

# SLAVERY AND HUMAN TRAFFICKING STATEMENT



**Coca-Cola**  
**Hellenic Bottling Company**  
**Northern Ireland**

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2019



## **This is the Group's fourth Slavery and Human Trafficking Statement.**

Our third statement was published in June 2019. We acknowledge that slavery, servitude, forced labour and human trafficking (Modern Slavery) is a growing issue globally, affecting men, women and children of all ages and in every region of the world.

As a Group, Coca-Cola HBC has a zero-tolerance approach to Modern Slavery of any kind within its operations and supply chains and we are taking steps to ensure that our employees, contractors and suppliers understand the Group's commitment to human rights and their own rights and responsibilities.

Our commitment is to operate our business responsibly and sustainably, and this includes fair treatment of all people in our business and the Group's supply chain.

This statement is made by Coca-Cola HBC Northern Ireland Limited (the Company), which is subject to the obligations under section 54 of the Modern Slavery Act 2015 and constitutes the Company's slavery and human trafficking statement for the financial year ending 31 December 2019.

This statement also comprises voluntary information provided by Coca-Cola HBC AG. The Company, Coca-Cola HBC AG and its other subsidiaries are hereinafter referred to as Coca-Cola HBC or the Group. The statement outlines the approach of the whole of Coca-Cola HBC.

# Our business and supply chains

The Group is a leading bottler of the brands of The Coca-Cola Company (TCCC) employing some 28,389 people with sales of more than 2.265 billion unit cases in 2019. It has operations in 28 countries spanning three continents, with some 615 million potential consumers.

At Coca-Cola HBC, we are committed to high standards of performance related to human rights and labour practices, minimising environmental impact, ensuring health and safety, ethical business and unsurpassed quality in our value chain, all the way from sourcing raw materials to manufacturing the final product and distributing it to our customers. Our supplier partners play a critical role in ensuring that we deliver against these standards.

Our practice is to source locally if the goods and services are available to meet our requirements and quality standards in an economically viable way. Since 2015 over 95% of our spending is local in our countries of operation or from within the European Union, which we consider local for our markets within the EU.

**Under a unified procurement framework, we segment our supply base universe of around 19,500 suppliers into direct and indirect spend suppliers.**

- Direct spend suppliers include those that supply ingredients and packaging for our products.
- Indirect spend suppliers include those that supply products and services such as IT, production equipment, spare parts, maintenance services, logistics, fleet vehicles, utilities, real estate, facilities management, professional and other consultancy services, personnel and temporary labour.

**Coca-Cola HBC also segments suppliers into three categories based on criticality and potential opportunities:**

- 1** Group Critical Suppliers are those that fulfil any of the following criteria: high percentage of spend, critical components (e.g. sweeteners, juices, resin, cans, glass, preforms, closures, aseptic packaging), limited alternatives and partnerships supporting our business strategies.
- 2** Country Strategic Suppliers are those that have strategic importance at a local or regional level.
- 3** Tactical Suppliers represent low-volume and/or low-spend suppliers, supplying goods or services where there are many alternative sources available, enabling a flexible supply base.

Both Group Critical and Country Strategic suppliers are considered critical to the overall competitiveness and success of Coca-Cola HBC.

All of our suppliers are required to uphold our high sourcing standards. Segmenting our suppliers as outlined above helps us manage risk in our supply chain and ensure compliance with our standards.

## 28,389

DIRECT EMPLOYEES

## 19,500

SUPPLIERS

## 2.265 bn

SALES OF UNIT CASES IN 2019

## 28

COUNTRIES OPERATED IN

## 615 m

PEOPLE REACHED ACROSS THREE CONTINENTS



# Policies and controls

The Social Responsibility Committee of the Board of Directors of Coca-Cola HBC is responsible for the development and supervision of procedures and systems to ensure the pursuit of the Group's social and environmental goals, which apply to all companies of the Group.



Read our  
Code of Business  
Conduct

At the core of our system of internal control is the Group's Code of Business Conduct. The Code communicates the Group's standards of employee conduct and clearly sets expectations that all employees are to maintain the highest standard of ethical business conduct. Our Code of Business Conduct applies to everyone working for any Group company worldwide regardless of location, role or level of seniority. We expect temporary and contract employees, consultants, agents and any other third parties who act in the name of any Group company to act in accordance with the principles of the Code. The Audit and Risk Committee of the Board of Directors of Coca-Cola HBC AG has oversight of compliance with the Code.



Read our  
Human Rights  
Policy

Our commitment to prohibiting Modern Slavery is clearly set out in our Human Rights Policy, which is committed to international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights. It applies to Coca-Cola HBC AG, the entities it owns, the entities in which it has a majority interest, and the facilities it manages.

The policy expressly states that the Group is committed to identifying and preventing any adverse human rights impacts in relation to its business activities through human rights due diligence and preventive compliance processes. The policy prohibits forced labour, child labour and human trafficking. Regular reviews ensure that we adhere to all applicable laws and regulations, that processes are well implemented, that targets are set and reached, and that reporting is timely and accurate.



# Policies and controls continued



Read our  
Supplier Guiding  
Principles

Our Supplier Guiding Principles, which are aligned with the expectations and commitments of our Human Rights Policy, apply to our suppliers. In 2015, they were updated to include express reference to the obligation of suppliers to be able to demonstrate, as a minimum, their compliance with our Supplier Guiding Principles and with the eight Core Conventions of the International Labor Organization if these set higher standards than local law. In 2017, they were further updated to include a more expansive prohibition of slavery, forced labour and human trafficking. This followed internal review and consultation within our operational sites and supplier base.

In 2019, we registered around 3,900 new suppliers. All agree to adhere to our Supplier Guiding Principles, as has been the case with new suppliers since 2015.



Read our  
Agriculture Guiding  
Principles

We are committed to working with TCCC and our suppliers to ensure that we source our key agricultural ingredients sustainably. We work with our suppliers to ensure compliance with TCCC's Sustainable Agriculture Guiding Principles, which communicate our values and expectations of compliance with all applicable laws and emphasize the importance of responsible workplace practices that respect human rights.

Our 2025 commitment is to achieve over 95% certification of our main ingredients using sustainable agricultural standards. In 2019, 74% of the key commodities we purchased for use as ingredients were certified, up from 64% in 2018. In 2020, we are continuing to work with our suppliers who are still moving towards certification.



# Supply chain due diligence and steps taken to manage slavery and human trafficking risk

## Risk assessment

The Group has developed, and Group companies are implementing, a due diligence process that covers the identification of potential human rights issues, the identification of vulnerable groups, and the mitigation actions and monitoring in relation to our own operations and critical suppliers.

Modern Slavery and human rights risks are evaluated within the Group's overarching Enterprise Risk Management (ERM) framework, which is both top down and bottom up. The process ensures that we identify, review and escalate, where appropriate, any risks arising from our business activities.

During 2019, we further embedded the ERM framework into our Company's culture through the development of a Smart Risk programme. This programme was supported by an enhanced ERM framework that boosts our speed in risk identification and management. This programme is led by the Group Chief Risk Officer who works in close collaboration with the risk owners across our business units and specialised functions.

The Board of Coca-Cola HBC AG is ultimately responsible for the Group's risk management and internal control systems, and for reviewing their effectiveness. While responsibility for overseeing these processes rests with the Audit and Risk Committee, the full Board is informed of outcomes and all significant issues.



Read our  
Integrated  
Annual Report

**Further details on the management of risk can be found in our Integrated Annual report.**

### Our risk management process includes:

Monthly risk evaluations within markets to evaluate emerging risks and progress against our risk management strategies. Corporate functions are evaluated bi-annually evaluating market data against the broader regional and macro environments. These regular reviews are supported by annual sessions facilitated by the Group Chief Risk Officer, and drive the quarterly feedback meetings, ensuring that business units focus on all risk categories including the areas of human rights, modern slavery, sustainability and climate change.

Risks are aggregated to the group which provides a snapshot of our internal and external risk environment. They are analysed and significant operational risks and actions are escalated to the Group Region Directors and the Chief Executive Officer.

Review and strategic analysis of identified risks is undertaken by the Group Risk and Compliance Committee. The Committee is our strategic think-tank, comprising senior leaders in the business who independently review our risk exposures, and presents issues relating to critical risk exposure to the Group Operating Committee.

Review of critical risk exposures by the Group Operating Committee, which reports material changes and mitigating actions to the Group Audit & Risk Committee.



## Suppliers

We maintain transparency throughout our supply base through The Coca-Cola Company's Supplier Guiding Principles compliance audits for Raw and Primary Packaging materials as well as our membership of EcoVadis from 2017 onwards.

As a System together with TCCC, we audit facilities of direct materials and primary packaging providers who participate in our Group tenders, through third parties engaged by TCCC. These audits assess compliance of these suppliers with our Supplier Guiding Principles, which include human rights matters, at least once every three years. The TCCC audit results are communicated to our Group Quality, Safety and Environment team.

In the year to 31 December 2019, we performed 74 audits. Findings from all audits were minor, with the majority of reported matters falling under Health & Safety, work hours and wages. All matters identified by our audit process are subject to corrective action and verification of the action taken either by desktop re-assessment or follow up by the third-party independent audit body.

EcoVadis is a third-party CSR assessment platform to manage supply chain sustainability performance. The EcoVadis platform helps us to monitor a range of risks using 21 criteria from international standard setters including UN Global Compact, ISO 26000, The Global Reporting Initiative and International Labour Organization.

In 2019 we introduced a new recommendation to our countries that suppliers who participate in initiatives with spend of over 100,000 Euros on an annual basis be registered under Ecovadis or similar assessment bodies. We also recognise supplier certifications as per international standards including ISO 9001, 14001, 50001, FSC 2200 and OHSAS 18001. For agricultural commodities, we are aligning with the wider industry to recognise; for example, the GLOBAL G.A.P., Rain Forest Alliance, Fair Trade, Bonsucro and the Sustainable Agriculture Initiative Platform (SAI Platform), FSA.

Currently, we have over 500 suppliers assessed with EcoVadis. The average overall score for our suppliers is 50.0, which is above the average score (42.4) of the EcoVadis universe. In the area of Labour & Human Rights, our suppliers in scope reached 51.4 compared to an average of 44.6 for EcoVadis' benchmark panel.

Suppliers with low ratings on particular sustainability issues, including human rights, are subject to focused engagement to help them improve. Results of supplier evaluations enable us to have a clearer mapping of human rights risks by category and country and contribute to the ongoing development of our supplier CSR strategy.

Our Supplier Guiding Principles are part of issued tenders and clearly referenced in purchase orders sent to suppliers, and are part of all agreements between Coca-Cola HBC and its suppliers. If a supplier fails to uphold any aspect of the requirements, the supplier is expected to implement corrective actions. Coca-Cola HBC reserves the right to terminate an agreement with any supplier that cannot demonstrate that they are upholding the requirements of the Supplier Guiding Principles.



## Our operational sites

Audits of Coca-Cola HBC's operations, called Workplace Accountability Audits, are conducted every three years in Coca-Cola HBC's plants by an independent third-party international organisation. All plants have been audited within the past three years. The scope of these audits includes human rights and covers contractors and others who are not employees, such as staff of third-party service providers. This programme has been in place since 2007 and audits have found no instances of forced labour.

Coca-Cola HBC's sites and suppliers who do not pass their first audit to an acceptable standard are subject to follow-up audits and are required to report on corrective actions to the third-party audit bodies.

On the basis of our risk assessment and audit processes, with regard to Modern Slavery, we consider Nigeria to be the highest risk market where we operate. Workers employed by sub-contracted service providers are the aspect of our business assessed to have the highest potential risk.

## Capacity building and collaboration

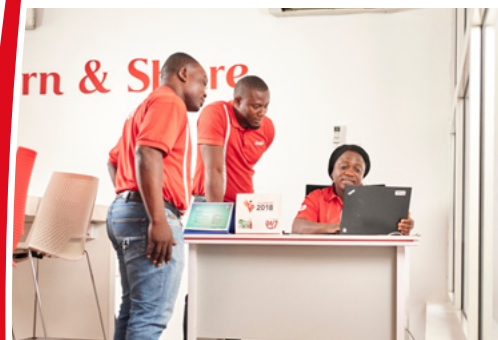
We build our strategic suppliers' capacity to manage sustainability issues including forced labour through joint value creation initiatives and sustainability events, industry associations, workshops on sustainable supply, an Annual Stakeholder Forum, materiality survey and CSR platform for ethical and sustainable supply chains.

## Reporting Grievances

We have a whistle-blower hotline, the Speak Up! ethics and compliance line. The hotline, managed by an independent third party, is available across the Coca-Cola HBC Group in 23 languages. It is accessible 24 hours a day, 7 days a week, via phone or internet. The hotline is available to all employees, contractors, customers and suppliers and gives our employees and partners a secure and confidential method to report concerns or ask questions regarding our Code of Business Conduct, Anti-Bribery Policy and other Group compliance policies, including the Human Rights Policy, if they believe that a human rights impact has or might occur.

In 2019, we held an awareness campaign on Speak Up, including enhanced communication about the hotline to contractors and employees who are offline. Following these efforts, we saw a 24% increase in contacts through our Speak-Up! hotline versus the prior year.

The aim for 2020 is to enhance awareness further by including more frequent communications to all employees and contractors, and for new employees through our onboarding process.





# Measuring effectiveness

To assess the effectiveness of the measures taken by Coca-Cola HBC in ensuring that slavery and human trafficking is not taking place in Group businesses or supply chains, we will continue reviewing and reporting on our activities in our subsequent Modern Slavery Act Statements.

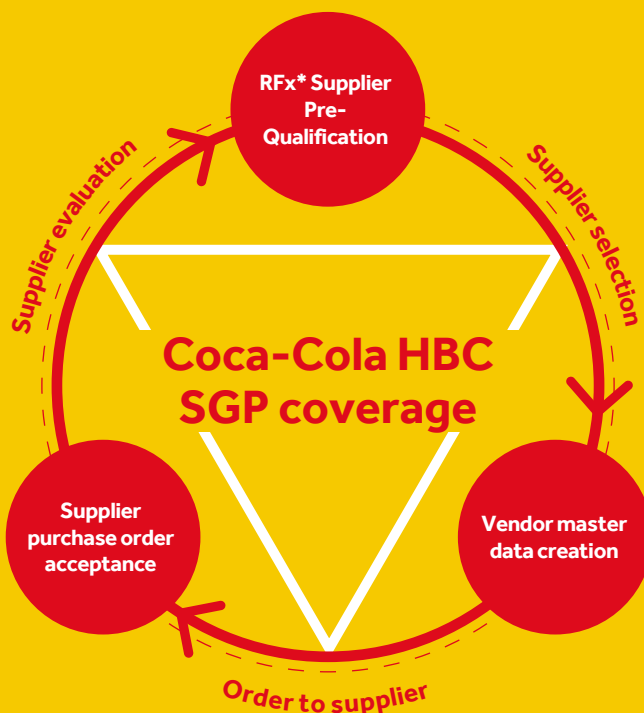
In regard to our supply chains we will report in relation to the following key performance indicators:

- 1** SGPs acceptance from our Suppliers
- 2** >90% of spend internally evaluated annually
- 3** % spend locally procured

We aim to achieve 100% of our suppliers accepting our Supplier Guiding Principles by using our 'SGP Coverage Triangle' with three checkpoints throughout the procure-to-pay process, available on our website. <https://coca-colahellenic.com/en/operations/supply-chain/our-suppliers>.

Suppliers are requested to sign-off the SGPs during the RFX pre-qualification. Suppliers that do not sign-off are not invited to participate further.

POs include a reference to the SGPs. By accepting the PO, the supplier also accepts the Coca-Cola HBS SGPs.



Suppliers are requested to sign-off the SGPs during the creation of the vendor in our group SAP system.

\* RFX: Request for Proposal, Quotation or Information

# Training and development

All new Coca-Cola HBC employees, including national security leaders and managers, receive Code of Business Conduct and anti-corruption training, which is refreshed every two years. As of 31 December 2019, more than 98% of the Group employees completed these trainings.

Most on-site security personnel are employees of contracted partners, who are also required to abide by Coca-Cola HBC's Supplier Guiding Principles and all other applicable Company policies as per their contract. They receive relevant information as part of their induction.

We have a guide to the Human Rights Policy for managers, and, in 2018, introduced an e-learning module to help managers understand their role in ensuring compliance with the policy. The guide can be found on our website at <https://coca-colahellenic.com/media/2803/cchbc-human-rights-policy-managers-guide.pdf>



Read our  
Managers' Guide

**More information can be found in our  
Human Rights Policy Managers' Guide.**

Since 2017, we have been delivering training sessions on our Procurement Guidelines and sustainability topics, including reference to forced labour, to all our Business Units.

Following pilots in Russia, Serbia and Switzerland in 2017, Supplier Sustainability Days were introduced to provide a forum for the discussion of our policies and expectations on sustainability issues, including human rights. In 2018, we held Supplier Sustainability Days in Greece and Poland, and in 2019 we conducted sessions in Austria, Hungary, Switzerland and Russia.

In December 2019, we held a cross-functional workshop on Human Rights, with representatives from our Procurement, HR, Legal, Quality, Sustainability and Environment, and Public Affairs and Communications functions. The purpose was to review and align on our Human Rights risks related to our business and supply chain, including risks regarding modern slavery, and to determine our key objectives in this area for the short- and long-term. We regard this cross-functional approach and continuous improvement as essential to ensuring we do everything possible to safeguard human rights across our business.



This statement has been approved by the Coca-Cola HBC Northern Ireland Limited's board of directors and signed by one director, who will ensure it is reviewed and updated annually.

**MILES KAREMACHER**  
MANAGING DIRECTOR  
COCA-COLA HBC NORTHERN IRELAND LIMITED

A rectangular box containing a handwritten signature in black ink, which appears to read 'Miles Karemacher'.

Dated: 04.06.2020