



CCHBC Sustainability Monitoring CCH Program Description

May 2023

Coca-Cola HBC World's second most sustainable beverage company in the 2023 S&P Dow Jones Sustainability Index

“Our goal is to deliver a more sustainable future while continuing to build value for our stakeholders. This endorsement from the DJSI demonstrates that we’re on the right track and it is further recognition of the work and unrelenting effort by all at Coca-Cola HBC to put sustainability at the heart of our company. Last year, I made the ambitious announcement of our aim to reach Net Zero emissions by 2040 and I believe wholeheartedly that if we continue as we are, we’ll make this aim a reality.”

**Chief Executive Officer
Zoran Bogdanovic**

Assessment of Environmental and Social Performance and improving it over time is becoming of utmost importance for organisations and stakeholders and Sustainability Recognition Schemes



Sustainability is fully integrated into Procurement decisions



The Procurement Sustainability Program Key Activities at a glance



LEVELS OF ACTIONS	TCCC System 3 rd -Party SGP Audits & SEDEX:	EcoVadis IQ (Risk Screening) & EcoVadis Assessments:	Supply Base Assessment (PSA) + Water Risk Filter	Environmental Social & Governance (ESG) Questionnaires
SCOPE:	<ul style="list-style-type: none"> TCCC prerequisite supported by SPMs/CEPG <ul style="list-style-type: none"> Raw Materials Sustainable Agriculture Primary Packaging 	<ul style="list-style-type: none"> Group Critical & Country Strategic As of 2020 TCCS implementation – CCH founding member 	<ul style="list-style-type: none"> Targeted to Critical Group Suppliers Delivered by independent 3rd party assessors or Tools Covers critical T2 Supply Base 	<ul style="list-style-type: none"> Supports all cases where tools such as EcoVadis are not available or smaller suppliers
AREAS CAPTURED	<ul style="list-style-type: none"> SGPs compliance Specialist certifications per commodity i.e. PSA Corrective Action Plans (CAP) 	<ul style="list-style-type: none"> Environment: i.e. Energy, CHG, Water, Waste Social: i.e. HSE, Human Rights, Working Conditions Ethics: i.e. Corruption, Bribery, Legal compliance Supply Chain: Environmental performance Corrective Action Plans 	<ul style="list-style-type: none"> Social Risks/ Human Rights Water Risk Climate Change Biodiversity Financial performance (Moody's data) 	<ul style="list-style-type: none"> Captures info on Environment, Human Rights & Labour. HSE, Society, Agriculture CCH Buyer manually collects & risks screened via automated scoring scale based on replies
CONTRIBUTION TO CCH CORPORATE SUSTAINABILITY	<ul style="list-style-type: none"> Independent & Certifiable Supported by specialists 100% auditable trail Supplier supported for ESG improvements by specialists and targeted materials 	<ul style="list-style-type: none"> Dedicated Dashboard Automated CAP creation 100% Auditable trail Supplier supported for ESG improvements by specialists and targeted materials 	<ul style="list-style-type: none"> Contributes to ESG Screening of risk for Critical Supply Base Based on International Standards Guided by specialist consultants (Denkstatt) 	<ul style="list-style-type: none"> Internal Assessment that covers risks evaluation for CCH ESG requirements
NOTES	High Volume Group Critical System suppliers in Primary Packaging & Raw Materials	Critical CCH Suppliers on Group and BU Level across Categories	Human Rights, Water, Financials, Biodiversity Screening	Used for lower value, Tactical buy and as initial screening during tenders

2022-23 Highlights

Supplier Category Risk:

- 16876 Tier 1 (T1) Suppliers Screened
- 4707 T1 Significant Suppliers Screened which is 96.1% of Total Spend
- 70269 T2* significant suppliers Screened
- 2174 T1 Significant Suppliers Assessed
- 69495 T2* Significant Suppliers Assessed
- 71669 T1& T2* significant sup. Assessed (95.58% of total T1 & T2* suppliers)

*Tier 2 (T2) means non-Tier 1 for Coca-Cola HBC

EcoVadis (T1):
233 Suppliers added in 2022 reaching total 1417 Suppliers evaluated by end 2022. In May 2023, we reached 1503 (6% increase since Jan 2023) 100% EcoVadis Corrective Action Plans in place with Active T1 Suppliers

SGP TCCC Audits (SEDEX):
59 Audits - 2022
100% CAPs in place as needed after audit

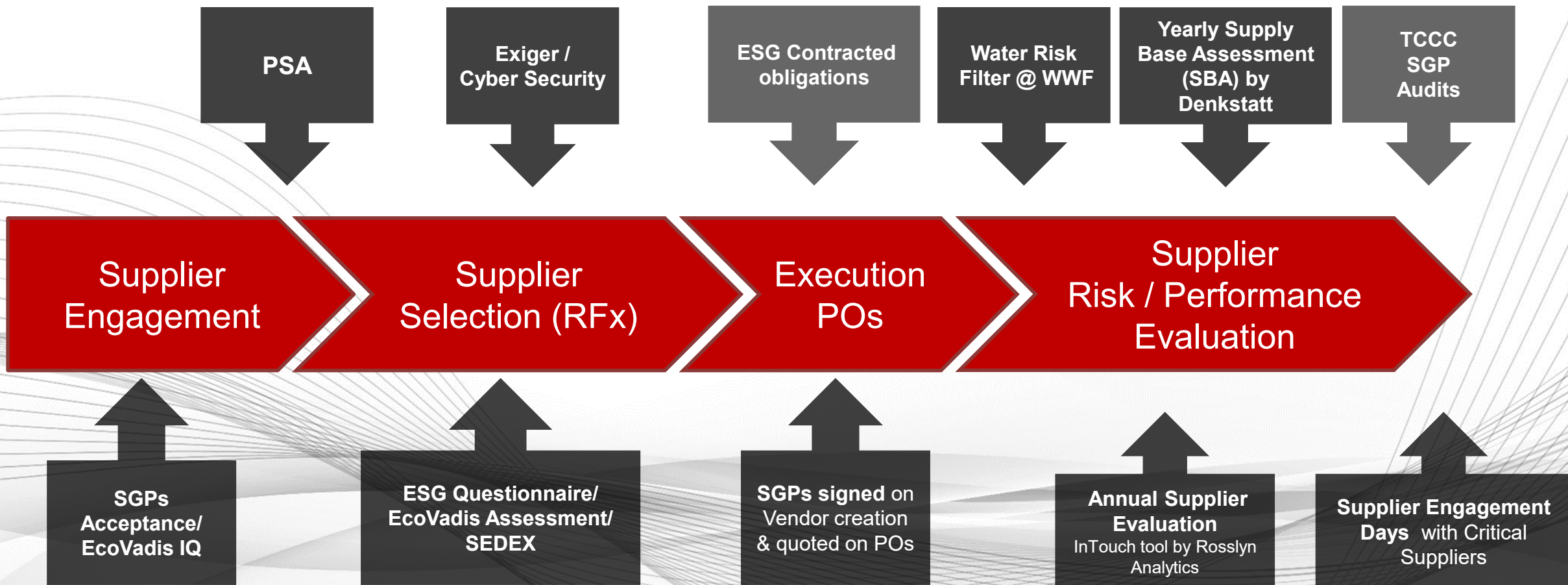
Sustainable Agriculture PSA coverage:
78% for 2022 (-2% vs PY) as weighted average of the following scores:

- 72% Sugar ,
- 100% HFCS (78% HFCS & Sugar together) and
- 95% Juice fruit crops

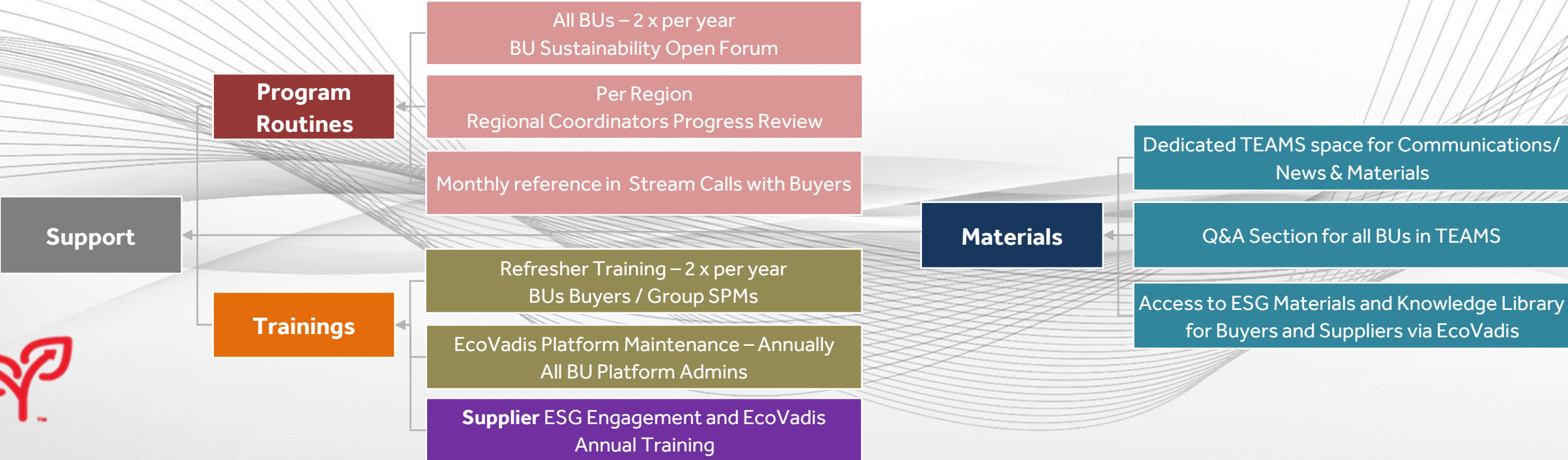
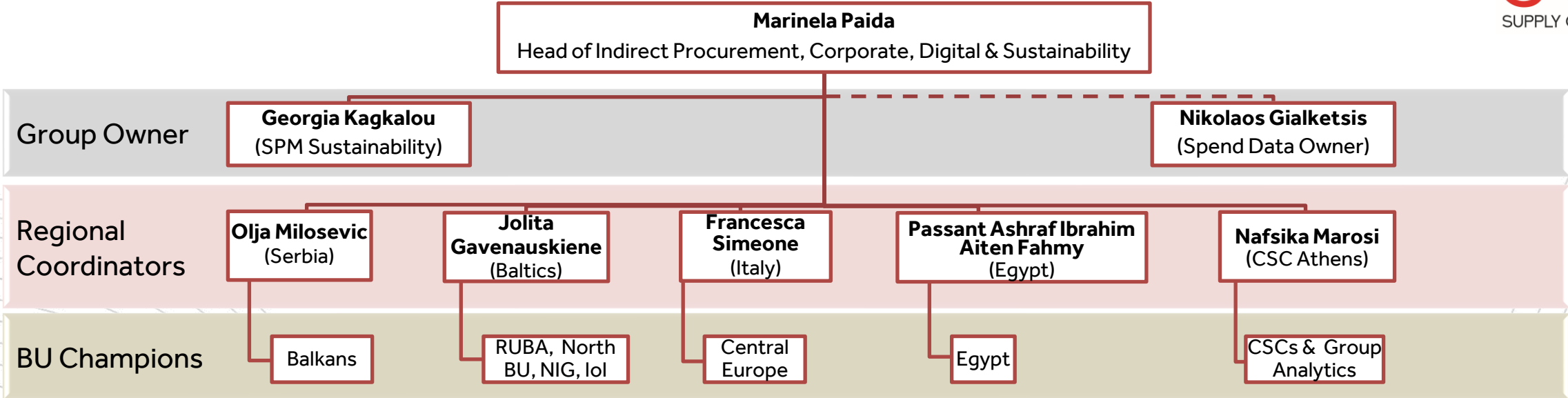
TCC Sourced Ingredients :

- 99% Coffee
- 100% Soya
- 74% Tea

Sustainability Monitoring E2E Procurement Process



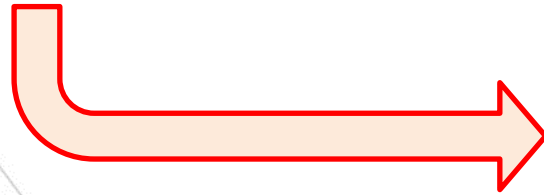
Group & BUs Support for Procurement Sustainability Program



Sustainability in Strategic Sourcing

Table 5.C. – Awarding Criteria weights and Ownership

Type of Criteria	Description	Weight	Decision
Technical	Specification and Quality elements	47.5 %	Requesting Function
Commercial	Price and Contract elements	47.5 %	Procurement
Sustainability	Based on the CSR Assurance Matrix (Appendix 13.8.3)	5 %	Requesting Function & Procurement



To achieve process risk assessment for T1 suppliers, Procurement seeks from vendors the appropriate documentation under the following ESG assessment tools

CSR Coverage (examples)	Scoring	Docs Required	Extra Modules strongly advised
PSA Leader Status	HIGH	Approved Certifications	As per PSA Supplier Guidelines per Commodity
TCC SGP Audits	HIGH	Audit report	N/A
SMETA 6.0	HIGH	SMETA 6.0 Report	N/A
URSA	HIGH	URSA Report	N/A
EcoVadis Assess. >45	MEDIUM	EcoVadis Certificate/ Medal	
SMETA 4 Pillar	MEDIUM	SMETA 4 Report	AIM – Progress Module
GSCP Equivalent	MEDIUM	Audit Report	AIM – Progress Module
BSCI or EICC	MEDIUM	Audit Report	AIM – Progress Module
EcoVadis Assess. 25-44	MEDIUM/ LOW	EcoVadis Certificate	CAR Required
ESG Form	LOW	ESG Form submission	
EcoVadis IQ	LOW	Platform Supplier Score	
EcoVadis Assess. <	LOW	EcoVadis Certificate	CAD Required

Coca-Cola HBC aspires critical suppliers to gain also certification to the following standards (requested in relevance to industry):

- ISO 9001 (quality);
- ISO 14001 (environment);
- ISO 45000 (health and safety);
- Ingredient and packaging suppliers must also achieve certification to FSSC 22000 for food safety or equivalent for FSSC 22000, recognized under GFSI framework



2022 Supplier Screening & Assessment Summary

No. of Screened & Assessed Suppliers per Risk Category & Screening/Assessment Type ³

Risk Category	Total Screened	EcoVadis	EcoVadis IQ	Rosslyn Evaluation	SBA	PSA	SGP Audits	SEDEX	WRF	ESG	Category Risk Mapping
Severe	83	72	70	81	60	0	56	2	77	2	83
High	710	355	501	581	267	33	108	13	351	18	710
Medium High	2,499	580	1,733	1,211	113	19	37	4	144	101	2,499
Medium Low	5,878	585	3,823	1,975	169	14	6	3	109	205	5,878
Low	6,101	467	3,912	1,499	195	0	1	0	19	114	6,101
Very Low	991	43	555	254	20	0	0	0	0	39	991
Other ¹	614	0	0	0	0	0	0	0	0	0	614
Grand Total	16,876	2,102	10,594	5,601	824	66	208	22	700	479	16,876

Information:
In CCHBC we recognize Parenting - While a supplier may have a different code in multiple BUs for systemic reasons, it is still the same supplier as the parent.



Risk Category	Supplier Criticality	Supplier Codes
Severe	Country Strategic	15
	Tactical Supplier	68
	Total	83
High	Country Strategic	265
	Group Critical	298
	Tactical Supplier	147
Total	710	
Medium High	Country Strategic	921
	Group Critical	149
	Tactical Supplier	1,429
Total	2,499	
Medium Low	Country Strategic	1,494
	Group Critical	209
	Tactical Supplier	4,178
Total	5,878	
Low	Country Strategic	936
	Group Critical	230
	Tactical Supplier	4,935
Total	6,101	
Very Low	Country Strategic	84
	Group Critical	24
	Tactical Supplier	869
Total	991	
Other ¹ N/A	Non-Procurement Addressable	614
	Total	614
Grand Total		16,876

No. of Screened & Assessed Suppliers per Risk Category & Screening/Assessment Type ³

Criticality	Total Screened	EcoVadis	EcoVadis IQ	Rosslyn Evaluation	SBA	PSA	SGP Audits	SEDEX	WRF	ESG	Category Risk Mapping
Country Strategic	3,715	1,123	2,898	3,179	0	2	36	4	138	286	3,715
Group Critical	978	700	741	957	824	64	172	18	538	20	978
Tactical	11,555	279	6,952	1,464	0	0	0	0	24	173	11,555
TCCC	14	0	3	1	0	0	0	0	0	0	14
Other ¹	614	0	0	0	0	0	0	0	0	0	614
Grand Total	16,876	2,102	10,594	5,601	824	66	208	22	700	479	16,876

% of Screened & Assessed Suppliers per Criticality & Screening/Assessment Type ³

Criticality	Total Screened	EcoVadis	EcoVadis IQ	Rosslyn Evaluation	SBA	PSA	SGP Audits	SEDEX	WRF	ESG	Category Risk Mapping
Country Strategic	22%	53%	27%	57%	0%	3%	17%	18%	20%	60%	22%
Group Critical	6%	33%	7%	17%	100%	97%	83%	82%	77%	4%	6%
Tactical	68%	13%	66%	26%	0%	0%	0%	0%	3%	36%	68%
TCCC	0.1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.1%
Other ¹	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%

Note 1: Screened but not reported by Procurement. Finished goods(FG) which are assessed by QSE & Commercial and other non-procurement addressable spend

Note 2: Category Risk Mapping: developed by EcoVadis to measure inherent risk of suppliers in accordance with supplier category, spend and criticality to CCH business

Note 3: Reported at Supplier Code level

Supplier Risk Screening & Assessment Key results at glance

Suppliers Screened in 2022

Supplier Segmentation in Tier 1	Suppliers with Spend in 2022		
	Total # of Suppliers Screened per Segment	% of Screened Sup. on Total Suppliers	% of Screened Spend on Total Spend
Group Critical Suppliers	978	5.8%	72.9%
Country Strategic Suppliers	3,715	22.0%	
TCCC	14	0.1%	23.2%
Total # of Significant Suppliers in Tier 1	4,707	27.9%	96.1%
Tactical Suppliers	11,555	68.5%	2.9%
Finished Goods	259	1.5%	0.8%
Other Non-Procurement Addressable Suppliers	355	2.1%	0.1%
Total # of Tier 1 Suppliers	16,876	100%	100%
Total # of Significant non-Tier 1 Suppliers	70,269	N/A	N/A

Suppliers Assessed in 2022

Supplier Segmentation in Tier 1	Suppliers with Spend in 2022			
	Total # of Sup. per Segment	# of Suppliers Assessed	% of Assessed Sup. on Total Sup.	% of Assessed Spend on Total Spend
Group Critical Suppliers	978	811	4.8%	45.6%
Country Strategic Suppliers	3,715	1,349	8.0%	
TCCC	14	14	0.1%	23.2%
Total # of Significant Suppliers in Tier 1	4,707	2,174	12.9%	68.9%
Tactical Suppliers	11,555	448	2.7%	0.5%
Finished Goods	259	N/A	N/A	N/A
Other Non-Procurement Addressable Suppliers	355	N/A	N/A	N/A
Total # of Tier 1 Suppliers	16,876	2,622	15.5%	69.3%
Total # of Significant non-Tier 1 Suppliers	70,269	69,495	98.9%	N/A

	Total Tier 1	Tier 1 Significant & Tactical (Abs. #)	Other* (Abs. #)
Suppliers	16,876	16,262	614
Spend	€ 6.63 bn	€ 6.57 bn	€ 0.06 bn
Procurement Addressable Spend:		€ 5.03 bn	

* Other represents FG & Sponsorships that are not included in procurement reporting as they have been wrongly registered in SAP under procurement codes

	Total Tier 1	Assessed* (Abs. #)	Assessed (%)	Non-Assessed (Abs. #)	Comments
Suppliers	16,876	2,622	15.5%	14,254	Assessed in this table includes total Tier 1 Significant & Tactical suppliers
Spend	€ 6.63 bn	€ 4.6 bn	69.3%	€ 2.0 bn	

Significant Suppliers Screened in 2022	
Supplier Type	No of Suppliers
Tier 1	4,707
Non-Tier 1	70,269
Total	74,976

Category Risk	Total T1 Screened Suppliers
Severe	83
High	710
Medium High	2,499
Medium Low	5,878
Low	6,101
Very Low	991
Other*	614
Grand Total	16,876

Significant Suppliers in 2022				
Supplier Type	Assessed	Assessed with substantial actual/potential ESG Risk	Corrective Action Plan in place**	Under Capacity Building Program**
Tier 1	2,174	256	229	1,845
Non-Tier 1	69,495	82	-	38,397
Total	71,669	338	229	40,242

** All of the suppliers with corrective action plan or participating in a capacity building program are directly or indirectly supported by Coca-Cola HBC or the Coca-Cola System



Notes: 1. Risk Screening & assessment consider Industry Sector, Country, Spend Levels and ESG Risks
2. TCCC and Finished Goods (FG) are not Procurement Addressable spend

High Risk Tier-1 Suppliers – Definition & 2022 Results

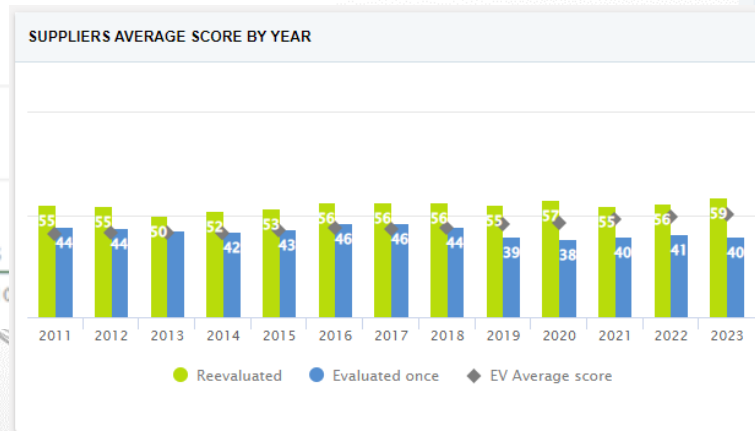
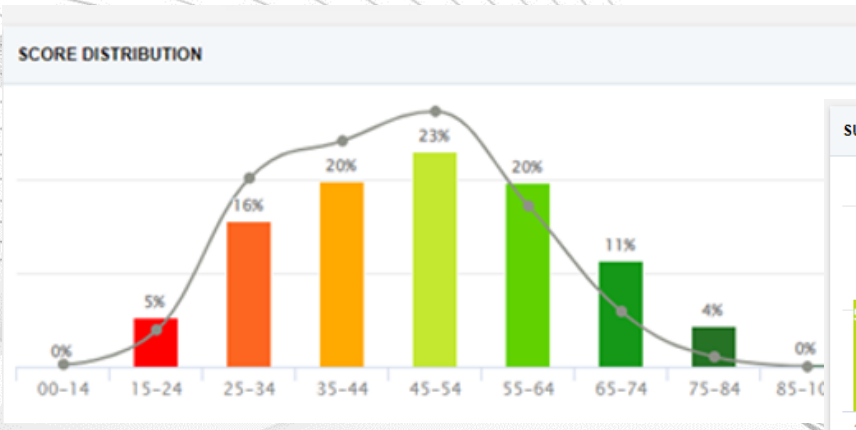
Tool	Definition of Substantial Risk	Number of Suppliers
ESG Self-Assessment Tool	Red Colour Rating	1
SGP Compliance Audits / SEDEX*	Red and Orange Colour Rating	14
SEDEX	>6 Non-Conformities (NC)	4
Water Risk Filter @ WRF	High & Very High Risks (>3.40)	91
EcoVadis	<24 under any theme	162
Total Tier 1 (T1) Significant Supplier codes identified with risk for actual/ potential substantial ESG Impact		256
Total T1 Significant Supplier codes identified with risk for actual/ potential substantial ESG Impact with agreed corrective action/improvement plan		229
% of T1 Significant Supplier codes with corrective action plans on total T1 suppliers' codes identified with risk for substantial ESG Impact with agreed corrective action/improvement plan		89%



Performance of Supply Base in EcoVadis

- YTD that we compile this report (May 2023) we have assessed 1503 suppliers under EcoVadis, and we have experienced **+3.8 pts** increase on average score, with all assessed subcategories scoring better vs previous Year and EcoVadis Averages
- Overall, we see for established suppliers that are under review and evaluation YoY sustainable improvement.
- Our **Correction Action Plans** are showing **100% improvement** across all 4 pillars. Especially under **Human Rights (LAB)** we see an **improvement in 2022 vs 2021 of +3.4 pts** and in Environment **+4.3 pts**
- New recruits exhibit lower scores at entry level, pushing the average a bit down. This we consider a normal outcome; we invest and work with our suppliers to educate them on our requirements before they can improve.

Scored Suppliers	Reevaluated	Overall AVG	ENV	LAB	FBP	SUP
1503	64 %	+3.8 pts	+4.3 pts	+3.4 pts	+4.1 pts	+2.6 pts !



EcoVadis in CCHBC and the TCCS

- CCH we promote the assessment of Supplier performance under specialist organizations such as EcoVadis, SEDEX/ SMETA etc.
- EcoVadis has become our key 3rd party Assessment body across The Coca-Cola System (TCCS). Back in mid 2019 together with TCCC, CCEP and CC-Amatil we decided to join forces and share visibility on the performance of our supply base, thus enabling us to make more conscious choices.
- By May 2023, The Coca-Cola System (TCCS) suppliers recruited by the participating members in EcoVadis are 2132 of which over half have been contributed by CCH.

Evolution of Supplier Recruitment & Evaluation under EcoVadis		Incremental vs YA	% Change
Supplier Count by end 2018	149		
Supplier Count by end 2019	520	371	+249%
Supplier Count by end 2020	848	328	+63 %
Supplier count by end 2021	1184	336	+40 %
Supplier count by end 2022	1417	233	+20 %

CCH as of September 2019 we have introduced across all our countries a guidance :

- For suppliers with spend over 100K EUR on annual basis, EcoVadis we recommend to be part of the tendering requirement and the RFx
- We have updated our Legal templates (Contracts and Tender documents) to include EcoVadis as a standard clause
- We can accept other 3rd party assessment methods on overall Sustainability performance, but we continue to strive to have our TCCS supply base under EcoVadis as we can easily follow up online with proper tracking and reporting and gradually reduce the need for manual processing on assessment and action plans



Our EcoVadis Assessment 2025 Aspiration: Recruit all our T1 Critical Suppliers in EcoVadis Platform
YTD Progress at end 2022: 31%

SBA 2022 Summary of ESG Risk Analysis

	Parent Suppliers	Total Supplier Codes
Total unique #Suppliers Screened /Assessed on Sustainability Risks:	296	824
Unique #Suppliers Identified as Very High Risk:	31	76
% Very High-Risk suppliers with Risk Reduction measures implemented	42%	42%

Note: Numbers exclude duplicates: if one supplier is identified as Very High Risk in more than one Risk Category, then this supplier is counted only once in the total reported

Risk Screening Summary T1 Suppliers	Low Risk		Medium Risk		High Risk		Very High Risk	
	Parent Supplier	Supplier Codes	Parent Supplier	Supplier Codes	Parent Supplier	Supplier Codes	Parent Supplier	Supplier Codes
Water	138	469	110	280	41	67	7	8
Climate Change	185	585	66	142	38	84	7	13
Forced Labour	220	627	49	137	24	57	3	3
Child Labour	216	618	44	125	34	79	2	2
Disregard of Labour Rights	193	590	58	154	35	47	10	33
Biodiversity	105	250	117	338	65	208	9	28

Note: Numbers exclude duplicates, but one supplier may have different risk scores in the different risk categories.

	Total Identified/ Screened	Total Assessed	Assessed with High Risk	Under Capacity Building Program
No of Significant Non-Tier 1 Suppliers	72,269	69,495	82	38,397

Note: Significant non-Tier 1 (T2) Assessments are performed by Tier 1 Suppliers and reported back to Coca-Cola HBC

Water Risk Results based on WFF assessment methodology



In 2022 we assessed all Direct Group Critical suppliers as well as Secondary Packaging, Aseptic Fiber Packaging, CDE, PE & MRO and Sales & Marketing Indirect critical supply base: The combination of the Basin and Operation risk (equally weighted) provides a comprehensive overall water Risk assessment.

Water Basin Risk: is updated on annual basis utilizing WFF platform

Operational Water Risk: Suppliers receive a template and a questionnaire for CCH to collect the respective information and uploaded in the WRF on-line Tool per supplier site every 3 years .

Assessment Summary of Overall Water Risk 2022: Of 327 Group Critical Parent suppliers assessed (vs 324 in 2021) at 579 sites, we have identified only 91 supplier codes representing 53 suppliers on parent level for 76 production sites (representing 15.6% of total production site assessed) with overall high-water risks with whom we engage to address specific actions.

2022 Summary of Analysis as per WRF as per GRI requirements	Full Description	Figures
Total water withdrawal in megaliters (ML): (clause 2.2.2)	Total water withdrawal in megaliters by suppliers with significant water-related impacts in areas with water stress	15,037
Total water consumption in megaliters (ML): (clause 2.5.2)	Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge	8,263
% of supplier that have set minimum standards for the quality of their effluent discharge (clause 2.4.3)	Total water consumption in megaliters by suppliers with significant water-related impacts in areas with water stress	49%

Notes:

- High Risks supplier consider the ones with average total score from all locations > 3.4
- Figures under GRI requirements include values only for the supplies' locations with total score > 3.4. If a supplier has additional locations with no risk these locations are excluded from the report
- Figures includes also Egypt BU for the first time after acquisition of this new BU under the Coca-Cola HBC Group.



ESG Screening & Assessment Methodology Details



Ongoing Sustainability Monitoring - Process Description (1/3)

We screen & assess our supply base through:

CSR/ ESG Compliance Audits - we monitor the process and compliance via third party SGP audits organized by The Coca Cola Company (TCCC), EcoVadis CSR Platform and a new tool introduced in 2018 – Category Risk Mapping provided by EcoVadis and fully refreshed in 2020.

TCCC ensure that all ingredient, primary packaging and global marketing suppliers are audited for compliance with our Supplier Guiding Principles (SGP) on a regular basis as per the audit results and agreed methodology (attached as separate document). Audits are conducted via independent 3rd party auditors.

EcoVadis CSR Platform: Starting 2017 we have introduced EcoVadis - a collaborative platform that provides sustainability ratings, performance monitoring and continues improvement tools for our supply chains. The platform delivers simple and reliable scorecards to monitor supplier Corporate Social Responsibility (CSR) practices covering 150 purchasing categories, 110 countries, and 21 CSR indicators in 4 Themes: Environmental, Labor and Human Rights, Ethics and Supply Chain based on international standards as UN Global Compact, ISO 26000, GRI, ILO etc.

EcoVadis IQ Platform: EcoVadis IQ gives procurement and sustainability teams immediate sustainability risk insights across their entire supply base and smart recommendations on next steps, providing a foundation for proactive sustainability risk management and an engine for a smarter assessment strategy.

EcoVadis Inputs

- ✓ Inherent Industry & Country Risk
- ✓ Deep Sustainability Expertise
- ✓ Insights from 150,000+ Assessments



Your Customer Data

- ✓ Supplier Information
- ✓ Supplier Spend
- ✓ Supplier Criticality



Ongoing Sustainability Monitoring - Process Description (2/3)

Category Risk Mapping: In 2018 we introduced Category Risk Mapping provided by EcoVadis. Based on this an additional assessment layer has been added in 2019 that complements previous practices and we asked EcoVadis to refresh the entire supply base Categorization in 2020.

In 2022 we mapped supplier risk according to their Category Risk as developed by EcoVadis on behalf of CCHBC (based on Industry Sector and Country Risks) and Procurement Risk criteria developed internally. Each supplier is then mapped against each respective category and classified under an overall Risk level. As a next step we have recorded for each supplier all available info on sustainability practices, covering the screening of 16262 T1 Suppliers in total (96.4% of total CCH active vendor codes in CCH for 2022).

As a result, we are clear which suppliers we do not have adequate information for. The next step, and based on criticality and risk level, we proceed to create additional asks and action plans to cover for gaps gradually prioritizing suppliers on criticality and significance

Supply Base Assessment (SBA) for our Group Critical Suppliers: Assessment is performed on a yearly basis by our Strategic Procurement Managers (SPMs) and the support and insight of the Denkstatt specialist consultants that are supporting the methodology develop and assessment validation.

The SBA covers areas as Supply Positioning and Risk Assessment in areas of Water stress, Climate Change, Forced Labour, Child Labour, Disregard of Labour Rights, Biodiversity & Financial Risks.



Ongoing Sustainability Monitoring - Process Description (3/3)



Annual Suppliers' Performance Screening with InTouch Rosslyn Tool: The tool is used to assess overall performance of our Critical Suppliers (Group Critical and Country Strategic). Screening is done on a yearly basis

- Sustainability plays an important role for CCH, thus in **2021 Annual Supplier Evaluation we increased overall weight of Sustainability section** in all different evaluation questionnaires from **15% to 20%**
- We also **upgraded the entire Sustainability Questionnaire to reflect focus on Risk Assessment and Human Rights**
- To underline the importance of **Carbon footprint reduction in our Supply Chain, an additional question on Net Zero engagement topic** was added with specific emphasis on **SBTi commitments and CDP disclosure**

PREVIOUS

NEW 2021 VERSION

Weight	Sub-Score	Question	Answers / Points
	20%	CCH Supplier Guiding Principles /SGPs/	<p>100 - Supplier has unconditionally accepted CCH SGPs; Supplier has agreed and CCH SGPs are an integral part of signed contract with Supplier; Supplier is member of SEDEX/Eco Vadis; Supplier has not violated any of CCH SGPs.</p> <p>50 - Supplier has unconditionally accepted CCH SGPs; Supplier has agreed and CCH SGPs are an integral part of signed contract with Supplier; Supplier is NOT a member of SEDEX/Eco Vadis; If any CCH SGPs were violated by Supplier, Supplier has immediately & unconditionally implemented corrective actions.</p> <p>1 - Supplier rejected compliance with CCH SGPs and NOT an integral part of a signed contract with Supplier; Supplier is NOT a member of SEDEX/Eco Vadis.</p> <p>0 - Not applicable</p>
15%	40%	CSR & Sustainability programs in place	<p>100 - Advanced program in place including active energy reduction programme & primary and secondary packaging materials reduction programs / ready to share Sustainability policies and targets with Hellenic.</p> <p>50 - There is a program in place but no real focus on energy reduction programme, carbon footprint & primary and secondary packaging materials reduction programs</p> <p>1 - No program in place</p> <p>0 - Not applicable</p>
	40%	- Supplier Environmental assessment, assessment for Labour practices, Human rights and Impact on society	<p>100 - /Operate in full / strict compliance with all applicable laws / + ingredients supplier put in place actions upstream with their supply base (farming, agricultural, labour practices)</p> <p>50 - Corrective action and Follow-up may be required in case of minor non-compliance</p> <p>1 - Corrective Action and Follow-Up Required</p> <p>0 - Not applicable</p>

Weight	Sub-Score	Question	Answers / Points
	55%	EcoVadis / PSA compliance/ ESG Assessment / iQ Category Risk Assessment	<p>100 – Supplier has been assessed by EcoVadis and scores > 45/ OR Supplier has a SMETA 6.0 and Green status / OR Supplier is PSA compliant / OR Supplier has gone through a TCCC SGP audit and has passed with no findings (Green Status) / AND Where applicable supplier has a GREEN score for Water risks</p> <p>70 - Supplier has been assessed by EcoVadis and scores < 45/ OR Supplier has a SMETA 6.0 but with some findings and action plans/ Supplier actively working towards PSA compliance and has a date by which this will be obtained in place / OR Supplier has gone through a TCCC SGP audit and has passed with minor findings (Yellow Status)/ AND Where applicable supplier has a YELLOW score for Water risks</p> <p>50 - Supplier has been assessed by ESG Form only and passed (Green Status) or has some finding (Yellow status) and an action plan in place /OR Supplier has gone through a TCCC SGP audit and has passed with some findings (Orange or Red Status), has an action plan in place and is planned to be re-audited in max 12 months time/ AND Where applicable supplier has a ORANGE or RED score for Water risks/ OR Supplier has spend <100K AND we have conducted iQ EcoVadis Category Risk Assessment with scoring Green or Yellow</p> <p>1 - No assessment available OR Supplier has been assessed by ESG Form only and is scoring ORANGE or RED OR Supplier has spend <100K AND iQ EcoVadis Category Risk Assessment available with RED score</p>
	20%	Carbon footprint reduction program in place (Net Zero Emissions Target)	<p>100 – Supplier has official SBTi targets approved and pledged towards 1.5oC</p> <p>70 - Supplier has pledged SBTi targets and working towards approval or participates under the TCCS CEPG Supplier Emissions pilot program</p> <p>50 – Supplier is disclosing environmental information in the CDP</p> <p>30 – Supplier has introduced 100% renewable energy in their operations and/ or have specific emission reduction action plans in place that they have shared with CCH or are published in their Integrated Annual Report</p> <p>1 - Supplier has nothing in place for emissions</p>
	30%	Supplier Human Rights Program	<p>100 – Supplier has been through TCCC SGP Audit and passed (Green status)/ OR Supplier scores > 45 in EcoVadis under Human Rights section/ OR Supplier discloses Human Rights practices in the GRI / OR Supplier has successfully passed SMETA 6.0 Audit or equivalent on Human Rights</p> <p>50 – Supplier has been assessed with any of the ways described above, may had some minor findings but have in place action plans with specific dates committed for completion OR Suppliers has spend <100K and we have an iQ EcoVadis Category Risk Assessment score that is Green</p> <p>30 – Supplier has been assessed via ESG Form only and passed (Green or Yellow status) all Human Rights questions, OR Suppliers has spend <100K and we have an iQ EcoVadis Category Risk Assessment score that is Yellow</p> <p>1 - No Human Rights Programs in place OR has been assessed via ESG Form only and scored Orange or Red on all Human Rights questions OR Suppliers has spend <100K and we have an iQ EcoVadis Category Risk Assessment score that is RED</p>

Demonstration of Compliance to SGP

Demonstration of Compliance Supplier must be able to demonstrate, at the request and to the satisfaction of Coca-Cola Hellenic, compliance with the **Supplier Guiding Principles (SGPs)** requirements.

If the eight Core Convention of the International Labour Organisation establish higher standard than local law, the **Supplier shall meet the ILO standards.**

These minimum requirements are part of all agreements between Coca-Cola Hellenic and its direct suppliers. We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with these Supplier Guiding Principles.

We collaborate with The Coca-Cola Company, which routinely utilize independent third parties to assess suppliers' compliance with the Supplier Guiding Principles; the assessments include confidential interviews with employees and on-site contract workers.

If a supplier fails to uphold any aspect of the requirements of the Supplier Guiding Principles, the supplier is expected to implement corrective actions. Coca-Cola Hellenic reserves the right to terminate an agreement with any supplier that cannot demonstrate that they are upholding the requirements of these Supplier Guiding Principles.



Category Risk Screening on EcoVadis Methodology / EcoVadis IQ



OBJECTIVES

Gain **visibility** into supplier portfolio risks and opportunities

Determine the **CSR Risks** combined with **Procurement risks** for each supplier under 217 purchasing Categories

Identify **Risk Level for each supplier**

Create a robust basis to **improve** the design of sustainable purchasing program



SCOPE & METHODOLOGY

- Analysis scope: Coca-Cola Hellenic Bottling Company
- Category Risk Mapping including CSR risk of Industry Sector, Spend score, Criticality, and Logo usage
- Spend score calculated based on (2022 app. €5 billion spend (Direct & Indirect) per each category level and €6.6 billion spend including TCCC, Finished goods & Other non-Procurement addressable spend
- Risk Analysis concerns 217 purchasing categories and a total of 16876 suppliers



PROJECT TIMELINE & RESULTS

- Project Delivery date: 30 April 2023



Category Risk Mapping by EcoVadis Industry Sector Materiality Analysis

Category risk profiles available for more than 190 sectors

Relevant criteria are activated (Medium importance, high importance) based on severity & probability analysis of CSR issues in the specific activity.

Criteria activated are analyzed within 4 Themes (ENV, LAB, FBP, SUP)

Criteria activated are summarized to global sum of activated criteria

Other transportation support activities

Key CSR Issues

Environment

Importance	CSR Issue
Medium	Energy Consumption & GHG

Definition

Energy consumption (e.g. electricity, fuel, renewable energies) used during operations and transport. Greenhouse gases direct and indirect emissions including CO2, CH4, N2O, HFC, PFC and SF6. Also includes production of renewable energy by the company.

Industry issues

At a global level, the movement of freight accounts for all the energy consumed by transport (IPCC, 2007). V trade related emissions come from international trade emissions from other transportation and support activities contribute a significant amount towards this global total. Indirect GHG emissions from this sector are very significant. Transportation service activities can be seen as being logistics pyramid, therefore having great influence on and efficiencies along the chain of transportation activities. Impact on energy consumption companies working make is through the consolidation or freight which a space to be utilized in each shipment(2). The monitoring emissions ensures transparency and sets the foundation for management(3). Specifically, companies can reduce using less intensive options such as rail and shipping internal energy consumption by choosing alternative technologies for company buildings and warehouses.

Importance	CSR Issue
Medium	Energy Consumption & GHG
Non-activated	Water
Non-activated	Biodiversity
Non-activated	Local Pollution
Medium	Materials, Chemicals & Waste
Non-activated	Product Use
Non-activated	Product End-of-Life
Non-activated	Customers Health & Safety
Medium	Sustainable Consumption

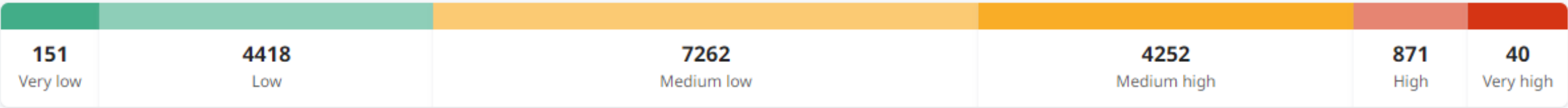
Importance	CSR Issue
High	Employee Health & Safety
Medium	Working Conditions
Medium	Social Dialog
Medium	Career Management & Training
Non-activated	Child & Forced Labor
Medium	Discrimination & Harassment
Risk countries only	External Human Rights Issues

Importance	CSR Issue
Medium	Corruption & Bribery
Medium	Anti-competitive Practices
Medium	Responsible Information Management
Medium	Suppliers & Environment
Medium	Suppliers & Social



L3 Sub-categories Distribution by Theme CSR Risk Level in EcoVadis IQ (reference May 2022)

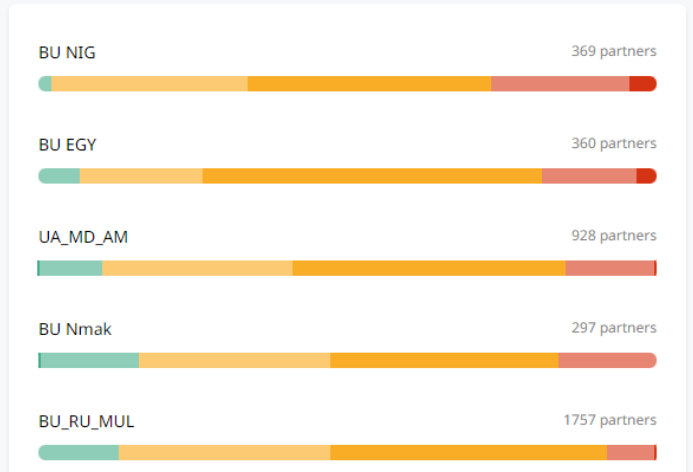
Overall risk distribution - by level



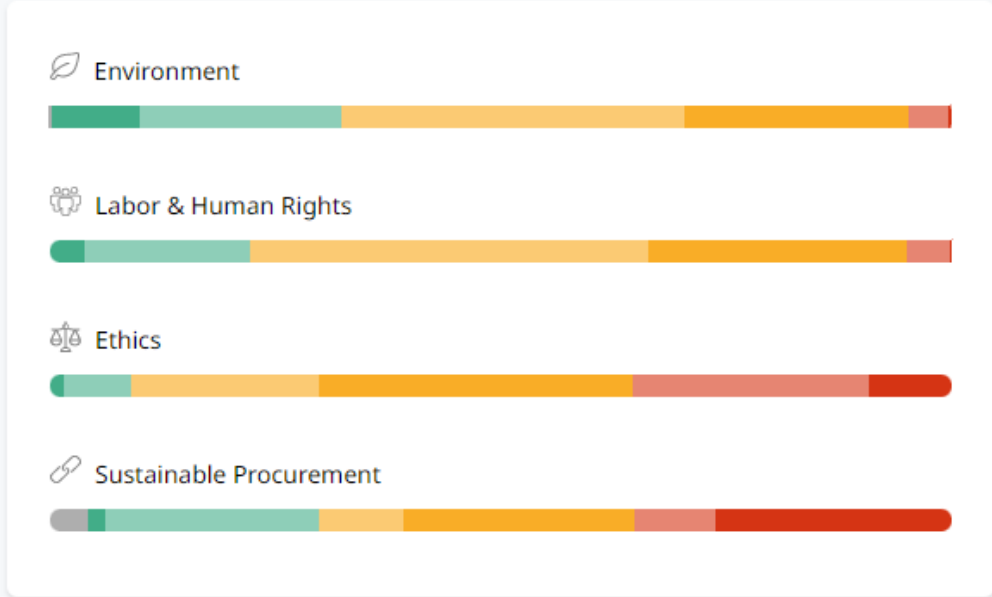
Overview



Tags with the highest overall risk



Company risk distribution per theme





* Includes Indigenous People and Local Communities Risk Assessment



EcoVadis Scoring Scale and CCHBC Sustainable Sourcing Targets

Innovation

Risk

CSR PERFORMANCE

LIKELY OUTCOME

85 - 100

65 - 84

45 - 64

25 - 44

0 - 24

OUTSTANDING

ADVANCED

CONFIRMED

PARTIAL

NONE

- Structured and proactive CSR approach
 - Policies and tangible actions on all topics
 - Comprehensive CSR Reporting on actions & KPIs
 - Innovative practices and external recognition
- Structured and proactive CSR approach
 - Policies and tangible actions on major topics with
 - Significant CSR Reporting on actions & KPIs
- Structured and proactive CSR approach
 - Policies and tangible actions on major topics
 - Basic reporting on actions or KPIs
- No structured CSR approach
 - Few tangible actions on selected topics
 - Partial certification or possible products with eco-labels
- No engagements or tangible actions regarding CSR
 - Evidence in certain cases of misconduct (e.g. pollution, corruption)

High Opportunity

Medium Opportunity

Engaged

Medium Risk

High Risk

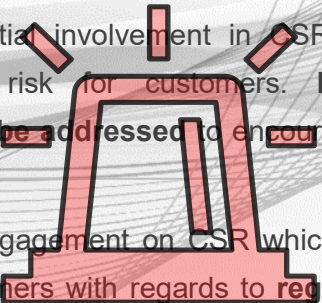
Company has best-in-class CSR practices which present **major opportunities for their customers** in regards to product/service **innovation, market differentiation, creating shared value**, etc.

Company has an advanced CSR management system which could yield **positive business outcomes** in terms of **cost reduction, productivity improvements, efficiency gains**, etc.

Company is engaged in their CSR topics, therefore risks are limited. Company **embraces continuous performance improvements** on CSR and should be considered for a **long-term business relationship**.

Company has partial involvement in CSR topics which could present medium risk for customers. **Improvement areas identified should be addressed** to encourage evolution of CSR performance.

Company lacks engagement on CSR which could present high risk for their customers with regards to **regulatory compliance, impact on reputation, supply disruption**, etc.





Coca-Cola
Hellenic Bottling Company

EcoVadis Sample Corrective Action Plan



BACK

BU RU_MUL

20/100
10th percentile

Risk country operations | Low theme score(s)

Show company details

Scorecard Audits Corrective Action Plan Live News Documents Activity History CSR Initiatives

Publication date: 23 Dec 2019 Valid until: 23 Dec 2020 Download scorecard

Sustainability performance: Insufficient Partial Moderate Advanced Outstanding

OVERALL SCORE: 20/100 (10th percentile)

ENVIRONMENT: 20/100

LABOR & HUMAN RIGHTS: 20/100

ETHICS: 20/100

SUSTAINABLE PROCUREMENT: 20/100

Search in Network

BACK

BU RU_MUL

20/100
10th percentile

Risk country operations | Low theme score(s)

Show company details

Scorecard Audits Corrective Action Plan Live News Documents Activity History CSR Initiatives

Based on Scorecard Based on Audits Export

Corrective actions (1)

Status Theme Priority Hide corrective actions from previous assessments More filters

Priority	Theme	Indicator	Corrective actions	Requested by my company	Due/Solved	Status
High	All	None	Mandatory Corrective Action	Yes	2 Nov 2020	Requested

ecovadis Search in Network

Priority Theme Indicator Corrective actions Requested by my company Due/Solved Status

High	All	None	Mandatory Corrective Action	Yes	2 Nov 2020	Requested
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Improvement Areas (26)

The improvement areas below were identified by EcoVadis during the last assessment. They are pre-organized by importance to facilitate improvement.

Priority	Theme	Indicator	Improvement Areas
High	Environment	Policies	Inconclusive documentation on environmental policies
High	Environment	Results	No information on reporting on environmental issues
High	Human Rights	Policies	Inconclusive documentation on labor & human rights policies
High	Human Rights	Results	No information on reporting on labor & human rights issues
High	Ethics & Compliance	Actions	No measures in place regarding corruption
High	Ethics & Compliance	Policies	Inconclusive documentation on ethics policies
High	Ethics & Compliance	Actions	No measures regarding information security
High	Ethics & Compliance	Results	No information on reporting on ethics issues
High	Sustainable supply	Policies	Inconclusive documentation on sustainable procurement policies
High	Sustainable supply	Results	No information on reporting on sustainable procurement issues

KEY:

Environment



Human Rights

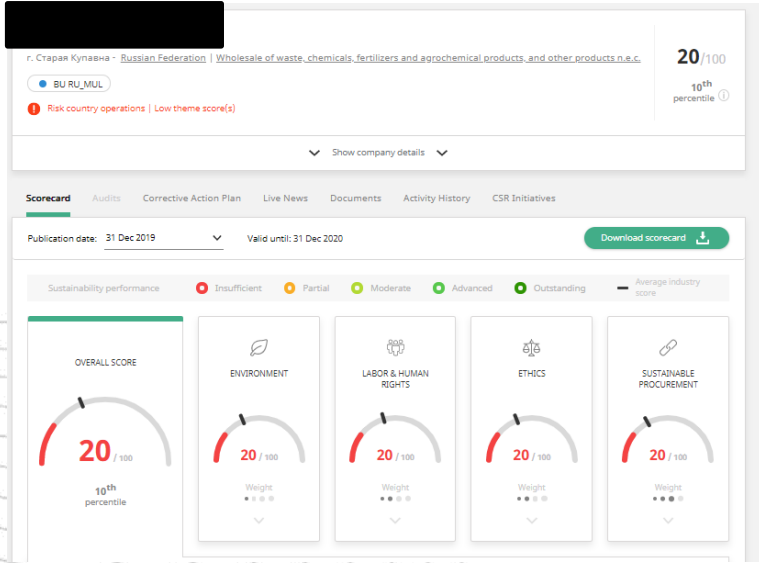


Ethics & Compliance



Sustainable supply





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The Coca-Cola System

Vadis Vantage

Corrective actions (1)

Status	Theme	Priority	Hide corrective actions from previous assessments	More filters		
Priority	Theme	Indicator	Corrective actions	Requested by my company	Due/Solved	Status
High	All	None	Mandatory Corrective Action	Yes	2 Nov 2020	Requested

Improvement Areas (16)

The improvement areas below were identified by EcoVadis during the last assessment. They are pre-organized by importance to facilitate improvement.

Priority	Theme	Indicator	Improvement Areas
High	Environment	Actions	No information on measures regarding energy consumption & GHGs
High	Labor & Human Rights	Actions	No information on measures regarding working conditions (working hours,...
High	Labor & Human Rights	Actions	No information on measures regarding employee health & safety
High	Labor & Human Rights	Actions	No information on measures regarding career management & training
High	Labor & Human Rights	Actions	No information on measures regarding diversity, discrimination, and haras...
High	Ethics	Actions	No measures in place regarding corruption
High	Ethics	Actions	No measures regarding information security
High	Sustainable Procurement	Actions	No information on measures regarding sustainable procurement

KEY:

Environment



Human Rights



Ethics & Compliance



Sustainable supply



CCH ESG Pre-Assessment (Screening) Tool

ESG Objectives: Ensure Environmentally Sustainable Sourcing & Minimise Social Risks

When

- During RFX Process if Suppliers are not yet in EcoVadis or equivalent assessment not supplied by Vendor

Scope / Coverage

- CPG & Country Strategic RFPs

Weight

- 5% CSR + 47.5% Technical + 47.5 % Commercial

Validation Areas

- Environment / Human & Labor Rights / H&S Work Conditions / Society / Quality / Agriculture

ESG Final Validation

Green	Fully compliant - no further action required
Orange	Corrective Action required - send supporting evidence within 60 days
Red	Corrective Action required and evaluation of impact of non - conformance

Environmental, Social and Governance (ESG) refers to the three central factors in measuring the sustainability and ethical impact of a company or business.



ESG Pre-Assessment Document

	Threshold for scoring	Green	Orange	Red
Environment	16	<=16	17-32	>=33
Human and Labour Rights	18	<=18	19-36	>=37
H&S Work Conditions	30	<=30	31-60	>=61
Society	7	<=7	8-14	>=15
Quality	14	<=14	15-28	>=29
Agriculture	17	<=17	18-34	>=35
TTL Score - All applicable	305	<=102	103-204	>=205
TTL Score - W/O Quality and Agricul	214	<=71	72-142	>=143
TTL Score - W/O Agriculture	255	<=85	86-170	>=171

Scoring fixed, we have 3 scenarios:

1. All sections applicable, max score 305
2. All sections except Agriculture applicable, max score 255
3. Quality and Agriculture sections not applicable, max score 214

Whether Quality and Agriculture are included in scoring is determined on first answer in respective sheets for that sections, if it is answered N/A that sections wont be counted in score.

NOTES:

1. Option of having some questions applicable and some not in sections Quality and Agriculture is not considered - either all questions are applicable or all questions are not applicable.
2. Scoring: Low is good.
3. Findings can be Critical (scored with 5 points) and Minor (scored with 2 points)

Green	Fully Compliant – no action needed
Orange	Further investigation required – Supplier to be assessed by 3 rd party i.e. EcoVadis or equivalent if awarded or create corrective action plan internally
Red	Proposed not to be used unless imperative due to local conditions – Supplier to be assessed by 3 rd party i.e. EcoVadis or equivalent if awarded or create corrective action plan internally



Supply Base Assessment (SBA)

Methodology Approach
Incorporation of risk reduction measures to
calculate residual risk

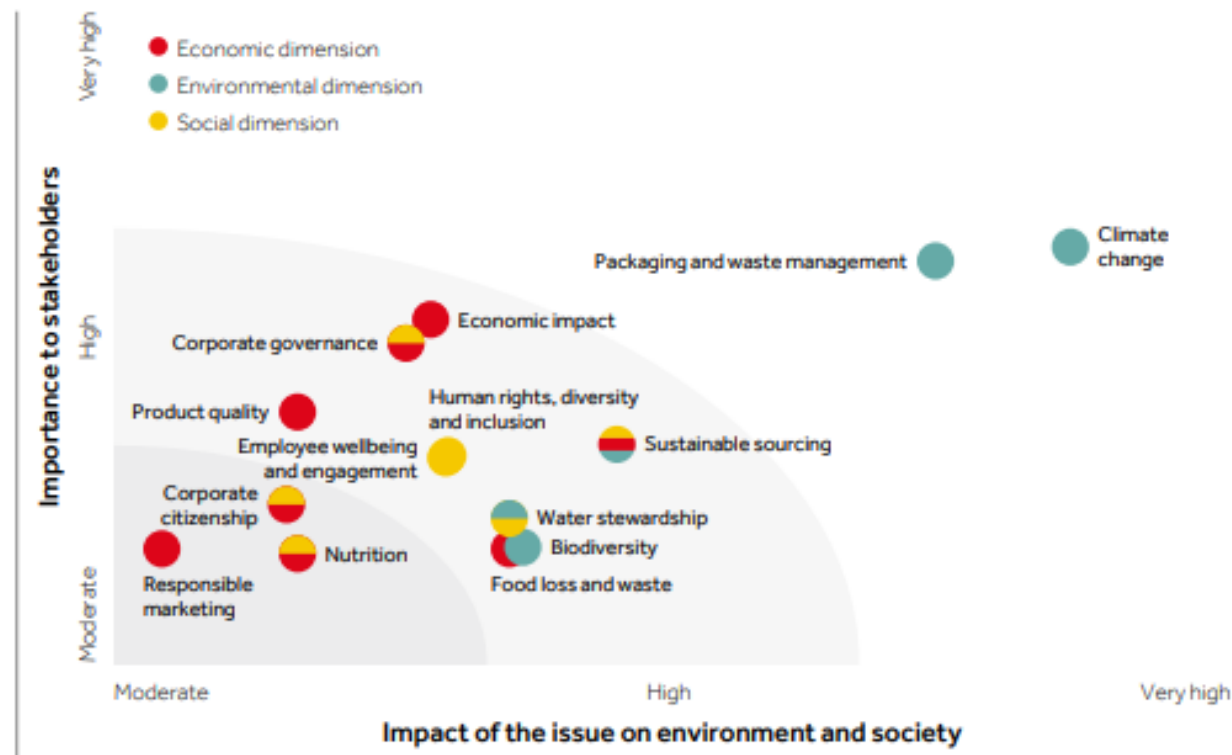
Coca – Cola HBC Materiality Matrix 2022

2021 we have upgraded the SBA Assessment Methodology with the input of specialist consultants from **denkstatt** and **sustainable**

The risk categories under assessment have been fully updated and the starting point has been the CCHBC Materiality Matrix. The materiality matrix is updated annually.

For further info pls refer to the **Coca-Cola HBC Integrated Annual Report** p.59

2022 Materiality matrix



SBA Sustainability ESG Risk Categories: YoY evolution

2020 ESG Risk Categories	2021 ESG Risk Categories	2022 ESG Risk Categories	New Risk Categories Description
Water Risks	1. Water	1. Water	- Consumption and pollution of water along the upward value chain through fabrication processes or from the purchased product composition - Participation to water stress and/or water scarcity through a substantial consumption of water in the value chain and/or direct or indirect contamination
Energy Use Risks	2. Climate Change	2. Climate Change	Impact on Climate Change through the direct or indirect emission of Greenhouse Gas along the upward value chain.
Social Risks	3.1 Forced Labour	3.1 Forced Labour	Work or service in the supply chain that would be required of a person under threat of punishment and for which he or she has not made himself or herself available as voluntarily.
	3.2 Child Labour	3.2 Child Labour	Presence in the supply chain of exploitation of children interfering with compulsory school attendance and/or through a mentally, physically, socially and/or morally harmful work.
	3.3 Disregard of Labour rights	3.3 Disregard of Labour rights	Lack of consideration of people's rights in the relation with their employers in the supply chain through freedom of association, unequal treatment and/or fair wage .
		4. Biodiversity	Degradation of valued ecosystems and species through the economic activities led in the upward value chain.



SBA Methodology – Residual risk

Inherent Risk (based on methodology)
1 – Low Risk
2 – Medium Risk
3 – High Risk
4 – Very High Risk



For all identified “**High Risks**” and “**Very High Risks**”, a **prevention measure** is expected, showing that sustainability risks are being managed.



An implemented prevention measure **adjusts the inherent risks** based on guiding rules.

Residual Risk
1 – Low Risk
2 – Medium Risk
3 – High Risk
4 – Very High Risk

SBA Methodology – Residual Risk & contribution of certifications and audits

Risk Categories	SGP Audit	EcoVadis	PSA (only Juices and Sweeteners purchasing categories)	SEDEX	SPM Comments; Annual Supplier Evaluation; ESG Form*
1. Water	No change to risk assessment				Strategic procurement managers (SPM) comments do not change the risk score, but are mentioned as additional information in the purchasing category summary
2. Climate Change	X	X	X	X	
3.1. Forced Labour	X	X	X	X	
3.2. Child Labour	X	X	X	X	
3.3. Disregard of Labour rights	X	X	X	X	
4. Biodiversity			X		

*Annual Supplier Audit and ESG Form will not be used in Methodology

SBA Methodology – Residual risk

For all identified “**High Risks**” and “**Very High Risks**”, a **prevention measure** is expected, showing that sustainability risks are being managed. Each result is associated to an equivalent of risk points, then an average is taken according to the total of available measures. If there is none of the selected prevention measures available, the inherent risk score is used in the SBA.

Risk Categories	Adjustment of the inherent risk	Weighting points	Comments
SGP Audit	<ul style="list-style-type: none"> Green → “1 – Low Risk” Yellow → “2 – Medium Risk” Orange → “3 – High Risk” Red → “4 – Very High Risk” No Audit → No change 	2 Points	<p><i>The following rules are considered:</i></p> <ul style="list-style-type: none"> - A measure performed at supplier will apply to all entities regardless of the entity in scope of the assessment - The measure performed in the most recent year is considered regardless of the score - The worst score is considered if two similar measures are performed the same year - Feedbacks from SPM are integrated as comments but don't have any influence on the suppliers' risk scores
PSA (only for Juices and Sweeteners)	<ul style="list-style-type: none"> PSA Audit YES → “1 – Low Risk” PSA Audit PARTIAL → “2 – Medium Risk” No PSA Audit → No change 	2 Points	
SEDEX	<ul style="list-style-type: none"> 0 Non-Conformity (NC) → “1 – Low Risk” <=3 NC → “2 – Medium Risk” <=6 NC → “3 – High Risk” >6 Critical NC → “4 – Very High Risk” 	2 Points	
EcoVadis	<ul style="list-style-type: none"> Score >=45 → “1 – Low Risk” <45 Score → “3 – High Risk” <24 → “4 – Very High Risk” No score → No change 	1 Point	

The division is done by the total weighting points of the available measures

EXAMPLE	SGP	SEDEX	PSA	EcoVadis	CALCULATION	RESIDUAL RISK
Supplier A	1 – Low	3 – High Risk	1 – Low		$= \text{ROUND}((1*2 + 3*2 + 1*2) / 6) = 2$ <small>SGP + SEDEX + PSA</small>	2 – Medium Risk
Supplier B	1 – Low			4 – Very High	$= \text{ROUND}((1*2 + 4*1) / 3) = 3$ <small>SGP + EcoVadis</small>	3 – High Risk

★ New for 2022

Overview on the inherent risk indicators

Risk Categories	Risk Factor #1	Risk Factor #2
1. Water Risk	Country Risk: Water Risk Filter , WWF, 2021	Commodity Risk: Water footprint of the purchasing category
2. Climate Change	Country Risk: EPI Climate Change Index , ★ Yale University, 2022	Commodity Risk: Emission factor of the purchasing category
Social Risks Section	3.1. Forced Labour	Country Risk: Global Slavery Index , Walk Free Foundation, 2018
	3.2. Child Labour	Country Risk: Proportion of children engaged in economic activity (%), UNICEF & ILOSTAT , 2021
	3.3. Disregard of Labour rights	Country Risk: Global Rights Index , International Trade Union Confederation (ITUC), 2022 ★
4. Biodiversity ★	Country Risk: EPI Biodiversity & Habitat , ★ Yale University, 2022	Commodity Risk: Potential risks on biodiversity of the purchasing category ★

Financial Risk	Moody's Analysis performed externally and provided to CCH as Summary
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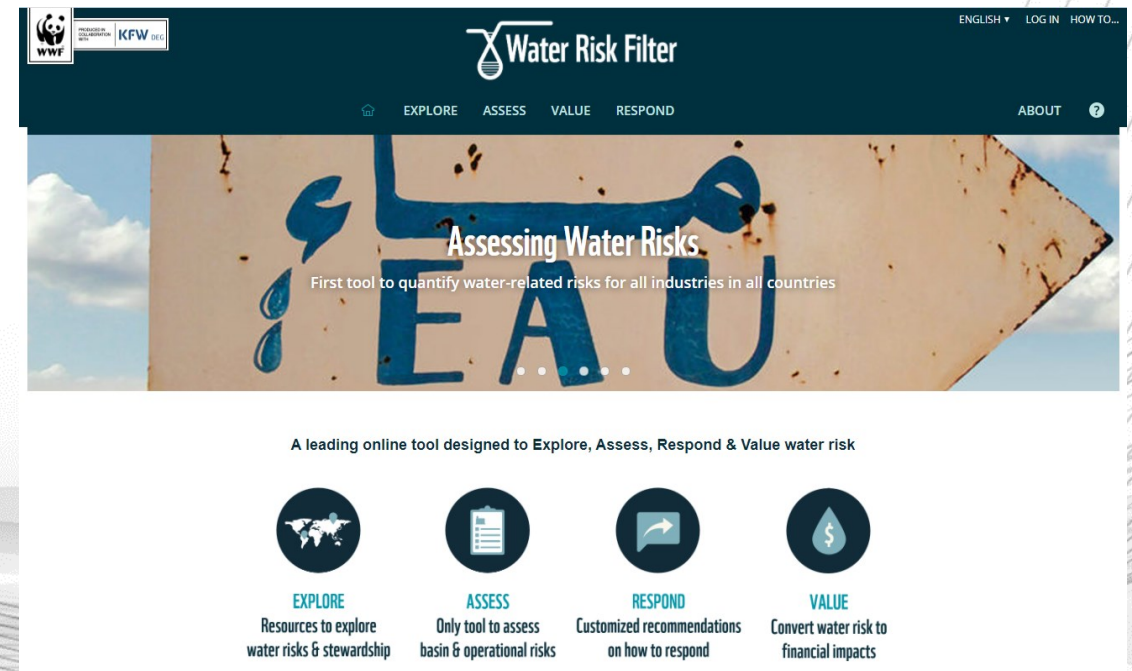
The WWF Water Risk Filter (WRF) covers all relevant elements of water risks, all industries (standard classifications) and all countries of the world, it is a leading, online tool that enables companies and investors to Explore, Assess, and Respond to water risks in their operations, supply chain and investments. With its unique ability to combine state-of-the-art basin data with industry-weightings and operational information, the tool helps us better understand important aspects of water challenges across our supply chain and strategically plan for actions to mitigate these risks.

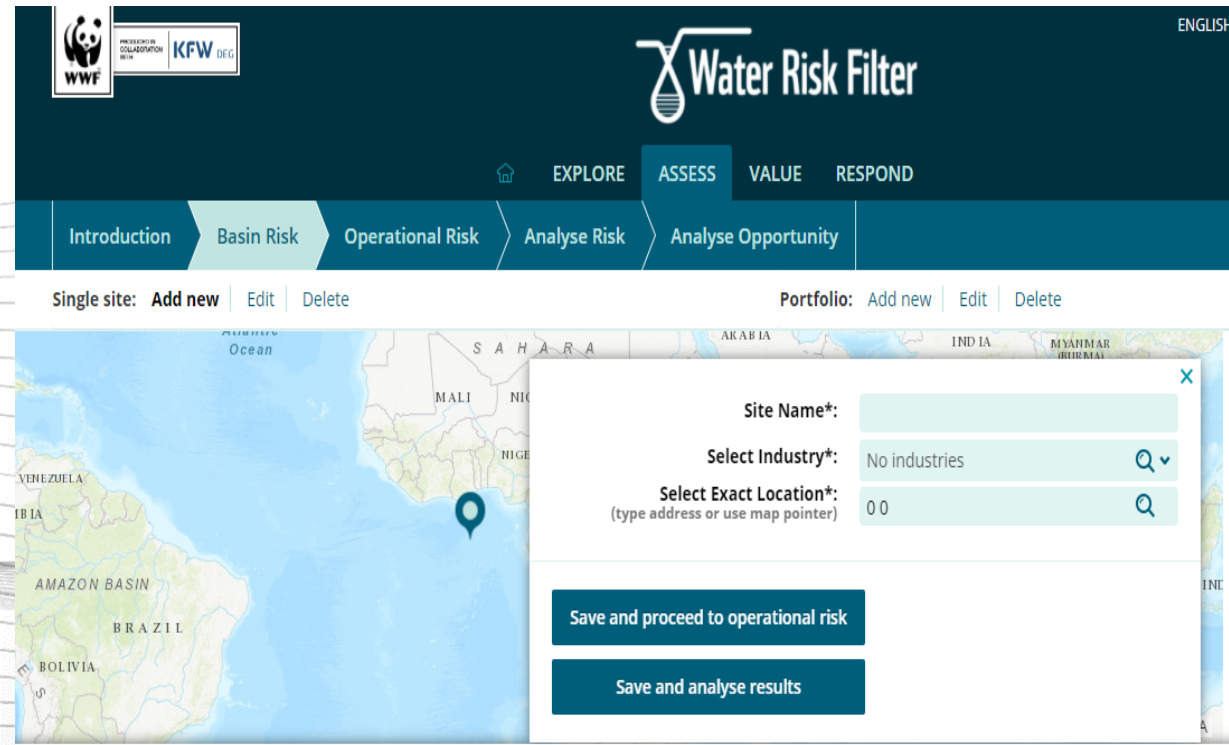
The Water Risk Filter’s risk assessment is based on a Suppliers' geographic location(s), which informs a site’s basin-related risks, as well as characteristics of its operating nature (e.g., its reliance upon water, its water use performance given the nature of the business/site), which informs a site’s operational-related risks.

Coca-Cola HBC uses the WRF to assess all Direct Group Critical suppliers and specific Indirect Suppliers with potential water impact. Suppliers received a template and a questionnaire to fill in which

Coca-Cola HBC subsequently upload in the WRF on-line tool to generate the respective Risk profile/ Overall Risk scoring per Supplier location/site.

Overall Risk - The combination of the Basin and Operation risk (equally weighted) provides a comprehensive overall water Risk assessment. In rare cases where operational questionnaire is missing overall risk is based only on Basin Risk.





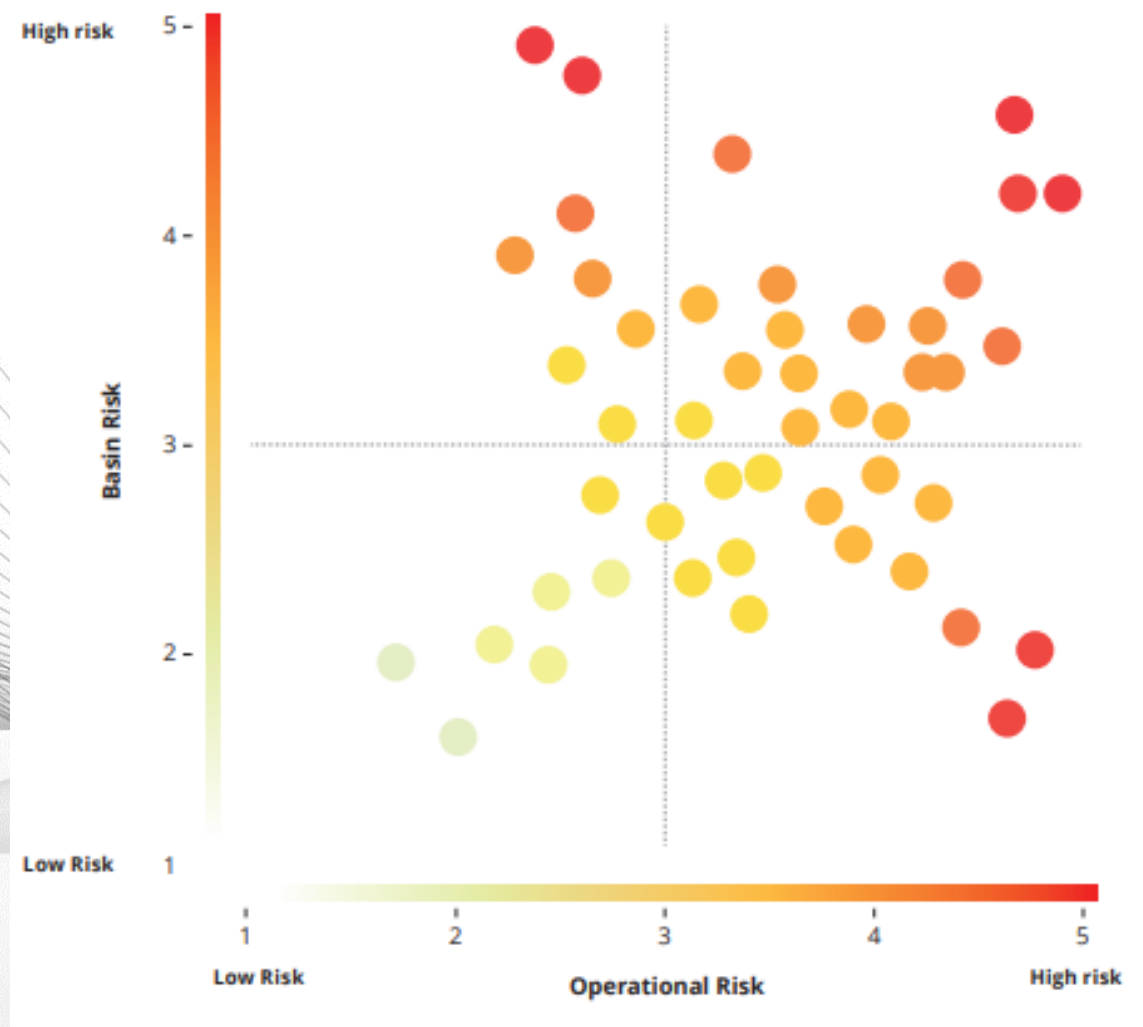
Basin Risk – Companies face different physical, regulatory and reputational risks due to the nature and conditions of the basins in which they are operating. The geographic location of a company's sites will determine its basin water risk exposure.

Suppliers provides to CCH information on the sector and locations of its facilities (which are serving CCH) by using a predefined template, in order to assess its water risks based on location, referred to as basin-related risk.

CCH receives the questionnaires from suppliers and upload them on WWF Water Risk Filter platform. Based on the Water Risk Filter's 32 water risk data sets and pre-selected industry weightings, Overall basin risk scores (ranging from 1 to 5) at the facility and for the entire portfolio are generated.



WWF - Water Stress Risk Matrix



By assessing both basin and operational risks, companies and investors can get a complete understanding of the potential water risk facing their operations and investments, which will help to better focus efforts and actions to address them.

Table Key

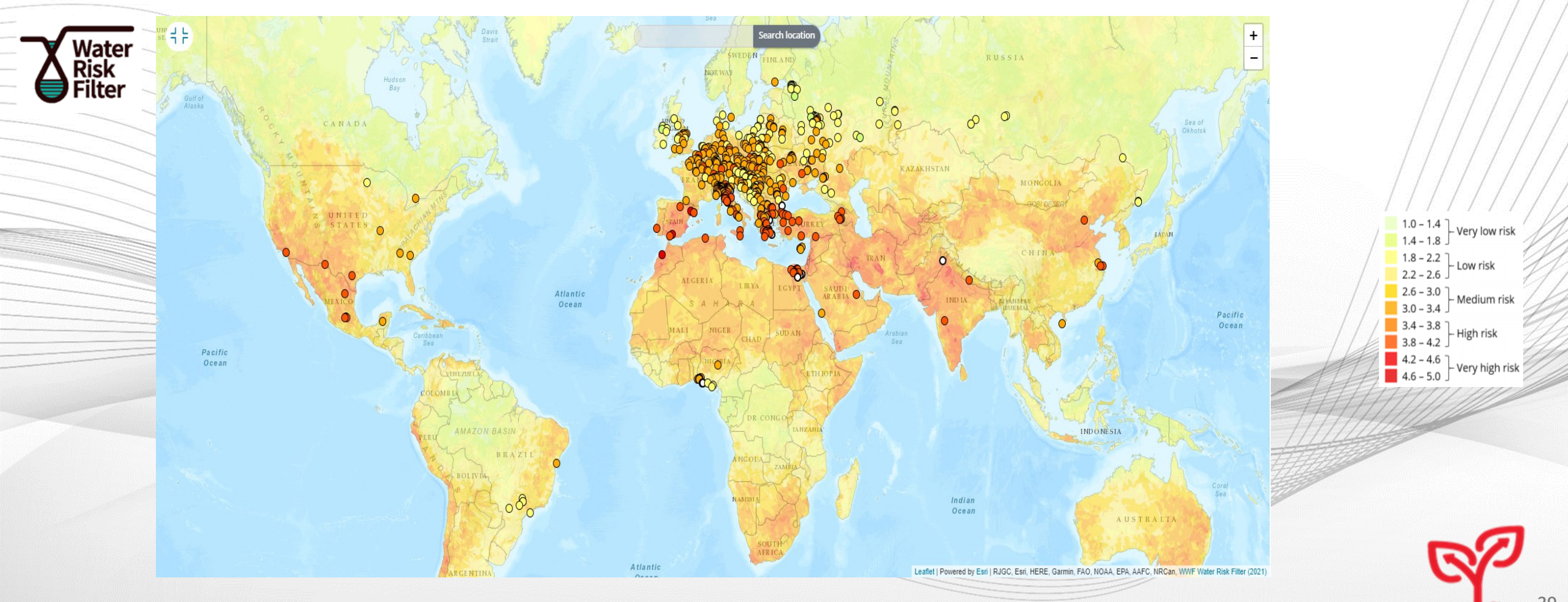
Low
Medium
High
Very High

WWF Water Risk Filter Map

The WWF map represents the aggregated overall water risk for a selected industry. The weighting scheme varies between different Industries and therefore overall risk maps may vary.

The map shows the distribution of all suppliers' sites represented by green pointers across the world and how they are exposed to different types of basin water risks.

The tool allows to choose the type of industry and the suppliers sites. Thus, different maps have been created per Category.

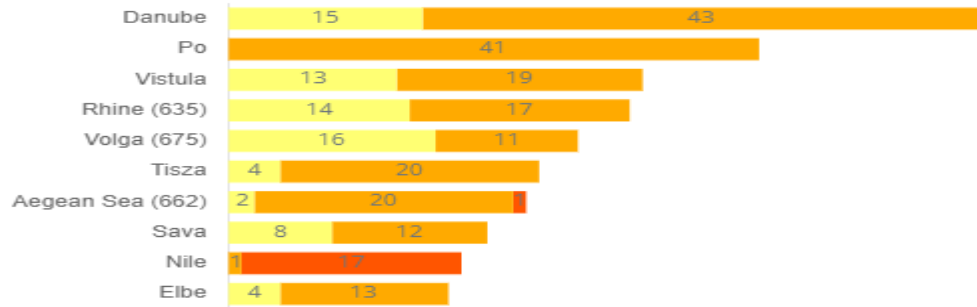


WWF Water Risk Filter Graphs

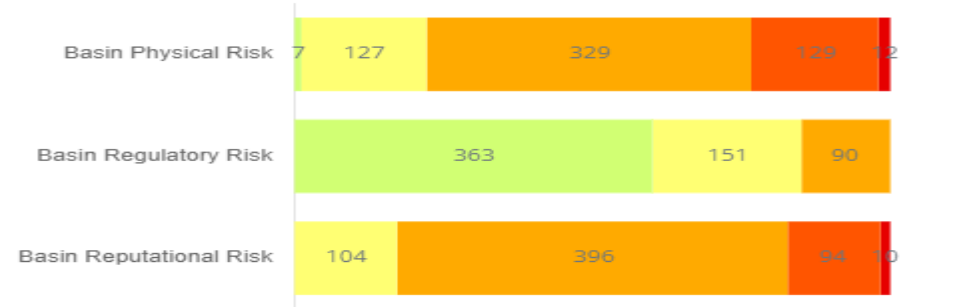
The Graphs shows our Suppliers Risk per Risk Category per production site and the Risk Matrix of all our supplies assessed through WRF



Number of Sites by Major River Basin



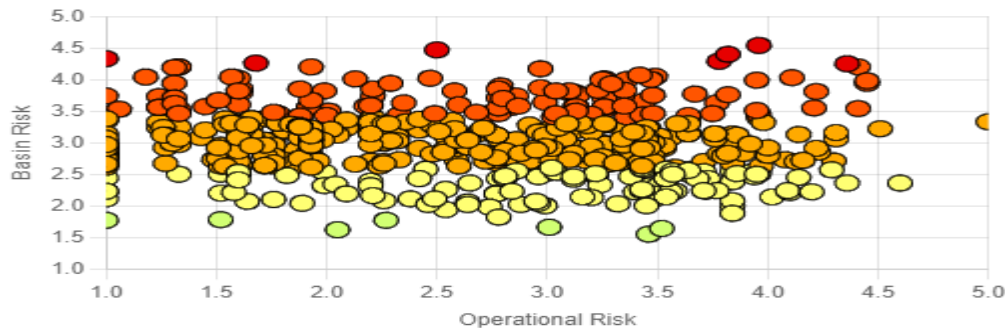
Number of Sites by Basin Risk Type



Which chart do you want to see?

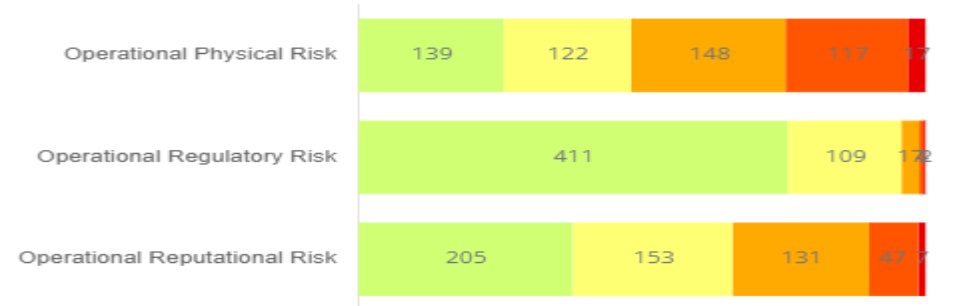
Sites by basin/scape

Basin Risk vs. Operational Risk

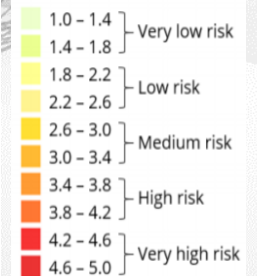


Use Ctrl+Scroll to zoom in and out on the chart.

Number of Sites by Operational Risk Types



WRF Risk Levels



Water Risk Methodology Summary (1/2)

- We identify Water basin and Operational Risk per Supplier site (taking into consideration their industry) through WWF Water Risk filter tool and plot our suppliers on the following Water Risk Matrix
- For the supplier that their water footprint as per below table is low/medium and for which assessment through WWF Water Risk filter tool is not available we proceed as follow: a) determine the water needs as per following table, b) identify river basin of production and determine water stress level in that river basin based on WWF geographical risk per industry (if available), and c) plot our suppliers on the following Water Risk Matrix

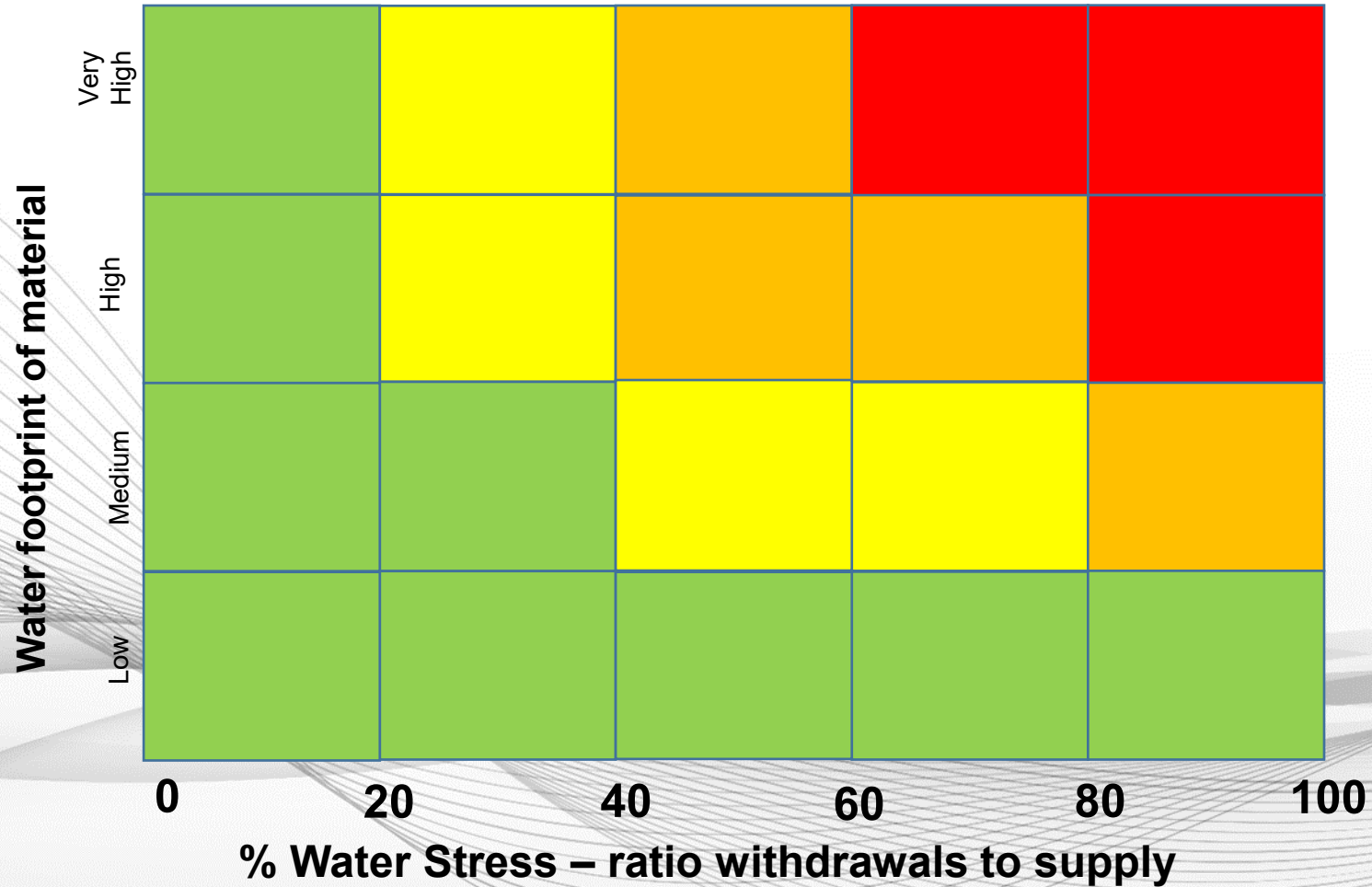
Water footprint of material

Water footprint of material	Very high	irrigated maize		irrigated cane		
		irrigated beet				
	High	irrigated orange		aluminium from raw material		
		irrigated citrus		steel from raw material		cardboard
Moderate	maize	glass	PET	PE & MRO		
	beet	aluminium from recycling		Electricity		
	cane	steel from recycling				
Low	orange	Pineapple	Fleet	Servers	Office Devices	Gas
	citrus	Personnel	Logistics	Air Carries	Travel Industry	Fuel
	Apple	Temp Staff	Data Centre	Security	Professional Services	

Water Stress Risk Matrix (2/2)

Table Key

Low
Medium
High
Very High



Note: Water Risk Matrix is used for the supplier that their water footprint as per below table is low/medium and for which assessment through WWF Water Risk filter tool is not available

SBA Methodology Approach Climate Change



Climate Change

Description: Impact on Climate Change through the direct or indirect **emission of Greenhouse Gas** along the upward value chain.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p>EPI Climate Change Index, Yale University, 2022.</p> <p>The Yale University in the United States monitors a global environmental index per country, in which Climate has a specific section.</p> <p>The Climate Change index is composed of eight indicators detailed in the next slide, and ranges from 1 (bad performance on the greenhouse gas theme) to 100 (good performance).</p>	<p>Emission factor of the purchasing category.</p> <p>CCHBC uses internal emissions per purchasing category for the calculation of the Scope 3.1 “Purchased Goods and Services”.</p> <p>The chosen emission factors represent the generic emission level of the product or service purchased, and they have been sorted according to their impact.</p>



Climate Change – Risk Factor #1

Details of EPI Climate Change Index



The EPI Climate Change Index includes in its calculation the following items:

Climate Change	CCH	40%	CO ₂ Growth Rate	CDA	55%
			CH ₄ Growth Rate	CHA	15%
			F-gas Growth Rate	FGA	10%
			N ₂ O Growth Rate	NDA	5%
			Black Carbon Growth Rate	BCA	5%
			CO ₂ from Land Cover	LCB	2.5%
			GHG Intensity Trend	GIB	5%
			GHG per Capita	GHP	2.5%

Scoring model	
Index	Risk Estimation
0,00 to 24,99	Very High
25,00 to 49,99	High
50,00 to 74,99	Medium
> 75,00	Low

CDA: The CO₂ growth rate is calculated as the average annual rate of increase or decrease in raw carbon dioxide emissions.

CHA: The CH₄ growth rate, is calculated as the average annual rate of increase or decrease in raw methane emissions.

FGA: The F-gas growth rate, is calculated as the average annual rate of increase or decrease in raw fluorinated gas emissions.

NDA: The N₂O growth rate is calculated as the average annual rate of increase or decrease in raw nitrous oxide emissions.

BCA: The black carbon growth rate, is calculated as the average annual rate of increase or decrease in black carbon.

GHP: We calculate greenhouse gas (GHG) emissions per capita for each country.

LCB: This new indicator estimates CO₂ emissions from land cover change.

GIB: Our greenhouse gas (GHG) intensity growth rate indicator serves as a signal of countries' progress in decoupling emissions from economic growth. This indicator highlights the need for action on climate change mitigation in countries at all income levels.



Climate Change Risk Factor #2 Emission factors per purchasing category

SBA 2022

Total Emissions	Category
4 - Very High	Empty Aluminium Cans
4 - Very High	Glass Bottles
3- High	Utilities
3 - High	Fleet Management & Logistics
3 - High	Stretch & Shrink Film
3 - High	PET Preforms
3 - High	PET Resin
3 - High	Plastic Closures
2 - Medium	Cold Drink Equipment
2 - Medium	Aseptic Fiber Packaging
2 - Medium	Sec. Packaging - Corrugated & Paperboard
2 - Medium	Labels (Plastic & Paper)
2 - Medium	Metal Closures
2 - Medium	Metal Crowns
2 - Medium	Sweeteners
2 - Medium	Cold Drink Equipment
1 - Low	Coffee Machines
1 - Low	Production Equip. & Maint. Repair Op.
1 - low	Beverage Gases
1 - Low	Digital/IST
1 - Low	Corporate Services
1 - Low	Juices
1 - Low	Corporate Services/Consultancy
1 - Low	Sales & Marketing

Climate risks estimations per purchasing category have been updated with actual emission factors used for CCHBC Scope 3 calculation.

Scoring model

Kg CO2 per unit	Risk Estimation
> 4	Very High
2 to 3,99	High
0,5 to 1,99	Medium
0 to 0,49	Low



CCH Methodology - Matrix: Climate Change

Inherent supplier risk is determined according to the following table:

Climate Change		Purchasing category risk analysis <i>How important is the emission factor of the purchasing category? CCHBC Emission Factors</i>			
		Low <i>0 to 0,49 Kg CO2 per Kg or EUR</i>	Moderate <i>0,5 to 1,9 Kg CO2 per Kg or EUR</i>	High <i>2 to 3,9 Kg CO2 per Kg or EUR</i>	Very High <i>> 3,9 Kg CO2 per Kg or EUR</i>
Country risk analysis <i>What is the score of the supplier country on EPI Index related to Climate Change?</i>	Low <i>0 to 24,99</i>	Low Risk	Low Risk	Medium Risk	High Risk
	Medium <i>25 to 49,99</i>	Low Risk	Medium Risk	Medium Risk	High Risk
	High <i>50 to 74,99</i>	Medium Risk	Medium Risk	High Risk	Very High Risk
	Very High <i>75 to 100</i>	High Risk	High Risk	Very High Risk	Very High Risk



**SBA
Methodology
Approach**

Social Risks

3.1

Forced Labour

3.2

Child Labour

3.3

Disregard of Labour Rights



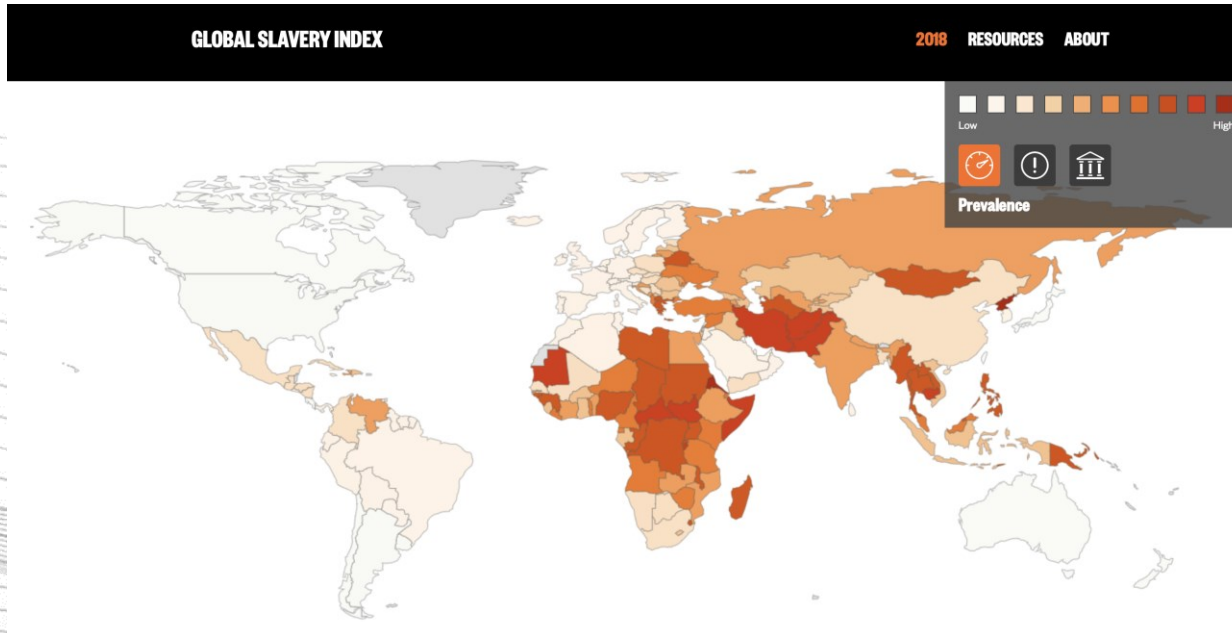
Forced Labour

Description: Work or service in the supply chain that would be required of a person under threat of punishment and for which he or she has not made himself or herself available as voluntarily.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p>Global Slavery Index, Walk Free Foundation, 2018</p> <p>The Walk Free Foundation is an independent, privately funded international human rights organisation based in Perth (Australia) focussed on the eradication of all forms of modern slavery.</p> <p>The foundation measures globally modern slavery through an estimation of the prevalence in ‰ based on nationally-representative surveys and an extrapolated risk estimation model.</p>	<p>Sustainable AG/Denkstatt database</p> <p>Sustainable AG and Denkstatt consolidate commodity, sector and industry-related risk factors in a self-made database. This database gathers public reports and studies from expert organisms, recognized texts from international institutions and specific studies about forced labour.</p> <p>A verification of the CCHBC purchasing categories is performed through this database in order to identify the main risk elements and define a risk level on forced labour.</p>

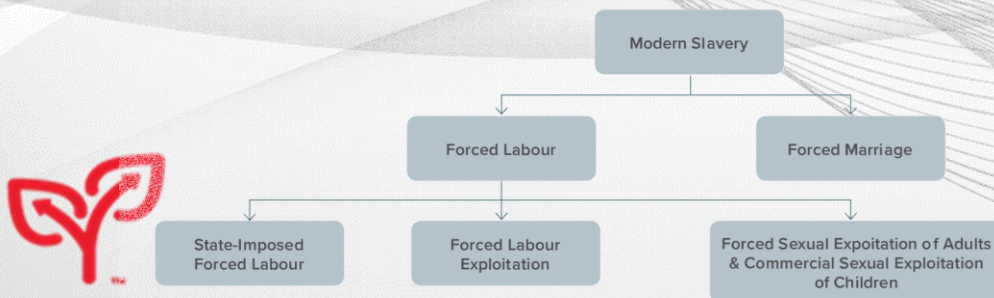


Forced Labour Country risk calculation – Global Slavery Index



Scoring model	
Victims per 1.000 people	Risk Estimation
> 10	Very High
5,00 to 9,99	High
2,50 to 4,99	Medium
0 to 2,49	Low

Structure: Modern Slavery



A combined methodological approach is adopted for the global estimates of modern slavery, using three sources of data:

- 54 specially designed national probabilistic surveys involving interviews with about 71,000 respondents across 48 countries;
- Administrative data from International Organization for Migration's databases of assisted victims of trafficking with the 54 datasets to estimate forced sexual exploitation and forced labour of children, as well as the duration of forced labour exploitation;
- Validated secondary sources with systematic review of comments from ILO Experts to estimate state-imposed forced labour

CCH Methodology – Matrix: Forced Labour

Inherent supplier risk is determined according to the following table:

Forced Labour		Category risk analysis <i>Do expert organizations identify a risk related to forced labour in this purchasing category? (sustainable/Denkstatt study – see assessment file for details)</i>	
		No	Yes
Country risk analysis <i>What is the prevalence of forced labour in the supplier's country?</i>	0 to 2,4‰	Low Risk	Low Risk
	2,5 to 4,9‰	Low Risk	Medium Risk
	5 to 9,9‰	Medium Risk	High Risk
	>10‰	High Risk	Very High Risk



Child Labour

Description: Presence in the supply chain of exploitation of children interfering with compulsory school attendance and/or through a mentally, physically, socially and/or morally harmful work.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p>Combination of</p> <ul style="list-style-type: none"> Percentage of children aged 5-17 years engaged in child labour from UNICEF, 2019 <p>Consolidation per country of children aged from 5-17 years engaged in child labour through diverse sources.</p> <p>AND</p> <ul style="list-style-type: none"> Proportion of children engaged in economic activity (%) Annual from ILOSTAT, 2020 <p>Consolidation per country of children aged from 5-17 years engaged in child labour through diverse sources.</p>	<p>sustainable AG/Denkstatt database</p> <p>sustainable AG and Denkstatt consolidate commodity, sector and industry-related risk factors in a self-made database. This database gathers public reports and studies from expert organisms, recognized texts from international institutions and specific studies about child labour.</p> <p>A verification of the CCHBC purchasing categories is performed through this database in order to identify the main risk elements and define a risk level on forced labour.</p>

Child Labour Country risk calculation – UNICEF & ILOstat



The two sources have a similar method but complement each other in terms of country coverage. They indeed cover sometimes different countries and are therefore both used for the present analysis.

When a different data is shown, we have taken the worst data to set-up the country risk profile.

Children around the world are routinely engaged in paid and unpaid forms of work that are not harmful to them. However, they are classified as child labourers when they are either too young to work or are involved in hazardous activities that may compromise their physical, mental, social or educational development. In the least developed countries, slightly more than one in four children (ages 5 to 17) are engaged in labour that is considered detrimental to their health and development.

Therefore, the considered estimates on economic activity among children aged 5-17 refer to:

- (a) children 5–11 years old who, during the reference week, did at least one hour of economic activity,
- (b) children 12–14 years old who, during the reference week, did at least 14 hours of economic activity,
- (c) children 15–17 years old who, during the reference week, did at least 43 hours of economic activity. For more information, refer to the concepts and definitions page.

Scoring model	
% of working children	Risk Estimation
> 8,00	Very High
4,00 to 7,99	High
1,00 to 3,99	Medium
0 to 0,99	Low



CCH Methodology – Matrix: Child Labour

Inherent supplier risk is determined according to the following table:

Child Labour		Category risk analysis <i>Do expert organizations identify a risk related to child Labour in this purchasing category? (sustainable/Denkstatt study – see assessment file for details)</i>	
		No	Yes
Country risk analysis <i>How important is the engagement of children in the supplier's country economy?</i>	0 to 0,9%	Low Risk	Low Risk
	1 to 3,9%	Low Risk	Medium Risk
	4 to 7,9%	Medium Risk	High Risk
	>8%	High Risk	Very High Risk

Disregard of Labour Rights

Description: Lack of consideration of people's rights in the relation with their employers in the supply chain through freedom of association, unequal treatment and/or fair wage.

Risk Factor #1: Country Risk	Risk Factor #2: Country Risk
<p data-bbox="186 558 1059 651">Global Rights Index, International Trade Union Confederation (ITUC), 2022</p> <p data-bbox="186 718 1266 1011">The International Trade Union Confederation is the world's largest trade union federation, and it has for main areas of studies promotion and defence of workers' rights and interests. It includes trade union and human rights; economy, society and the workplace; equality and non-discrimination; and international solidarity.</p> <p data-bbox="186 1072 1276 1268">The Confederation has published in 2022 the 9th edition of the ITUC Global Rights Index, famous for its deep analysis and the ranking of the „Worst Countries for working people“ with a strong focus on rights violations.</p>	<p data-bbox="1312 554 2091 596">Working poverty rate (%), ILOSTAT, 2022</p> <p data-bbox="1312 658 2326 801">This issue of ILOSTAT's Spotlight on work statistics focuses on employed people living in extreme poverty around the world.</p> <p data-bbox="1312 862 2390 1129">In this frame, the ILO shares on its statistics-dedicated website the share of employment by economic class in 2021, with lowest economic class based on the World Bank's international poverty line of \$1.90 a day.</p>

Disregard of Labour Rights

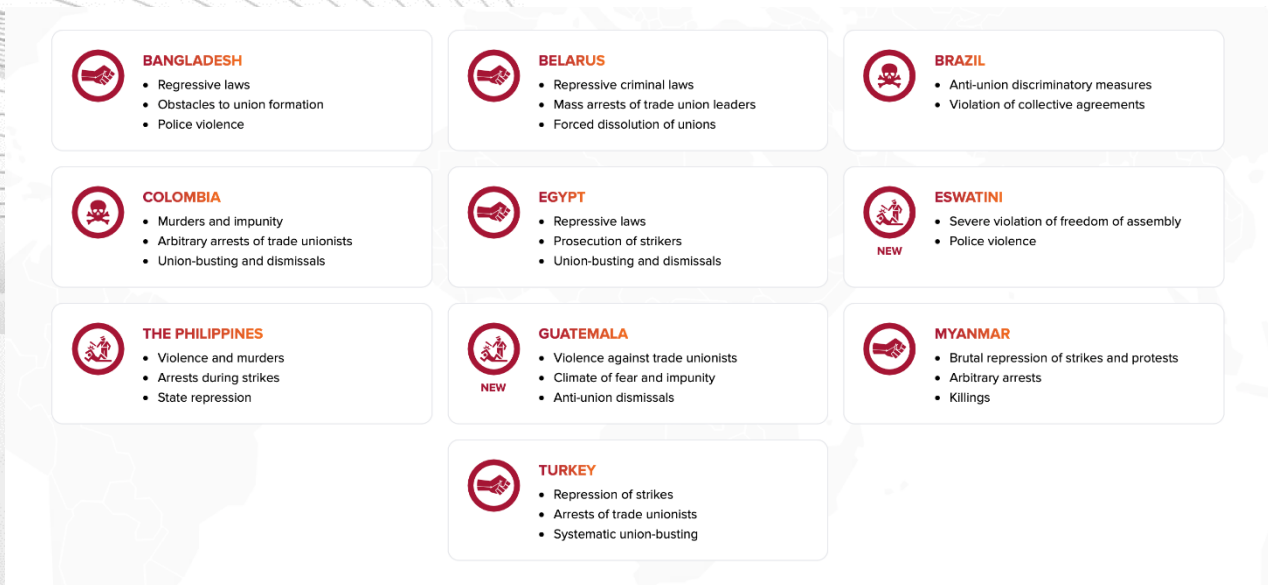
Country Risk Indicator 1 – ITUC Global Rights Index

The ITUC Global Rights Index depicts the world’s worst countries for workers by rating 139 countries on a scale from 1-5 based on the degree of respect for workers’ rights.

Workers’ rights are absent in countries with the rating 5 and violations occur on an irregular basis in countries with the rating 1.

Scoring model

- 5+ No guarantee of rights due to the breakdown of the rule of law
- 5 No guarantee of rights
- 4 Systematic violations of rights
- 3 Regular violations of rights
- 2 Repeated violations of rights
- 1 Sporadic violations of rights
- No data



Disregard of Labour Rights

Country Risk Indicator 2 – Statistics on the Working Poor



Definition

- The proportion of the employed population below the international poverty line of US\$1.90 per day, also referred to as the working poverty rate, is defined as the share of employed persons living in households with per-capita consumption or income that is below the international poverty line of US\$1.90

Concepts

- **Employment:** All persons of working age who, during a short reference period (one week), were engaged in any activity to produce goods or provide services for pay or profit.
- **Poverty Line:** Threshold below which individuals in the reference population are considered poor and above which they are considered non-poor. The threshold is generally defined as the per-capita monetary requirements an individual needs to afford the purchase of a basic bundle of goods and services. For the purpose of this indicator, an absolute international poverty line of US\$1.90 per day is used.
- **Working poor:** Employed persons living in households that are classified as poor, that is, that have income or consumption levels below the poverty line used for measurement.

Scoring model	
% of working poor	Risk Estimation
> 5,00	Very High
3,00 to 4,99	High
1,00 to 2,99	Medium
0 to 0,99	Low

Formula

$$\text{Working poverty rate} = \frac{\text{Employed persons living on less than US\$ 1.90 a day}}{\text{Total employment}} \times 100$$



CCH Methodology – Matrix: Disregard of Labour rights



Inherent supplier risk is determined according to the following table:

Disregard of Labour rights		Country risk analysis <i>How many working poor are present in the supplier's country according to the ILOSTAT?</i>			
		0 to 0,9%	1 to 2,9%	3 to 4,9%	> 5%
Country risk analysis <i>What is the performance of the supplier's country on the ITUC Global Index?</i>	1	Low Risk	Low Risk	Medium Risk	High Risk
	2	Low Risk	Medium Risk	Medium Risk	High Risk
	3 or 4	Medium Risk	Medium Risk	High Risk	Very High Risk
	5 or 5+	High Risk	High Risk	Very High Risk	Very High Risk



Biodiversity

Description: **Degradation of valued ecosystems** and species through the economic activities led in the upward value chain.

Risk Factor #1: Country Risk	Risk Factor #2: Category Risk
<p data-bbox="163 548 1070 591">EPI Biodiversity & Habitat, Yale University, 2022</p> <p data-bbox="163 656 1248 799">The Yale University in the United States monitors a global environmental index per country, in which Ecosystem Vitality has a specific section.</p> <p data-bbox="163 856 1223 999">The Biodiversity & Habitat index is composed of seven issues detailed in the next slide, and ranges from 1 (bad performance) to 100 (good performance).</p>	<p data-bbox="1289 548 2354 591">Potential risks on biodiversity of the purchasing category</p> <p data-bbox="1289 651 2374 793">Risks related to biodiversity are estimated per purchasing category through three guiding questions, as regards to the possible related implications:</p> <ul data-bbox="1289 799 2140 942" style="list-style-type: none"><li data-bbox="1289 799 1961 842">• Possible impact on deforestation<li data-bbox="1289 848 1834 891">• Possible use of pesticides<li data-bbox="1289 896 2140 939">• Possible soil contamination through waste

Biodiversity– Risk Factor #1

Details of EPI Biodiversity & Habitat Index

Biodiversity & Habitat

The Biodiversity and Habitat issue category assesses countries' actions toward retaining natural ecosystems and protecting the full range of biodiversity within their borders. It consists of seven indicators: *terrestrial biome protection* (weighted for the national and global rarity of biomes), *marine protected areas*, *Protected Areas Representativeness Index*, *Species Habitat Index*, *Species Protection Index*, and *Biodiversity Habitat Index*.



Scoring model

Index	Risk Estimation
0,00 to 24,99	Very High
25,00 to 49,99	High
50,00 to 74,99	Medium
> 75,00	Low

The EPI Biodiversity & Habitat Index includes in its calculation the following items:

			Terrestrial Biome Protection (national)	TBN	20%
			Terrestrial Biome Protection (global)	TBG	20%
			Marine Protected Areas	MPA	20%
Biodiversity & Habitat	BDH	25%	Protected Areas Representativeness Index	PAR	10%
			Species Habitat Index	SHI	10%
			Species Protection Index	SPI	10%
			Biodiversity Habitat Index	BHV	10%

Biodiversity – Risk Factor #2

Assessment of the purchasing Category

Guiding questions

Question 1: Does the purchasing category bear a specific risk on **deforestation**?

Question 2: Does the purchasing category implicate the **use of pesticides**?

Question 3: Does the purchasing category bear a specific risk of **soil contamination through waste**?

Category	Purchasing Category	Biodiversity – Risk Factor #2			Total Yes	Comments
		Does the purchasing category bear a specific risk on deforestation?	Does the purchasing category implicate the use of pesticides?	Does the purchasing category bear a specific risk of soil contamination through waste?		
Direct	CLOSURES METALL	No	No	Yes	1	Post-consumer waste: 99% of the closures are recyclable (see presentation) however bottle caps recycling rates vary significantly from country to country (20% USA, 40% Europe, 90% Japan)
	CLOSURES PLASTIC	No	No	Yes	1	Post-consumer waste: 99% of the closures are recyclable (see presentation) however bottle caps recycling rates vary significantly from country to country (20% USA, 40% Europe, 90% Japan)
	CO2	No	No	Yes	1	CO2 is by product from various processes and is not a risk commodity for deforestation. No pesticides are used for production. Assuming CO2 is seen as a waste fraction. There are inherent CO2 losses during filling and consumption and which strongly impacts the overall GHG footprint (see presentation)
	Glass	No	No	Yes	1	Post-consumer waste but also residuals from filling (e.g., deformation)
	Juices	Yes	Yes	Yes	3	Soy is one of the major drivers to deforestation additional negative impact of commodities coming from conventional agriculture as they use high amount of pesticides (Soybean is included in EU regulation of deforestation free products and pesticides frequently enter into the environment). Conventional agricultural products all contain high pesticide usage. Tier 1 and beyond. The fruit juice industry creates a considerable amount of waste.
	Cans	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining). Post-consumer waste but also residuals from filling: Cans are main fraction of litter. They are made either of aluminum or steel and can be recycled.
	Crowns	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining). Post-consumer waste: Metal crowns are part of the can
	PET PREFORMS	No	No	Yes	1	Potential for waste generation during the blowmoulding process.
	PET RESIN	No	No	Yes	1	Post-consumer waste: Potential discharge of antimony after longer contact between beverage and packaging and discharge of microplastics.
	Sweeteners	Yes	Yes	No	2	see PET Preforms Sweeteners include sugarcane. It is responsible for deforestation in some countries, pesticides are entering into the environment as well. Maize is also responsible for deforestation although not yet addressed as high risk commodity in the EU regulation for deforestation free supply chain.
Indirect	AFP	No	No	Yes	1	Post-consumer waste: However less solid waste compared to PET bottles
	Cold Drink Equipment	No	No	No	0	No deforestation risk as it is not a high risk commodity and no pesticides are used for production.
	Coffee Machines	No	No	No	0	EU regulation on deforestation-free products states that coffee has a high risk of deforestation. Conventional agricultural products all contain high pesticide usage.
	Corporate Services	No	No	No	0	
	Corrugated	Yes	No	Yes	2	EU regulation on deforestation-free products states that timber and derived products have a high risk of deforestation (here paper). Corrugated Packaging can be recycled and is one of the most widely recycled materials.
	Films	No	No	Yes	1	the specific kind of plastics and its collection rate. Plastics are generally harmful if not handled after disposal as they can degrade in the environment into microplastics, pollute water ways etc. There is a varying degree of toxicity between the different kinds of plastics.
	Fleet Management	No	No	No	0	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining)
	IST	No	No	No	0	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining)
	Labels	No	No	Yes	1	Post-consumer waste: Part of the packaging, hence huge purchased amounts of plastic and paper labels (see presentation). Pollution such as discharge of microplastics can be attributed to the plastic labels.
	Logistics	No	No	No	0	
	PE MRO	No	No	Yes	1	Mining can be cause of deforestation but extent not major for metal (gold, diamond, coal, gemstone, artisanal, metals, industrial minerals mining). Given that MRO and PE could encompass thousands of categories and subcategories (e.g., facility supplies, cleaning supplies, chemical lubricants, batteries etc.) there is a potential for waste generation as well as pollution caused by certain materials when not disposed of correctly (e.g., batteries)
	Sales & Marketing	No	No	Yes	1	Prints, single-use cutlery and others bear the potential to generate waste.
	Utilities	No	No	No	0	

Sample only
Details are
confidential to
CCH



CCH Methodology – Matrix: Biodiversity

Inherent supplier risk is determined according to the following table:

Biodiversity		Category risk analysis <i>How important is the potential impact of the purchasing category on Biodiversity?</i>		
		Only “No”	1 x “Yes”	2 or 3 x “Yes”
Country risk analysis <i>What is the score of the supplier country on EPI Index related to Biodiversity & Habitat?</i>	Low <i>0 to 24,99</i>	Low Risk	Medium Risk	High Risk
	Medium <i>25 to 49,99</i>	Low Risk	Medium Risk	High Risk
	High <i>50 to 74,99</i>	Medium Risk	High Risk	High Risk
	Very High <i>75 to 100</i>	High Risk	Very High Risk	Very High Risk



Financial Risk Analysis

- Financial Risk Assessment performed by Moody's in Co-operation with Bureau Van Dijk and the complete assessment and methodology provided to CCH.
- Financial Risk Categorization is based on the Implied Ratings that gives a larger view on the risk that a Customer feel more likely to face. Every rating meaning is stated in the table below.

Coca-Cola
Hellenic Bottling Company

Financial Risk	Class	Implied Rating	Implied Rating Description
Low	1	Aaa	Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk .
	2	Aa1	
	3	Aa2	
	4	Aa3	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk .
	5	A1	
Medium	6	A2	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk .
	7	A3	
	8	Baa1	
	9	Baa2	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
	10	Baa3	
High	11	Ba1	
	12	Ba2	
	13	Ba3	Obligations rated Ba are judged to be speculative and are subject to substantial credit risk .
Very High	14	B1	
	15	B2	Obligations rated B are considered speculative and are subject to high credit risk .
	16	B3	
	17	Caa1	
	18	Caa2	Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk .
	19	Caa3	
	20	Caa-C	Obligations rated C are the lowest rated and are typically in default , with little prospect for recovery of principal or interest.