

# Socio-economic impact of Coca-Cola in Russia in 2017-2018



National  
research  
university

*Coca-Cola*  
in Russia

# Foreword



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This report presents the major findings of a new study titled “Socio-Economic Impact of Coca-Cola in Russia in 2017–2018,” carried out in 2019 by the Laboratory for Studies in Economic Sociology of the National Research University Higher School of Economics, commissioned by Coca-Cola in Russia.

This study follows up on of the previous project (“Socio-Economic Impact of Coca-Cola in Russia in 2013–2016”). Methodology used here is similar, with the calculations being extended to a later period. This study describes the impact of Coca-Cola in Russia on the socio-economic development of the country, including the increase in direct investments, contribution to the GDP and the tax revenue in Russia, the creation and maintenance of highly paid jobs, but without considering the implementation of social programs and sustainable development.

It also features a section on key regions of Coca-Cola’s presence in Russia (Moscow and the Moscow region, Saint-Petersburg, Nizhny Novgorod, Samara, Rostov, Sverdlovsk, Novosibirsk regions, Krasnoyarsk and Primorsky krai), with an in-depth special case on Coca-Cola in Russia’s contribution to the development of the Rostov region.

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## Coca-Cola in Russia is:

### One of the beverage industry leaders



**10**

production facilities from St. Petersburg to Vladivostok



**0.2% of Russia's GDP**

contribution to the Russian economy through the creation of added value in 2018\*\*

### A large investor in the Russian economy



**\$6.2 bln**

investments in the economy over the entire period of its presence in Russia



**₽36.5 bln**

aggregated tax payments of Coca-Cola in Russia, its suppliers and customers in 2018 (including VAT, personal income tax and unified social tax)



**11.1% on average,**

Coca-Cola in Russia's share in the total beverage industry\* investments in 2017-2018



**0.2%**

of all tax revenues paid to the budget of the Russian Federation in 2018\*\*

## Coca-Cola in Russia is:

### One of the largest employers



**>7,000**  
employees in Russia



**1 job** in Coca-Cola in Russia  
supports up to **8.7 jobs**  
in related industries



**>66,000**  
additional jobs created through indirect impacts



Coca-Cola in Russia makes significant investments  
in the development of its employees, increasing  
its investment capital



**>\$1.1 bln**  
is the total investment value of the Coca-Cola in Russia's  
human capital over the entire period of its presence in Russia.  
This is **almost 24 times** higher than the industry average

### Socially responsible business



**>₽2.4 bln**  
investments in the social  
development of Russia  
in 2013-2018



**>₽5.5 bln**  
investments in the social  
development of Russia over  
the entire period of presence  
in the country

## Coca-Cola in Russia is:

### Critical partner for Russian businesses



**~160,000**

direct customers



**>60%**

customers are individual entrepreneurs



**~1.2 mln**

customers over the entire period of presence in Russia

### Major buyer of Russian goods and services



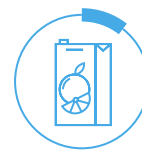
**>2,700**

long-standing suppliers



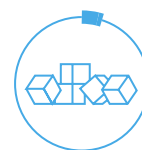
**>96%**

of all direct purchases\* in 2018 were made in Russia from Russian suppliers



**18.8%**

of juice and puree ingredients for the Coca-Cola in Russia's juice production in 2018 are purchased in Russia



**Up to 3%**

of all sugar produced in Russia is purchased by Coca-Cola in Russia

\* Without concentrate.

## History of Coca-Cola in Russia



**1979-1980**

first Coca-Cola and Fanta products were imported into the Soviet Union before the 1980 Olympic games in Moscow



**1992**

local production was launched at the first plants in Russia



**1994**

the largest plant of Coca-Cola in Russia was opened in Moscow



**2011**

a new and the most advanced plant of Coca-Cola in Russia was opened in the Rostov region



**2005**

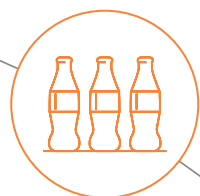
acquisition of one of the largest juice and nectar manufacturers in Russia, Multon JSC



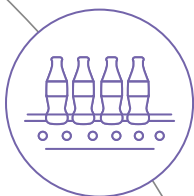
**1995-1998**

plants were opened all over the country from St. Petersburg to Vladivostok

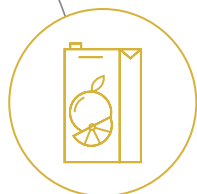
**Currently Coca-Cola in Russia consists of three separate entities:**



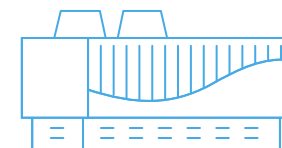
**Coca-Cola Soft Drink  
Consulting LLC**



**Coca-Cola HBC Eurasia LLC**



**Multon JSC**



**10** non-alcoholic beverage  
and juice production plants

in Moscow and the Moscow region, St. Petersburg, Samara, Yekaterinburg, the Rostov region, Novosibirsk, Krasnoyarsk and Vladivostok owned by Coca-Cola in Russia

in **100** Russian cities  
with a total population of **over 61 million** people production and distribution facilities of Coca-Cola in Russia are operating



## Research outline and methodology

The current report was prepared and validated by the Laboratory for Studies in Economic Sociology of the National Research University Higher School of Economics.

The data presented covers the activities of Coca-Cola in Russia in 2017-2018. When necessary, this period was expanded to show important trends.

The purpose of the study is to conduct a comprehensive assessment of Coca-Cola in Russia's contribution to the economic development of Russia and key regions of the Coca-Cola in Russia's operations.

### **At present, Coca-Cola in Russia consists of three separate entities:**

- Coca-Cola Soft Drink Consulting LLC
- Coca-Cola HBC Eurasia LLC
- Multon JSC

### **Main data sources:**



Data received from Coca-Cola in Russia (own data including official financial statements and other documents submitted to the governmental agencies)



External statistical databases: RosStat, SPARK, Euromonitor\*



Previous reports on the Coca-Cola in Russia's activities in Russian Federation, EIS and other post-communist countries, BRICS countries and the European Union

\* Various sources of data define the "beverages production" industry, in which Coca-Cola in Russia operates, in different ways due to different classification systems. As a result, data and calculations performed using different sources should not be compared directly. For the ease of reference, throughout the report, exact sources of external data for each comparison statistic are indicated.

## Notes and Remarks:

- ◎ The aggregate investments of Coca-Cola in Russia in the Russian economy are calculated for the period of 1979-2018, using the USD equivalent based on the official annual average exchange rate of the Bank of Russia for the period of 1979-1992, and the World Bank for the later period.
  - ◎ To level the fluctuations of the ruble exchange and the inflation rates, all investments were converted to constant 2018 US dollars using the Producers' Price Index (PPI), provided by the US Bureau of Labor Statistics.
  - ◎ The impact results are presented through a system of four standard impact types, commonly used for the purpose of evaluating the contribution of a company to the broader economic system of a country.
    - **Direct effects** are calculated based on the actual economic (mostly financial) indicators of the Coca-Cola in Russia's activities.
    - **Indirect effects** are derived from activities of the Coca-Cola in Russia's customers and suppliers in different industries as a result of direct activities.
    - **Induced effects** are the result of employees' income spent in the broader economy. These effects are calculated on the employees of Coca-Cola in Russia itself, and the variety of businesses in the different industries of customers and suppliers.
    - **Total effects** are the total economic effects, including direct, indirect and induced effects.
- Indirect effects are calculated based on the input-output analysis through Leontiev's multipliers, using the data from the Organization for Economic Cooperation and Development.

**Notes and Remarks:**

- ◎ The estimation of the investment cost of human capital of Coca-Cola in Russia is made based on market (comparative) approach by means of statistical analysis.
- ◎ Comparative analysis of the industry included 75 companies that were considered as the nearest comparables to Coca-Cola in Russia by a number of key characteristics, such as investments in personnel development, total salaries and the share of highly qualified personnel. Comparable companies were identified based on applying filters to the general population of all major companies in the beverage production and distribution industry.
- ◎ The filters represent a system of key indicators: sales volumes and rates, non-current and current assets, number of employees, and capital structure. Regression analysis (hedonic regression) was used to obtain coefficients reflecting the contribution of the relevant element of intangible assets to the creation of the company's market value. To estimate the investment value of the Coca-Cola in Russia's human capital, the obtained coefficients (hedonic prices) were multiplied by the corresponding indicator: the amount of investment in personnel development, the amount of aggregate salary and the share of highly qualified personnel in Coca-Cola in Russia for each period.
- ◎ The total investment value is the sum of all indicators converted to monetary value (after multiplying by coefficients) for all analyzed periods of the Coca-Cola's presence in Russia.\*

\* Calculations of the intangible resources investment value of Coca-Cola in Russia were performed by the research team of the International Laboratory for the Economics of Intangible Assets of NRU Higher School of Economics (St. Petersburg, supervised by E. Shakina).



# 01. Contribution of Coca-Cola in Russia to the development of Russian economy

Investments 014

Contribution to Russian GDP 016

Tax revenues 017

Employment 019

Related and supporting industries 021

# Investments of Coca-Cola in Russia

Coca-Cola in Russia is a large investor in the Russian economy

## \$6.2 bln

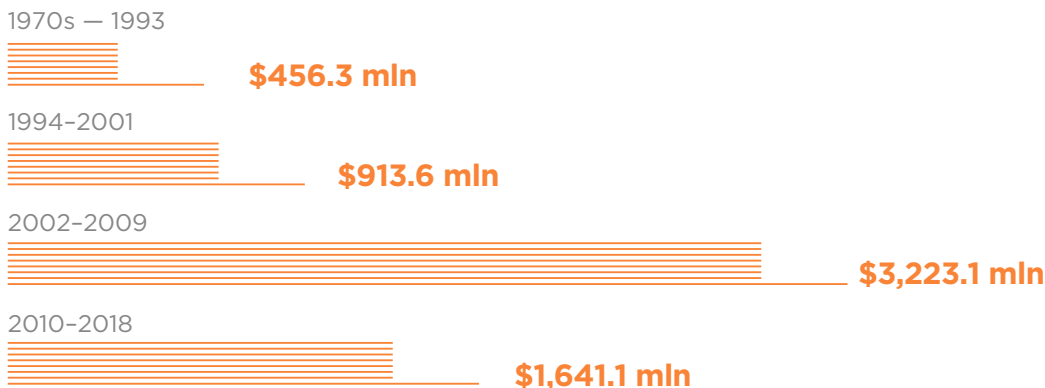
investments in the economy during the entire period of the Coca-Cola in Russia's presence on the market the Russian market (in constant 2018 USD)



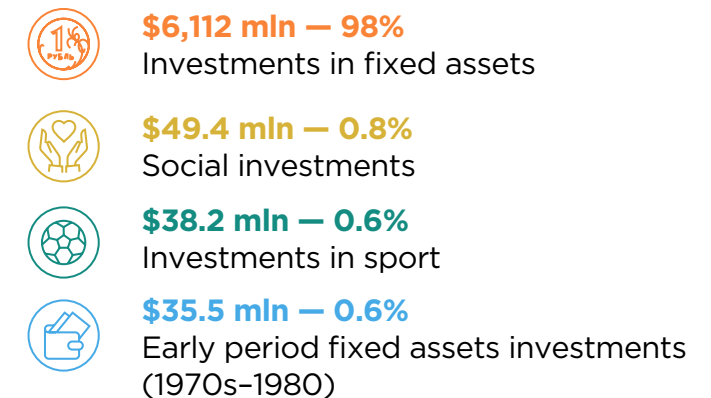
## On average, 11.1%

Coca-Cola in Russia's share in the total beverage industry\* investments in 2017-2018

Investment dynamics based on the main stages of the Coca-Cola in Russia's development of its operations in 1970s-2018:



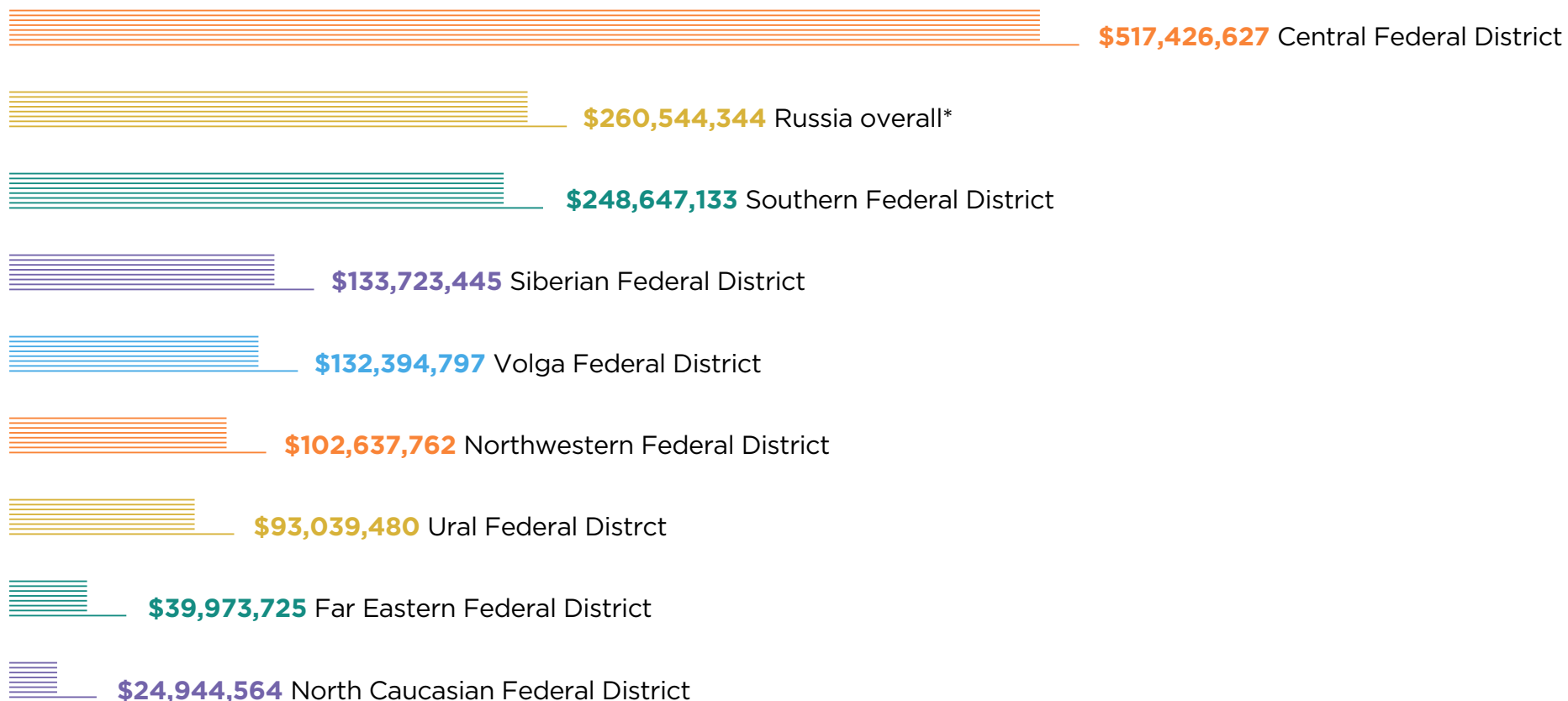
Types of investments made by Coca-Cola in Russia investments in the Russian economy, in constant 2018 USD



\* Source of comparative data: RosStat.

## Investment activities of Coca-Cola in Russia cover the entire territory of the Russian Federation, including remote regions

### Coca-Cola in Russia's investments by federal district in 2010–2018, in constant 2018 USD



\* Investments in two or more regions without the possibility to separate investments by regions.

# Contribution of Coca-Cola in Russia to Russian GDP

Coca-Cola in Russia makes a significant contribution to creating added value for the Russian economy, both directly through its own production and indirectly by supporting a wide network of suppliers and customers across the country.



**₽43.4 bln**

direct contribution of Coca-Cola in Russia to the Russian GDP in 2017-2018, including **₽21.4 bln** in 2018



**Every ruble** of value created by Coca-Cola in Russia generates up to **8.1 rubles** of added value along its value chain across the country



**0.2% of Russia's GDP**

is the aggregate contribution\* of Coca-Cola in Russia to the economy, which is approximately equal to the transport infrastructure costs to support the FIFA World Cup™ in Russia\*\*

\* In 2018, the country's economic growth exceeded expectations. The greatest growth was observed in the construction, manufacturing and transport. At the same time, there was a decrease in trade by 0.2 ppts. Source of comparative data: [Rbc.ru](http://Rbc.ru).

\*\* Including indirect effects. Source: [Rbc.ru](http://Rbc.ru).



## Contribution of Coca-Cola in Russia to tax revenues of the Russian Federation

Coca-Cola in Russia makes a significant contribution to the tax revenues of the Russian Federation. Since 2002, Coca-Cola HBC Eurasia LLC has an official status of the “largest taxpayer” in the Russian Federation, Multon JSC has the same status since 2012.\*



### >₽14.2 bln

in taxes was paid by Coca-Cola HBC Eurasia LLC to the consolidated budget of the Russian Federation in 2017–2018

→ **₽7.2 bln** in 2017

→ **₽7 bln** in 2018



### up to **₽3.5**

of additional tax flows is generated by every ruble paid in taxes by Coca-Cola in Russia to the budget of the Russian Federation



### ₽36.5 bln

aggregated tax payments of Coca-Cola in Russia, its suppliers and customers in 2018 (including VAT, personal income tax and unified social tax)



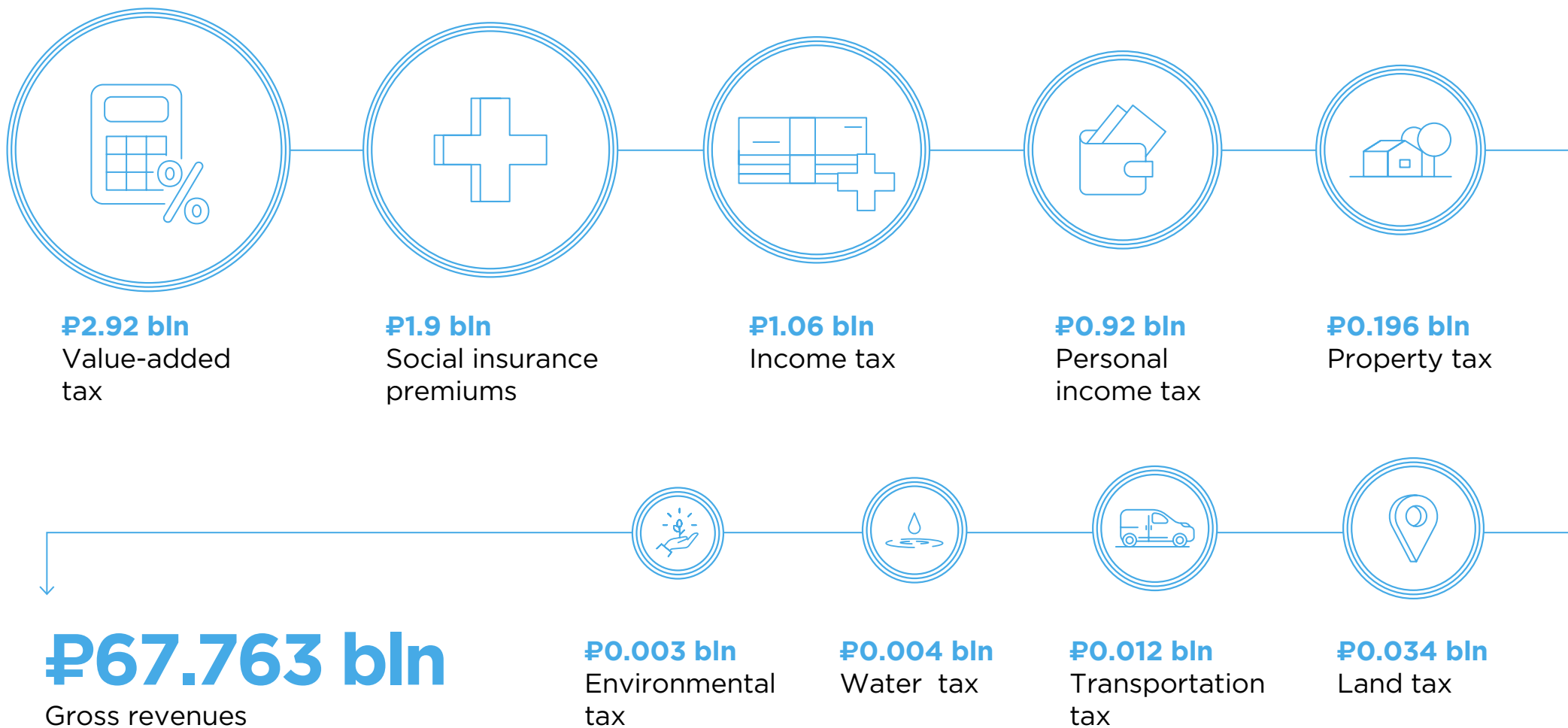
### 0.2%

of all tax revenues to the budget of the Russian Federation in 2018\*\*

\* The status of the “largest taxpayer” is defined by the Federal Tax Service of the Russian Federation in the official order №MMB-3-06/308, issued on May 16, 2007, “On amending the order of the Ministry of Taxation of the Russian Federation №CAЭ-3-30/290, issued on April 16, 2004.”

\*\* Information on tax revenues in the Russian Federation was obtained from the website of the [Federal Tax Service of Russia](#).

### Types of taxes paid by Coca-Cola HBC Eurasia LLC in 2018



# Contribution of Coca-Cola in Russia to employment

Coca-Cola in Russia is a major employer in the country, actively creating and supporting well-paying jobs in all regions of its operations

**7,750**

employees in Coca-Cola in Russia in 2018



**44.3%** of employees are 20-29 years of age, compared to **22%** average in Russia



**44.8%** of senior and top-management positions\* are filled by women, compared to **37%** average in Russia\*\*



**1 job** at Coca-Cola in Russia supports **up to 8.7 jobs** elsewhere along the value chain of suppliers and customers

**66,671**

indirect jobs are supported by Coca-Cola in Russia, including indirect effects in related industries\*\*\*



**22,340** customers



**44,331** suppliers

\* Coca-Cola in Russia's top management category includes employees in senior management positions with significant influence on business results - a more limited category than in previous years' comparative reports and other sources.

\*\* Source of comparative data: Rosstat (category "Equal job opportunities," section "Indicators of decent work"). Direct comparison with the Coca-Cola in Russia's data without corrections is not fully possible, as the Rosstat indicator includes a wider range of leadership positions.

\*\*\* Calculations for 2017-2018 were performed using the updated Leontiev's multiplier tables, so the results obtained are not fully comparable with the previous period.

Coca-Cola HBC Eurasia LLC is regularly ranked as one of the most attractive employers in the country: in 2018, the company was named the most attractive employer in the FMCG segment, according to HeadHunter and entered the TOP-3 most attractive employers of the Changellenge award.

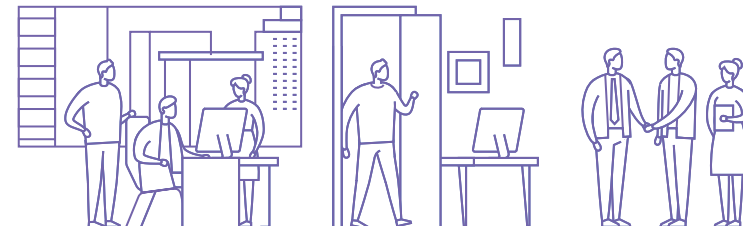
Coca-Cola HBC Eurasia LLC also ranked number 1 among FMCG-sector companies in the rating "Best Employers 2018" according to Future Today.

## Coca-Cola in Russia creates and maintains jobs with high wages



by **44%**

the average salary of Coca-Cola in Russia's employees is higher than the industry average



# Contribution of Coca-Cola in Russia to the development of related and supporting industries

## Coca-Cola in Russia supports the purchasing of local ingredients and raw materials

The procurement policy of Coca-Cola in Russia is aimed at supporting local production in the Russian Federation.



**>96%**

of direct\* purchases of Coca-Cola in Russia in 2018 were made locally from Russian suppliers. The share of local ingredients has grown **by more than 9 times** since 1998

**100%**

of local raw materials and ingredients in several key categories is purchased by Coca-Cola in Russia:



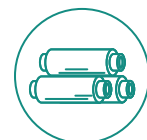
**₽23.7 bln**

is the induced effect on salaries of suppliers' employees in 2018



**44,331**

jobs are created and maintained at suppliers' companies as a direct result of the Coca-Cola in Russia's activities in 2018



Shrink film and straws, glue



Plastic packaging and labels



Sugar



Cardboard and cardboard packaging products\*\*



Preforms for PET bottles



CO<sub>2</sub>



Glass bottles



Aluminum cans, metal caps

\* Without concentrates. \*\* Except aseptic carton.

## Coca-Cola in Russia supports the agricultural sector

Cola-Cola in Russia makes a substantial contribution to the development of Russian agriculture through purchases of local raw materials for its production needs. Especially noticeable is the contribution to the production of sugar.

### Sugar and sugar beets



Up to **3%**

of all sugar produced in Russia is purchased by Coca-Cola in Russia



Up to **3%**

of the gross harvest of sugar beets is supported by Coca-Cola in Russia through purchases of sugar



Coca-Cola in Russia makes a significant contribution to the local production of sugar, which has been included in the Doctrine of Food Security of the Russian Federation as a strategically important sector since 2012



## Fruits and purees for juice production

Coca-Cola in Russia makes a significant contribution to the production of raw materials used for juices and nectars. The total share of domestic raw materials in Coca-Cola in Russia's purchases of juice concentrates and purees is steadily growing.



**~₽1.6 bln**

worth of raw ingredients were purchased from local growers for the production of juices, nectars, fruit and juice drinks in 2018



this represents

**18.8%**

of all aggregate purchases of juice and puree ingredients for the Coca-Cola in Russia's juice production are local



**34.5%**

of local purchases of juices and purees for juice production, of the potentially suitable for localization volume in Russia (**56%** in 2018)

These include concentrated juices and purees made of:



apples



tomatoes



carrots



cranberries



blueberries



cloudberries

## Coca-Cola in Russia supports Russian retail businesses

Coca-Cola in Russia is an active player in the Russian retail industry, working with a wide network of customers throughout the country.

**~160,000**  
**direct customers** throughout Russia

Coca-Cola in Russia actively supports entrepreneurship and small businesses:



**>60%**

of its customers are individual entrepreneurs



**90%**

of its customers are registered outside of Moscow



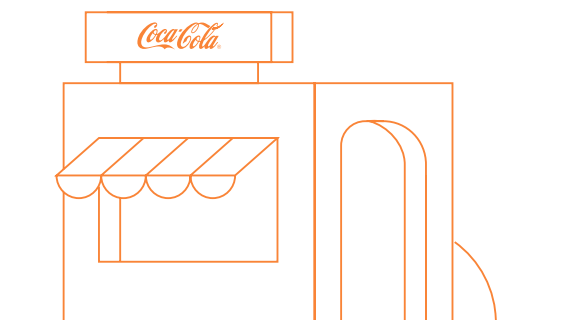
**22,340 jobs**

are supported through the Coca-Cola in Russia's activities in the businesses of its customers



**₽6.5 bln**

is the induced effect on the Russian economy through salaries at the jobs created in the customer businesses due to the Coca-Cola in Russia's activities



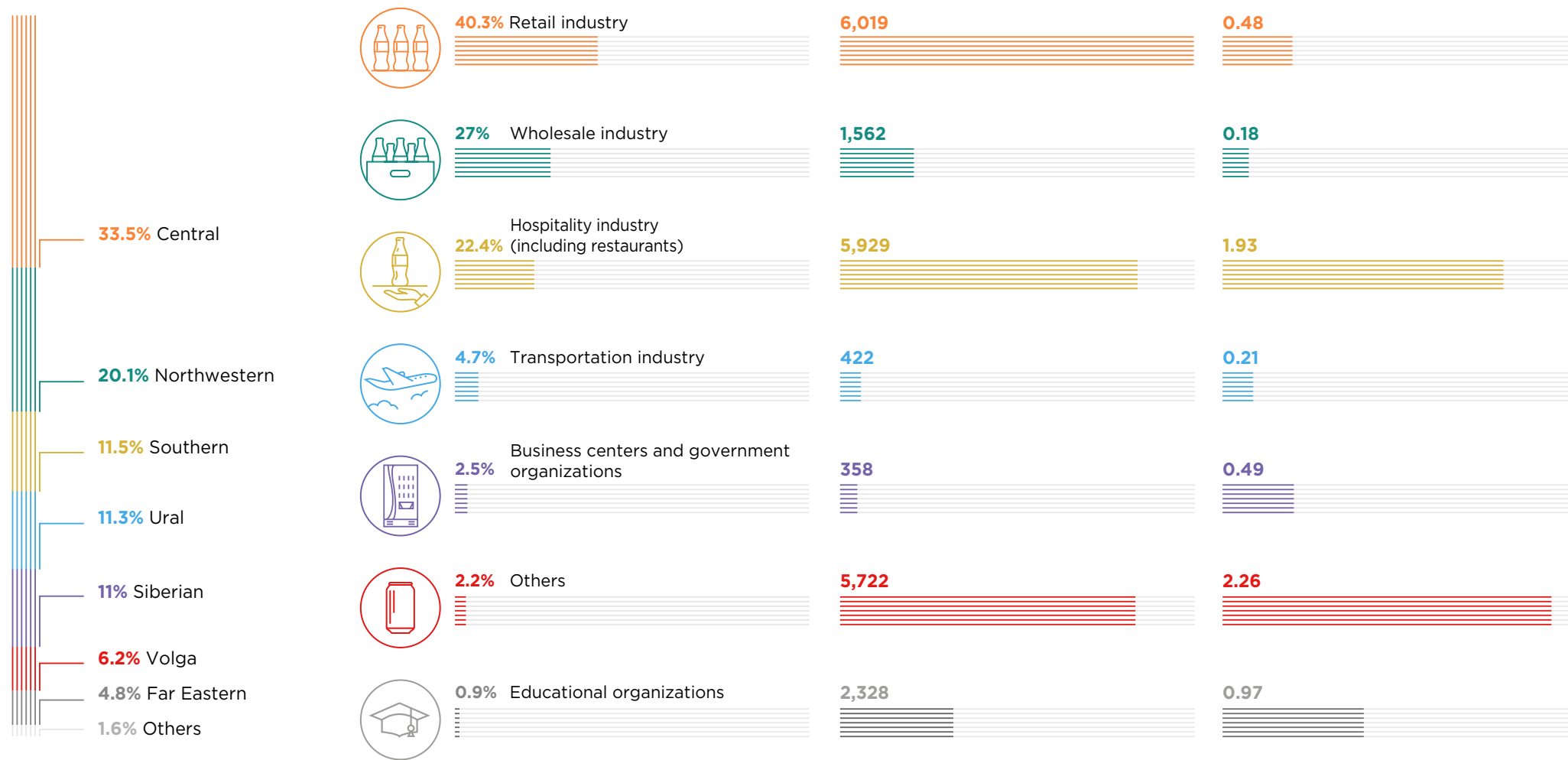


**Distribution of the Coca-Cola in Russia's customer revenues by federal district, 2018**

**Coca-Cola in Russia's customers by industry type, 2018**

**Jobs created at customers' businesses as a result of Coca-Cola in Russia's activities**

**Induced effects on customer employees' salaries, 2018, bln rubles**



Source: Coca-Cola in Russia's data and authors' calculations.



## 02. Contribution of Coca-Cola in Russia to the development of regions of business operations

Moscow and Moscow region 029

Saint Petersburg 032

Nizhny Novgorod region 035

Samara region 038

Sverdlovsk region 041

Novosibirsk region 044

Krasnoyarsk krai 047

Primorsky krai 050

Coca-Cola in Russia makes a significant contribution to the development of the key regions of its business presence: Moscow and the Moscow region, Saint Petersburg, the Nizhny Novgorod region, the Samara region, the Rostov region, the Sverdlovsk region, the Novosibirsk region, Krasnoyarsk krai, Primorsky krai.

Currently, there are **10 plants** and more **than 70 non-production facilities** of Coca-Cola in Russia (distribution centers, sales offices, warehouses) operating in these regions.

**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
Moscow and the Moscow region**



# Moscow and the Moscow region

## Contribution to fixed asset investments



**\$689.9 mln**

Coca-Cola in Russia invested in Moscow and the Moscow region since 2010 in constant 2018 prices

**~\$595.4 mln**

Coca-Cola in Russia's investments in Moscow city since 2010 in constant 2018 prices  
 → **0.11%** of all investments in the city  
 (\$528.4 bln)

**~\$94.5 mln**

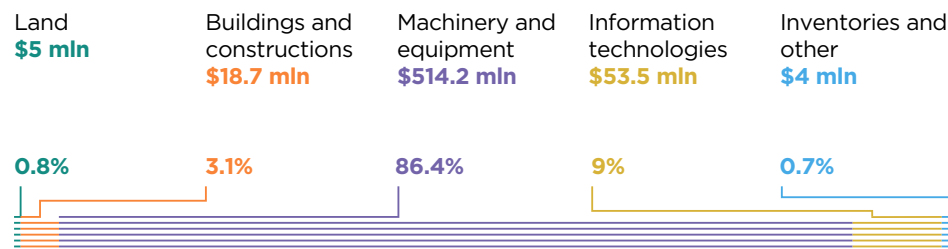
Coca-Cola in Russia's investments in the Moscow region since 2010 in constant 2018 prices  
 → **0.04%** of all investments into the region  
 (\$213.4 bln)



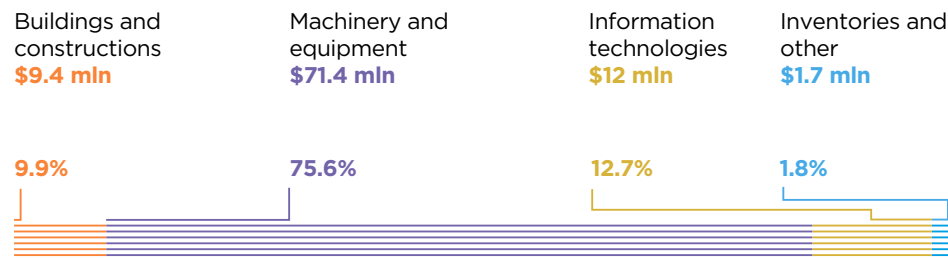
**0.09%**

of all investments in the region  
 (\$741.8 bln)

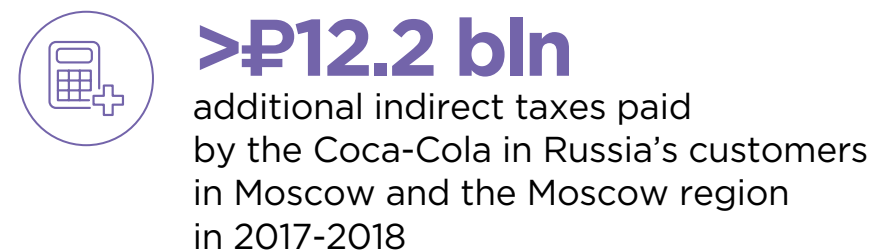
### Structure of Coca-Cola in Russia's fixed asset investments in Moscow in 2010-2018, constant 2018 USD



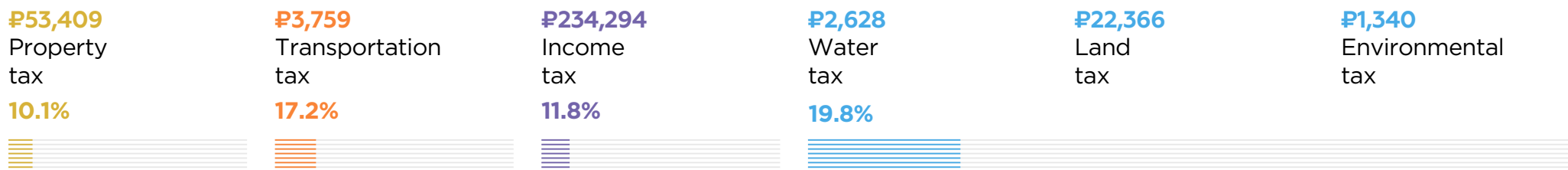
### Structure of Coca-Cola in Russia's fixed asset investments in the Moscow region in 2010-2018, constant 2018 USD



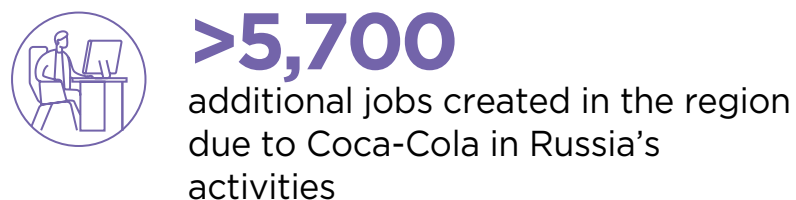
## Contribution to regional tax revenues



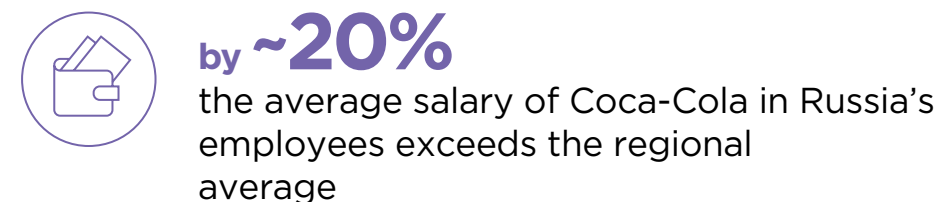
### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of Moscow and the Moscow region and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



Coca-Cola in Russia creates highly paid jobs in the region:



\* Source of comparative data: Federal Tax Service of Russia.

**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
Saint Petersburg**



# Saint Petersburg

## Contribution to fixed asset investments



**\$94.8 mln**

Coca-Cola in Russia invested in Saint Petersburg since 2010 in constant 2018 prices



**0.05%**

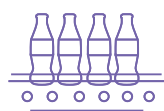
of all investments in the city  
(\$184.3 bln)

## Structure of Coca-Cola in Russia's fixed asset investments in St. Petersburg in 2010–2018, constant 2018 USD



**\$13.1 mln**

Buildings and constructions



**\$49.6 mln**

Machinery and equipment



**\$30.35 mln**

Information technologies



**\$1.75 mln**

Inventories and other

**13.8%**

**52.3%**

**32%**

**1.8%**





## Contribution to regional tax revenues



**~₽104.2 mln**

taxes paid by Coca-Cola HBC Eurasia LLC to the city budget of Saint Petersburg in 2017-2018

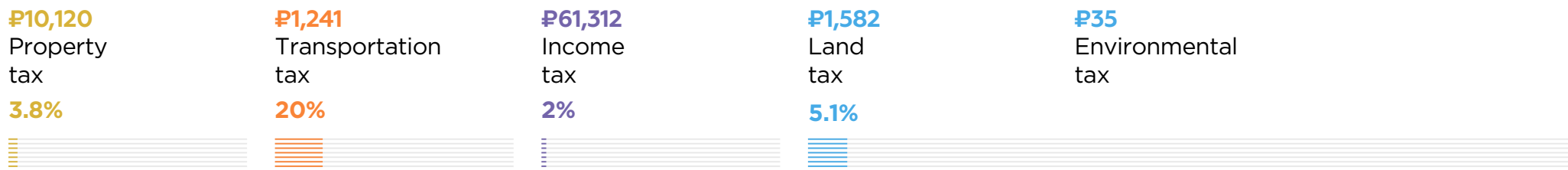
→ **₽29.9 mln** in 2017 → **₽74.3 mln** in 2018



**>₽3.8 bln**

additional indirect taxes paid by the Coca-Cola in Russia's customers in Saint Petersburg in 2017-2018

### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the city budget of Saint Petersburg and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



**>2,000**

additional jobs created in the region due to Coca-Cola in Russia's activities



by **>25%**

the average salary of Coca-Cola in Russia's employees exceeds the regional average

\* Source of comparative data: Federal Tax Service of Russia.

**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
Nizhny Novgorod region**



## Nizhny Novgorod region

### Contribution to fixed asset investments



**\$40.2 mln**

The Coca-Cola in Russia invested in Nizhny Novgorod region since 2010 in constant 2018 prices



**0.05%**

of all investments in the region  
 (\$86.5 bln)

### Structure of Coca-Cola in Russia's fixed asset investments in the Nizhny Novgorod region in 2010–2018, constant 2018 USD



**\$0.08 mln**

Land



**\$4.6 mln**

Buildings and constructions



**\$24.5 mln**

Machinery and equipment



**\$9.98 mln**

Information technologies



**\$1.1 mln**

Inventories and other

**0.2%**

**11.4%**

**60.9%**

**24.8%**

**2.8%**



## Contribution to regional tax revenues



**~₽171 mln**

taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Nizhny Novgorod region in 2017-2018

→ **₽56.8 mln** in 2017 → **₽113.8 mln** in 2018

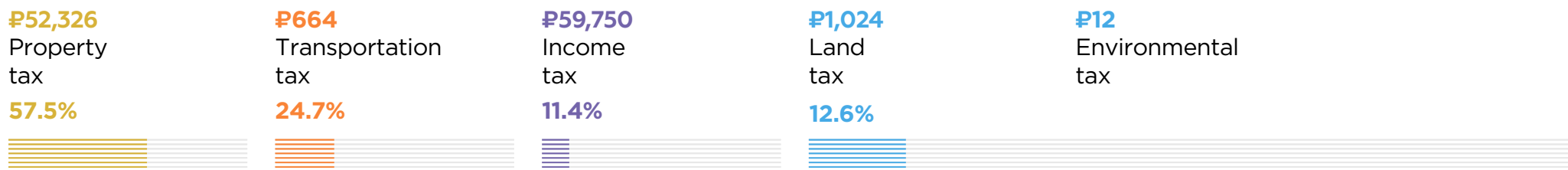
## Contribution to employment



**>₽1.2 bln**

additional indirect taxes paid by the Coca-Cola in Russia's customers in the Nizhny Novgorod region in 2017-2018

### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Nizhny Novgorod region and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



**~600**

additional jobs created in the region due to Coca-Cola in Russia's activities



by **>6%**

the average salary of Coca-Cola in Russia's employees exceeds the regional average

\* Source of comparative data: Federal Tax Service of Russia.



**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
Samara region**

## Samara region

### Contribution to fixed asset investments



**\$31.1 mln**

Coca-Cola in Russia invested in the Samara region since 2010 in constant 2018 prices



**0.04%**

of all investments in the region  
(\$87.2 bln)

### Structure of Coca-Cola in Russia's fixed asset investments in the Samara region in 2010–2018, constant 2018 USD



**\$1.9 mln**  
Buildings  
and constructions

**6%**



**\$19.45 mln**  
Machinery  
and equipment

**62.6%**



**\$8.8 mln**  
Information  
technologies

**28.4%**



**\$0.95 mln**  
Inventories  
and other

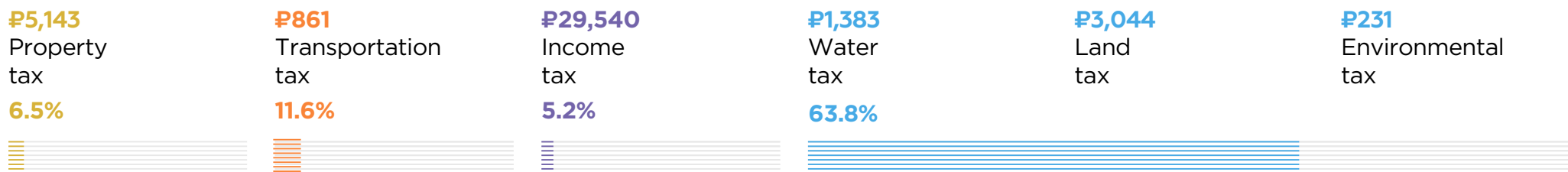
**3%**



## Contribution to regional tax revenues



### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Samara region and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



\* Source of comparative data: Federal Tax Service of Russia.



**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
the Sverdlovsk region**



## The Sverdlovsk region

### Contribution to fixed asset investments



**\$47.3 mln**

Coca-Cola in Russia invested in the Sverdlovsk region since 2010 in constant 2018 prices



**0.04%**

of all investments in the region  
**(\$117.4 bln)**

### Structure of Coca-Cola in Russia's fixed asset investments in the Sverdlovsk region in 2010–2018, constant 2018 USD



**\$3.2 mln**

Buildings and constructions



**\$27.55 mln**

Machinery and equipment



**\$13.15 mln**

Information technologies



**\$3.4 mln**

Inventories and other

**6.7%**

**58.3%**

**27.8%**

**7.2%**



## Contribution to regional tax revenues



**~₽56.3 mln**

taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Sverdlovsk region in 2017-2018

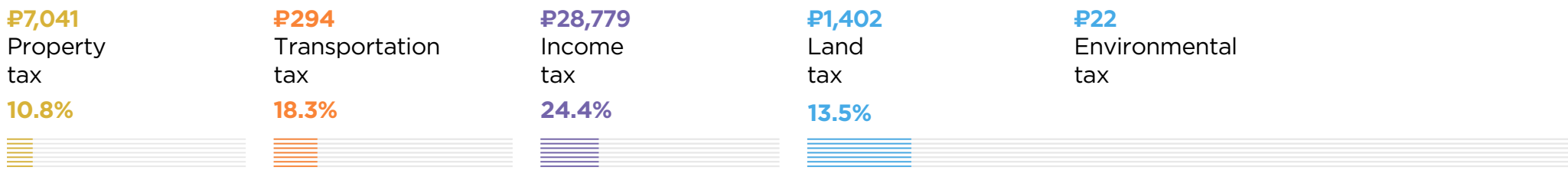
→ **₽18.8 mln** in 2017 → **₽37.5 mln** in 2018



**>₽1.3 bln**

additional indirect taxes paid by the Coca-Cola in Russia's customers in the Sverdlovsk region in 2017-2018

### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Sverdlovsk region and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



**~700**

additional jobs created in the region due to Coca-Cola in Russia's activities



by **>30%**

the average salary of Coca-Cola in Russia's employees exceeds the regional average

\* Source of comparative data: Federal Tax Service of Russia.

A wide-angle photograph of a cable-stayed bridge at dusk. The bridge's structure, consisting of numerous cables and tall pylons, dominates the upper two-thirds of the frame. The sky is a mix of soft orange and grey, indicating the time is either dawn or dusk. On the bridge's roadway, two red Coca-Cola trucks are driving away from the camera, followed by a silver sedan. The trucks have the Coca-Cola logo and a bottle graphic on their sides. The overall mood is industrial yet serene.

**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
the Novosibirsk region**

## The Novosibirsk region

### Contribution to fixed asset investments



**\$63.5 mln**

Coca-Cola in Russia invested in the Novosibirsk region since 2010 in constant 2018 prices



**0.11%**

of all investments in the region  
**(\$58.6 bln)**

### Structure of Coca-Cola in Russia's fixed asset investments in the Novosibirsk region in 2010-2018, constant 2018 USD



**\$17.4 mln**

Buildings and constructions



**\$29.3 mln**

Machinery and equipment



**\$15.9 mln**

Information technologies



**\$0.9 mln**

Inventories and other

**27.4%**

**46.2%**

**25%**

**1.4%**



## Contribution to regional tax revenues



**>₽115 mln**

taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Novosibirsk region in 2017–2018

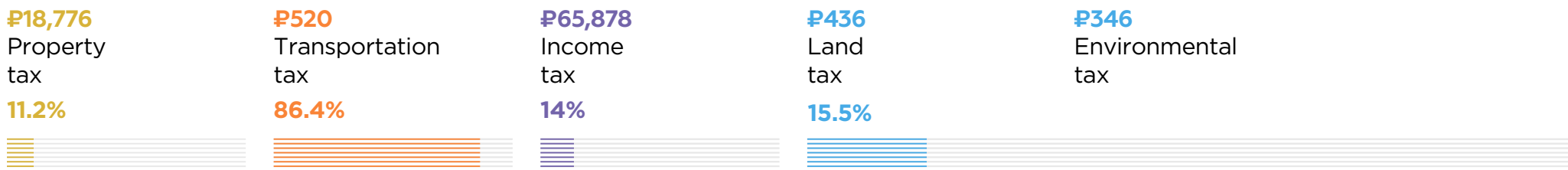
₽29 mln in 2017 → ~₽86 mln in 2018



**>₽980 mln**

additional indirect taxes paid by the Coca-Cola in Russia's customers in the Novosibirsk region in 2017–2018

### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Novosibirsk region and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



**~500**

additional jobs created in the region due to Coca-Cola in Russia's activities



by **>25%**

the average salary of Coca-Cola in Russia's employees exceeds the regional average

\* Source of comparative data: Federal Tax Service of Russia.

An aerial photograph of a city under a cloudy sky. In the foreground, three red Coca-Cola trucks are parked on a paved area. To the right, a white church with a green roof and a golden cross on top stands on a hill. The city buildings and a power line tower are visible in the background.

**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
Krasnoyarsk krai**

# Krasnoyarsk krai

## Contribution to fixed asset investments



**\$27 mln**

Coca-Cola in Russia invested in the Krasnoyarsk krai since 2010 in constant 2018 prices



**0.02%**

of all investments in the region  
(\$132 bln)

## Structure of Coca-Cola in Russia's fixed asset investments in the Krasnoyarsk krai in 2010–2018, constant 2018 USD



**\$0.5 mln**

Land



**\$2 mln**

Buildings and constructions



**\$15.7 mln**

Machinery and equipment



**\$8.1 mln**

Information technologies



**\$0.7 mln**

Inventories and other

**1.9%**

**7.4%**

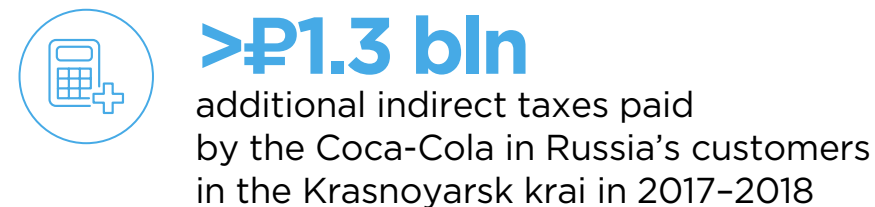
**58.2%**

**30%**

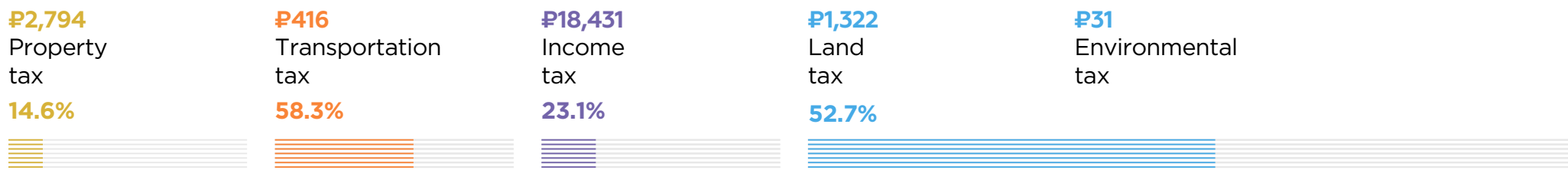
**2.5%**



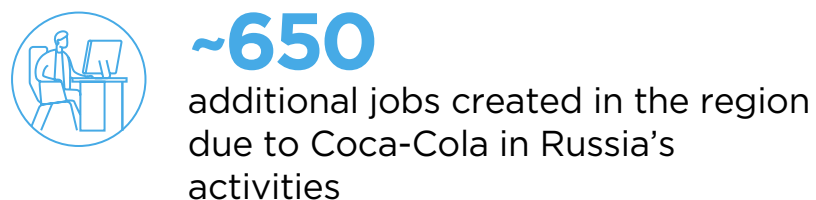
## Contribution to regional tax revenues



### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Krasnoyarsk krai and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



Coca-Cola in Russia creates highly paid jobs in the region:



\* Source of comparative data: Federal Tax Service of Russia.





**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
Primorsky krai**

# Primorsky krai

## Contribution to fixed asset investments



**\$32.3 mln**

Coca-Cola in Russia invested in the Primorsky krai since 2010 in constant 2018 prices



**0.1%**

of all investments in the region  
**(\$59.6 bln)**

## Structure of Coca-Cola in Russia's fixed asset investments in the Primorsky krai in 2010–2018, constant 2018 USD



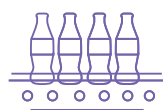
**\$0.09 mln**

Land



**\$3.5 mln**

Buildings and constructions



**\$21.5 mln**

Machinery and equipment



**\$6.15 mln**

Information technologies



**\$1.1 mln**

Inventories and other

**0.3%**

**10.8%**

**66.5%**

**19%**

**3.4%**



## Contribution to regional tax revenues



**~₽60.9 mln**

taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Primorsky krai in 2017-2018

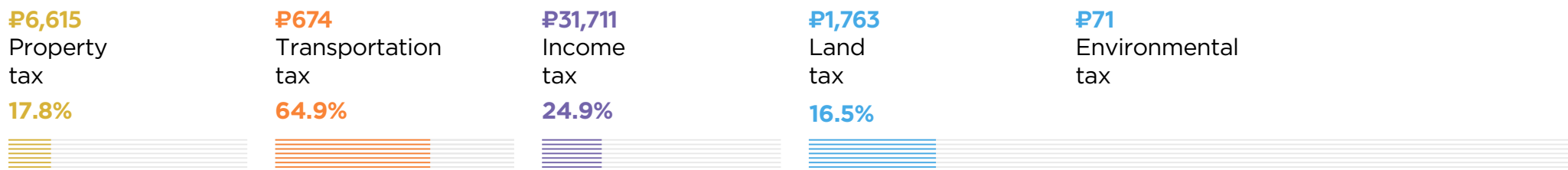
→ **₽20.1 mln** in 2017 → **₽40.8 mln** in 2018



**>₽1.35 bln**

additional indirect taxes paid by the Coca-Cola in Russia's customers in the Primorsky krai in 2017-2018

### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Primorsky krai and its share in the beverages industry\* (%) in 2018, thousand ₽



## Contribution to employment



**~650**

additional jobs created in the region due to Coca-Cola in Russia's activities



by **>1.5%**

the average salary of Coca-Cola in Russia's employees exceeds the regional average

\* Source of comparative data: Federal Tax Service of Russia.

**Contribution  
of Coca-Cola in Russia  
to the development of regions  
of business operations:  
the Rostov region**



# 03. Contribution of Coca-Cola in Russia to the development of the Rostov region

The Rostov region is one of the more economically developed regions. In terms of key indicators, it exceeds or is close to the average Russian level.

**In 2018, the Rostov region ranked among the rest of the Russian Federation regions as:**



**19<sup>th</sup>**  
in quality of life



**13<sup>th</sup>**  
in socio-economic status

**The Rostov region is one of the most attractive regions for investment activity:**



**9<sup>th</sup>**  
in terms of investment potential in 2018, characterized by "Average potential - minimum risk" parameters\*



**16<sup>th</sup>**  
most attractive for investment region according to the Agency for Strategic Initiatives in 2017

The programs of higher professional education in the Rostov region are carried out by **19 higher education institutions**, including **9 state** and **10 non-state higher education institutions**, and **29 branches**. **35%** of all students are concentrated in the two largest state universities – the Southern Federal University and the Don State Technical University.

\* Source: rating of investment attractiveness of Russian regions, developed by RAEX Analytics.

## Coca-Cola in Russia in the Rostov region

The Coca-Cola HBC Russia plant in the Rostov region is one of the most technologically advanced production facilities in the industry.



### 26.5 hectares

is the total facility area.

The construction of the plant following the **Greenfield** technology was launched in 2008 in the Azov district of the Rostov region. The official opening took place on **26th September 2011**



### 66 types of products

are produced at this plant, including soft beverages under the trademarks of **Coca-Cola, Coca-Cola Zero, Sprite, Fanta, Schweppes, BonAqua** bottled water, **FUZETEA** ready-to-drink tea, juices and nectars **Dobry, Burn** energy drink



### 450 mln litres

of beverages per year is the maximum capacity of the plant



The plant supplies beverages to the Rostov, Volgograd and Astrakhan regions, Krasnodar and Stavropol krai, and the Republics of North Caucasus. This is the only facility that produces **0.25-litre** aluminum cans, which are distributed all over the country

**The company is a large investor and taxpayer in the region.** Products manufactured here using the most modern technologies are sold not only in the Rostov region and neighboring regions, but also throughout the country. Coca-Cola in Russia contributes to the creation of highly paid jobs, including jobs in related industries, and stimulates the economic development of the region as a whole.

## Contribution of Coca-Cola in Russia to fixed asset investments in the Rostov region



**\$196 mln**

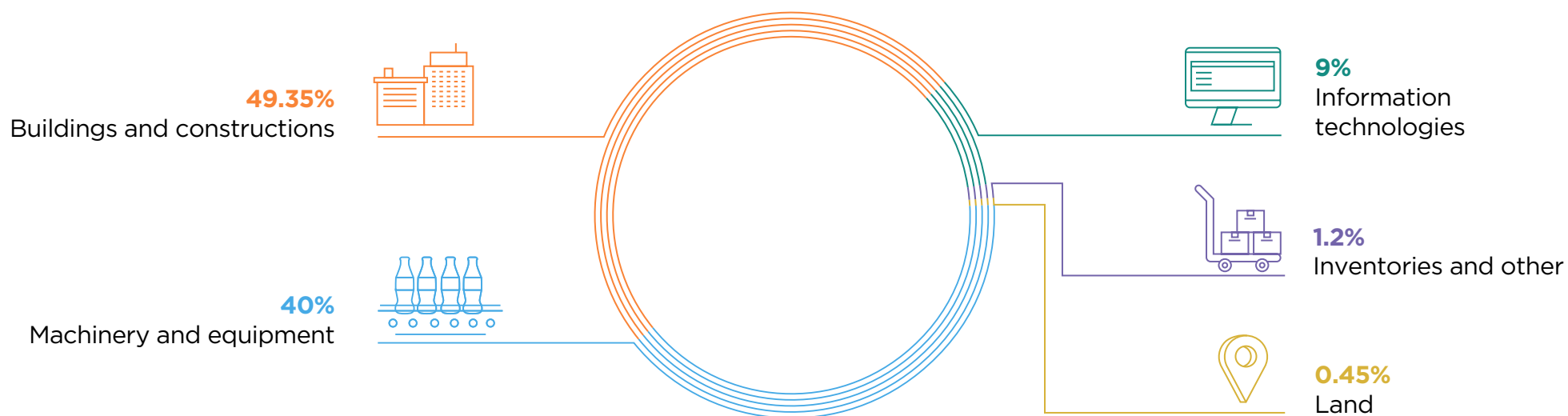
Coca-Cola in Russia invested in the Rostov region since the beginning of its operations in the region, in constant 2018 prices



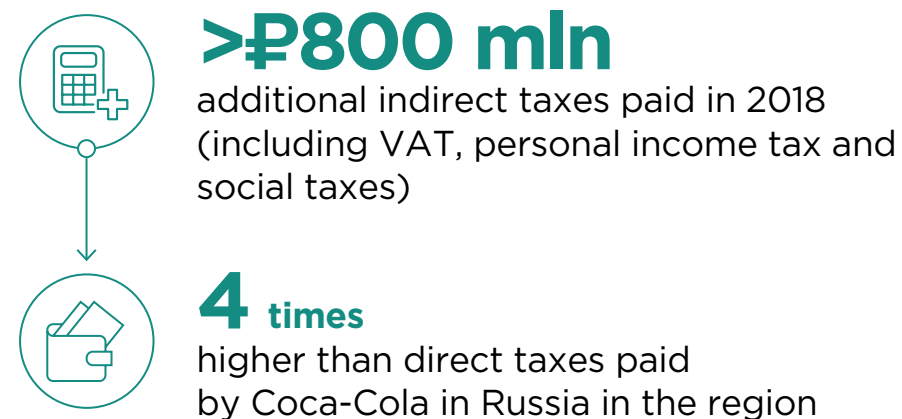
**~4%**

of all fixed asset investments of Coca-Cola in Russia for the same period

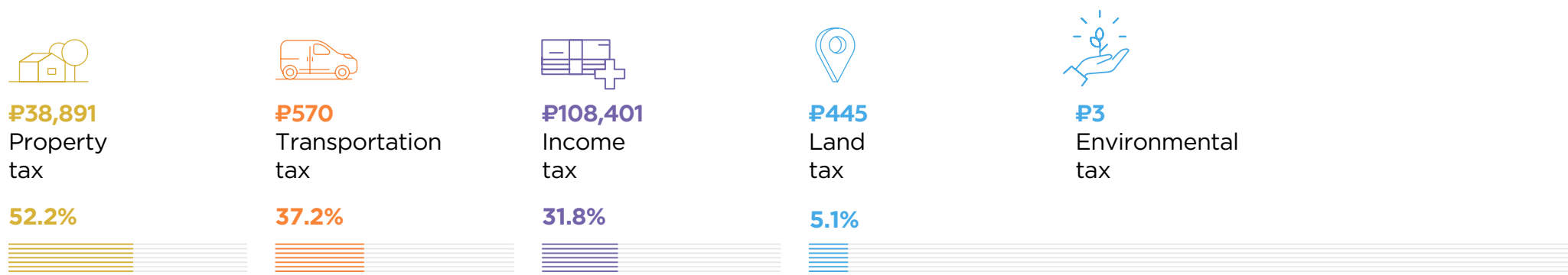
### Structure of fixed asset investments of Coca-Cola in Russia in the Rostov region in 2010–2018, constant 2018 USD



## Contribution of Coca-Cola in Russia to regional tax revenues of the Rostov region



### Types and amounts of taxes paid by Coca-Cola HBC Eurasia LLC to the regional budget of the Rostov region and its share in the beverages industry\* (%) in 2018, thousand ₽



\* Source of comparative data: Federal Tax Service of Russia.



## Contribution of Coca-Cola in Russia to the employment in the Rostov region

The presence of Coca-Cola in Russia in the Rostov region has substantial indirect and stimulating effects.



**>450**

employees at Coca-Cola in Russia's facilities in the Rostov region



**each job** at Coca-Cola in Russia creates **up to 2 jobs** in customers' companies



**~750**

indirect jobs in customers' companies



**₽85 mln**

a year is the induced effect for the regional economics

Coca-Cola in Russia creates highly paid jobs in the region:



**By more than 26%**

the average salary of Coca-Cola employees in Russia exceeds the regional average



In 2018, Coca-Cola HBC Eurasia LLC signed long-term cooperation agreements with the Southern Federal University and the Don State Technical University as part of its ongoing cooperation with **20 leading Russian universities**. As part of the agreements, the Company organizes lectures and seminars for students given by the company's experts, as well as business cases, job fairs, career guidance tours and much more. In 2018, **more than 1,000 students** from the Rostov region participated in career guidance tours and Career Days at the Company's facilities in the region.



[ru.coca-colahellenic.com](http://ru.coca-colahellenic.com)  
[coca-colarussia.ru](http://coca-colarussia.ru)  
[multon.ru](http://multon.ru)

**Socio-economic impact  
of Coca-Cola in Russia  
in 2017-2018**