

Growth pillars

5 Earn our licence to operate

At Coca-Cola HBC, we are proud to be global industry leaders in sustainability. We have the highest scores and rankings in ten of the most-recognised ESG ratings.

We are clear and ambitious about what we want to achieve on our sustainability journey. Our Mission 2025 commitments on climate, packaging, water, ingredients, nutrition, people and communities set measurable targets. We aim to achieve net zero emissions by 2040 and have a net positive impact on biodiversity in critical areas of our value chain.

You can read more about our sustainability achievements in this chapter and find out what colleagues think about our ESG ratings in the video below.



Watch our video online



We were ranked as the world's most sustainable beverage company for the seventh time by Dow Jones Sustainability Indices 2023¹

Top 1%

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 99/100
Score date: February 7, 2024
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any negative screens.
Positive and scores are industry specific, and reflect inclusion screening criteria.
Learn more at: <https://www.spglobal.com/esg/csa/methodology>

S&P Global Sustainable 1

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



¹ As at 8 December 2023

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2023 highlights

- Continued our decarbonisation journey in alignment with our NetZero40 roadmap.
- Focused on packaging decarbonisation using a higher percentage of recycled materials.
- Supported further roll-out of Deposit Return Schemes in our EU markets.
- Promoted Extended Producer Responsibility (EPR) policies and the launch of new packaging collection systems in priority markets.
- Completed biodiversity impact study following the SBTN methodology.
- Expanded our partnerships in water and waste reduction.
- Continued our focus on #YouthEmpowered as our flagship community programme.
- Ongoing support to communities in need.

KPIs

- Absolute greenhouse gas emissions in scopes 1, 2 and 3
- Water usage in water risk areas
- Young people trained through #YouthEmpowered
- % primary packaging collected

Principal risks and opportunities

- Product relevance and acceptability
- Sustainable packaging
- Suppliers and sustainable sourcing
- Managing our carbon footprint
- Water availability and usage
- Ethics and compliance

Read more on p88 to 107

Material topics

- Biodiversity
- Climate change
- Corporate citizenship
- Responsible marketing
- Nutrition
- Packaging and waste management
- Sustainable sourcing
- Water stewardship

Read more on p54 to 68

Stakeholders



Our customers



Our communities



Our consumers



The Coca-Cola Company



Our investors

Volunteers joined The Zero Waste Tisza programme in Hungary to clean up the river



Sustainable growth

We are proud to be global industry leaders in sustainability. This year we were ranked – for the seventh time – as the world's most sustainable beverage company by the Dow Jones Sustainability Indices¹. Our score positions us in the top 1% of 9,400 companies across 62 industries. This year we also scored a double-A ranking for our commitment to transparency on climate and water from CDP and we are on CDP's 2023 Supplier Engagement Leaderboard.

These achievements are the result of our clear vision and targets in sustainability, bold and entrepreneurial mindset, and continuing investment in technology and innovation. Strong collaboration with our suppliers and partners and highly skilled and committed colleagues working across our markets have also been crucial to this success. We know we still have work to do and remain committed to being part of the solution to global sustainability challenges.

Sustainability creates value for our stakeholders and supports the socio-economic development of the communities in which we operate. As we continue to produce our drinks in more sustainable ways, it helps us open up opportunities for a better future.

Here are some examples of what we are doing:

- A significant focus for us is promoting plastic circularity, and our primary packaging is already 100% recyclable. We are making strong progress towards achieving our other Mission 2025 commitments on packaging of collecting at least 75% of the primary packaging we place in the market and using, on average, 35% recycled PET in our bottles².
- In 2023, 100% of our electricity in the EU and Switzerland came from renewable and clean sources.
- On water stewardship, we now have community projects in 12 water risk areas where we operate – up from eight last year.
- We announced a new charitable foundation, with an initial donation of €10 million, dedicated to supporting local communities.

- We became a partner in the \$137.7 million Greycroft Coca-Cola System Sustainability Fund with seven other bottlers and The Coca-Cola Company.

We strongly believe sustainability is a true growth driver for us and our partners. We continue to integrate sustainability in our business model and support value creation for the business:

- In Austria, we invested €12 million in a returnable glass bottling line for both one litre and our new 400ml resealable bottles³. We also introduced an industry-leading, innovative solution to replace plastic shrink film with 100%-recyclable paper on 1.5 litre multi-packs. These innovations help us improve packaging circularity and win in the marketplace as they meet our consumers' demand for glass packaging and no-plastic packaging.
- We have invested more than €50 million in three in-house rPET production units. This supported our shift to 100% rPET portfolio in selected markets. In-house rPET production helps us reduce costs compared with buying from third-party suppliers and eliminates extra transport costs.
- We exceeded our goal of having 50% energy-efficient coolers in the market (excluding Egypt, which we acquired in 2022), with a total of 55% by December 2023 – two years ahead of target. These coolers consume less energy, so they generate less emissions, and mean lower energy costs for our customers.

This year we integrated Egypt into our sustainability strategy – after we acquired the Coca-Cola Bottling Company of Egypt in 2022 – and developed specific plans for the market. As we continue to develop our 2030 aspirations, we will integrate our Egyptian operations in our future commitments.

We know that there is a lot to be done, but we are encouraged by the progress we have made in 2023 and remain committed to accelerating our efforts to build a more sustainable future.

1. DJSI as at 8 December 2023.

2. Excluding Egypt.

3. Co-funded by the European Union, NextGenerationEU.

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Climate

Towards net zero emissions

In 2021, we committed to achieve net zero emissions across our entire value chain by 2040. This is our most ambitious, complex and forward-looking commitment. We were among the first companies to adopt science-based reduction targets by the Science Based Targets initiative (SBTi). In our net zero roadmap, our starting point is 2017, which is the baseline for our science-based targets.

We have halved direct emissions and reduced our absolute total value chain emissions in scopes 1, 2 and 3 by a third¹ from 2010 to the end of 2023, despite a global increase in emissions². These results come from our sustained investment and focus, and highlight our consistent approach to decarbonisation.

Reducing carbon emissions is the non-negotiable goal for our business. We continued to work across our value chain to reduce emissions, with a particular focus on packaging, coolers and ingredients. We do this because we will make the biggest progress by delivering sustainable solutions in these parts of our value chain.

By the end of 2023, we had reduced emissions from scope 1 and 2 from our direct operations by 36% and in all three scopes, our absolute emissions, by 16.4% compared with 2017.

1. Excluding Egypt.
2. Global Carbon Project; Expert(s) (Friedlingstein et al. (2023)).

Looking ahead

In 2023, we updated our net zero roadmap with two important changes. We integrated our Egyptian operations into our 2030 and NetZeroBy2040 climate targets and, in January 2024, we submitted them to the SBTi for validation and approval. We also added new Forest, Land and Agriculture (FLAG) targets.

After SBTi validation, these changes will be reflected in our net zero roadmap:

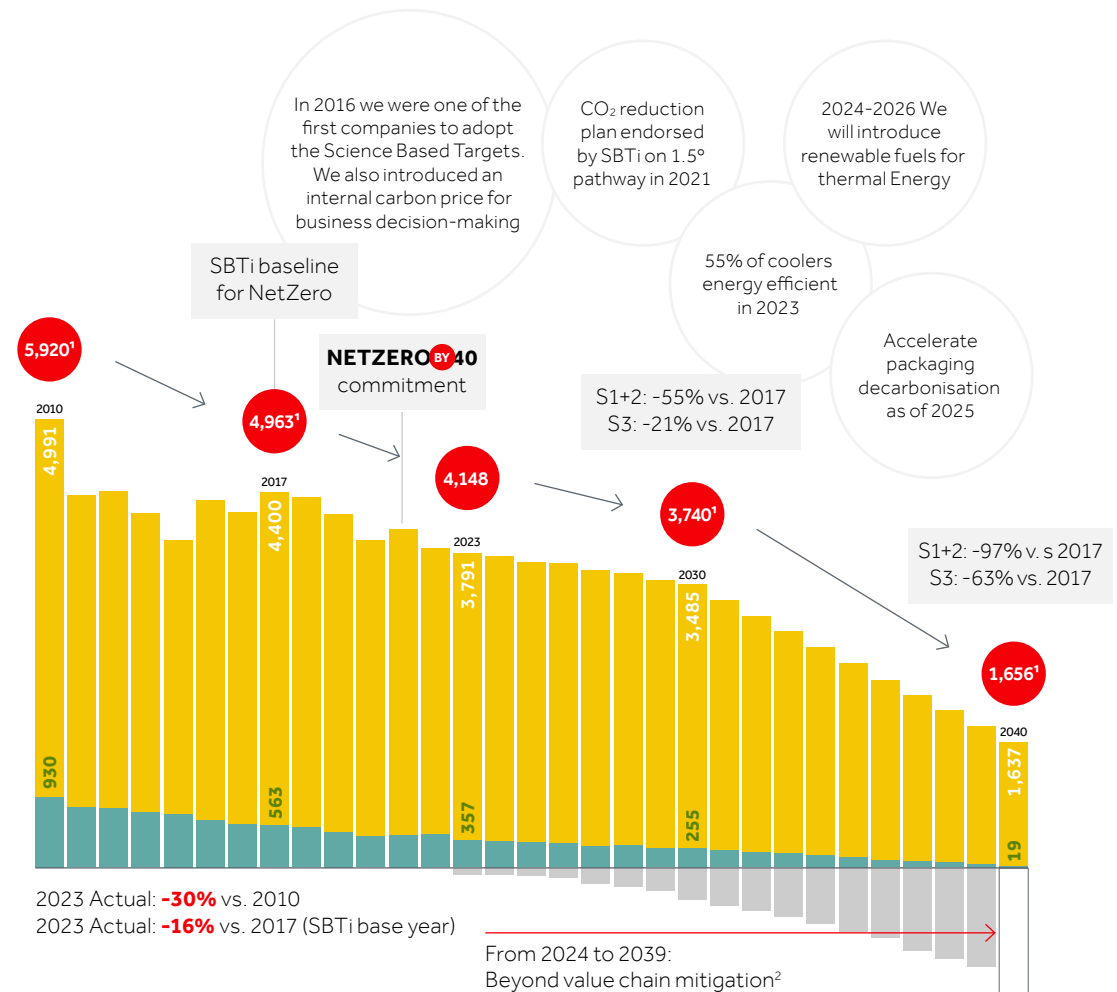
- In scope 1 and 2, we integrated Egypt and follow the already established pathway (1.5°C pathway) for 2030 and 2040.
- In scope 3, we integrated Egypt and split our targets into two categories: energy and FLAG.
- In scope 3, our energy-related targets will follow the newly established pathway Well-Below-2-Degrees (WB2D) until 2030 and then the 1.5°C pathway until 2040, our net zero year.

The SBTi introduced the new targets for FLAG in 2023. This new standard guides businesses to split greenhouse gas emissions (GHG) into non-FLAG and FLAG-related categories. Non-FLAG emissions are commonly known as energy-related GHG emissions. FLAG-related emissions apply to commodities from forestry, land and agricultural sectors. For us, this means scope 3 packaging, wood and paper pulp, and sugar and fruit juices. We do not have any FLAG-related business or activity under our own operational control. However, we have them in our upstream value chain in forestry and agricultural commodities (scope 3).

We will now update our climate transition plans to reflect all our main decarbonisation strategies, quantify our main strategic resources and milestones, and convert these to a clear set of actions.

#NetZeroBy40 roadmap for scopes 1, 2 and 3

● Scope 1+2 ● Scope 3 ● Carbon Removal Projects ● Scope 1+2+3 emissions



Scope 1+2 and Scope 3: all numbers exclude Egypt

1. Recalculation of carbon emissions due to conversion factors changes and according to the GHG Corporate Accounting and Reporting Standard.
2. As defined based on Science Based Targets initiative.

Neutralisation of residual emissions as of 2040

#NetZeroBy40 goal

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Performance summary

By the end of 2023, we had reduced emissions by the following amounts:

GHG emissions¹

	vs 2022	vs 2017
Scope 1 and 2	-19%	-36%
Scope 3	0%	-14%
Scope 1, 2 and 3	-1.6%	-16.4%

1. Excluding Egypt.

Scopes 1 and 2

We have taken action on two of the main contributors of scope 1 and 2 emissions:

- Focusing on being more energy efficient by reducing the amount of energy we use.
- Switching to low carbon and sourcing our energy from renewable sources such as solar and hydro power.

We delivered several projects that helped to progress reductions in scope 1 and 2 emissions of CO₂.

Scope 3: Reducing indirect emissions from our value chain

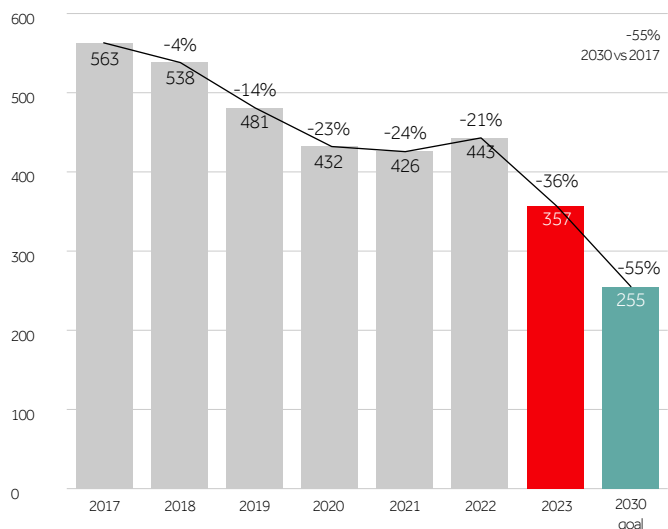
Over 90% of our emissions are in scope 3, we focus on three main areas in collaboration with our suppliers: packaging, ingredients and coolers.

- Packaging accounts for 36% of our scope 1, 2 and 3 emissions. We are reducing packaging-related emissions through a range of actions, including rolling out new packaging collection systems, increasing recycled content, expanding reuse and eliminating unnecessary packaging.
- In 2023, we exceeded our target of having 50% of energy-efficient coolers in shops and outlets by five percentage points, bringing the total to 55%. As a result, we reduced emissions by 127,461 tonnes compared with our 2017 baseline.



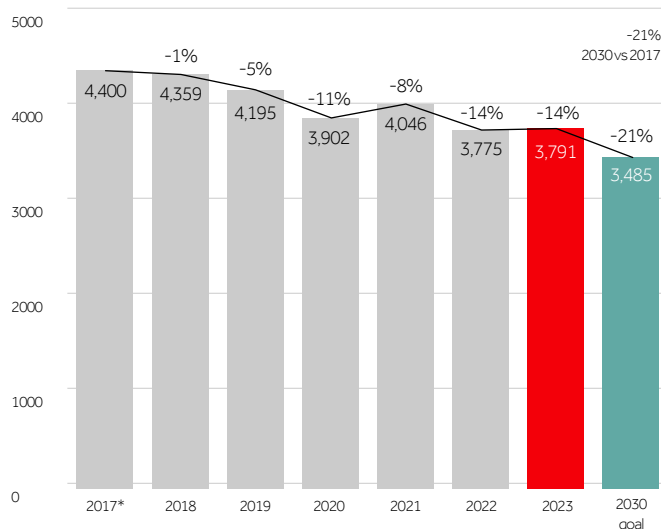
100%
rPET bottles
in Romania

Absolute scope 1 and 2 CO₂e emissions² (‘000 tonnes)



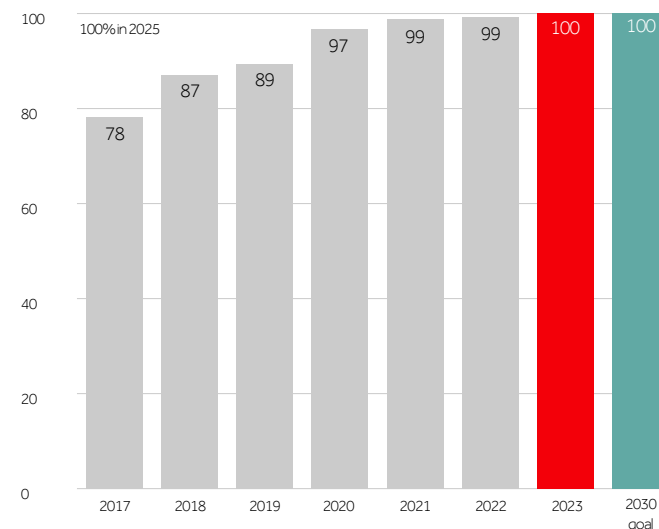
2. Excluding Egypt.

Absolute scope 3 CO₂e emissions³ (‘000 tonnes)



3. Emissions are recalculated due to conversion factors change and exclude Egypt.

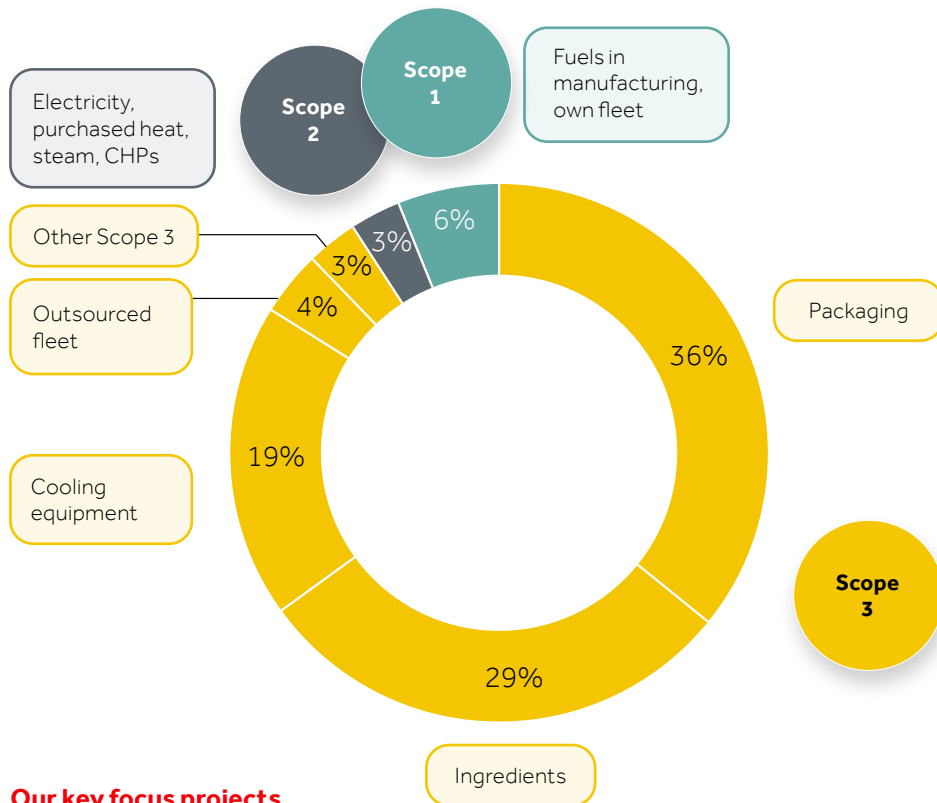
Renewable and clean⁴ electricity in the European Union and Switzerland (%)



4. Clean source means CHP using natural gas.

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GHG CO₂e split by scopes and categories FY 2023 (including Egypt)



Our key focus projects

Scope	Key Focus Projects
Scope 1	<ul style="list-style-type: none"> Renewable fuels Green Fleet
Scope 2	<ul style="list-style-type: none"> Renewable energy Energy optimisation projects
Scope 3	<ul style="list-style-type: none"> Packaging: rPET; packageless; refillables; lightweighting; replacing plastic in secondary packaging Ingredients: low- no-sugar, sustainable sourcing Cooling equipment: energy-efficient coolers, greening of electricity grid Critical enabler: suppliers' emissions improvement

We collaborate with our suppliers and partners to encourage them to reduce their own emissions. In 2021, fewer than ten suppliers were in CDP to disclose their emissions, so we set up our emissions supplier programme. By the end of 2023:

- 189 of our significant suppliers disclose their emissions through CDP.
- 117 have already set, or have committed to set, science-based targets.
- These 189 suppliers buy – on average – 26% of their energy from renewable sources.

Engaging suppliers to reduce energy and use renewable energy is key to meeting our NetZero40 commitments. In 2023, our Supplier Conference focused on 'opening up a more sustainable future together'. We were joined by about 200 supply partners. At the conference, we gave them inspiration and tools to start or continue their own sustainability journey and celebrated those who are already on the path to reducing emissions. The event was supported by expert insight from CDP and the World Economic Forum.

Innovating for decarbonisation

Delivering our drinks in more sustainable ways

We can reduce CO₂ emissions by changing the types of transport we use. In the first pilot of its kind on the island of Ireland, we are using three best-in-class electric Heavy Goods Vehicles (e-HGVs) with a range of 300km. We expect the e-HGVs to reduce carbon emissions by 229 tonnes each year – the equivalent of charging over 25 million smartphones¹. We've collaborated with a customer and transport supplier on this initiative. This type of partnership along the value chain aims to showcase how important it is for the industry to work together and share insights so we can reach our shared and individual sustainability goals.

In Serbia, we more than doubled the number of Compressed Natural Gas (CNG) trucks we use in 2023. Since 2021, we have reduced our CO₂ emissions by around 480 tonnes annually and by the end of 2024, we expect to save around 830 tonnes each year.

1. US Environmental Protection Agency comparison.



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Innovating for decarbonisation



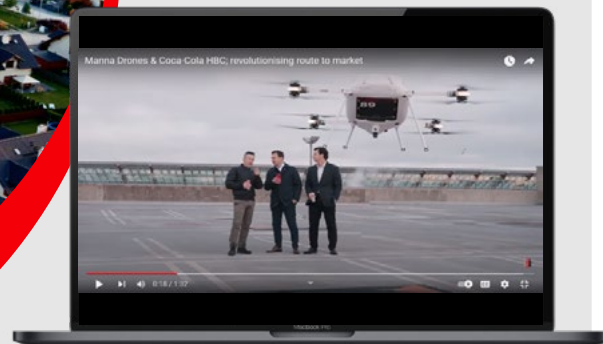
Manna drones in Ireland

Drones offer fast, safe and quiet home delivery, and can deliver to a five-kilometre radius in less than three minutes. They can also be up to eight times more efficient in terms of CO₂ emitted during delivery when compared with conventional petrol vehicles, according to a report from Maynooth University in Ireland in 2022.

We are pleased to have invested – through our Ventures arm – in Manna Aero, an Irish start-up leading the way in food and beverage drone deliveries. We believe this partnership will help us drive profits, deliver better customer service and, importantly, reduce harmful CO₂ emissions. We are looking forward to Manna Aero expanding its operations and bringing drone deliveries to more cities in the EU and elsewhere.



Watch Manna Drones in action



Decarbonising our value chain

We continued our work to meet our emissions reduction targets for 2025, 2030 and 2040. We invested in energy efficiency and recovery, and in low or zero-carbon (renewable) energy sources, and continued to improve, for example, our processes, planning and cleaning.

Our EU and Swiss manufacturing facilities moved from using 99.2% in 2022 to 100% renewable and clean¹ sources this year. We have energy transition plans in place for other business units to follow suit. We also intensified our efforts in Nigeria and Egypt.

By the end of 2023, we had invested about €28 million in energy-efficient solutions, including Top 20 energy savers (excluding Egypt).

Sourcing our energy

In Nigeria, our eight manufacturing plants now have solar panels and source 14% of their electricity from renewable energy sources. We had increased our Nigerian renewable and clean energy supply from 58% in 2022 to 73% by the end of 2023. All the electricity supplied from the public grid is renewable for our Nigerian operations.

This year, we started using cleaner sources such as solar energy from rooftop panels in our production plant in Challawa. We also continued to extend these sources in our production plants in Ikeja and Abuja, reaching total installed capacity to 12 MW compared with 10 MW in 2022.

In Egypt, we installed solar rooftop panels in four out of five of our plants, so 10% of our annual electrical energy comes from renewable sources. We are working on plans to optimise energy use solutions and collaborating with our partners to expand renewable electricity sourcing plans.

1. Clean source means CHP using natural gas.

Transitioning to a green fleet

In 2023, we built on the positive momentum of our Green Fleet Programme, keeping the trajectory to achieving our 2030 CO₂ emissions reduction goal. We continued our transition to electric and hybrid vehicles, which comprise 44% of our total light fleet, compared with 16% in 2021 and 28% in 2022. We reduced our fleet carbon footprint compared with our baseline (2017) by 43%, a reduction of about 43,743 tonnes of CO₂. We reduced our emissions on our light fleet by 19,513 tonnes compared with our baseline, and about 24,230 tonnes of emissions reduction over the same period for our heavy fleet.



Our Green Fleet Programme helped us to reduce emissions in 2023.

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Packaging

Packaging plays a central role in delivering our Mission 2025 commitments and CO₂ emissions reduction target, as it accounts for over a third of our scope 3 emissions.

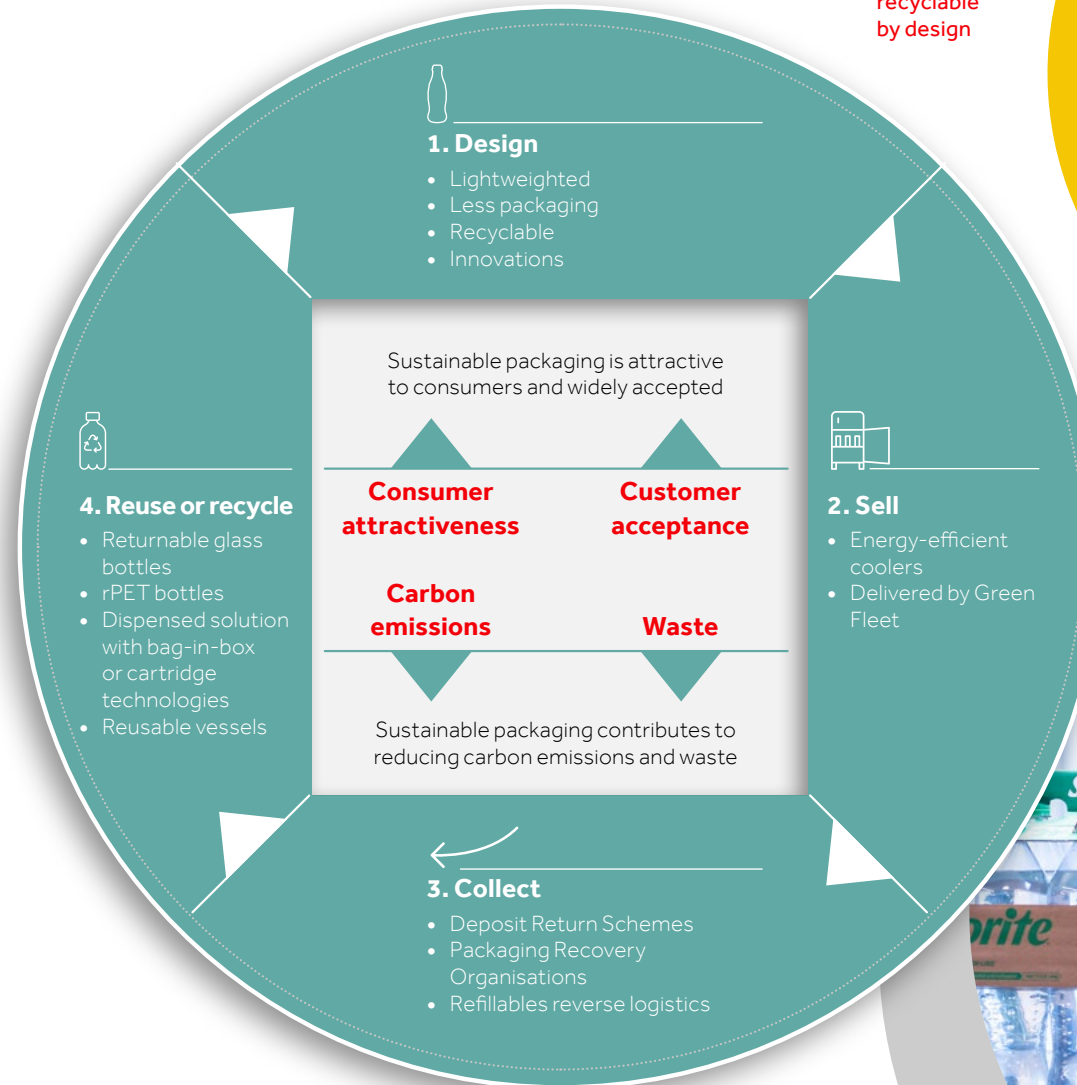
Improving the sustainability of our packaging is a critical priority for us. We believe every package has value and life beyond its initial use and that it should be collected and recycled into a new package or reused. We focused on making our packaging more sustainable by investing in recycled content, expanding reusable formats, in-house rPET production infrastructure – which helps us to have a high-quality, steady supply of more affordable rPET in selected markets – and driving the implementation of effective collection models.

Packaging can only be circular if it is recyclable. Since 2022, 100% of our primary packaging – PET, glass, aluminium and aseptic cartons – has been recyclable by design. We achieved this milestone three years ahead of our 2025 target.

Our Mission 2025 sustainable packaging vision is built on three main pillars:

- Recovering our primary packaging for recycling or reuse.
- Making our primary packaging fully recyclable.
- Increasing the percentage of rPET in our bottles.

Our sustainable packaging model



100%

of our primary packaging is recyclable by design



Our LitePac Top innovation in Austria

Growth pillars continued

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Progress towards our sustainable packaging vision



Slovakia: Outstanding collection results from DRS

PET collection rates in Slovakia soared from 50% in 2022 to 92% in 2023, after a new Deposit Return Scheme was introduced in 2022. In its second year of operation, the scheme had 3,250 collection points and high levels of consumer engagement. This demonstrates how effective a well-designed and properly implemented DRS can be in increasing collection rates. The scheme gives a right of first refusal to all registered producers on the market to purchase their fair share of the collected post-consumer materials, supporting circularity and high-quality bottle-to-bottle and can-to-can recycling.

In 2023, we kick-started the Pack Mix of the Future programme across all EU geographies. It sets out our vision and trajectory on pack mix to continue profitable growth while reducing our CO₂ footprint through packaging.

We continued to explore the role of dispensers and reusable vessels to assess how they could contribute to increasing reusable packaging. As we do this, we leverage existing market solutions and pilot new technologies.

Collecting and recycling

We are leading industry efforts to introduce effective and efficient collection systems in all our markets. These include Deposit Return Schemes (DRS) in most of our EU markets.

Romania became the first market in our Group in 2023 to combine all three key ingredients of plastic packaging circularity:

- A 100% rPET local bottle portfolio.
- An in-house rPET facility.
- A Deposit Return Scheme.

By the end of 2023, six of our markets had launched DRS: Croatia, Estonia, Latvia, Lithuania, Romania and Slovakia. The Republic of Ireland and Hungary launched DRS in Q1 2024. The Hungarian DRS will have a six-month transition phase. Well-designed DRS have a proven track record of delivering very high collection rates, typically over 90%. We are supporting several additional markets to launch DRS in 2025-27.

These combined efforts meant that, in 2023, we made significant progress towards our packaging collection goal, delivering an overall collection rate of 56%, an increase of eight percentage points from 2022¹.

1. Excluding Egypt.

In Africa, we are working with governments and other stakeholders to help establish effective Extended Producer Responsibility (EPR) systems for packaging collection on a national level. In 2023, in Nigeria, we supported a range of collection projects, including those of the Food & Beverage Recycling Alliance (FBRA). As an alliance, FBRA collected almost 40,000 metric tonnes (MT) PET in total in 2023 – more than three times the amount collected in 2022.

In Egypt, we continued our partnership with recycler BariQ to collect and recycle more than 20,000 MT PET, while also engaging with the Egyptian government to offer our support in establishing a new national Packaging Recovery Organisation (PRO).

Tethered or attached closures help capture the entire package for recycling. From 4 July 2024, all plastic closures on beverage containers over three litres in Europe must have tethered caps to meet new rules in the EU's Single Use Plastic Directive.

In 2023, we extensively rolled out tethered closures to over 80% of our beverage containers in scope, so we were prepared for this EU Directive. This roll out covered our EU markets and Bosnia, North Macedonia, Serbia and Switzerland.

rPET

Using recycled content is a key part of our approach to making our packaging circular. In 2023, 16.1% of the PET that we used was rPET¹. This represented a significant increase compared with our 2022 performance (10.5%) and solid progress towards our 2025 target to have 35% rPET usage across our Group¹.

By the end of 2023, in Austria, Italy (excluding water), the Republic of Ireland and Northern Ireland, Romania and Switzerland, we had shifted our locally produced plastic bottles to 100% rPET.

With these initiatives, we almost doubled the percentage of rPET in EU markets and Switzerland in the last year from 22.3% rPET in 2022 to 42% rPET in December 2023. To date, we have invested over €50 million in in-house rPET production facilities in Italy, Poland and Romania. In-house rPET production helps us reduce costs compared with buying from third-party suppliers and eliminates extra transport costs.

We are on track to achieve 50% rPET in our plastic bottles across our portfolio in EU markets and Switzerland by 2025.



Romania rPET in-house launch video



New RGB line in Austria video

Growth pillars continued

Earn our licence to operate



Zoran Bogdanovic, CCHBC CEO, Marcel Ciolacu, Prime Minister of Romania, and Nikos Koumettis, The Coca-Cola Company, President of Europe Operating Unit, at the opening of our new in-house rPET production facility in Romania

Expanding reusable packaging

Reusable packaging plays a critical role in reducing waste and our carbon footprint, and minimising the amount of packaging we produce. Reusable packaging includes returnable and refillable glass, and dispensers such as fountains or freestyle machines, provided reusable vessels are used.

We continued to explore new-generation Compact Freestyle Dispensers in selected markets. These allow consumers to use their own cup or vessel for more than 40 soft drinks and cut emissions by up to 70% emissions compared with PET¹.

In 2023, 11.7%² of the drinks we sold were in returnable containers and 4.3%² through dispensers.

Eliminate unnecessary packaging

We launched innovative secondary packaging for multi-packs of 1.5 litre Coca-Cola, Fanta and Sprite. The revolutionary new type of cardboard – LitePac Top – is easy to carry and recycle. The pilot project in Austria will initially save about 200 tonnes of plastic each year.

We trialled new, high-performance stretch film in Ireland and Austria that reduces the amount of film needed by 30%. We will continue to test this in 2024 and plan to introduce this to our sparkling soft drinks portfolio in 2025.

Technology helped us to reduce the overall weight of packaging materials. In 2023, we did this successfully in the Baltics, the Czech Republic, Greece, Hungary, Poland, Nigeria and Northern Ireland. This saved over 600 tonnes of PET and reduced, on average, the amount of resin we used by 11% for specific stock-keeping units (SKUs). It also reduced CO₂ emissions by 1,300 tonnes a year.

We reduced the weight of aseptic plastic closures in the Czech Republic, Hungary, Poland and Romania, and closures for sparkling soft drinks in Nigeria. Overall, this saved 300 tonnes of High-Density Polyethylene (HDPE) a year, reducing CO₂ emissions by over 600 tonnes.

[Read more on HUG-IT story p17](#)

Increasing recycled materials in secondary packaging

We piloted using 100% PCR content in shrink film in some of our packs in Italy, Poland and Switzerland. We plan to launch these in markets in 2024.

1. Lifecycle analysis (LCA) by IFEU: LCA study with Product Environmental Footprint methodology, July 2022.
2. Transactions excluding beer, coffee and spirits.



Progress towards our sustainable packaging vision



Austria: Innovating to expand reusable packaging

Coca-Cola HBC Austria is a first mover in our 29 markets when it comes to innovating with reusable packaging and minimising plastic, both of which are in demand by customers and consumers.

In 2023, we opened a new high-speed, water and energy efficient, returnable glass bottling line in Edelstal. This €12 million investment was co-funded by the European Union NextGenerationEU.

For the first time in Coca-Cola HBC, we now produce 400ml returnable, resealable glass bottles, so consumers can enjoy our drinks on the go or at home.

We also produce one-litre, reusable and universal bottles. This means we use the same shape of bottle for all our soft drinks portfolio.



Funded by
the European Union
NextGenerationEU

Progress towards our sustainable packaging vision



Poland: Reusing customer displays

A new approach to promotional displays has been piloted with our customer Żabka, a large chain of convenience stores in Poland. This new system only requires the customer to change the branding of our products in stores – not the display units themselves. This means that our customer retains a high-quality display and we save money on transport and production costs. This collaborative initiative created commercial value for us and for our customers while reducing waste and cutting down on CO₂ emissions.



Growth pillars continued

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Water

Water touches every aspect of our business.

Climate change affects water availability and water quality. Our commitment is to protect this valuable resource, especially in those areas of our operations where water is scarce or at risk. We do this by:

- reducing, reusing and replenishing the amount of water we use in our activities;
- recycling the wastewater from our manufacturing sites and returning it to the environment;
- ensuring that communities have access to safe, clean water; and
- engaging with suppliers on our Principles for Sustainable Agriculture.

Read more on p66

We use water from the start to the end of the production process for our drinks:

- Growing core ingredients, such as sugar and the fruit that provides our juice concentrates.
- Using it as the largest component of our beverages and cleaning, washing and sanitising production equipment and processes.

We have been doing comprehensive risk assessments for many years and calculating the True Cost of Water for investment decisions. We have updated this every year since 2015.

Water reduction and stewardship

Our Mission 2025 commitment for water risk areas is to reduce water-use ratio in plants by 20% compared with our 2017 baseline and help secure water availability for communities in which we operate.

In our operations, we have 19 water priority locations¹, including Armenia, Bulgaria, Cyprus, Greece, Italy and Nigeria. These locations face specific stress factors such as:

- water being scarce;
- local communities lacking access to water and sanitation services; or
- deteriorating water quality in the watersheds.

In these areas, we focus on water-replenishment activities, nature-based solutions and improving water quality.

In 2023, our overall reduction in water priority locations was 6.8% compared with our 2017 baseline. We maintained water efficiency at the same levels as 2022 in all our production plants. In water priority locations, our water usage was 0.6 percentage points higher than 2022.

Our production plants in the following markets performed well:

- In Bulgaria, we improved the overall water efficiency by 5% compared with 2022.
- In Greece and Cyprus, we improved the overall water efficiency by 6% compared with 2022.
- In Nigeria, five of our production plants delivered strong results on water efficiency. The decrease ranged from 1% to 5% compared with 2022.

Our water community projects



Greece: Tackling water scarcity for impact

Water scarcity is a threat to farmers, local communities and tourism in Crete's largest city, Heraklion. This year we improved irrigation and water supply systems at five locations to save 14.5 million litres of water a year through our Zero Drop programme, which we funded with The Coca-Cola Foundation. The water resources protection programme is locally implemented by the Global Water Partnership – Mediterranean (GWP-Med) in collaboration with the Municipality of Heraklion.

In Profitis Ilias, we replaced old leaking pipes to secure the water distribution network for irrigation. And in Voutes, we upgraded two major pumping stations, saving energy, reducing CO₂ emissions and preventing water losses.

We shared water-saving advice with the local community and a team of environmental educators trained schoolchildren. This included playing a water-saving game of snakes and ladders that was specially created for the programme. We also produced new educational displays for one of our customers, Chalkiadakis stores. These shared tips on how to save water on the promotional displays and in take-away leaflets for customers. Consumers can also buy our products at a discount. This important community issue is strongly connected with our customer's ESG agenda. Our collaboration increased sales, created a positive perception and benefitted the wider community.

We also completed the first part of work in Schimatari/Tanagra in Greece to prevent water losses at a local water treatment plant.



Our water community projects



Romania: Rivers Interceptors project

Trapping litter on four rivers flowing into the Danube is helping to reduce pollution in Romania. The innovative cleaning system spreads over the entire width of the river in specific areas that were chosen after a technical evaluation of where it would be most effective. The traps collect litter that's floating on, and one metre below, the surface to stop it from going any further. The River Water Interceptors project brings together the private and public sector. We are in partnership with the CSR Nest Association, a non-governmental organisation that is managing the project, The Romanian Waters National Administration and local municipalities. Since it was set up in February 2022, the traps have stopped over 11 tonnes of waste from flowing into the River Danube and on to the Black Sea. This has included 1.5 tonnes of recyclable PET and 8.5 tonnes of wood, which we donated to local communities to use.

1. Excluding Egypt.

Growth pillars continued

Earn our licence to operate



Our water community projects



Nigeria: WASH projects

Providing access to clean and safe water in local communities is an important part of our work in Nigeria. In 2023, we built sanitation and water facilities in Benin, Kano, Lagos, Maiduguri and Owerri as part of our €1 million commitment to celebrate our 70th anniversary in Nigeria. The facilities, which include a block of toilets, new boreholes and overhead tanks, aim to improve people's lives through access to Water, Sanitation and Hygiene (WASH) services in communities where we operate.

We continued to invest across our markets in technologies with a focus on Top Water Savers to reach our 2025 commitments.

For example, we have invested in:

- dry rinsers that clean without water;
- automated controls for our reverse osmosis systems;
- data-driven ion exchangers;
- backwash filtration units;
- optimising chemicals for coagulation; and
- upgrading cooling towers.

Some of our production plants in Egypt are located in water stressed areas, so in 2023 we implemented several projects to mitigate the risks, including the following:

- commissioning a new water treatment in the Sadat plant to increase capacity and improve water efficiency;
- initiating an upgrade to the wastewater treatment plant in Sadat;
- installing new in-line instrumentation in the Alexandria plant to monitor raw water quality; and
- integrating new flowmeters and updating water maps for all plants.

Working with our suppliers

We measure the water consumption of our critical suppliers to assess their basin and operational water risks using the Water Risk Filter methodology. We then work with suppliers operating in high-risk areas to develop plans so they can reduce their water use.

Water stewardship community projects

We have 12 water stewardship community projects in water risk areas where we have plants. In 2023, we started new projects in Maiduguri, Nigeria. With support from The Coca-Cola Foundation, we delivered solar-powered boreholes with overhead tanks in four communities. These aim to give 14,000 local people access to safe WASH services. We estimate our projects in Nigeria have provided about 4.8 billion litres of clean and safe water in the last five years.

Our water community projects



Cyprus: Zero Drop – Mission Water

The last phase of the water resources protection programme "Zero Drop–Mission Water" in Cyprus was implemented in 2023 by Global Water Partnership – Mediterranean (GWP-Med) NGO in collaboration with the Municipality of Aglantzia and Coca-Cola in Cyprus, with the exclusive funding from The Coca-Cola Foundation. According to GWP-Med, the programme's technical interventions in the municipality have the capacity to save an estimated 3,000,000 litres of water annually, while improving the irrigation of the municipality's green spaces. From these interventions, about 10,000 people from the local community of Aglantzia, Cyprus have benefited. This new project builds on the successful implementation of a previous 10-year water resources protection programme in Cyprus that has achieved remarkable results, saving several million litres of water annually and positively impacting the lives.



Growth pillars continued
Earn our licence to operate

People and Communities

In 2023, we remained focused on making a positive impact on the local communities where we operate. We supported young people through #YouthEmpowered with training programmes and skills development, and communities in need with product donations, volunteering initiatives and disaster relief activities.

We are here for colleagues and communities when disaster strikes

The world sadly witnessed more devastating conflicts, natural disasters and extreme weather events in 2023. We mobilised rapidly to provide immediate aid where possible. This included the following:

- **Greece wildfires:** About 9,000 cases of our soft drinks, water, juices and coolers were distributed through Humanity Greece, the Red Cross and local municipalities.
- **Greece floods:** We donated more than two million bottles of beverages, mainly Avra water, to people affected by the devastating floods in Thessaly, central Greece. Together with The Coca-Cola Company and Bodossaki Foundation, we donated €100,000 to support their immediate needs. Through a mobile unit of 'Doctors without Borders', the donation provided medical and psychosocial support to people affected in Thessaly. We plan to implement a recovery project in the affected area in 2024.
- **Slovenia floods:** Access to clean and safe drinking water and rebuilding infrastructure across the country were critical to help communities recover. The Coca-Cola System donated Römerquelle water and €100,000 to the Slovenian Red Cross to help with this work.
- **Turkey and Syria earthquakes:** It was important for us to help provide relief and support the efforts of The Coca-Cola Company and The Coca-Cola Foundation when these earthquakes happened. Turkey and Syria are not territories where we do business, but we donated €100,000 to the Turkish Red Crescent and CARE international in Syria.



Thank You Fund in the island of Ireland

Around 60 employees and players from the Viennese Football Club cleaned the home district of SK Rapid in Austria. Photo credit by Martin Steiger

Working with our communities

Ireland, Czech Republic and Slovakia, and Italy: Donations to Food Banks

We want to support people in need and tackle food waste as part of our sustainability commitments. Here are some of the initiatives we were involved with this year:

- Donated 70,000 meals in December 2023 in the Republic of Ireland. We collaborated with our customer partner Tesco and FoodCloud, a not-for-profit social enterprise working to tackle food waste and food security (pictured right).
- Co-operated with food banks in the Czech Republic and Slovakia to donate more than 800,000 litres of beverages to food banks worth more than €360,000.
- Supported Banco Alimentare (National Food Bank) in Italy to distribute over 1.5 million meals during the Christmas period. We also took part in its National Food Collection Day with 55 colleagues volunteering. Our seven local family days donated the proceeds of their Christmas markets to Banco Alimentare.



Growth pillars continued

Earn our licence to operate



Providing community support in Ukraine

1.5m litres
of Coca-Cola to Ukrainian families

US\$1.8m
to rebuild a kindergarten in Bohdanivka, Ukraine

8.9m litres
of beverages for food banks, disaster relief, and numerous local initiatives

> 3,000 colleagues
focused on supporting vulnerable communities, youth and environment

>€7.9m

- Long-term community initiatives
- Disaster relief for Greece, Croatia, Slovenia, Bulgaria, Italy and Austria

All figures include Egypt and Bambi.

Community support in Ukraine

We continued to offer practical help and support to people in Ukraine and our employees affected by the conflict in 2023. With The Coca-Cola Company and NGO partners, we provided water and beverages to affected regions, offered humanitarian assistance, restored infrastructure, and installed electricity and heat generation equipment. Since the beginning of the conflict in Ukraine, the Coca-Cola System and The Coca-Cola Foundation have committed US \$35 million to support people in Ukraine.

The Coca-Cola System has helped in the following ways:

- We donated €4.7 million and volunteering support. In partnership with the Red Cross Society of Ukraine, we provided 70,000 food kits and beverages to people in the regions most affected by food and water shortages. One kit contains one month's supply of food that does not need to be refrigerated.
- 54 electric generators were sent to hospitals, schools, kindergartens, boarding schools and centres for temporarily displaced people across Ukraine after The Coca-Cola Foundation donated US \$500,000 to the Red Cross Society of Ukraine. Seventeen centres for internally displaced people also received 5,000 sleeping kits for their residents through this partnership and strong volunteering support.
- 45 mobile boilers were donated to Ukrainian communities most in need to help to keep people warm during the winter. The cost of the project was about US \$3.5 million, which was donated by The Coca-Cola Foundation, in partnership with the Ukrainian Red Cross,
- A kindergarten that was destroyed in the village of Bohdanivka is now being rebuilt and will be able to accommodate more children. The Coca-Cola Company donated US \$1.2 million and we donated US \$1.8 million to make this happen. Our production plant has been operating nearby for almost 25 years.
- At the end of 2023 we donated one million bottles for the most vulnerable Ukrainians to make the winter holidays a little more joyful. Many company volunteers were involved in the project across the whole country. Our Ukrainian plant produced a batch of one million 1.5-litre Coca-Cola bottles with a special mark on the label 'For you'. With the help of partner humanitarian organisations such as the Ukrainian Red Cross and Caritas Ukraine we distributed the drinks from December 2023 until February 2024. This token of gratitude was also shared with the communities closest to the frontline. We donated some of our beverages to the D.R.E.A.M. Charitable Foundation, which works together with the Scottish organisation Siobhan's Trust, to provide warm meals to residents of such regions.



Growth pillars continued
Earn our licence to operate

#YouthEmpowered progress

#YouthEmpowered progress

We passionately believe that every young person has the potential to thrive. Through our #YouthEmpowered programme, we are equipping them with the skills, experience and confidence they need to secure a brighter future.

By the end of 2023, we had trained 944,948 young people since the programme launched in 2017.

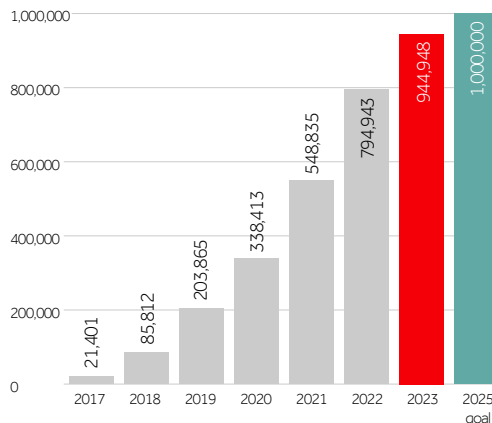
We are confident we will meet our Mission 2025 target of training one million young people ahead of target year.

By the end of 2023

944,948

young people trained

Cumulative number of young people trained through #YouthEmpowered since 2017



Here are just some of our 2023 #YouthEmpowered activities:

- In **Nigeria**, we trained 1,865 young people on viable entrepreneurship and career skills during the 2023 campus edition of our #YouthEmpowered initiative. This is part of our commitment to nurturing the country's future leaders.
- To celebrate its thirteenth year, The Coca-Cola Thank You Fund across the **island of Ireland** doubled the value of its grants to €200,000. This year, 28 non-profit organisations were awarded grants to help them champion and empower young people to take an active role in shaping, creating, and maintaining sustainable communities. The Coca-Cola Fund operates in partnership with the Irish Youth Foundation and YouthAction Northern Ireland and is jointly funded by The Coca-Cola Company.
- Experts from the Coca-Cola System across **Bulgaria** shared valuable advice and insights with young people to help them develop their skills before transition to employment. Collaborating with SoftUni Digital, Junior Achievement Bulgaria, Teen Station, and local universities, free training was delivered to 4,788 young people.



Working with our communities

Co-operation, Creativity, Communication, Critical Thinking and AI

More than 4,000 young people from Poland, Estonia, Latvia and Lithuania joined our 2023 #Skills4Future hybrid event hosted by Polish influencer, Natalia Sisik.

The theme of the 2023 event was co-operation, creativity, communication and critical thinking – and the role of AI in youth development.

We invited 17 experts and business practitioners to talk about each skill and share their experiences, including the role of personal branding in the job market and combining creativity with new technologies.

During the event, Natalia presented the results of a survey carried out on behalf of Coca-Cola HBC in Poland. These showed that 3 in 4 young people believe that using modern technologies will translate into their future in the labour market.

"It was just wow."

"I would definitely recommend it, good experience."

"During the practical sessions, I clarified what my strengths are, I learned more about myself."

Quotes from participants in Lithuania

Lithuania



Nigeria



Estonia



Watch the video online



Growth pillars continued

Earn our licence to operate



Working with our communities



The Coca-Cola HBC Foundation

We were proud to launch The Coca-Cola HBC Foundation in December, and donated €10 million to support communities in 2024.

We have always had a strong focus on operating sustainably, and a long tradition of giving back to the communities we are a part of.

We have identified a number of critical areas where we will prioritise our support. These include:

- natural disaster relief;
- packaging and waste management;
- corporate citizenship; and
- empowering youth and women.

The new foundation brings clear focus to our work and empowers us to make decisions quickly to take action where it is most needed.

Sustainable sourcing

We are committed to sourcing 100% of our key ingredients in line with the Principles for Sustainable Agriculture as set out by The Coca-Cola Company.

In 2023, we reached 79%. Of specific importance to achieving our biodiversity goal are the principles on conservation of forests, conservation of natural habitats, biodiversity and ecosystems, soil management and agrochemical management. Overall, the principles protect and support biodiversity and ecosystems, uphold human and workplace rights, ensure animal health and welfare, and help build thriving communities. They apply to farm-level production and form the basis for our continued engagement with Tier 1 suppliers to ensure sustainable long-term supply with lower environmental impact.

[Read more on p25 to 27](#)



Nutrition

As part of the Coca-Cola System, we want to deliver great-tasting soft drinks that support balanced diets. We do this in five strategic ways:

- **Less sugar, more choices:** We have committed to reduce calories per 100ml of sparkling soft drinks by 25% between 2015 and 2025 across all our markets. By the end of 2023, we had reduced calories by 19% per 100ml of sparkling soft drinks. To reach our commitment, we focus on growing zero formulations such as Coca-Cola Zero Sugar Zero Caffeine and new flavour creations within the Fanta and Schweppes brands.
- **New and different drinks:** We are responding to changing consumer preferences by innovating our recipes and pack sizes, offering more choice. New zero formulations across our brands help us drive growth and show how constant innovation is keeping us at the forefront of consumer choice and customer preference. In 2023 we launched nectars reformulation for five mono fruit flavours with added functionalities and reduced sugar by 30%. We also launched new recipes for Schweppes Bitter Lemon Zero and Kinley Tonic Water in local markets with lower sugar and better taste. We expanded Pink Lemonade, the first zero sugar drink in our Lemonade range.

- **Informed decisions:** We provide clear and transparent nutrition information about what's inside our drinks, such as the Guideline Daily Amount (GDA) and traffic-light labels on our core sparkling drinks in 22 markets.
- **No marketing targeting children:** We commit to not market any of our drinks directly to children under 13 and do not offer any soft drinks in primary schools.
- **Promoting low- and no-sugar choices:** We are promoting Coke Zero Sugar as our 'hero' in marketing campaigns encouraging more people to choose low- and zero-sugar drinks.

[Read more on p28](#)



Growth pillars continued

Earn our licence to operate

Biodiversity

We are serious about making a net positive impact on biodiversity in critical areas of our operations and supply chain by 2040 and eliminating deforestation in our supply chain by 2025. To reach this objective, we joined the Science Based Targets Network (SBTN) to focus our efforts on the relevant actions so both nature and business can thrive.

In 2023, we undertook the mapping and materiality assessment on biodiversity across our value chain to help us set targets in areas that matter the most and to measure our progress. This assessment shows that the biggest impact on biodiversity comes from land conversion and water withdrawal from our upstream activities, mainly from agricultural suppliers.

We will focus in 2024 on collaborating with our suppliers to develop plans to address these two risk areas and develop an appropriate monitoring system to measure deforestation at supplier level. In our direct operations, we currently report on seven manufacturing sites adjacent to critical to biodiversity areas. We have initiated a few biodiversity projects in some of these sites. We will now learn from these and take action in all the critical areas by following the official SBTN guidance and engaging with our business partners and the local communities.

In 2024, we will also start to implement the recommendations of the Taskforce on Nature-related Financial disclosures (TNFD) recommendations.



Caring for local biodiversity



Serbia: Creating scenic hiking trails

Visitors to Lake Vlasina, an area of extraordinary biodiversity and beauty in south-east Serbia, can now use 47 kilometres of new hiking trails. We partnered with the United Nations Development Programme (UNDP), the Ministry for the Development of Underdeveloped Municipalities and the Municipality of Surdulica to create the new trail. Our natural spring water plant is located in Vlasina – an area of national significance due to its endemic flora and fauna, unforgettable gastronomy and rich historical and cultural heritage. Our ambition is to establish Vlasina as a regional must-see tourist destination, while supporting local businesses and our neighbours to grow in a sustainable way. Visitors can now learn about the lake and biodiversity along the trail or by visiting digital trails on the Serbia Trails portal. Vlasina hosted the nation's largest hiking event, ROSA Hiking Day, when the trail opened in September 2023. New waste bins to separate packaging for recycling were also installed along the Vlasina Lake and in restaurants and cafes, in partnership with local waste management operator Sekopak.

Caring for local biodiversity



Poland: Renovating a mineral water spring for local communities in Tylicz

Tourists visiting the natural water spring in Tylicz, Poland, can now enjoy its therapeutic qualities even more after a joint project helped to bring it back to life. Our local team worked with Multivita and municipal employees to unblock the flow and build a new casing for the water spring. These both help improve access to the water spring, making the region more attractive to visitors.



Growth pillars continued

Earn our licence to operate

Caring for local biodiversity

Hungary: Zero Waste Tisza River project

Coca-Cola Hungary joined forces with the water management authorities and civil society to help clean up Hungary's second largest river, the Tisza. More than 100 tonnes of waste have been removed since 2019 as part of the initiative.

GPS-based tracking maps the amount of plastic waste and the path it takes to help find solutions for the future. A lot has been done to improve waste collection and treatment in Subcarpathia and a new water purifying container has been developed to make clean water more accessible to the local population. This initiative brings together the Plastic Cup team and the General Directorate of Water Management (OVF) with support from The Coca-Cola Foundation.



Priorities in 2024

- Evolve our sustainability strategy with 2030 commitments.
- Update our NetZero by 40 roadmap incorporating our Egypt operations and have FLAG targets approved.
- Continue decarbonisation of our business in all three scopes.
- Support the roll out of national DRS in EU markets and advance our collection model in Nigeria.
- Continue to innovate in sustainable packaging formats.
- Strengthen collaboration across ESG areas with our customers and suppliers.
- Get ready for compliance with new EU ESG reporting frameworks.
- Continue on SBTN roadmap to define our action plan for biodiversity hotspots.

UN Sustainable Development Goals

Our initiatives in communities help advance the global objectives of good health and wellbeing, and sustainable cities and communities. Our initiatives to empower youth and women contribute to the goals for quality education, decent work and economic growth, sustainable cities and communities, and partnerships. Our initiatives regarding water stewardship, CO₂ emissions reduction and waste reduction aid global progress towards the SDGs for clean water and sanitation, and climate action.

