas of employee relations including, equality, occupational health and safety, internal communications and the participation of women within management. We also sought to establish our performance against our ethical and environmental standards.

We are currently working on updating the survey to reflect the indicators as outlined within the Global Reporting Initiative (GRI) guidelines. The updated survey will be conducted annually across all of our operations to monitor our progress against our stated values and principles.

We will ensure that all of our suppliers and contractors are aware of our principles and values, as articulated within the **Coca-Cola HBC Supplier Guiding Principles**, and we will use our influence to bring about alignment within our supply chain among those who seek to do business with us.

## PROMOTING EQUALITY OF OPPORTUNITY

At Coca-Cola HBC we recognize the diversity of our territory, our consumers, our customers and of our own people. Our core values reflect a commitment to creating an environment in which employees are well trained and highly skilled, as well as motivated and rewarded to meet the needs of our business goals.

Appreciating the importance of clear communications and understanding at all levels within the company,

**Coca-Cola HBC Austria** has launched an open, interactive discussion group involving employees at every level. Every participant is free to raise any topic of interest and stimulate debate on resolving matters of individual and operational concerns.

The approach, which is providing a model for other business units, resulted in wide-ranging dialogues that all considered extremely useful and productive. The session continued for almost 11 hours, with appropriate meal and refreshment breaks and was universally regarded as being highly successful.

In seeking to recruit the best candidate for Regional Sales Manager, **Coca-Cola HBC Poland** undertook an assessment programme which is benefiting employees throughout the company. The Commercial Department established a Development Centre, which tested prospective applicants on everything from skills and competencies, market knowledge and leadership qualities to influencing opportunity assessments and people development.

While only one of the employees was selected for the position, the remaining team members acquired valuable insight into their own abilities and career progress. The activity helped create greater career development transparency and assisted employees in diagnosing ways in which to facilitate their personal and career growth within the company.

We seek to ensure that we will not discriminate in any aspect of employment on the grounds of race, religion, colour, ethnic or national origin, age, disability, sexual orientation, political opinion, gender or marital status.

**The Coca-Cola HBC Employee Relations Survey 2003** found that all of our country operations are in compliance with local equality legislation. While 60% of our operations have a written policy on equality, 40% stated that they did not have a written policy in this area and instead focused on compliance with local legislation. Based on the findings of this survey, we will implement a plan with all of our countries in 2004 to ensure that each of our operations adopt and implement a written policy advocating and communicating the full extent of our equality policy.

The gender make up of our workforce reflects the strong influence of local cultures. The local cultural

norms concerning women in the workforce, together with the physical nature of manufacturing work have tended to influence the participation of men to a greater extent than women within our local workforces. This is strongly evident in countries like Nigeria, where 96% of employees are male. The overall representation of women in our workforce is 17%. Switzerland has the highest participation rate by females within its workforce (45%).

The gender representation of our management structures reflects the advances of women in the organization, with women accounting for 22% of 1,229 managers.

There are currently no women members on our Board or within our 22 country/region general managers. In 2004, we will continue to monitor the participation of women within the higher strata of our management structure, with a view to determining how we can encourage more participation at this level. Coca-Cola HBC is seeking to reshape this sexual demographic more equitably and anticipates that future reports will demonstrate its progress in this regard.

## PROVIDING A POSITIVE WORKING ENVIRONMENT

The health, safety and welfare of our employees is paramount within the philosophy of Coca-Cola HBC. It is the policy of Coca-Cola HBC that all of our countries are in full compliance with local health and safety legislation. This involves taking all reasonable and practical measures to ensure that our operations provide a secure and safe working environment.

In order to demonstrate this to its own employees, and members of other industries the crucial importance of stringent hygiene requirements, **Coca-Cola HBC Hungary**, conducted a special educational demonstration at its plant in April 2003. Presentations were given on everything from microbiological processes for packaging materials to the strict sterilisation methods required for personnel and facilities.

Of particular interest to participants was the plant's new 90m<sup>3</sup> carbon filter system for water treatment, which maintains the highest microbiological standards for the bottling unit.

Our **Occupational Health and Safety Strategy** is based in the simple premise of centrally directed and locally executed programmes:

**Central Activities**

- ✓ Driving and coordinating activities
- ✓ Developing standards and training

**Country Activities**

- ✓ Ownership of risk
- ✓ Managing local resources
- ✓ Implementing corrective action plans
- ✓ Implementing Group programmes

The positive outcomes from our **Safety and Loss Prevention Programme** include:

- ✓ Verified, documented standards and procedures.
- ✓ An independent audit programme producing measurable compliance and corrective action plans. The 2003 audit score demonstrates an increase in performance of:
  - Property Loss Prevention +12.5%
  - Business Continuity +36%
  - Worker Safety +14.5%
- ✓ Jointly delivered Occupational Health and Safety training programmes across all territories.
- ✓ Individual development for local health and safety resources.

Two of our countries, Greece and Switzerland have been awarded Occupational Health and Safety Assessment Series (OHSAS) 18000 in recognition of the high standard of safety implemented in these locations. In 2004, we will embark on a process to ensure that all of our operations are certified to the OHSAS 18000 standard by 2008. To enable the delivery of our OHSAS 18000 objective we will:

- ✓ Enhance group-wide systems and procedures.
- ✓ Provide appropriate training, via group wide programmes.

- ✓ Improve personal development and training programmes for internal regional and local occupational health and safety resources.
- ✓ Appoint and work with independent OHSAS certification bodies (SGS and LRQA).
- ✓ Ensure the effective monitoring, measurement of all occupational health and safety performance through the programme deliverables and report findings via annual reports.

Concern is shown for employee welfare, not only through health care, security, and safety, but also in fostering career and personal development. We seek to ensure that employees operate within a work environment that is free of harassment, including physical, sexual, psychological, verbal or other forms of harassment or abuse.

An example of our commitment to employees is exemplified through our support for action to combat HIV/AIDS in Nigeria ([www.aidsprogrammesinafrica.coca-cola.com](http://www.aidsprogrammesinafrica.coca-cola.com)). Faced with the extent of the AIDS epidemic in Africa, we are working closely with The Coca-Cola Africa Foundation to ensure that our employees and their families are educated in the dangers of the disease. We also ensure that Nigerian employees and their families have access to confidential HIV testing and, if HIV positive, have access to counselling, health support and medical treatment.

**CREATING A HIGH PERFORMANCE CULTURE**

Our core values reflect our commitment to delivering outstanding performance by creating an environment in which highly skilled and motivated people are exceptionally well trained, developed, challenged and respected.

Our focus on strategic organizational capabilities recognizes that management and leadership skills are critical to the business. Our investment in the **Coca-Cola HBC Core Development Curriculum** ensures that we support achievement of performance and develop a high level of leadership skills at all levels of our organization.

We invest consistently in developing all of our almost 37,000 employees to the best of their abil-



ities, empowering them to achieve superior performance today and in the future. In 2002, we invested over €12 million in external training costs, and we budgeted more than €17 million for the same purpose in 2003.

All employees (from team leader upwards) are supported to have an annual skills assessment that includes both technical and professional as well as managerial and behavioural skills. The assessment identifies strengths and development areas that form the basis of the annual individual development plan. The development plan sets learning objectives and identifies specific training programmes and other development activities, to be undertaken during the year. This process improves each individual's capability to perform their current role and prepares them for future opportunities.

Coca-Cola HBC **Poland** is setting its sights even higher after being judged "Best Employer in the Food Industry In Poland in 2003" by the local version of the international magazine Newsweek, in a comprehensive study in conjunction with Poland's Business Centre Club. In 2004, the company intends to compete against all companies, not only those in its industry sector.

The prestigious Poland award was assessed on a variety of criteria. These included the "attractiveness of compensation and benefit systems", "promotion prospects", the overall "satisfaction and level of enjoyment", and the "appreciation of the skills of management in setting corporate goals", among many others.

## RECOGNIZING & REWARDING PERFORMANCE

Our **Total Compensation Programmes** are structured to drive value creation, provide cost-effective rewards that are meaningful to employees, and encourage continuous learning, in order to make the company and its employees as successful as possible.

Where possible and appropriate, employees have some proportion of compensation at risk in relationship to business unit, team, or individual performance.

Our **Total Compensation Programmes** are competitive with other appropriate large, high-performing companies of comparable size, thereby allowing the company to attract and retain the level of talent necessary to grow the business. Compensation practices may be customised as necessary by regions or countries to address specific, local business needs and local market conditions, but must be consistent with the Coca-Cola HBC principles of total compensation.

A consistent philosophy in the design, application, and administration of **Total Compensation Programmes** throughout the company ensures fair and equitable treatment for all employees; the programmes of the company are clearly defined, explained, and communicated to all employees in ways that are relevant to the employees.

In an independent study conducted by Deloitte & Touche, of all companies operating in the **Ukraine**

COCA-COLA HBC CULTURAL SURVEY 2003 TOP TEN RESPONSES		Agreement %
1. My organization is committed to producing products of the highest quality		94%
2. My organization is committed to world class market execution		90%
3. I have a clear and consistent understanding of what is expected of me within my department		89%
4. I understand how my actions have an impact on external customer satisfaction		88%
5. I understand how my performance has an influence on achieving our Mission Statement		88%
6. I understand how my actions impact the quality of our products and packages		86%
7. In my organization we stretch ourselves to deliver outstanding performance		86%
8. People in my organization prioritise quality above all other considerations		84%
9. I understand the financial implications of my work activities, which enables me to make better decisions		84%
10. My organization works collaboratively with our customers to serve consumers better		83%

in 2003, Coca-Cola HBC was designated the top company in terms of overall reputation, with maximum scores for the categories "Team of Professionals", "Speed of Decision Making", and "People Development".

## DEVELOPING EMPLOYEE ENGAGEMENT

The Coca-Cola HBC **Internal Communications Strategy** emphasises the objective of ensuring that employees at every level of the workforce are engaged and focused on the plans, actions and behaviour that we will always meet and wherever possible exceed consumer and customer expectations.

The company believes that the more engaged employees are, the more passionate, productive and committed they will be to the achievement of stretching business goals and capable of being rewarded for their efforts. To this end Coca-Cola HBC has established and continues to develop excellent two-way internal communications systems across all of its business units, and at all levels.

Coca-Cola HBC respects the uniqueness of its employees as individuals, while seeking to harness and share the synergies presented by teamwork, both within country operations and across the entire organization.

The company respects the right of employees to join or not to join trade unions, and to consult with management on issues of joint interest. **The Coca-Cola HBC Employee Relations Survey 2003** indicates that 32% of the workforce are members of a trade union. The company is committed to communicating directly with all employees, whether unionised or not, about major change initiatives. Almost 50% of employees are covered by collective labour agreements.

In 2002, Coca-Cola HBC established the **Coca-Cola HBC European Works Council (EWC)** under the European Works Council Directive 94/45/EU. This forum is made up of employee and management representatives from Austria, Greece, Italy, Northern Ireland and the Republic of Ireland. With EU enlargement, participation in this forum will be expanded to include representation

from the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia.

**The Coca-Cola HBC Employee Relations Survey 2003** indicates that all of its country operations have direct communication systems, including open door policies, cascading communication networks, employee forums, newsletters, confidential employee opinion surveys, 360 degree and other confidential feedback surveys.

Coca-Cola HBC has a policy requiring every business unit to record and report all accidents and illnesses. Any incident of a serious nature or any potentially infectious illness must be immediately reported to management whereupon action will be taken, according to the local circumstances. As part of our OHSAS implementation programme, Coca-Cola HBC is in the process of standardizing occupational health and safety indicators and these will be consolidated centrally from January 2004 and published in future reports.

## Health & Safety at Work

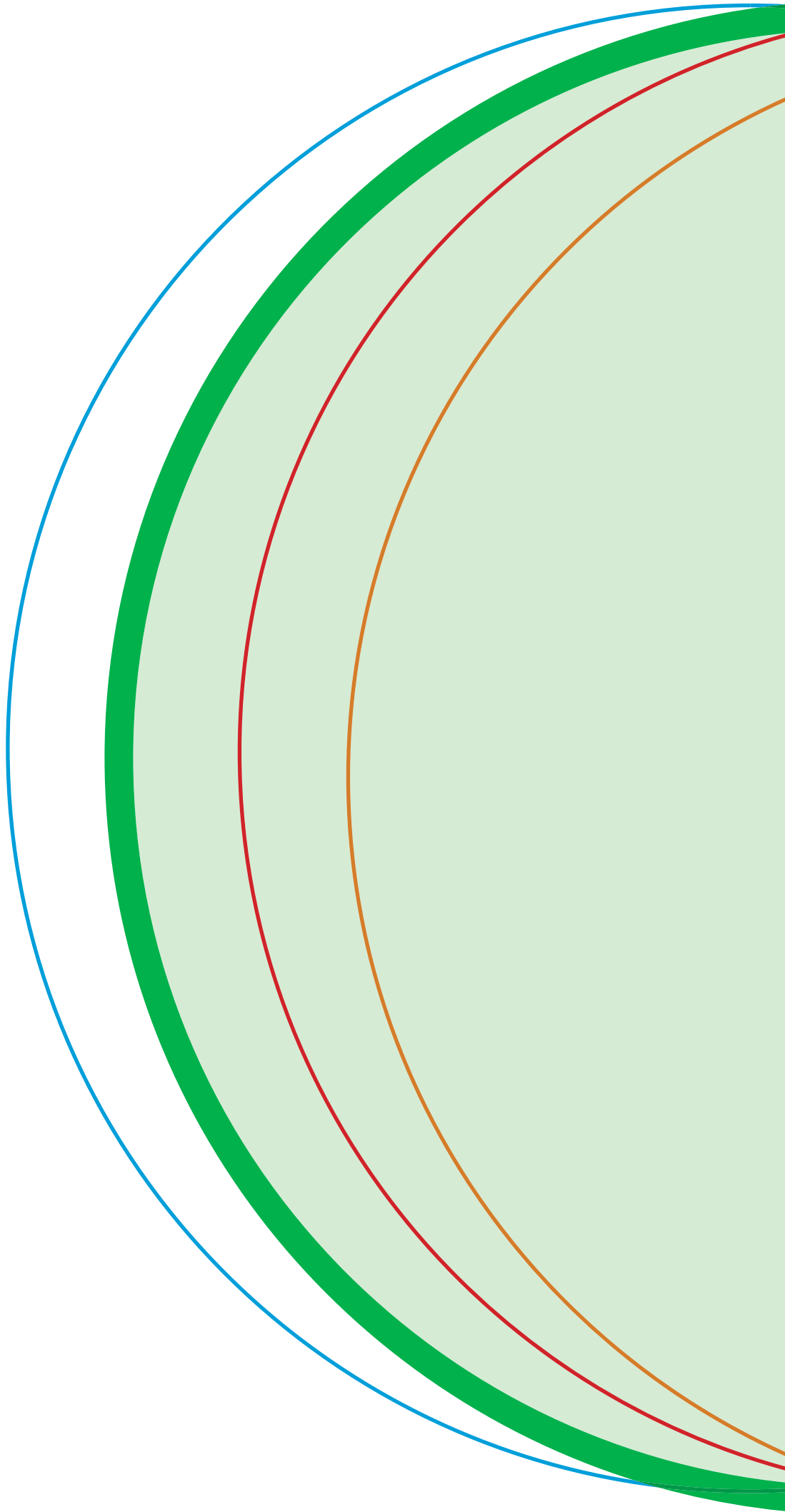
Coca-Cola HBC is constantly pursuing increasingly heightened standards of workplace safety and health.

While the group is proceeding to achieve OHSAS 18000 certification across all plants, business units are, at the same time, seeking to achieve levels of protection that go beyond those already established, or required.

Coca-Cola Beverages Croatia received an award in 2003 for Outstanding Performance from the Croatian Association for Development of Protection at Work (HUUZ) for recording superior levels of safety through the company's policies, procedures and practices.

In Switzerland, a Safety and Eco-Drive Training scheme was commenced in 2002. Drivers completing this course have recorded a substantial reduction in accidents. A further bonus has been seen in environmental protection through a lowering of fuel use of between 10-20% and of around 40% in polluting emissions.

Switzerland conducts continuing apprenticeship and trainee schemes which enables young people to develop their skills in everything from business and commerce, logistics, typography, and advertising to electrical fitting, chemical laboratory work and technical software engineering. In a related programme, university and college graduates can participate in an 18-month sales and marketing course. Of 17 trainees who have participated since 1999, eight have chosen – and been accepted – for key positions at Coca-Cola HBC.





environment

workplace

marketplace

community



## Environmental Policy

Coca-Cola HBC is committed to dealing responsibly with the environment in carrying out all its business activities in a sustainable manner.

We seek a steady improvement in meeting our environmental standards and we work to minimize any negative impact on the local and global environment, while fulfilling consumer and customer expectations of the quality and safety of our products and ensuring safe working conditions.

To reach these targets, we:

- Play a leading role within the beverage industry by conducting operations in compliance with local and national laws and regulations and apply everywhere our high Coca-Cola HBC environmental standards, including The Coca-Cola Company’s eKOsyste<sup>m</sup><sup>2</sup>.
- Develop an internationally recognized management system in all of our operations that is based on continuous improvement.
- Include environmental considerations in our business planning process to ensure that environmental management and advancement remains an integral part of our operations.
- Set environmental goals, monitor results and audit our processes, and judge our achievements and improvements against our high environmental standards.
- Identify and implement ways to improve the efficiency with which we use resources, including water, packaging, energy and other raw materials.
- Minimize discharge of emissions and waste material into the environment; reduce, recover, recycle and reuse our on-site solid and liquid wastes wherever practicable and ensure that we dispose of our unrecoverable wastes safely and with minimal impact.
- Encourage and equip our employees to identify and act upon opportunities to improve environmental performance and waste management in the areas where they work.
- Cooperate with stakeholders in seeking solutions to those environmental problems on which we can make an effective and long-lasting contribution and we communicate openly on our environmental performance.

This Policy applies to all Coca-Cola HBC employees.

Responsibility for overseeing the implementation of this policy lies with the Social Responsibility Committee of the Board of Directors, as part of its mandate.

Doros Constantinou

### ENVIRONMENT

#### Environmental Policy

The Coca-Cola HBC Environmental Policy is fundamental to its operations as the company believes its employees and everyone associated with its activities has an important role to play in achieving environmental goals.

Accordingly, Coca-Cola HBC is committed to putting in place reliable measures and effective management systems to monitor and report upon its business, and the impact it has on the environment.

### ENVIRONMENTAL MANAGEMENT ORGANIZATION

A **Social Responsibility Council** has been formed under the guidance of the Social Responsibility Sub-Committee of the Board of Directors. Its objectives are:

- ✓ Review environmental goals and targets to ensure their continuing relevance.
- ✓ Allocate responsibilities and time scales for progressing actions.
- ✓ Set and agree environmental objectives and targets.
- ✓ Review and progress environmental corrective action plans and recommendations.

<sup>2</sup> See page 29&30

- ✓ Provide a forum for discussion and action on social and environmental matters.
- ✓ Review policies and recommend change.
- ✓ Review and comment on environmental and social impacts of products and packages.

The Council reports to the Social Responsibility Committee of the Board on a regular basis.

At country operations level, the local responsibilities are carried by the general managers and plant managers, who designate Environmental Coordinators as necessary to provide the advice, assistance and control necessary for environmental compliance.

## THE ENVIRONMENTAL CHALLENGE

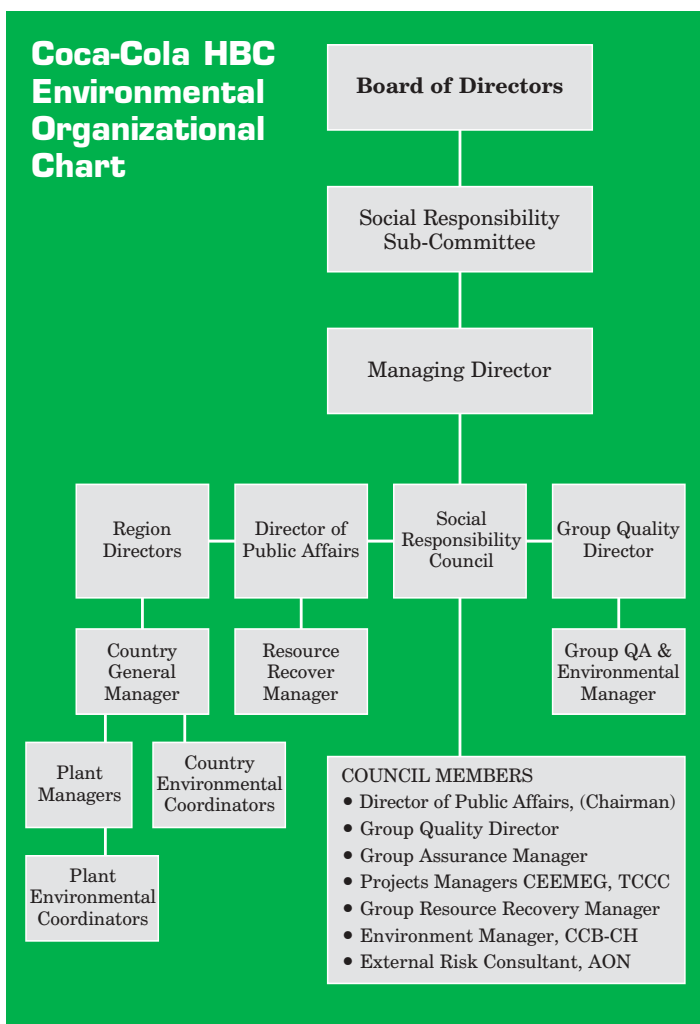
The identification of environmental risks and opportunities has taken place over a number of years in the Coca-Cola System. Numerous internal and external ecological footprint and life cycle analyses have shown what our main environmental impacts are. Various stakeholders have contributed to an awareness of downstream problems and, in addition, dialogue with NGOs, and media coverage have reinforced the social and political significance of many issues.

Multi-criteria analyses based on these inputs have led to the definition of the following three top environmental priorities:

- 1. Water:** As the single most important substance for the human environment, water is a key priority. Due to the volume of our bottling operations, efficient consumption of raw water and the responsible discharge of wastewater will always be a priority for our business, this is especially so in countries with low water resources and low technicity in water treatment. Impacts tend to be local and can affect groundwater as well as aquatic ecosystems.
- 2. Energy:** Because of its global significance, energy is our next priority. Environmental impacts occur mostly where energy is extracted or transformed, and globally, since air emissions bring about climatic change (greenhouse effect), as well as soil acidification and water eutrophication. Energy is used to drive machinery, in our distribution activities and by all our sales and marketing equipment.
- 3. Waste:** Solid waste has been recognized as an environmental concern for many years and cannot be eliminated without impacting the local environment. It is an output of our production facilities and an outcome of consumer behaviour (littering). Packaging is among the most politically sensitive environmental issues linked to our business.

## BUSINESS PLANNING

Having identified the three key impacts, the group has agreed objectives and targets for country



operations for 2004. These environmental targets are as follows:

- ✓ Reduce water consumption ratio per litre of beverage produced by 5% vs. 2003.
- ✓ Reduce energy consumption ratio per litre of beverage produced by 5% vs. 2003.
- ✓ Reduce solid waste generation from operations ratio per litre of beverage produced by 5% vs 2003.
- ✓ Increase waste recycling in operations by 5% vs 2003.

Individual country operations prepare their business plans accordingly and report them centrally.

Each country details its national and local planning and defines action plans.

The projects and actions relevant to the environment in those action plans determine the content and conduct of their environmental programmes.

## ENVIRONMENTAL TRAINING

Training in this area is organized by the business units within the individual countries and included several workshops specifically for Country Environmental Coordinators: Six environmental training workshops took place in 2002, focusing on developing and implementing ISO 14001 environmental management systems. They were carried out in Vienna, Moscow and Sofia and attended by 51 Environmental Coordinators from 19 countries, totalling 348 session days. In May 2003, follow-up meetings were organized in Vienna, Kiev and



Sarajevo, with more than 30 participants. The next meeting is planned to take place in Nigeria in 2004.

In addition to training on the practical implementation of environmental management systems in house, we also provide regular training workshops on environmental legislation and the implementation of waste and packaging waste recovery schemes for all countries.

### Local Implementation

A large degree of autonomy is left to countries, because it is understood that in order to be fully effective, solutions to local problems must be implemented locally. Each country and each plant define and implement their action plans according to their priorities and capabilities, taking into account group objectives and targets.

### Reporting

Environmental reporting serves to evaluate and track our impacts, prove the effectiveness of our programmes, detect problems and successes, communicate with interested parties, and identify ways to improve performance and introduce new initiatives.

The most important environmental Key Performance Indicators (water, energy and waste) are reported on a quarterly basis. These figures are consolidated centrally and used for benchmarking. In addition, each production facility reports a multitude of data to The Coca-Cola Company on an annual basis.

Reporting standards are described in the internal document "Good Environmental Practices on Environmental Reporting". The reporting process is audited during eKOsysteM audits. The eKOsysteM establishes common operating standards for The

## ISO 14001 Certification

A cornerstone of the company's environmental actions is the ISO 14001 certification of all operations.

ISO 14001 compliant environmental management systems are implemented in 52 of 85 CCHBC bottling facilities. With the exception of the six recently acquired mineral water facilities in Austria, Switzerland, Croatia, Poland and Romania which are just beginning the certification process, all European operations are on schedule to be fully certified by mid year. The 16 bottling plants in Nigeria and 1 bottling facility in Armenia, due to historical reasons will not achieve certification until 2006.

Coca-Cola Company on environmental stewardship and provides guidelines for bottling partners around the world. ([www2.coca-cola.com/citizenship/environmental\\_report.html](http://www2.coca-cola.com/citizenship/environmental_report.html))

Public reporting of environmental impact is made from time to time in line with the requirements of the ISO 14001 standards.

**Controlling**

Numerous internal and external audits take place at plant and country level. Environmentally relevant audits include those for ISO 14001 and for The Coca-Cola Company eKOsysteM that will cover all bottling plants by mid 2004 (except Nigeria and Armenia). Environmental due diligence audits are carried out prior to acquisitions, and Safety and Loss Prevention audits have been completed at 83% of Coca-Cola HBC plants.

**EFFECTIVE SYSTEMS FOR EFFICIENT STEWARDSHIP**

Consideration is given to improving economic and environmental aspects associated not only with the design, production and packaging of products, but also their transportation and ultimate disposal. Responsibility for this lies with the company's Social Responsibility Council, comprising managers from a range of functional areas including Supply Chain, Quality Assurance, Risk Management, Public Affairs, Human Resources and General Management. The Council also has external representation from The Coca-Cola Company and external consultancies and NGOs.

The Council coordinates environmental affairs and discusses packaging and equipment design, to obtain optimum impacts both up and downstream. For example, by working with our suppliers, the weight and quantity of material used in packaging has been significantly reduced and the efficiency of cooling equipment greatly increased.

**ENVIRONMENTAL MANAGEMENT SYSTEM VERIFICATION**

The environmental part of this report is verified by Denkstatt, an independent environment-coun-

selling firm that has worked with The Coca-Cola Company and has an in-depth knowledge of business in the beverage sector.

Denkstatt Umweltberatung und-Management GmbH (Denkstatt) was commissioned to provide a third party validation of the key performance indicator data (KPI) and Environmental Management Systems (EMS) implementation progress data included in this report, based on site visits and reviewing existing audit data from both internal and external sources. A summary of the key findings is as follows:

1. The description of our business and environmental activities, commitment and progress is a fair description of the current reality.
2. The environmental impacts and Key Performance Indicators reported and included are those identified as being the most important, based on the company's specific business activities. The accuracy of the data collected by each operation is plausible and accurate and the traceability will become more effective as the EMS matures further.
3. The ISO 14001 implementation work at country level has made substantial progress given the aggressive and challenging targets for accredi-



- tation set by the company and should be used as an example to other multinational corporations.
4. The company also remains focused on international priorities, NGO requirements and in-depth life cycle analysis (see Coca-Cola Beverages Environment Report 2002 ([www.coca-colashop.ch/environment](http://www.coca-colashop.ch/environment)) which are monitored through the formation of a centralised Citizenship and Environmental Council.
  5. The data provided are coherent with the company's processes and spot-checks were carried out in three countries, their selection being based on each of the three business development categories (established, developing and emerging) as well as an in depth review of environmental system audit data from several of the company's other operations.
  6. The companies environmental organization includes country Environmental Coordinators who are trained comprehensively. They actively develop the EMS, corrective action and continuous improvement plans in conjunction with senior operations management and are encouraged to exchange best practice ideas and experiences within the Coca-Cola HBC group.

A copy of the report submitted by Denkstatt is available at [www.coca-colahbc.com/community/environment.php](http://www.coca-colahbc.com/community/environment.php)

### ENVIRONMENTAL STANDARDS

The following environmental internal and external regulations are applicable to all Coca-Cola HBC operations.

- ✓ The eKOsysteM comprises the environmental management standards of The Coca-Cola Company and are applicable to all bottling plants operating under its licence.
- ✓ There are Good Environmental Practice (GEP) manuals on Wastewater, Fleet Management, Managing Hazardous Materials, Ozone Protection, Measuring and Reporting Environmental Performance, Auditing Environmental and Safety Systems, Environmental Due Diligence, Energy Management and Water Resource Management.
- ✓ The international standard ISO 14001 lists requirements for environmental management systems based on a continuous improvement process.



Washed PET flakes from used beverage bottles at the Eko-Kom facility in the Czech Republic. These flakes will be sold and reused in other industrial applications.

- ✓ All relevant local, national and (for EU members) European environmental legislation must be respected by each operation.

### ENVIRONMENTAL PERFORMANCE INDICATORS

The Coca-Cola HBC environmental indicators are focused on the environmental impacts that have been identified, as being the most relevant to the company's operations, and therefore within its scope of influence. Yearly figures are shown in the Environmental Data Table on page 44.

### MATERIALS

Raw materials are used as ingredients for the company's beverages, as constituents of packaging and as auxiliary materials in production processes. Because most of the environmental impacts in the use of raw materials actually occur in the supply chain, company suppliers are being required to be more and more involved in Coca-Cola HBC's environmental endeavours.

#### Water

The main ingredient of the company's products is water. About 21 billion litres of water were used across our operations in 2003, which amounts to 3.0 litres per litre of produced beverage.

**Concentrates**

Our beverages are manufactured from concentrates mainly supplied by The Coca-Cola Company. Depending on the final product, they contain concentrated fruit juices, plant extracts, colourings and other ingredients. About 40,500 tonnes were used in 2003.

**Sugar**

The main nutritive sweetener used in our beverages derives from sugar beet cultured in Europe. 545,000 tonnes were used in 2003. Other sweeteners utilised amounted to 110,000 tonnes.

**Carbon Dioxide**

In 2003, Coca-Cola HBC utilised 101,000 tonnes of carbon dioxide in its carbonated beverages. This is approximately 12.4 grams per litre.

**Other raw materials**

Packaging materials are used to contain, transport and protect beverages.

Other Raw Materials	Tonnes
Glass	81,000
Metal Crowns	7,400
Aluminium	26,900
PET	167,000
PE closures	12,200
Paper	2,400
Plastic labels	4,900
Shrink film	24,600
Cardboard	32,800
Wood pallets	72,200

approximate figures 2003

**Auxiliary materials**

Auxiliary materials are those needed in the production phase, such as chemicals for cleaning processes. Two of them, which are used in bottle washers and in the cleaning of installations, are considered hazardous. These are hydrochloric acid and sodium hydroxide. Chlorine is used in the disinfection of production water.

The company Good Environmental Practice on Hazardous Materials sets very strict rules on the

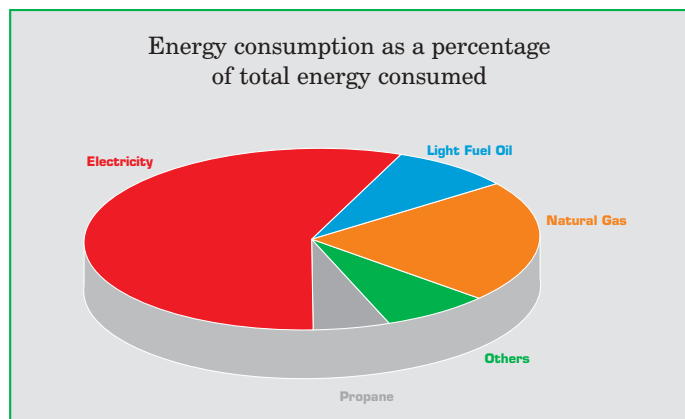
storage and handling of chemicals, both from a safety and an ecological point of view. Furthermore, the company is optimising its management of chemicals by concentrating on only two suppliers, and standardizing procedures, documentation and safe handling.

Auxiliary Material	Tonnes	Grams per litre of produced beverage
Hydrochloric acid	3,750	0.44
Sodium Hydroxide	8,060	0.95
Chlorine	595	0.07

**ENERGY**

Like much of the world today, Coca-Cola HBC relies on fossil fuels. The impacts arising in the extraction, transport and use of these fuels contributes to pollution and climate change. Saving energy diminishes all these impacts and is one of the company's top environmental priorities.

The beverage industry requires production, distribution and sales, for which energy is essential. For example: inside production plants, thermal energy from natural gas or heating oil typically serves for washing, pasteurizing and sterilising containers and equipment as well as for heating the factory. Electricity activates production lines, blowers, conveyors, rinsers, mixers, fillers, labellers, wrappers and palletisers, as well as utilities, lighting, ventilation and compressed air.





The total energy consumed by the company's 75 CSD production facilities is 5.4 billion MJ.

The country averages are shown in the benchmarking section and more detailed numbers are in the data table.

Some 14,650 vehicles consume petrol and diesel to transport salespersons and technicians as well as goods to and from customers. As one of the largest fleets of vehicles in the markets served by Coca-Cola HBC, the company is well aware of the environmental impact of noise, traffic and emissions from combustion engines. Some company operations have implemented projects and activities leading to the reduction of these impacts. The energy used by the distribution fleet in 2003 is estimated to be 2.1 billion MJ.

Refrigeration equipment located on customers' premises also consumes electricity. The total electricity used by sales and marketing equipment is evaluated at 9.8 billion MJ.

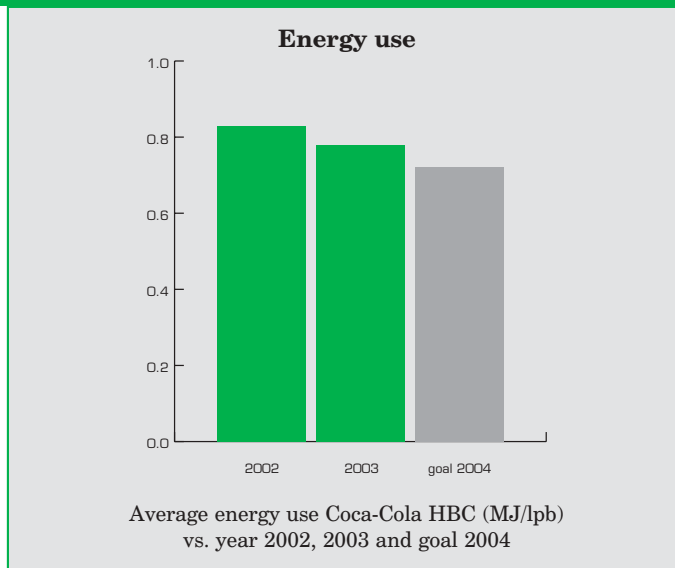
Even though the costs are with the customers and the ecological impacts are with the electricity generation plant, Coca-Cola HBC has initiated and taken part in the development of electricity saving systems that are being introduced as part of our on-going energy reduction programme.

As a developing business within expanding markets, the energy requirements of Coca-Cola HBC continue to grow. To minimize the adverse implications of this, the company is committed to continuously improving its processes in order to reduce relative energy use (MJ per litre produced beverage (lpb)). The graph below shows past performance as well as goals set for 2004. The company's stated objective is to reduce the average energy use ratio by 5% vs 2003.

### Energy improvement programmes

Various energy saving projects have been implemented and are underway in many plants. For example:

- ✓ Excess heat from PET bottle blowing machines is captured and used to heat the workspace during wintertime, or to pre-heat water for other uses such as washing.
- ✓ Re-using hot air in shrink-wrap labelling machine saves electricity.



- ✓ Energy-saving lighting in warehouses reduces the demand for electricity.
- ✓ Recharging electrical forklift trucks in phases lowers the peak electricity demand.

The Kyoto-derived targets for CO<sub>2</sub> emissions in some countries in the Coca-Cola HBC system will drive further endeavours towards greater energy efficiency. It is anticipated that this will lead to valuable innovations that will be shared with other operations. Alternative renewable energy sources are to be used whenever economical.

## WATER

As a prime user of water for our core products, we are keenly aware of the ecological impacts of beverage production on water resources and are improving our management of them.

### Water consumption

The Coca-Cola System takes stringent measures to ensure that water is treated and purified to the highest standards prior to use. Measures involve multi-barrier filtration and other methods, to ensure the appropriate level of water purity.

Water is also used in cleaning processes, for rinsing, washing, cooling and disinfecting beverage containers and manufacturing installations.

The ratio of total water consumed to volume of produced beverage is defined as a water ratio and represents one of the main environmental Key Performance Indicators. The average ratio for Coca-Cola HBC operations in 2003 was 3.0 litres per litre of produced beverage (L/lpb).

In 2003, the company's plants used 21 billion litres of water. The country averages are shown in the benchmarking section.

**Water improvement programmes**

Water recovery projects have led to durable water savings in many plants. For example, clean cooling water from pasteurizers or rinsing water has been recuperated and re-used in non-product applications. Despite increasingly complex product mixes and stricter cleaning standards requiring more water, water use has remained stable across our operations (see graph).

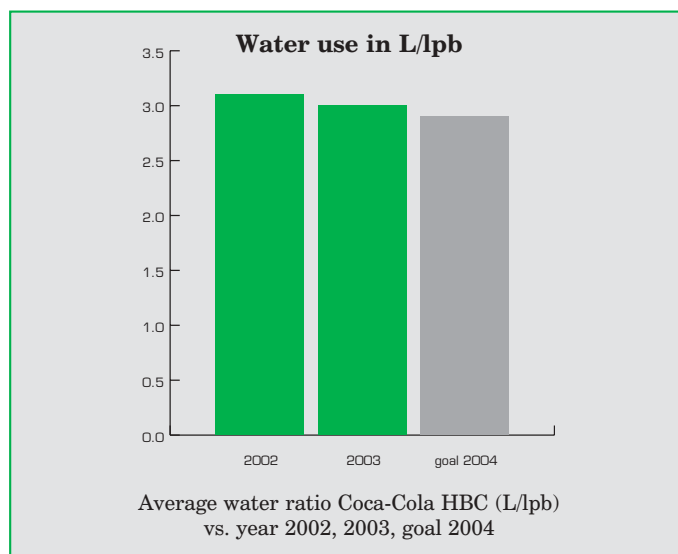
**Preserving, Protecting water**

As water is a vital component in many of the company's beverages, and a vital resource for the communities it serves, Coca-Cola HBC is extremely conscientious about seeking ways to conserve and use water in the most effective manner possible.

In Poland, for example, the company has been conducting schemes to realize the company's "zero discharge" objective which is a key part of the Environmental Policy to which it is jointly committed with The Coca-Cola Company.

During 2003, employees at each of the plants in Poland applied a variety of processes in an effort to continually exceed goals for water use reduction. In Radzymin a "Special Water Savings Group" was created to oversee the countrywide project.

Through re-use of rinsing and re-direction of treated water, savings of 8.3m<sup>3</sup>/h was achieved in Radzymin and 5.5m<sup>3</sup>/h in Staniatki, at two PET lines. At Radzymin, automatic line foaming was cut from 50 minutes to 15. Through thoughtful planning, impressive reductions were made in the use of lubricant concentration and quantity by separation of wet and dry areas.



Further efforts to apply better and more effective use of water are continuing to be examined in Poland and throughout the company, as part of the company's own initiatives, as well as in cooperation with communities.

**Wastewater**

Coca-Cola HBC is actively engaged in efforts to conserve and protect water used in its own facilities and in each of the communities it serves.

It is a goal of the Coca-Cola System to eventually make every production unit a "green plant", with no liquid discharge harmful to the environment.

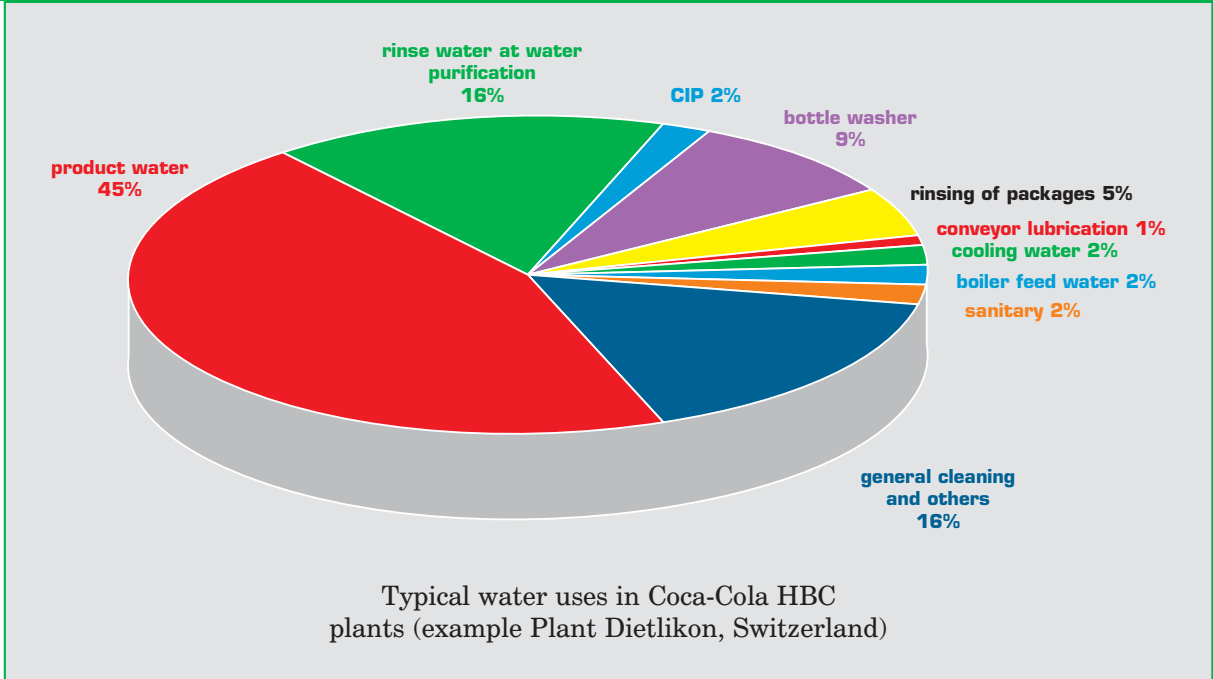
Operations in **Croatia** are achieving significant progress toward this goal on a continuing basis, with the redesign of wastewater treatment equipment and drainage systems that exceed regulatory requirements. The effort has been cited as an eco-

efficiency case study by the World Business Council for Sustainable Development.

The Croatian efforts have to date succeeded in reducing wastewater, recycling cleansed water for re-use and elevating water quality levels.

In **Poland**, in 2003, a comprehensive programme was begun that is reducing water use by as much as 17% so far, through recycling and effective water management methods, and cutting discharge levels.

<sup>3</sup> Airborne particles smaller than 10 micrometers.



**Looking ahead**

Because water is a key resource in the production of beverages, Coca-Cola HBC makes it a high priority to protect water sources and aquatic ecosystems. Most operations have projects for 2004 for reducing water use, recovering water, or improving wastewater quality. The company's objective for 2004 is to reduce the average water ratio by 5% vs. 2003 (see graph on page 20).

As part of its environmental commitment, Coca-Cola HBC is focused on increasing water savings, conservation and protection activities and water saving programmes with stakeholders such as the World Wildlife Fund. In collaboration with local authorities and NGOs, Coca-Cola HBC strives to protect the biodiversity in living ecosystems, in particular forests, grassland, wetlands and all bodies of water that are essential for water supply. Much remains to be done, but we strongly believe that the programmes put in place will yield long-term results and benefit the communities we serve.

**EMISSIONS AND EFFLUENTS**

**Emissions**

There are no significant specific noxious emissions of substances, such as volatile organic compounds, from Coca-Cola HBC operations. The emissions from beverage production activities result from the combustion of fossil fuels such as heating oil, natural gas, petrol and diesel, similar to those from household heating and vehicle use. The quality of the fuel, in particular its sulphur content, has a large influence on the resulting emissions. The consumption of electricity indirectly produces air emissions, not where the electricity is used but where it is produced. The resulting calculated emissions are included in the reported emissions using the euro-mix definition.

Burning fossil fuels produces various air emissions. Among them, carbon dioxide (CO<sub>2</sub>) that contributes to climate change; nitrous oxides (NOx) that may lead to summer smog and water eutrophication (over-fertilisation of lakes); sulphur oxide (SO<sub>2</sub>) that results in acid rain; and particulates (PM10)<sup>3</sup> that have a negative effect on breathing. The calculated air emissions resulting from energy consumption are reported in the Environmental Data Table on page 44.

**Wastewater**

The main substances emitted with wastewater in the production process are residues of cleaning and disinfecting substances, and to a lesser extent



Treated wastewater supports fish life at the Hadzici plant in Sarajevo



Wastewater treatment plant, Maiduguri, Nigeria

beverage residues and sanitary wastewater. Most of these substances can be biodegraded if treated properly.

Coca-Cola HBC ensures that its wastewater is treated before reaching natural bodies of water. The methods of treatment differ among plants and among countries. Approximately, 90% of European operations have on-site neutralisation of production water, 60% have an on-site wastewater treatment system, and 30% are connected to a public wastewater treatment plant.

Production plants with their own wastewater treatment plants typically have a fish tank or pond which serves to test the effluent. The live fish are indicators of an acceptable water quality.

Nigeria is in the process of equipping its facilities with wastewater treatment plants. The first was commissioned in November 2003 and the second is scheduled for completion in the first quarter of 2004. Our objective is to complete the installation of wastewater treatment plants in our Nigerian operations by the end of 2006.

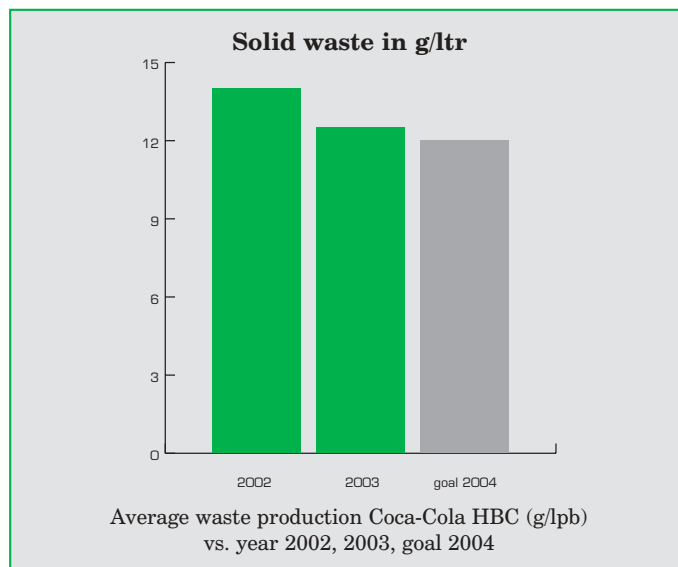
The base minimum of Coca-Cola HBC environmental standards is in full compliance with local and national regulations. In addition the systems, procedures and standards contained in Good Environmental Practices manuals build on the basic requirement of local and national legislative compliance. Operations are regularly audited in order to check their conformity and improve their processes.

## SOLID WASTE

Solid waste is a by-product of every industrial activity. Waste also occurs at consumer level in the form of used beverage containers and packaging. Solid waste data quoted in this report refers to the company's beverage production facilities only, since it is at this point that we have the maximum influence over environmental impacts.

Waste can be classified according to its final method of treatment; landfill, incineration, hazardous waste disposal, energy recovery (incineration with heat recovery), recycling and composting. Energy recovery and recycling are included in the company's statistic of "percentage recycled", even though this classification differs in some countries<sup>4</sup>. Hazardous waste is dealt with by special legislation in most countries. However, Coca-Cola HBC requires that the minimum internal Good Environmental Practice (GEP) for Hazardous Waste is followed.

The total amount of solid waste generated in company plants in 2003 was 88,000 tonnes. The average rate of recovery or recycling was 60% (57% in 2002). The country averages per market are shown in the benchmarking section. The average rate of recycling and recovery quoted in the The Coca-Cola Company Environmental Report 2003 was 76%. This variance is a result of the inadequate recycling capability in a number of



<sup>4</sup> Certain countries do not accept or have no facility to capture "energy recovery". In these cases, only material recycling is counted.

countries of Central and Eastern Europe, the Balkans and Nigeria and the fact that there is little infrastructure for energy recovery.

Coca-Cola HBC activities in solid waste management have initially focused on conformity in its elimination. All plants have put in place waste separation and collection procedures, so that much of the valuable waste can be recycled instead of being disposed of. The company is currently striving to decrease the total amount of waste, while increasing the recycling ratio and has set goals to reduce overall waste production in plants by 5% in 2004 compared with 2003.

### Packaging

Coca-Cola HBC uses the following types of beverage containers, which differ in their main environmental impacts.

- ✓ **Glass bottles** are mostly re-used; impacts occur mostly in manufacture (glass melting), transport and washing.
- ✓ **Aluminium cans** are made of recyclable material, the recycling rate varies among countries; impacts occur mostly in metal extraction and fabrication.
- ✓ **PET bottles** have recycling rates varying from 0 to over 75%, depending on country legal frameworks; impacts occur mostly in manufacture (resin fabrication) and bottle blowing.
- ✓ **REF-PET** bottles are re-fillable plastic bottles made from PET; impacts occur mostly in washing.
- ✓ **Beverage Cartons** are made from paper, polyethylene film and aluminium foil. The recycling rates vary among countries.
- ✓ **Steel kegs** for post-mix syrup used are reusable, refillable metal containers; impacts occur mostly in washing.

### PET Lightweighting

PET bottles were first introduced by the Coca-Cola System in 1978. By 2002, 2-litre PET bottles had been developed weighing 47.2g a cumulative reduction of 30% compared to the first 67.1g of the late seventies. Coca-Cola HBC continues its drive to improve the environmental impact of PET packaging and to reduce the overall resin content used in manufacture. In 2003, the company achieved a further reduction of 4.4%.

### Glass Bottles

The weight for our 250ml non-refillable glass bottles has been reduced from 225g to 190g in certain markets. A 170g bottle we are using in a number of countries is nearly 25 per cent lighter than the standard weight of a 250ml bottle. In the case of refillable glass bottles, 330ml bottles which are 19% lighter per ml served have replaced 300ml bottles.

### Aluminium Cans

When Coca-Cola was first packaged in aluminium cans in 1965, a 12oz can (330ml) weighed 24.5g. By 2002, an aluminium can had been developed weighing 13.2g. A reduction of 47%.

### Single Piece Closures

In Greece, the company is saving 125 tonnes of polyethylene annually through the use of a lightweighted single piece closure for Avra Mineral water. This is a 25% material saving over alternative closures. In 2004, this new closure will be introduced in Nigeria and expanded to other countries, for use on low and non-carbonated beverage packages over the next two to three years.

The weight of steel crowns is also targeted for reduction by as much as 10% by 2006.

### Secondary Packaging

Coca-Cola HBC has developed and established standards to significantly minimize secondary packaging, such as shrink-wrap and cardboard. For example, by standardizing pallet formats, a significant reduction of cardboard layer-board and stretch wrap can be achieved. The material minimization programme will reduce the amount of polyethylene film usage by 3,000 tonnes over the next year and will minimize the amount of other materials used as secondary and tertiary packaging.

✓ **Bag-in-box** is a multi-material plastic film contained in a cardboard box. Since this is a commercial package, impacts are relatively low.

The purpose of packaging is to contain, protect, inform and advertise.

In order to increase the recovery rate of used beverage containers, Coca-Cola HBC works both upstream, to use as much recycled material as possible, and downstream to have as much material collected and recovered as possible.

Coca-Cola HBC is an active member of Packaging Associations and Recovery Organizations in all of the countries where they have been formed with the exception of Latvia (where for historical reasons, the company uses the services of a pre-existing organization) to improve the collection and recovery of packaging materials, enhance the collection infrastructure and promote anti-littering campaigns to encourage a shift in consumer

behaviour. However, the fact remains that despite these efforts, littering remains an issue.

From the most recent studies carried out<sup>5</sup>, only 5% of littering consists of packaging materials and only 0.5% is beverage containers. However, certain countries fall far below this standard and we continue our efforts to encourage good consumer behaviour and improvements in anti-littering infrastructure.

**POST CONSUMER PACKAGING WASTE MANAGEMENT**

**1. Littering and Consumer Education**

While a number of countries mandate packaging disposal methods, through recycling or “take-back” obligation of containers, Coca-Cola HBC has voluntarily engaged in a number of consumer education activities, including placement of the Tidy man and Recycle symbols on all products, as well as con-

Country	Packaging Associations	Recovery Organizations
Austria		ARA Altstoff Recycling Austria AG
Bulgaria	Funding member of BAPE	Founding committee member for the future Bulgarian Recovery organization, Ecopak
Croatia	Funding member of GIUPAK,	
Czech Republic	Funding member of CICIPEN	EKO-KOM, a.s.
Estonia	Funding member of Eesti Pak	
Greece	Funding member of HERRA	HERRCO Hellenic Recovery and Recycling Corporation
Hungary	Funding member of HAPEC	OEKO Pannon p.b.c.
Ireland		REPAK Ltd.
Italy		CONAI
Latvia		CCHBC uses the services of Latvijas Zalais Punkts, NPO, limited, the Latvian Green Dot Organization
Lithuania		Zaliasis taskas
Poland	Funding member of EkoPak	Rekopol- Organizacja Odzysku S.A.
Romania	Funding member of ARAM	ECO-ROM AMBALAJE The Recovery Organization
Slovenia	Funding member of ODEM	Slopak d.o.o.
Slovakia	Funding member of Slicpen	Envy-Pak, a.s.
Switzerland		Funding member of PET Recycling Switzerland, the PET recovery association. Coca-Cola was involved in the development of bottle to bottle recycling together with RecyPET, the PET recycling company
Ukraine	Funding member of Ukrapak	

<sup>5</sup> Littering Evaluation in Vienna & Other European Cities. Prof. Vogel University of Economics, Vienna, December 2003

ducting special educational and information programmes across numerous communities. In addition, the company is an active participant in recovery and recycling programmes.

**2. Country Collection and Recycling Schemes**

Since 1992, the company has been an active participant in the structured dialogue of packaging waste management. Together with other industry members, the company organizes Packaging Associations as a cross-sectoral platform to facilitate the legal development process. In the process, efforts are made to achieve practical solutions suited to the social, economical and environmental situation in particular countries. Coca-Cola HBC within the Packaging Associations works with local authorities to identify practical and acceptable packaging waste management solutions. As soon as packaging legislation is in force, the company then actively participates in being a pro-active driver of its implementation.

Coca-Cola HBC is among the funding members of packaging associations, and in most cases, is a founding shareholder of the national recovery organization which implements the waste packaging management scheme.

A recovery scheme takes over the legal “take-back” obligation of obliged industry and ensures the management of packaging waste according to the national packaging legislation. In many of the countries in which Coca-Cola HBC operates, the European Packaging Directive 94/62 has been transposed and implemented.

**COLD DRINK EQUIPMENT**

The cooling equipment used in Coca-Cola HBC sales services comprises three main categories: refrigerators, vending machines and fountains. This equipment is company-owned and is located at shops, restaurants and various public places to offer chilled beverages to consumers. The equipment is primarily serviced by our technicians. As of end 2003, there were 706,000 coolers, 74,000 vending machines and 62,000 fountains in the marketplace. As such, Coca-Cola HBC is one of the primary users of refrigeration equipment in Europe. All these devices have a cooling unit with an electrical compressor and refrigeration fluids.



706,000 Coolers

Coolers are used to display and chill Coca-Cola HBC beverage bottles and cans. They may have one or two doors, or an open top, or an open front.

74,000 Vending Machines

Automatic vending machines deliver cooled bottles and cans after payment by the consumer.



62,000 Fountains

Fountains are used where large amounts of Coca-Cola HBC beverages are consumed on the premises.

Working with the Swiss authorities and the local beverage industry CCB Switzerland pioneered the use of RecyPET permitting bottle to bottle recycling. The plant, located in Frauenfeld was the first of its kind in Europe and has the capacity to recycle 16,000 tonnes of PET bottles each year. The long-term objective is to produce PET beverage bottles with no more than 20% virgin material. The Coca-Cola System assisted in the funding of the project and the development of the technology.

**Electricity consumption**

The electricity consumption of all cooling equipment is estimated to be 9.8 billion MJ. An ecological analysis<sup>6</sup> has shown that the electricity use of cold drink equipment has a higher ecological impact in terms of eco-points than other parts of the company’s business.

<sup>6</sup> Eco-balance study, Coca-Cola HBC Switzerland

Projects are currently underway to reduce the electricity consumption of refrigerators by up to 50%. The Coca-Cola System is currently examining ways in which to reduce these levels even further including the use of alternative power sources and various power-saving technologies.

**Energy Management System**

An Energy Management System using a patented “self-learning” technology has been developed by The Coca-Cola Company to reduce cooler electricity consumption. Coca-Cola HBC is testing it in six of its countries: Greece, Ireland, Italy, Poland, Russia and Switzerland.

The self-management module works by establishing a pattern for operating hours. The module automatically controls the temperature, lighting and ventilation of the cooler.

Overall energy savings are expected to be between 35% and 54%, depending on the cooler’s placement and usage pattern.

Coca-Cola HBC will begin to rollout Energy Management equipped coolers in 2004 that in the long-term should deliver considerable savings in the use of electrical energy.

**Ozone depleting substances**

Cooling agents such as CFCs contribute to the destruction of the ozone layer. Under the Montreal Protocol, this introduction of new equipment containing CFCs is prohibited. By December 1994, Coca-Cola HBC, like the rest of the Coca-Cola System, had stopped buying new equipment containing CFCs. Simultaneously, a robust capture and recovery programme for all refrigerants was implemented.

Because typical refrigeration equipment can have a useful life of between 10-20 years, and there are about 706,000 cooler units in our markets, about 118,000 CFC-containing units (16%) remain in use. This proportion is being steadily reduced as part of a continuing equipment replacement programme and it is expected that the phase-out will be completed by 2007. We will continue to monitor the use of refrigerants within our business during 2004 and further quantify the replacement programme in future environmental reports.



Just a few of the CCHBC delivery fleet vehicles (bicycle not included!)

**Greenhouse substances**

The HFCs, the replacement for CFCs, are not free of concern. Their global warming potential is far greater than that of CO<sub>2</sub> and enhances the greenhouse effect. HFCs have therefore become the target of global warming reduction programmes. In June 2000, The Coca-Cola Company stated its intention to no longer purchase new cold-drink equipment containing HFCs wherever cost efficient alternatives are commercially available by the 2004 Olympics. The Coca-Cola Company has been working closely with suppliers and business partners in the research and development of alternative equipment. A number of new HFC-free units will be in use at the Olympic Games in Athens in 2004, representing the symbolic start to the commercial roll-out of new HFC-free technologies.

**TRANSPORT**

The transport and distribution system of Coca-Cola HBC products varies from country to country, and includes:

- ✓ Owned and leased trucks
- ✓ Third party carriers
- ✓ Arrangements with wholesalers and smaller customers

Coca-Cola HBC owns about 3,000 route delivery trucks (<16 tonnes) and 2,000 haulage trucks (> 16 tonnes), which transport about 45% of distributed volume.

In 2003, these trucks drove 110 million kilometres and consumed approximately 42.5 million litres of diesel fuel. The resulting air emissions are in the Environmental Data Table.



The company owns about 1,800 minibuses and vans for sales services as well as about 6,000 company cars used mostly by sales representatives.

The Coca-Cola HBC Good Environmental Practices Manual on Fleet Management describes the environmental practices necessary to reduce environmental impacts.

**Reducing Fuel Consumption**

Individual country initiatives have been put in place to reduce fuel consumption and air emissions. These include:

- ✓ Vehicle maintenance and inspection programmes.
- ✓ Driver training programmes (leading to 5-10% fuel savings).
- ✓ Software to plan and optimise journeys.
- ✓ Provision of lower emission clean-burn engines.

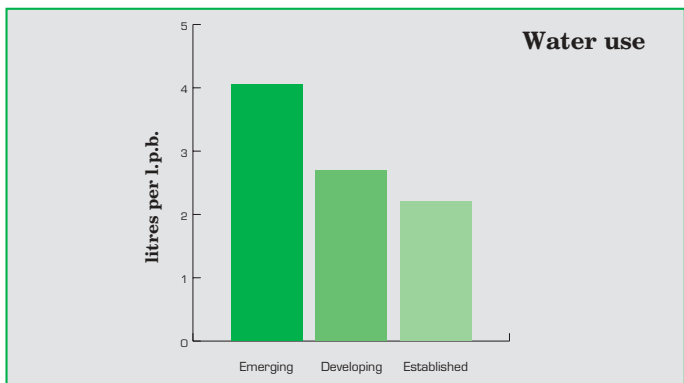
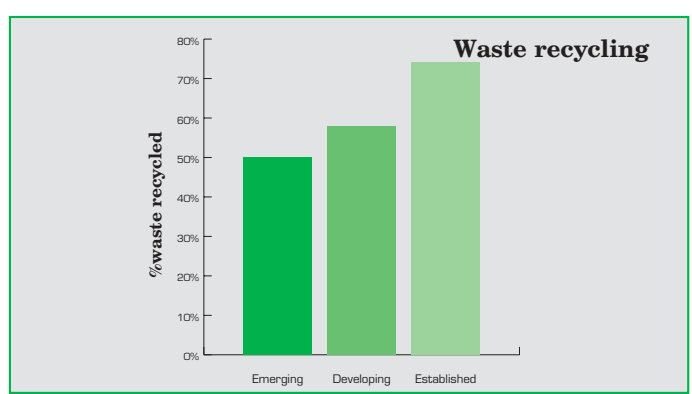
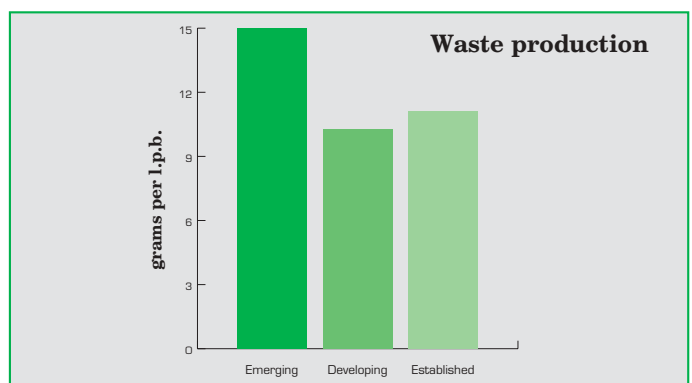
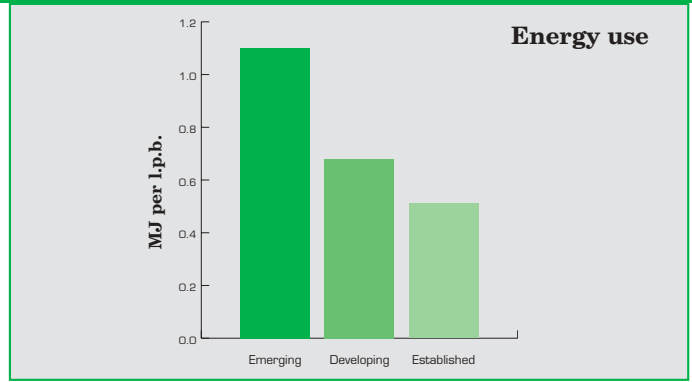
Coca-Cola HBC is undertaking an overall appraisal of its transport system, recognizing that it is clearly one of the areas where the company's environmental efforts can be enhanced, and where many opportunities can still be found to reduce both fuel costs and environmental impacts.

**BENCHMARKING**

Plants and countries differ in their production volume, product mix, age and type of installations, and other factors.

The Key Performance Indicators for water, energy and solid waste are compared in the tables below. Countries are consolidated according to their status as established, developing or emerging.

Established countries tend to have better environmental Key Performance Indicators because they have more modern installations and have had the ability to invest more in environmental projects.



**COMMUNITY ENVIRONMENTAL SUPPORT**

Coca-Cola HBC takes its commitment to environmental protection into the communities in which it operates.

In **Austria**, the group's business unit launched a Junior Ranger Camp in January 2003 in conjunction with the country's National Park Board, with the aim of teaching young people the importance of nature and environmental awareness.

Since 1998, operations in the **Republic of Ireland** have been working in partnership with the environmental group An Taisce and the Department of

the Environment, to encourage people to take personal responsibility for litter and keep their local communities clean. In 2003, more than 250,000 people participated in the National Spring Clean initiative in some 3,000 events, collecting about 400 tonnes of litter – 12% of which was recyclable.

Coca-Cola HBC **Greece** joined with the World Wildlife Fund Hellas in 2003 to conduct volunteer activities involving young volunteers visiting eight areas around the country, helping to preserve their natural beauty.

In **Hungary**, together with a national recycling organization, DEKO Pannon, the group's business unit has developed a special roadshow that demonstrates to visitors, in an entertaining way, the importance of selective waste collection, and how to select and sort different materials.

Coca-Cola HBC **Italy** worked together with local authorities to develop a programme that aimed to go beyond simply teaching students in 1,200 schools about the importance of environmental protection, but actively engaging them in creating substantive ways of achieving positive results. Schools judged to have initiated the most effective environmental-related projects were presented with computers and financial support.

To strengthen environmental awareness and the important connection between nature and human life – while educating the wider public – Coca Cola HBC **Austria** has developed a special scheme involving youngsters from across the country.

In 2003, the first year of a continuing programme, 13 young people began learning about environmental matters at the National Park, aw Hollersbach with workshops and theoretical training. They gained more practical experience, including "survival skills", at Carinthia, Salzburg or East Tyrol. On graduation, the "students" will now pass on their knowledge and understanding to many thousands of others across the country.

Since 1994, Coca-Cola HBC **Nigeria** has been the sole sponsor of a national school contest which invites children to write essays, or produce works of art that focus on the importance and protection of the environment. Cooperating with the Nigerian

Conservation Foundation and State Ministries of Education and a number of prominent Non-government organizations, the company chose the theme for 2003 as "The Effect of Poverty on the Environment".

After initial vetting by individual school authorities, the almost impossible task of selecting just five finalists (in each category) from thousands of entries takes place. The eventual winners are rewarded with a week-long all-expenses-paid holiday to a National Park or Game Reserve for an experience they are keen to share with their fellow-students on their return, further extending appreciation of the unique natural assets Nigeria possesses.

## VOLUNTEER STAFF ENVIRONMENTAL ACTIVITIES

Coca-Cola HBC encourages and supports employee participation in environmental protection programmes.

In 2003, about 100 members of staff and their families in **Romania** launched a "Spring Day" initiative to refurbish six parks in five cities. In the city of Ploiesti, the team transformed a barren area into a park for local children with the endorsement of the mayor, who took part in the work.

In **Greece**, the operations support a staff volunteer association called Alyssos, meaning "chain". This formal body, with established policies and procedures, develops partnerships with local businesses, non-profit organizations and other volunteer centres. Activities engaged in include beach-cleaning and various other environmental efforts such as a four-year reforestation project in Patras.



Volunteers clean-up paths, bridges and waterways on the ancient roads to Olympia in Greece

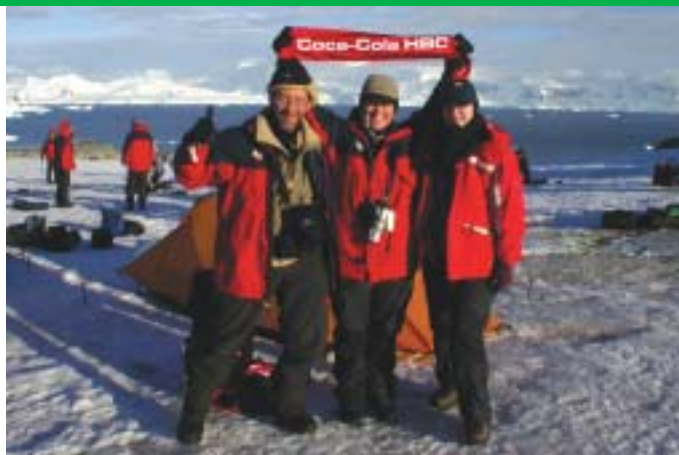
## PROTECTING HERITAGE

Coca-Cola HBC extends its partnership with communities into many areas of life, including the preservation and promotion of national heritage sites.

In 2003, in **Croatia**, the business unit gave its support for the creation of an "educational" pathway in response to an idea presented by students attending the Dubrovnik High School. Working together with the students and the Ministry of Regional Planning and the local Environmental Protection and Tourist Associations, the pathway was built along soaring, majestic cliffs that rise some 200 metres from the sea at Popovic in the region of Konavle.

The new route at this natural heritage site includes signposts and information boards providing facts about the rich variety of plants, animals, birds and reptiles that are to be found in the area.

In **Greece**, an historic footpath along the Cladeus River, in ancient Olympia, was restored in 2003 through assistance provided to the non-profit group Conservation Volunteers Greece by Coca-Cola HBC. The pathway, said to be taken by athletes attending the Olympic Games, was reconstructed and a leaflet produced with maps and information to enable visitors to understand and appreciate the full significance of its cultural and historical importance.



## MISSION ANTARCTICA

In February 2003, three employees of Coca-Cola HBC joined thirty-six colleagues from the global Coca-Cola System to journey to the world's most hostile and inhospitable continent - Antarctica. Mo Durkan from Ireland, Tanja Kaurin-Vidovic from Bosnia-Herzegovina and Mihai Curpen from Romania joined one of the greatest clean-ups of all time - the removal of more than 1000 tonnes of solid waste, for recycling, from the Russian base-station Bellinghausen. The group's key objectives were to:

- ✓ Prepare a sustainable waste management programme.
- ✓ Assess the removal of nine abandoned storage tanks
- ✓ Evaluate the potential to build a wind and solar powered hut to educate children worldwide on renewable energy sources.

The leader of the expedition, Robert Swan, stated, "Global businesses, like Coca-Cola, and non-governmental organizations... really do have the power to make a difference in the world. Coca-Cola is the first company to ever participate in a mission of this kind to help protect and preserve Antarctica".

## Environmental Education

Coca-Cola HBC is engaged in initiatives to support greater awareness of environmental protection methods – and benefits.

The group's business unit in the Ukraine, in November 2003, cooperated with the Ukrainian government to prepare a film on "Environmental Management Standards for Enterprises". The film, which features the environmental and economic advantages gained at the Coca-Cola bottling plant through achievement of ISO 9000 and ISO 14001 certification, is aimed at informing and encouraging other industries in the Ukraine to take a similar approach.

Group operations in the Republic of Ireland support a continuing "Green Schools Education and Action" programme, begun in 1998, that encourages schoolchildren to be more environmentally conscious. Conducted in association with the Republic's Department of Environment and the environmental group, An Taisce, it promotes behavioural change towards litter and recycling in Ireland.

## ENVIRONMENTAL DATA TABLE 2003

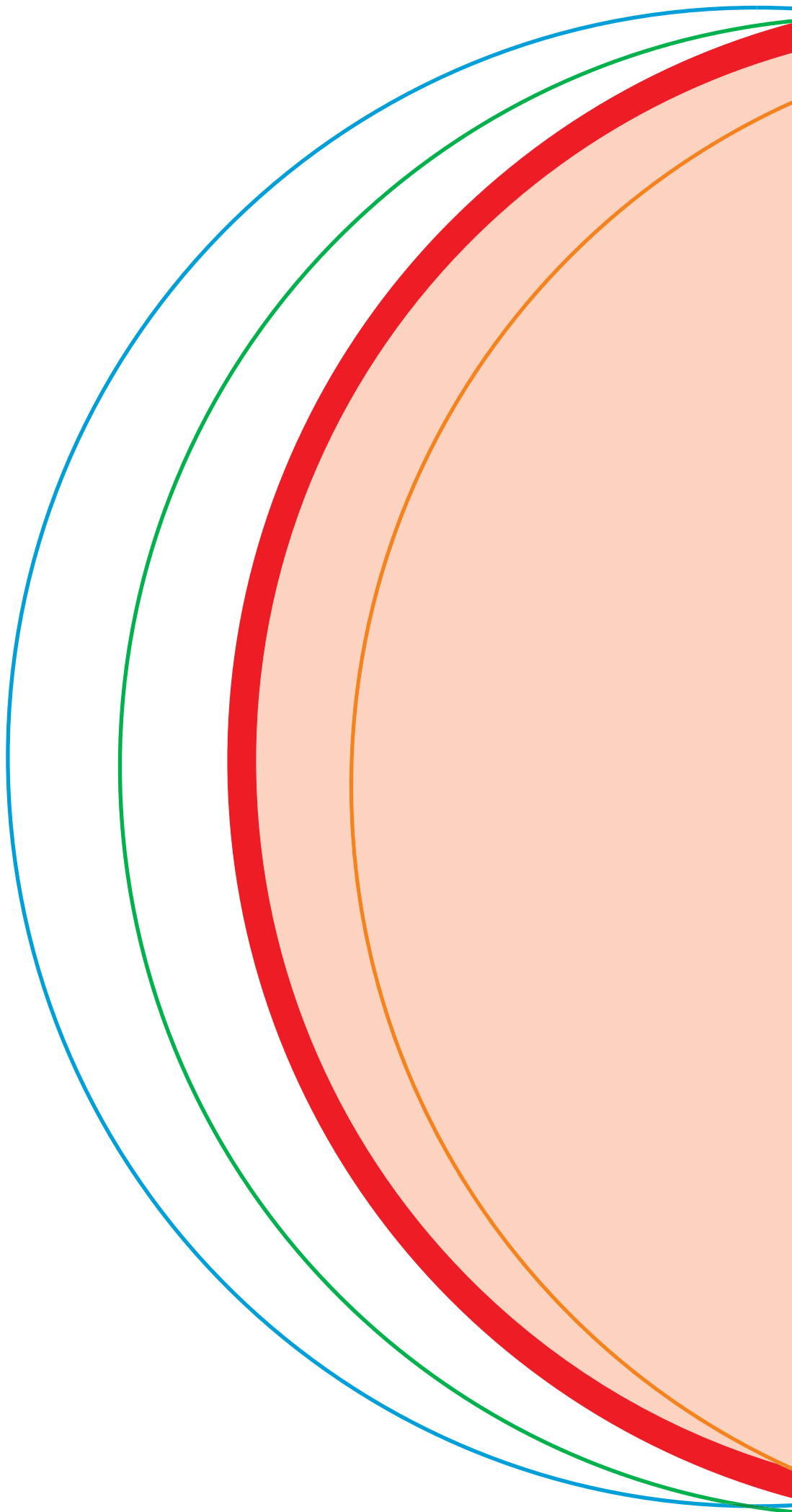
The environmental data table contains the 2003 annual data from our 26 country operations. These indicators are based on the Environmental

Performance Indicators described by the Global Reporting Initiative.

Indicator	Amount [unit]	Relative Amount [Unit/litre produced beverage (lpb)]	Comment
<b>The data reported here is based on the 2003 reporting from the 75 CSD plants, representing 90% of total production volume, excluding mineral water and beer plants.</b>			
<b>PRODUCTION</b> Total beverage production	6,934,107,000 Litres		
<b>MATERIALS</b>			
<b>EN1 Material use other than water</b>			
Sugar and other sweeteners	655,000 t	94 g/lpb	
Concentrates	40,500 t	6 g/lpb	
PET	167,000 t	24 g/lpb	PET and REF-PET bottles
Plastic	12,200 t	1.8 g/lpb	Closure caps
Metal	7,400 t	1.1 g/lpb	Bottle crowns
PE	28,300 t	4.1 g/lpb	Labels and wrapping film
Glass	81,000 t	12 g/lpb	Bottles
Aluminium	26,900 t	3.9 g/lpb	Cans
Paper	2,400 t	0.35 g/lpb	Labels
Cardboard	32,800 t	4.7 g/lpb	Pads
Wood	72,200 t	10 g/lpb	Palettes
<b>EN2 Percentage of materials that are wastes from external sources</b>			
Recy-PET	Data not available		Dependent on country systems
Recycled Aluminium	Data not available		Dependent on country systems
Recycled Cardboard	Data not available		Dependent on country systems
<b>ENERGY</b>			
<b>EN3 Direct energy use</b>			
Electricity	2,130,000,000 MJ	0.31 MJ/lpb	
Light heating oil	1,400,000,000 MJ	0.20 MJ/lpb	
Heavy heating oil	96,700,000 MJ	0.01 MJ/lpb	
Natural gas	1,480,000,000 MJ	0.21 MJ/lpb	
Coal	14,000,000 MJ	0.002 MJ/lpb	
Others in plants	159,000,000 MJ	0.023 MJ/lpb	
Diesel	42,500,000 litres	0.22 MJ/lpb	
Petrol	Not available	Not available	
<b>EN4 Indirect energy use</b>			Calculated
Electricity	6,177,000,000 MJ	1.20 MJ/lpb	Factor used: 3.9
Fossil fuels	1,160,000,000 MJ	0.84 MJ/lpb	Factor used: 1.25
<b>EN19 Indirect energy use (upstream/downstream)</b>			
Cold Drink Equipment electricity use (total)	8,770,000,000 MJ	1.265 MJ/lpb	
Coolers	6,510,000,000 MJ	0.939 MJ/lpb	
Vendors	69,000,000 MJ	0.010 MJ/lpb	
Fountains	1,320,000,000 MJ	0.190 MJ/lpb	



<b>WATER</b>			
EN5	Total water use	20,970,000 m <sup>3</sup>	3.02 l/lpb
EN22	Total recycling and re-use of water	670,000 m <sup>3</sup>	0.10 l/lpb
<b>BIODIVERSITY</b>			
EN6	Land owned in biodiversity-rich habitats		Information not available
EN7	Major Impacts on biodiversity		Information not available
<b>EMISSIONS, EFFLUENTS AND WASTE</b>			
EN8	<b>Greenhouse gas emissions</b>		
	CO <sub>2</sub> emissions, direct (fuel + gas)	233,703 t	34 g/lpb
	CO <sub>2</sub> emissions, indirect (electricity)	291,810 t	42 g/lpb
	CH <sub>4</sub> emissions, indirect	Not available	Not available
EN9	<b>Ozone-depleting substance emissions</b>		
	R12	1,360 kg	0 mg/l
	R134a	6,986 kg	1 mg/l
EN10	<b>Other significant air emissions</b>		
	NO <sub>x</sub>	897 t	0.13 g/l
	SO <sub>2</sub>	2.141 t	0.31 g/l
	CO	Not available	Not available
	Particulate Matter	246 t	0.04 g/l
EN11	<b>Amount of solid waste</b>		
	Total amount	87,670 t	13 g/lpb
	Recycling and energy recovery	52,801 t	7.6 g/lpb
EN31	<b>Hazardous waste</b>	2,466 t	0.356 g/lpb
EN12	<b>Discharges to water</b>		
	Volume of wastewater	14,200,000 m <sup>3</sup>	2.05 l/lpb
	Average COD	354 mg/l	
EN13	<b>Spills of chemicals, oils, fuels</b>	42 t	0.006 g/lpb
<b>PRODUCTS AND SERVICES</b>			
EN14	<b>Significant environmental impacts</b>		
	Water used and wastewater discharged	See above	
	Energy used and air emissions	See above	
	Materials used and waste produced	See above	
	Upstream: Eutrophisation due to sugar production	Not quantified	Not quantified
	Downstream: Littering of (PET-)Bottles	Not quantified	Not quantified
EN15	<b>Percentage reclaimable products</b>		
	Rate of returnable packaging	20% by volume	
	Possible rate of packaging recycling	74% by volume	
	Achieved rate of packaging recycling	Data not available	
<b>COMPLIANCE</b>			
EN16	<b>Incidents and fines</b>	Euro 10,000	0.000001 Euro/lpb
<b>TRANSPORT</b>			
EN34	<b>Environmental impacts of transport</b>		
	Fleet size trucks	5,230	Energy use and emissions.
	Fleet size vans	1,800	See above
	Fleet size cars	6,000	



marketplace

workplace

environment

community









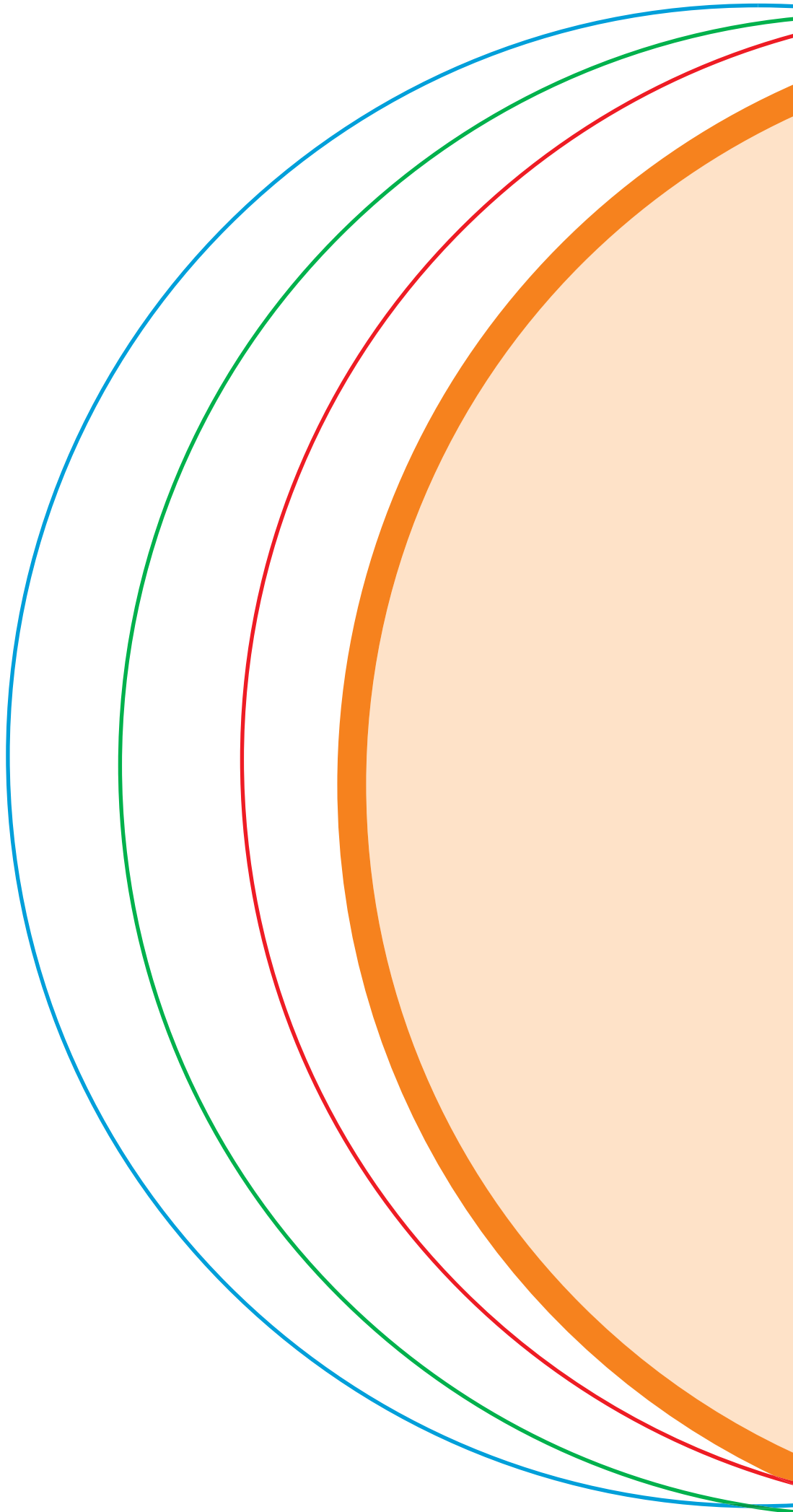














community

workplace

environment

marketplace

*Our commitment is to invest time, expertise, and resources to provide economic opportunity, improve the quality of life, and foster good will in our communities through locally relevant initiatives.*

We deliver this commitment through the consistent application of key principles, including:

1. Supporting initiatives and partnerships that are relevant and of value to local communities.
2. Listening to the communities in which we operate and taking into account their views and aspirations in the conduct of our business.
3. Emphasizing the development and education of young people.

We will follow practices that support these principles, including:

1. We communicate effectively on relevant aspects of our business operations and community programs.
2. We work proactively to support the community in cases of natural disaster, complementing government activities wherever possible.
3. We take an active role in local business, community development, and educational organizations where appropriate and mutually beneficial.
4. We build relationships with and engage in constructive dialogue with key community leaders and government officials.

## LEADING, LISTENING AND LEARNING

A number of dialogue opportunities exist to enable opinions to be gathered within the daily work of the company. Coca-Cola HBC understands that effective, and progressive development of relationships with its key stakeholders can only come with a consistent, regular approach to communications.

Briefly, dialogue with stakeholders offers the company a broader, balanced view of perceptions and obligations, and helps to provide a concentrated focus on optimal approaches to achieve mutual aims.

Community involvement recognizes the need to engage external stakeholders on a regular basis:

- ✓ **Communities:** Constant, virtually daily, contact with concerned individuals and groups to assess existing and potential needs; continual development of priority initiatives in relation to everything from supporting people in need, to sports development, education and addressing environmental concerns.
- ✓ **Consumers:** Consumers have immediate access to information through 'Consumer Hotline' services. Contact telephone numbers are printed on packaging materials. Each year the response and information service receives thousands of calls regarding products, ingredients, promotional activities, company history, employment opportunities and consumer complaints. In addition, regular market surveys monitor consumer satisfaction.
- ✓ **Suppliers and business associates:** Coca-Cola HBC works closely with local suppliers and the local business community in formal and informal business sessions to pursue matters of mutual concern.
- ✓ **Customers:** To ensure that we listen to our customers on a frequent basis, Coca-Cola HBC employs more than 13,000 dedicated sales personnel. In addition, customer questions and concerns are addressed daily through our customer and consumer hotline services, and regular customer satisfaction surveys. Coca-Cola HBC communicates values and ideas through effective customer partnerships and mutual growth opportunities.

## Community

At Coca-Cola HBC we are aware that our relationships with all stakeholders are essential to our success in the local community.

Together with governments, organizations and local groups, our system can enhance and enrich the lives of the communities we serve. In order to do so, individual business units not only respond to requests for assistance but also take an active role in identifying needs, extending support, and developing community partnerships.



- ✓ **Central and local governments:** Through a number of functions, Coca-Cola HBC has regular contact with local and national government agencies in each of the countries in which it has operations.

### New Insights Strengthen Vision, Commitment

Coca-Cola HBC regards interaction with its stakeholders as being an invaluable means of obtaining, third-party, objective analysis, and of identifying areas in which the company can improve and make a difference in the area it serves.

For example, through close cooperation with governments, organizations and NGOs, Coca-Cola HBC was in a position to move very swiftly to provide immediate relief and back up resources when Austria, Slovakia, Czech Republic and Hungary were devastated by extraordinary flooding in 2002.

When a devastating earthquake struck the city of Molise in 2002, Coca-Cola HBC Italy immediately mobilized support forces, equipment and provisions to assist the 10,000 victims of the disaster.

### Community Contribution

In many instances, and in Eastern Europe in particular, the company is not only a major employer and a significant contributor to the local and national economy but also provides a stimulus for further

business growth. It has been shown that typically the establishment of a company plant stimulates the development of other, related businesses that, in turn, create new employment opportunities.

To determine the social and economic impact of a bottling facility in a community, a number of studies<sup>1</sup> have demonstrated that company operations have a “multiplier” effect and that for each person directly employed, a further significant number of additional jobs are created.

The Coca-Cola System has been a leader in the introduction of competitive management, production, and consumer marketing standards in the communities where it operates, and supplying the Coca-Cola System has enabled numerous small and medium sized enterprises to flourish and expand their business both locally and internationally.

In becoming a “member of the community” in each territory of operation, Coca-Cola HBC seeks to extend its standards and policies on social and environmental matters by reaching out to associates, concerned individuals, groups and government agencies in order to share and contribute knowledge.

Equally, the commitment can be judged on the way in which Coca-Cola HBC operates each business unit as a local entity, managed and staffed by local people who understand the needs and concerns of the community in which they live and work.

<sup>1</sup> The Multiplier Effect of the Carbonated Beverage Industry on the Italian Economy carried out by The Business Economics Institute of the university of Milan (1999). The Impact of Foreign Direct Investment on Transitional Economies: The Case of Coca-Cola in Poland and Romania by Douglas Woodward, Frank Hefner, Jeffrey Arpan, James Kuhlman and William R. Folks, Jr. of the College of Business Administration, University of South Carolina, USA (1995)



### Enriching the Lives of the Communities we Serve...

Coca-Cola HBC has recognized that, in its participation in the business of a community, the company has a crucial role to play in contributing to society and helping to sustain its development.

Each year, Coca-Cola HBC allocates funds and resources to fulfil its responsibilities in this regard.

As the company operates in 26 countries, with businesses that are at differing levels of growth – ranging from “emerging” to “developing” to “mature” – the capabilities to allocate donations and resources are varied. However, they are also considered on the basis of need. In Nigeria, for example, where the scourge of HIV/AIDS is catastrophic, proportionately greater contributions to the welfare of employees and their families are made than in other areas.

With HIV/AIDS knowing no geographic boundaries, countries throughout the Coca-Cola System provide assistance to those who are suffering and those who are treating the deadly virus in many ways appropriate to the needs of the areas in which they operate.

Coca-Cola HBC **Ukraine**, in September 2003, for the third successive year, responded to the local United Nations office concerns for the need to greatly raise political and community awareness in order to encourage increased funding for prevention education and care. Experts estimate that there are at least 400,000 infected people in the country, and the numbers are increasing.

To help generate donations, and encourage healthy lifestyles, Coca-Cola HBC **Ukraine** gave its full support and expertise in mobilising some 6,000 people in the country’s capital, Kiev, to take part in a 3 km “Race For Life” which raised money to renovate and upgrade an AIDS clinic in Lavra.

In addition to bringing financial support, a range of other programmes involving national politicians, famous musicians, sportsmen and experts on the deadly disease played an important part in publicising the urgency of addressing, and taking immediate action, against this global pandemic.

### MEMBERSHIPS

As the origins of Coca-Cola HBC can be traced back to the company’s first Coca-Cola bottling franchise in Africa, the company maintains a long-term and deep involvement in the lives of its people.

For the past several years, the Coca-Cola System in Africa has focused on addressing the HIV/AIDS pandemic which continues to claim countless lives throughout the continent. In formulating its policy on HIV/AIDS and supporting the initiative of the Coca-Cola Africa Foundation to provide anti-retroviral drug therapies to employees and their families, the company became acutely aware of the enormity of the infection worldwide and is actively exploring appropriate steps to take in each of the countries of business operation.

The Company is a member of the Global Business Coalition on HIV/AIDS ([www.businessfightsaids.org](http://www.businessfightsaids.org)). The Coalition is the primary international organization focused on the business sector’s response to the global HIV/AIDS epidemic. There can be no doubt that HIV/AIDS poses an unprecedented threat to global security and economic prosperity and that business is now rising to face the challenge.

Coca-Cola HBC like the other 178 member companies throughout the world representing over four million employees will respond in three ways:

- ✓ Implementing HIV workplace prevention and care programmes.
- ✓ Bringing business' core strengths of innovation and efficiency to improve the reach and effectiveness of AIDS programmes.
- ✓ Leadership and Advocacy by business leaders, lobbying for greater action by governments and others.

As a company with extensive operations across the European Union (EU), and involved in a close partnership with The Coca-Cola Company, Coca-Cola HBC has, over many years, gained direct or indirect membership of numerous organizations and associations related to industry interests, or common goals in sustainability.

Coca-Cola HBC is also a member of UNESDA, the European Soft Drinks Association, which comprises all of the major companies involved in production of alcohol-free beverages within the European Union, and of CISDA, the International Soft Drinks Association which consists of those countries on the continent of Europe which are not EU members. The Associations meet regularly and provide forums for the exchange of information about trends, developments and obligations in various spheres, including the legislative arena, as well as in economic, social and environmental matters.

"Coca-Cola HBC Greece, in February 1995, established a non-profit organization called The Entrepreneurship Club with the primary aim to develop the business spirit in Greece. Coca-Cola HBC was one of the founding members and was honoured at one of its key annual events when it received the Kouros Award. Kouros is an ancient Greek statue representing strength, health and development. These are presented for "development and innovation", "achievement in the international market", and "social responsibility".

Individual country operations are in some instances also part of packaging associations, as described in the Environment section. These local associations meet regularly and cooperate closely with the European packaging association, EUROPEN ([www.europen.be](http://www.europen.be)).

As the cross sectoral voice for packaging and packed goods, EUROPEN aims to achieve a barrier-free European market for packaging and packed goods, based on the freedom to innovate and freedom of choice, in order to make best use of the functions of packaging in society and its contribution to sustainable development. Coca-Cola HBC is actively involved in a number of its task forces and working groups.

The company is also a board member of the Centre for Democracy and the Reconciliation in Southeast Europe ([www.cdsee.org](http://www.cdsee.org)), a non-governmental, non-profit organization that seeks to foster democratic and pluralistic values, support free-market economies that are guided by the rule of law and by social responsibility, and encourage reconciliation among the peoples of the Balkan region.

Coca-Cola HBC is a member of the World Economic Forum, an independent international organization committed to improving the state of the world. This organization provides a collaborative framework for

## CONNECTING WITH THE COMPANY

In keeping with its commitment to transparency in all aspects of its operations, Coca-Cola HBC publishes economic, environmental and social information and data relating to its activities. These are open to scrutiny in various ways, including through documents issued to shareholders, employees and the media, as well as on the company's Internet Website ([www.coca-colahbc.com](http://www.coca-colahbc.com)).

Members of the company's Public Affairs and Communications Department respond to enquiries, in addition to actively disseminating facts to a wide range of audiences including governments, regulators, official organizations (especially those involved in economic, social and environmental matters), local communities -- virtually all stakeholders.

The long-term commitment, the high levels of investment and the policy of deep local involvement, combine to provide Coca-Cola HBC with the strongest possible rationale for dedicating resources (human as well as fiscal) to bring economic, environmental and social benefits to those in its areas of operation.

the world's leaders to address global issues engaging particularly its corporate members in global citizenship ([www.wewforum.org](http://www.wewforum.org)).

The company is a member of the Forum for Corporate Sustainability Management at IMD, the International Institute for Management Development, which aims to provide the necessary tools to efficiently implement sustainable development in businesses ([www.imd.ch/csm](http://www.imd.ch/csm)).

In addition, the company supports the Centre for European Policy Studies, an independent policy research institute dedicated to producing sound policy research leading to constructive solutions to the challenges facing Europe today ([www.ceps.be](http://www.ceps.be)).

For many years the company has been a strong supporter of Europa Nostra, a pan-European federation of more than 200 non-governmental heritage organizations, representing millions of citizens in Europe ([www.europanostra.org](http://www.europanostra.org)).

This federation is also supported by many national, regional and local authorities, cultural and educational bodies, business enterprises and by many individual members.

Europa Nostra is presided over by HRH the Prince Consort of Denmark.

Europa Nostra's objectives are:

- ✓ to encourage the protection and enhancement of heritage in all its elements,
- ✓ to promote high standards of quality in the fields of architecture, urban and rural planning,
- ✓ to stimulate the use of the socio-economic potential of heritage in order to develop a sense of civic responsibility and to create new job opportunities, as well as
- ✓ to advocate a balanced and sustainable development of our urban and rural environment.

## ECONOMIC INVESTMENT

It is often said that the primary responsibility of business is to make a profit and create wealth for those people it touches. Often this is achieved by financial investment. In 2003, Coca-Cola HBC continued to upgrade its production facilities through invest-

ments. For example investments in Nigeria included:

- ✓ Three new bottling lines in the Enugu, Lagos and Asejire plants
- ✓ Three Tetra Pak lines for packaging juice in the Benin plant
- ✓ Two Effluent Treatment Plants in Maiduguri and Port Harcourt
- ✓ The completion of a new production facility in Maiduguri
- ✓ Preliminary construction work on a Table Water production facility in Owerri, with work to be completed in September 2004
- ✓ Upgrading of boilers and cooling systems in various plants throughout Nigeria
- ✓ Upgrading of facilities and laboratories in various plants
- ✓ New Carbon Dioxide Production Facility in Lagos

Coca-Cola HBC's affiliate, Pivara Skopje in The Former Yugoslav Republic of Macedonia (FYROM), invested €55 million to expand its facility in Skopje. The one-million-hectolitre beer and non-alcoholic beverage plant, which is a joint venture between Coca-Cola HBC and the Heineken Brewing Company, increased its non-alcohol production capacity by 100 million litres annually. One of the largest foreign investments in FYROM, the Pivara Skopje plant currently produces mainly for the domestic market, but future plans call for exports making up 50% of its production.

Other production-related investments in 2003 included renovating the Split bottling plant in Croatia and a several-million-euro investment for





the installation of aseptic bottling facilities, allowing the production of non-carbonated, preservative-free beverages, in Poland, Russia and Greece.

In 2003, recognizing the increasing opportunities for growth in the water segment of the market, Coca-Cola HBC and The Coca-Cola Company concluded several purchases of natural mineral water companies. These included Valser Mineralquellen AG, of Switzerland, Dorna Apemin S.A., from Romania, and Multivita sp.z.o.o., in Poland as well as investment in a new mineral water well in the village of Zalazengrot in the famous Lake Balaton region of Hungary.

## ENRICHING THE COMMUNITY THROUGH EDUCATION

Coca-Cola HBC encourages building close relationships with the community and is widely praised for its attention to social performance in all areas of Corporate Social Responsibility. Its strategy of corporate giving is only one part of its commitment to the wider society and community. Coca-Cola HBC also helps to nurture the next generation through supporting educational efforts.

In **Nigeria**, in August 2003, the business unit presented a fully furnished block of three primary school classrooms to the Borno State

Government. Two months later, a multipurpose school hall was handed over to the principals of the Eva Adelaja Girls Secondary Grammar School in Bariga, Lagos. The hall, in addition to being used for educational purposes, generates income for the school by providing a venue for public functions.

To assist students in **Russia**, Coca-Cola HBC has been conducting a continuing programme to support computer studies at schools and orphanages in Moscow since 2000. In 2003 four state-of-the-art computer facilities were installed, bringing the total donated to sixteen.

In **Slovakia**, in conjunction with the Ministry of Culture and Ministry of Education, the company developed a project called "There is Knowledge in Reading" which involved children in 700 classes and 30 libraries. Through readings, games and contests, children were motivated to discover the exciting and "magical" world of books.

In **Croatia**, Coca-Cola HBC has, over many years, established a close relationship with the Vinkovci Red Cross focusing, in particular on programmes supporting healthy lifestyles, and most especially on rehabilitating endangered areas to enable young people to play safely and happily. In 2003, the company joined together with the International Red Cross, the Red Crescent and the Italian Red

Cross in helping to fund an annual torch-light procession, (the fiaccolata) from Solferino to Castiglione, to commemorate the life of Henry Dunant, founder of the Red Cross movement.

An annual programme aimed at young adults in **Slovakia** seeks to assist the development of skills and abilities by offering them the opportunity to compete in a music contest. Individuals and groups are given the chance to enter their chosen profession and bring enjoyment to the community.

In October 2003 Coca-Cola HBC **Romania** began conducting a series of lectures for students on the crucial need to apply high ethical standards in or to maintain sustainable businesses in the country. The first courses, involving senior managers in the Coca-Cola System, took place in Bucharest at the Academy of Economical Studies, and have since been extended to seven other cities. The lectures, which were enthusiastically endorsed by participants are an extension of programmes which take place within the company and focus on everything from how to create and maintain a positive working environment to verification of ways in which ethical standards are being sustained.

In the **Czech Republic**, a continuing programme provides support to encourage and assist young people to pursue a career in economics, in particu-

lar market economics, a field in which Coca-Cola HBC, through its own operations, recognizes can make a considerable contribution to the country's development. To further student career ambitions, the company provides funding and contributes skis for CERGE (Centre for Economic Research and Graduate Education), a project of the Economic Institute of the Charles University in Prague and the Czech Academy of Science.

In **Croatia**, the company has assisted the Incal University in Dubrovnik with the donation of educational equipment for use on a ship owned by the institution. In return, the University loaned the ship to the company which then made it available for voyages during which young students could participate in ecological workshops.

Coca-Cola HBC in the **Republic of Ireland** began an innovative ongoing scheme in 2000, endorsed by the Department of Education, which engages some 9,000 children in a fun programme to unleash their creativity. Called the "Fun & Fusion Design Awards", youngsters are invited to design costumes from waste materials, with prizes given to the most inventive results. The programme has now become part of the academic year and is the only awards scheme of its kind to be endorsed as a module for state examinations.

Renovated and furnished classrooms in Kumbotso, Nigeria.





Coca-Cola HBC **Croatia** formed an unusual union in September 2003 when, it joined forces with the local Bicikl ("Bike") group. It was all in a good cause, however, as the combined activities, with the additional support of the Ministry of Health, focused on promoting healthy lifestyles among youngsters, providing assistance for the physically impaired and road safety education for the community. In all, some 40,000 primary school children took part on the seven days of activities that coincided with European Mobility Week.

Coca-Cola HBC **Italy** created an opportunity for young people with yearnings to become world-class photographers by instituting a Young Photographers Award. Hundreds of aspiring cameramen and women submitted entries, which were judged by a jury involving representatives from the leading fashion magazine, Vogue. Winning pictures were published in the magazine, and others judged of a high quality were included in special exhibits that toured major Italian cities.

To assist young people find careers that would otherwise be well beyond their dreams, Coca-Cola HBC **FYROM** (Former Yugoslav Republic of Macedonia) sponsored an event in June 2003, called the "Look Model Search" in Skopje. From more than 100 initial entrants, 30 young women were selected for the final judging at the prestigious Aleksandar Palace Hotel.

"The event generated considerable publicity, giving hope for many youngsters to recognize that through hard work and self-confidence, even the highest goals can be achieved", said a company spokesman. While the judges selected Katerina Ivanovska as the winner to represent Macedonia, other contestants commented that they not only found enjoyment participating in the contest, but also learned the experience was inspiring in pursuing careers in similar or other fields.

### ENRICHING THE COMMUNITY BY PROVIDING A HELPING HAND

Continuing a well-established relationship, Coca-Cola HBC **Greece** in 2003 helped stage two fund-raising and awareness-raising events with the Muscular Dystrophy Association (MDA) which is dedicated to conquering the debilitating neuromuscular disease that affects millions worldwide. One event featured a



concert with the acclaimed Greek soprano Agnes Baltza. Another event was a dinner-auction attended by well-known and wealthy socialites. Both functions raised many thousands of euros for the MDA.

When, in September 2003, an accidental explosion destroyed the house and all the possessions of Coca-Cola HBC **Romania** employee Bogdan Tolos – but mercifully sparing his life and that of his wife and child – all he had left was the sympathy of his colleagues, and their caring support. They immediately mounted a project called "All in the family ... the CCHBC family" which raised funds and donations. Within 11 days the Tolos family home was completely rebuilt and totally refurnished. Bogdan Tolos commented, "I have always known that Coca-Cola HBC is a company of great professionals, but now I know we are a real family."

For the past decade, Coca-Cola HBC **Poland** has been cooperating with the local Charity Association for Disabled Children in conducting a programme called "Be with Us" which, in 2003, helped more than 2,400 young people.

Each year, a variety of fun, and inclusive, events are arranged, including singing games, dances, dinner parties and - of course, gifts for every child. In 2003, for the first time, Coca-Cola HBC Poland arranged for Santa Claus to make a surprise visit to the poorest communes. His appearance proved so popular, negotiations are underway to request that the venerable, bearded old man places his area on his regular schedule in future years.

Since 2001, Coca-Cola HBC **Austria** has had a formal partnership agreement with SOS Kinderdorf, an organization operating homes for needy children and young people, which is dedicated to enabling them to lead independent, confident lives in the community. The company not only pledges to provide support for maintaining all SOS residential facilities, but also involving the youngsters in a wide range of interesting, fun and life-enhancing experiences.

On one occasion a young resident from Salzburg was flown to the United Kingdom to watch scenes filmed for the "Harry Potter" movie, and then took part in a "magic of reading tour" across the country to introduce youngsters to the enjoyment of books. Each year, children at the SOS facilities are given an opportunity to demonstrate their natural athletic talents at the Olympic Training Camp in Obertauern. Residents and staff are given the experience of helping to organize and participate in the prestigious Vienna City Marathon, and associated events.

In 2003, to assist in raising funds for the work of SOS Kinderdorf, Coca-Cola HBC **Austria** joined many well-known companies in organizing contests involving a hugely popular business-style boardgame. Tournaments were held in many locations, including the SOS Kinderdorf homes and officiated by well-known personalities. Proceeds supported the work of the charity – and the winning SOS Kinderdorf team won a weekend in Vienna.

In **Switzerland**, in 2002, Coca-Cola HBC and other members of the Coca-Cola System introduced a policy of presenting a substantial donation to the non-denominational SOS Children's Villages instead of its traditional practice of presenting gifts to customers and business associates. The funds are used to assist orphans and children-in-need. Throughout the world, 43,000 children live in 439 SOS Children's Villages, and 10,000 young people are cared for in more than 326 residential centres.

In **Slovakia**, the business unit began providing financial support for a "halfway" house for orphans in 1998 to assist youths gain "family" and "lifestyle" experiences before they leave the institution. As the programme has evolved, the company has extended its aid through efforts to encourage other companies to make a similar contribution,

and now encourages active participation by inviting staff to help in arranging events for the children.

In **Russia**, Coca-Cola HBC began supporting invalid children and orphans at the Maria's Children Art Center in Moscow in 2000 to assist their rehabilitation by expressing themselves through painting, drawing and sculpture. Continued assistance has led to children being taken to the United States for an exhibition of their art, development of a calendar and, in 2004, a planned participation in the Olympic Torch Relay project by developing a design of the relay flag.

To assist young people with hearing difficulties, Coca-Cola HBC **Croatia** became the primary donor for a programme called "Let Them Hear", which involved providing 56 children with cochlea implants.

In the war-affected region of Vinkovci, Eastern Slovenia, Coca-Cola HBC **Croatia** spearheaded a campaign to construct children's playgrounds for returnee villagers, after areas had been cleared of landmines. The initiative encouraged other donors to follow the example, greatly extending the scheme to many more districts.

To encourage community members in **Romania** to appreciate and participate in sharing with those less fortunate than themselves, Coca-Cola HBC launched a successful campaign to demonstrate the joy of giving by developing an annual event to bring much-needed cheer to those who are lonely and without companionship at Christmas. Called "Enrich the lives of our local communities," the company provides donations of food and gifts for volunteers from among the employees to distribute to those in need, especially patients in hospital, the elderly and others in institutions.

## ENRICHING THE COMMUNITY BY SUPPORTING ACTIVE LIFESTYLES AND SPORT

Coca-Cola HBC sponsors and conducts a range of sporting activities at local, national and international levels.

Developing the intellectual and educational aspects of sports, in addition to the physical skills required, proved a strong motivating factor for becoming

deeply involved in a major "Teampayer" competition by Coca-Cola HBC **Italy**. Working together with the Ministry of Education and Health, UNICEF and the Italian Soccer League, the company engaged 62,000 students from 1,200 schools in its programme. The competition involved youngsters (girls and boys) playing in 45 key games in towns across Italy, with the winners having the opportunity to play against the National football team. Other young people studied theoretical aspects of the sport while still others became involved in developing their skills in sports journalism.

Operations in **Russia** contribute to sports development by organizing football training and tournaments for children at the junior, intermediate and senior level. Endorsed by local and federal authorities, the programmes were begun in 2000. In the following year, the company received the country's prestigious Strelets Award for conducting the best grassroots football project for its nationwide contest that brings together all "backyard" football teams.

A similar programme, in **Poland**, launched in 1999, encourages primary and secondary school children to compete in a nationwide tournament. In 2003, 4,136 teams from across the country participated in the Coca-Cola Cup which has rapidly become a prestigious and coveted trophy.

Coca-Cola HBC has a long tradition of assisting the disadvantaged as a fundamental component of its community commitment.

In 2003, when the Special Olympics World Summer Games were held outside the United States for the first time in the event's 25 years, the company was a leading supporter at the site in the **Republic of Ireland**. In addition to funding, help was provided in terms of logistics support from staff members including a coordinator, service staff and engineers.

Athletes from 160 countries participated. The Special Olympics were watched by a total of half a million spectators screened and broadcast to an international television audience worldwide.

Along with many other countries in the Coca-Cola System, Coca-Cola HBC **Italy** is also a strong supporter of the Special Olympics. In 2003, the company gave its whole-hearted assistance to helping some 11,000 disabled athletes conduct one of the biggest and best-ever contests held in the country. Although the Special Olympics is a relatively new organization, Italy has long appreciated the value of helping disabled people enhance their lives through sporting competition. The first event held by the Italian Federation of Disabled People, was held in 1928.

In keeping with its ancient sporting traditions, **Greece** has for the past 17 years been helping to share the enjoyment and benefits of athletic endeavours with citizens who are physically and mentally disadvantaged. Working with individuals, including volunteers within the company, and numerous local groups as well as the international Special Olympic Games, Coca-Cola HBC assists the disabled in year-round exercise programmes aimed at improving well-being and also, if they elect to participate, join in 26 Olympic-type sports each summer and winter.

In the **Republic of Ireland**, the company sponsors the Gaelic Games International Rules Series which are held in Ireland and Australia in alternate years. Support for the Series began in 1998 and has helped make it one of the most anticipated and watched sporting events in the country.



In 2003, the **Republic of Ireland** business unit launched a 3-year initiative with the Irish Rugby Football Union to provide coaching and equipment to more than 300 schools to enable some 50,000 boys and girls participate in the non-contact sport Tag Rugby. Competition winning schools receive computer systems while team members are awarded prizes.

In **Austria**, Coca-Cola HBC actively participates in providing young people with the opportunity to improve their stamina while at the same time match their skills with their peers. Each year, the company stages contests ranging from skiing events to offer training in everything from coaching and medical assistance to athletes vying to reach Olympic standards. Other activities involve a junior marathon, hiking, skating and a mountain bike challenge. The sports promote cooperation, group spirit while identifying high standards of competitive abilities.

Identifying and assisting future world-class athletes realize their potential is at the heart of a scheme conducted by Coca-Cola HBC **Austria**. Each year, since 2000, the company has supported a country-wide programme aimed at discovering those who possess natural sporting ability. All young people are eligible to participate, and after a series of qualifying events, 60 are chosen for more rigorous examinations involving two days of tests, including psychological, medical, locomotor and coordination. The budding stars of tomorrow also receive counseling and guidance on career development.

Approximately, 1,000 children aged between four and fourteen participate each year in one of the largest Junior Mountain Bike Challenge events, sponsored by Coca-Cola HBC Austria. The enormously popular sport involves eight major races, and gives many youngsters the chance to hone skills to be used in their own leisure time or, perhaps, in professional careers in the future.

Coca-Cola HBC **Austria** acknowledges that many needy youngsters simply can't join in the excitement and enjoyment of sport. To assist such young people, the company has developed a special programme that can help a great many of them join their fellow countrymen and women in popular athletic pastimes.

Under a unique scheme, the company provides funds to match every kilometer reportedly covered by hikers, runners and skaters among others. In 2003, more than 1,300 children who otherwise could not have afforded to join school trips with their friends and classmates, were given the chance to do so through this innovative donation arrangement.

In order to enable able-bodied and disabled young people learn about the enjoyment of skiing, Coca-Cola HBC **Italy** and the Piemonte Regional Authorities conducted an innovative training and practical programme. More than 15,000 students, including 600 with physical disabilities, took part in the full-day event, which began with lessons and ended with actual sports activities on the slopes. It is expected that the heightened degree of interest in snow sports will help to engender greater understanding and enjoyment of the winter sports, as well as increased enthusiasm when the 2006 Winter Olympics are held in Turin.

## BRINGING PEOPLE TOGETHER

In **Hungary**, each summer, Coca-Cola HBC creates a massive sports and entertainment venue for the country's youngsters in association with the local authorities in the beautiful beach resort city of Siófok at Lake Balaton. Since 1977 the company has organized more than 17,500 water soccer games, 5,800 beach volleyball matches, 600 aerobic classes, and 5,300 sand football matches. In 2003 more than 10,000 people participated in the most popular event of all — a 5.2 km swimming contest, in which every competitor finished, eventually. A key aspect of the event is reinforcing awareness of physical and mental health through sports ... and the importance of keeping the environment clean.

In **Slovakia**, the company worked together with a local promotional company to present a unique water park for family entertainment in the Tatras Mountains in scenic Liptovský Mikuláš. The summer 2003 event, known as Tatralandia Aquapark, offered everything from water sports to country walks and a variety of games. The specially-created venue attracted up to 2,500 people a day and, at the same time, provided hundreds of jobs for local residents.

## CONTRIBUTING TO CULTURE

Coca-Cola HBC participates in the preservation and continuity of culture at all levels of society.

Coca-Cola HBC Greece has maintained a long and proud connection with the country's ancient culture, and over many years has contributed funds, equipment and voluntary services to preserve historical sites and treasures for local and international communities. Since 1993, the company has been working in close cooperation with Friends of Ancient Helike Association to rediscover and renovate the ancient city of Helike.

To date, with the support of Coca-Cola HBC, researchers have located three buildings in the city, unearthed important artifacts from a previous settlement in the area dating back to 2,500-2,300 BC, and identified a main coastal road dating from the era of Roman occupation. It is expected that, with further investigation, other remarkable finds will be unearthed.

In 2003 the company, celebrated a decade of cooperation with the municipality authorities of the State Hermitage Museum in St Petersburg, Russia. The support includes a wide range of programmes including educational activities aimed at stimulating the interest of children in their own heritage and world history.

An innovative fund-raising campaign was launched, called "Let's Preserve Cultural Heritage Together". Proceeds from the sale of Coca-Cola cans featuring well-known landmarks in St. Petersburg were donated to the restoration fund for the main entrance of the Museum.

Operations in Russia are also helping aspiring opera singers at St Petersburg's Mariinsky Theatre by sponsoring, since 1999, a contest held in the name of the great native composer, Rimski-Korsakov.

To help restore community, and tourist interest in classical music and performance in Greece, Coca-Cola HBC united with the country's only lyric theatre, the National Opera House, to stage the world premiere of the opera "Marathon Salamis" composed by Pavlos Karer. The critically acclaimed presentation, directed, staged and performed by leading artists, was performed in 2003 and stimulated a renewed interest in the artform among a growing and increasingly enthusiastic audience.

In Nigeria, in 2003, funding was provided to promote musical excellence and cultural exchange between local performers and their counterparts in Ghana. Together with the Musical Society of Nigeria (MUSON), the company sponsored a performance by the Winneba Youth Choir, the proceeds of which went to continue the development of the Society and the work of the Nigerian Conservation Association.

To help raise funds for restoration of the historic "Rector's Palace" in Dubrovnik in 2002, Coca-Cola HBC Croatia donated proceeds of the sale of collectible Coca-Cola bottles featuring a picture of the city. The initiative marked the first time a Croatian city had ever been featured on a Coca-Cola bottle, and an example of this one-of-a-kind container is now displayed in the World of Coca-Cola in Atlanta.



## **The Workplace**

Our commitment is to foster an open and inclusive environment, where a highly motivated, productive, and committed workforce drives business success through superior execution.

## **The Environment**

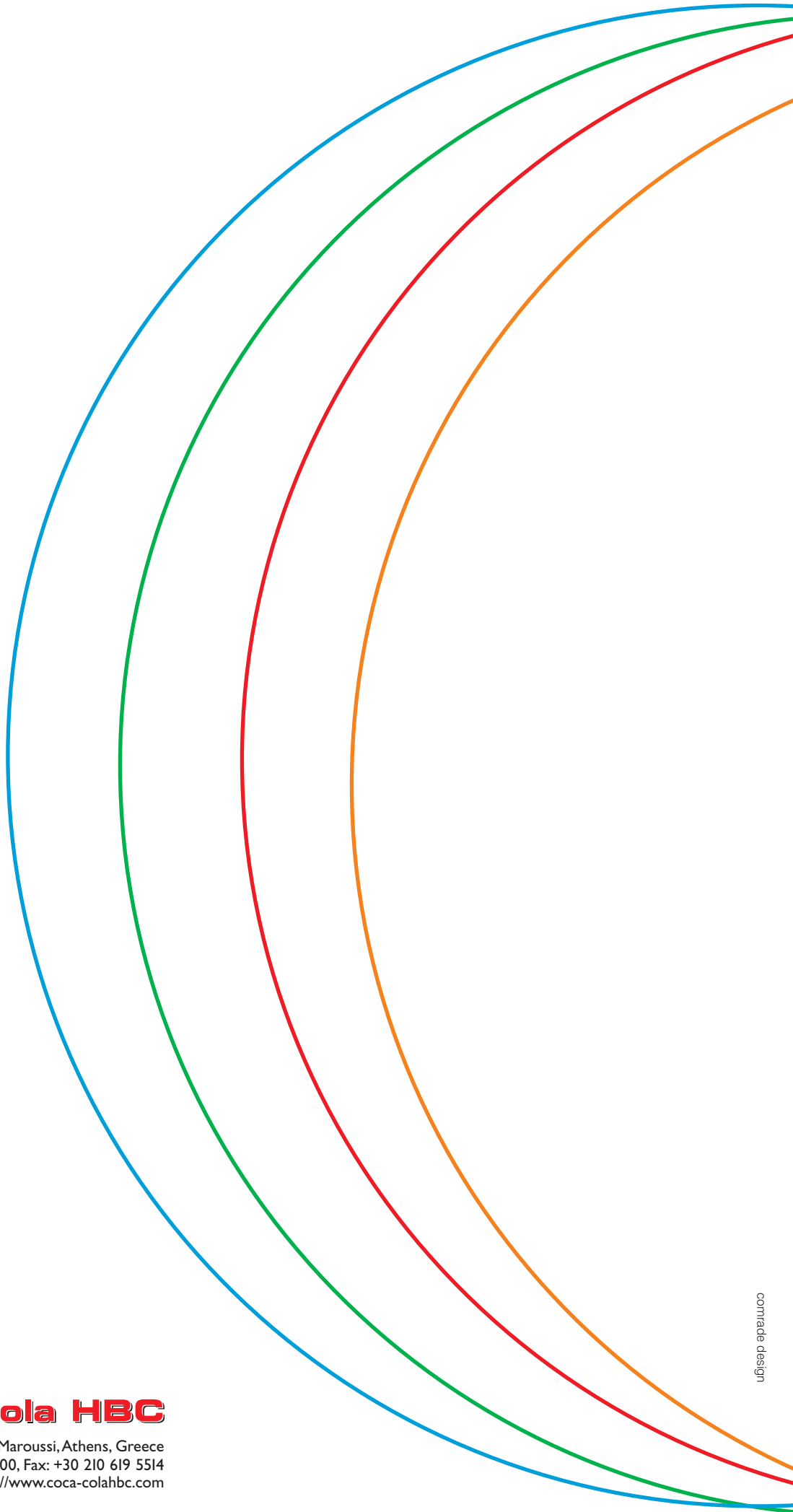
Our commitment is to conduct our business in ways that protect and preserve the environment, and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes.

## **The Marketplace**

Our commitment is to provide products and services that meet the beverage needs of our consumers. In doing this, we provide sound and rewarding business opportunities and benefits for our customers, suppliers, distributors, and local communities.

## **The Community**

Our commitment is to invest time, expertise, and resources to provide economic opportunity, improve the quality of life, and foster goodwill in our communities through locally relevant initiatives.



## **Coca-Cola HBC**

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