



Coca-Cola
Hellenic Bottling Company
Northern Ireland

SLAVERY AND HUMAN TRAFFICKING STATEMENT

2018



This is the Group's third Slavery and Human Trafficking Statement. Our second statement was published in June 2018.

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 they are taking steps to ensure that their 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 2018.

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 28,884 people with sales of more than 2.19 billion unit cases in 2018. It has operations in 28 countries spanning three continents, reaching some 600 million people.

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 supply chain. Our supplier partners play a critical role in ensuring that we deliver against these standards.

Our supply chain organisation plays a central role in our business, ensuring that in all our processes we minimise our environmental impact and ensure sustainability in our value chain, all the way from sourcing raw materials to manufacturing the final product and distributing it to our customers.

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. Ninety-eight per cent 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 32,000 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 (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.

28,884

DIRECT EMPLOYEES

32,000

SUPPLIERS

2.19 bn

SALES OF UNIT CASES IN 2018

28

COUNTRIES OPERATED IN

600 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



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 2018, we registered more than 5,000 new suppliers. All contractually agreed to adhere to our Supplier Guiding Principles, as has been the case with all new suppliers since 2015.



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.

We expect to meet our target to certify at least 95% of key agricultural ingredients against our Sustainable Agriculture Guiding Principles by 2020. Our 2025 commitment is to achieve 100% certification of our main ingredients using sustainable agricultural standards. In 2018, 64% of the key commodities we purchased for use as ingredients were certified, up from 33% in 2017. In 2019, 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 our supply chains.

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

During 2018, we further embedded the ERM framework into our Company's culture through the development of a Smart Risk programme. This programme is 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 Board as a whole is informed of outcomes and all significant issues.



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

Our risk management process includes:

Regular risk assessments within markets and corporate office support functions to assess progress with risk management strategies. The regular review process, supported by annual sessions facilitated by the Group Chief Risk Officer, together with quarterly feedback meetings, ensures 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 Group Business Resilience function.

Review and strategic analysis of identified risks by the Group Risk Forum, our independent risk review forum and strategic think-tank comprising senior leaders in the business, which then presents issues relating to critical 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

Relevant parts of the due diligence process are used in the Group companies' supplier pre-assessment process including criteria for supplier selection. In 2016, the Group introduced an Environment, Social, Governance (ESG) Self-assessment tool for our suppliers as part of Sourcing Strategy and Selection factors. This included coverage of suppliers' policies on forced labour. The results of the ESG Self-assessment tool are factored in our RFP process evaluation criteria.

On an ongoing basis, we monitor the activities of our critical suppliers through our internal supply base assessments, using information from audits of compliance with our Supplier Guiding Principles and EcoVadis, 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 Labor Organization. In 2018, more than 280 of our critical suppliers were assessed by EcoVadis and our plans are to extend the third-party CSR assessments to ensure more objectivity and equity in supplier assessments.

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 purchase orders sent to suppliers. Under our procurement guidelines, we require all suppliers to adhere to the ethical standards, employment and human rights practices, environmental and work safety requirements prescribed in our Supplier Guiding Principles and to confirm adherence to these principles contractually.

The Group's suppliers must be able to demonstrate compliance with our Supplier Guiding Principles at the request and to the satisfaction of Coca-Cola HBC. The requirements are part of all agreements between Coca-Cola HBC and its suppliers and we expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with these principles. 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.

We audit our suppliers of direct materials and packaging who participate in our Group tenders through independent audits that are carried out by third parties engaged by TCCC. These audits assess compliance of such suppliers with our Supplier Guiding Principles, which includes human rights matters, at least once every three years. The TCCC audit results are communicated to our Group Quality, Safety and Environment team.

As at 31 December 2018, findings from all the audits were minor, with the majority of reported matters falling under Health & Safety. All matters identified by our audit process are subject to corrective action and verification of the action taken either by desktop assessment or follow up by the third party independent audit body.



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, with the exception of one plant recently acquired and one plant that, for security reasons, we plan to audit in 2019. 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 workshops. We engage with our suppliers through our joint value creation initiatives and sustainability events, industry associations, workshops on sustainable supply, Annual Stakeholder Forum, materiality survey and CSR platform for ethical and sustainable supply chains.

In 2018, we initiated a new collaboration tool with our key critical agriculture suppliers, the Supplier Voice Forum. This allows our best-in-class suppliers of sweeteners to share their best practices. We explored how they support sustainable agriculture, mutual work with communities, carbon footprint reduction and water management strategies and plans. At the first meeting, the Coca-Cola HBC team met one of our leading suppliers of sweeteners to discuss and brainstorm joint value creation ideas in the area of sustainability, including water.

REPORTING GRIEVANCES

We have a whistle-blower hotline, the Speak Up ethics and compliance line. The hotline, managed by a 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 2018, 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 20% increase in reporting through our Speak Up hotline versus the prior year.

The aim for 2019 is to enhance awareness further by including more communications to all employees and contractors on an ongoing basis, and for new employees through our onboarding process.

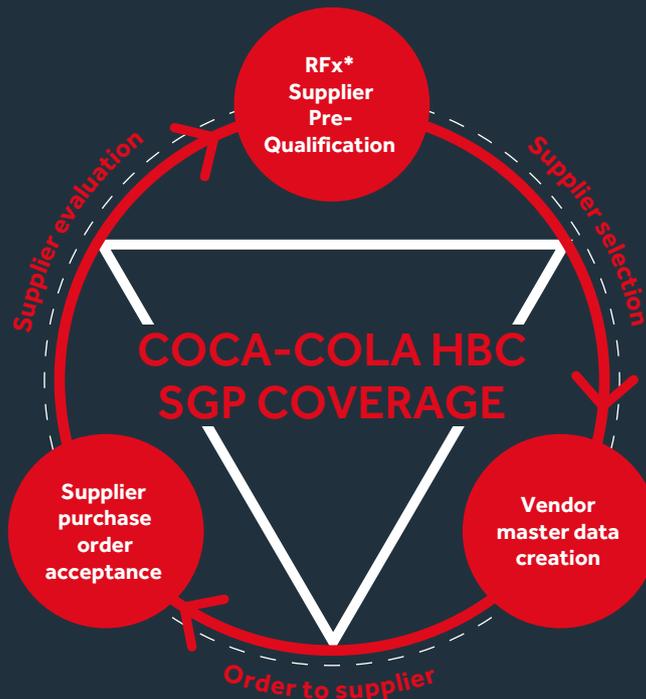


MEASURING EFFECTIVENESS

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 particular, we will report in relation to the following key performance indicators:

- 1** We aim to achieve 100% of our suppliers accepting our Supplier Guiding Principles by utilising 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/>
- 2** We have committed to certify 95% of key agricultural ingredients (sweeteners and juices) against the Sustainable Agriculture Guiding Principles by 2020. As at 31 December 2018, we have achieved 64% and are on track to meet our 2020 goal.
- 3** We will set up performance indicators and report in relation to:
 - procurement staff training on CSR; and
 - investigations conducted and corrective action taken in case of reported occurrence of Modern Slavery.

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

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 2018 more than 97% 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.

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. By 31 December 2018, only five Business Units had not yet been covered. These units received training by the end of Q1 2019.

During 2017, we piloted Supplier Sustainability Days in Russia, Serbia and Switzerland 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, while sessions in Austria, Bulgaria, Hungary, Ireland, Italy and Romania have already been held or will be held by the end 2019.

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.



Read our
Managers' Guide

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



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.

MATTHIEU SEGUIN
MANAGING DIRECTOR

COCA-COLA HBC NORTHERN IRELAND LIMITED

Dated