Chairman’s Statement 5

Market Place 6
2.1 - 2.2 COMPANY NAME & MAJOR PRODUCTS 5
2.3 OPERATIONAL STRUCTURE 5
2.4 STRUCTURE OF MAJOR DIVISIONS 5
2.5 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
2.6 NATURE OF OWNERSHIP 6
2.7 NATURE OF MARKETS SERVED 6
2.8 NATURE OF OWNERSHIP 6
2.9 NATURE OF MARKETS SERVED 6

Work Place 10
3.1 - 3.2 COMPANY NAME & MAJOR PRODUCTS 5
3.3 OPERATIONAL STRUCTURE 5
3.4 STRUCTURE OF MAJOR DIVISIONS 5
3.5 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
3.6 NATURE OF OWNERSHIP 6
3.7 NATURE OF MARKETS SERVED 6
3.8 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
3.9 NATURE OF OWNERSHIP 6
3.10 NATURE OF MARKETS SERVED 6

Environment 25
4.1 - 4.2 COMPANY NAME & MAJOR PRODUCTS 5
4.3 OPERATIONAL STRUCTURE 5
4.4 STRUCTURE OF MAJOR DIVISIONS 5
4.5 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
4.6 NATURE OF OWNERSHIP 6
4.7 NATURE OF MARKETS SERVED 6
4.8 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
4.9 NATURE OF OWNERSHIP 6
4.10 NATURE OF MARKETS SERVED 6

Community 30
4.1 - 4.2 COMPANY NAME & MAJOR PRODUCTS 5
4.3 OPERATIONAL STRUCTURE 5
4.4 STRUCTURE OF MAJOR DIVISIONS 5
4.5 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
4.6 NATURE OF OWNERSHIP 6
4.7 NATURE OF MARKETS SERVED 6
4.8 COUNTRIES WHERE OPERATIONS ARE LOCATED 6
4.9 NATURE OF OWNERSHIP 6
4.10 NATURE OF MARKETS SERVED 6
Shared Commitment Statement

More than simple business interest and the brands we jointly produce bind Coca-Cola HBC and The Coca-Cola Company together. We also share a view of the world; we see people not as just statistics, but as individuals with aspirations for themselves, their families, and their communities. We see markets as societies that seek sustainable economies and we see differences not as obstacles, but as opportunities that draw us even closer. Together, we accept the responsibility to use our knowledge and resources to help make a positive difference to the world in which we live.

Consistent with this view of the world, we also share a set of values that underpin how we do business and how we interact with our customers, consumers, employees, the environment and the communities we serve. Those values include honesty, integrity, quality, respect for individuals and for the environment, and a fundamental sense of accountability for our actions.

Together, we strive to build and maintain a reputation for excellence in each of the countries in which we do business. That reputation built over many years is our strength. We strive for excellence not just in what we produce, but also in how we do business. This is why people reach for our products every day, and it is why investors place trust in us. That reputation endures because of our shared values and our commitment to conduct business in the right way.

Conducting business in the right way also means conducting business successfully, because the first responsibility of business is to make a profit and create wealth for those people it touches. That concept of building for the long term, profitably, responsibly, and in a principle-based manner, is core to our existence. Ultimately, it is our job, and by doing it well we continue to contribute to society through wealth and job creation, through community involvement and people development, and through philanthropy.

We are committed to acting with honesty and integrity at all times, in the way we conduct our businesses, and in the way we communicate with our respective investors and with regulatory authorities. Our core values will be reflected in all our relationships and actions - in the marketplace, the workplace, the environment, and the community. We work to avoid violations of our principles and act quickly to address violations should they occur.

This document sets out the principles that embody our shared values, and whilst implementation is the independent responsibility of each of our operating companies by following the necessary processes and management routines, we come together to reaffirm our commitment to good citizenship and ethical conduct.
In reading this report, I hope you will observe the importance Coca-Cola HBC places on the contribution made by its close involvement and participation in the worldwide Coca-Cola system.

We recognise that, by embracing shared visions and uniform values with our partners, The Coca-Cola Company (TCCC) and other Coca-Cola bottlers around the globe, we add depth and a broader perspective to our business.

As CEO of Coca-Cola HBC, I have gained at first hand a deep appreciation of the considerable benefits of this collaboration, by working very closely with colleagues across the system, over many years. A significant feature of our interaction is not only seen in greater understanding and closer cooperation, but also in the unity of ideas and of ideals.

The full intent and far-reaching goals resulting from this close alignment of beliefs is set out in the Commitment Statement, below. It has been my privilege to demonstrate our uncompromising commitment to this agreed set of principles by signing this document on behalf of Coca-Cola HBC.

On the following pages we have set out in detail the ways in which we, through frequent consultation with colleagues across the Coca-Cola system, co-operate in addressing our social responsibilities in four principal areas - the Marketplace, Workplace, Environment, and Community.

DOROS CONSTANTINOU
Chief Executive Officer
Coca-Cola HBC, as a member of the Coca-Cola system, subscribes to fundamental beliefs in regard to operational responsibilities that inform and guide the behaviour of all employees in the system with a unity of purpose.

These mutually accepted and applied beliefs have been established as our core Operating Principles.

While remaining constant, application of the Operating Principles are always being reviewed and assessed to maintain relevance, validity and efficacy as our business continues evolving in an ever-changing world.

Our Operating Principles, briefly are:

**The Marketplace**
Our commitment is to provide products and services that meet the beverage needs of our consumers. In doing this, we provide sound and rewarding business opportunities and benefits for our customers, suppliers, distributors, and local communities.

**The Workplace**
Our commitment is to foster an open and inclusive environment where a highly motivated, productive, and committed workforce drives business success through superior execution.

**The Environment**
Our commitment is to conduct our business in ways that protect and preserve the environment, and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes.

**The Community**
Our commitment is to invest time, expertise, and resources to provide economic opportunity, improve the quality of life, and foster good will in our communities through locally relevant initiatives.
Our commitment is to foster an open and inclusive environment, where a highly-motivated, productive, and committed workforce drives business success through superior execution.

We deliver this commitment through the consistent application of key principles, including:

1. Establishing a strong and direct relationship with our employees through open, honest communication.
2. Treating our employees with fairness, dignity, and respect.
3. Abiding by applicable local labour laws, including those that address working hours, compensation, discrimination, and majority representation by third parties.
4. Valuing diversity in its broadest sense.
5. Holding each other accountable for performance, where possible.
6. Rewarding our employees commensurate with performance, where possible.
7. Providing opportunities for employees to develop personally and professionally.
8. Ensuring, with our employees, the safety of the workplace.

We will follow practices that support these principles, including the following:

1. We pay competitively within each market where we operate.
2. We do not hire anyone below the local legal working age, and in no circumstance hire anyone below 15 years of age.
3. We ensure our management and supervisory teams are trained in and held accountable for effective and fair management practices.
4. We provide appropriate training so that our employees have the opportunity to perform their jobs effectively.
5. We work proactively to avoid violations of our principles.
6. We investigate and address any alleged violations.

**CORPORATE GOVERNANCE**

Coca-Cola HBC seeks to achieve high standards of corporate governance. Beyond self-imposed requirements, and those applied by regulators in Greece, where the company has its primary listing on the Athens Stock Exchange, the company is also affected by regulatory policies and systems in place at the London, Sydney and New York Stock Exchanges, where the company is also listed.

The board of directors includes three sub-committees:

- Audit Committee
- Human Resources Committee
- Citizenship and Environmental Committee.

The Human Resources Committee operates according to written terms of reference and is responsible for:

- Establishing the principles governing Human Resources policy and the Compensation Policy of the company that guide management decision-making and action.

- Making recommendations to the board of directors regarding company-wide compensation and benefit plans and the main compensation elements for senior managers who report to the managing director.
- Overseeing succession planning policy and making recommendations to the board of directors on the succession of the managing director and the appointments of those who report to the managing director.
- Making recommendations to the board of directors concerning potential non-executive directors, drawing on the best available outside resources.

The **Audit Committee** operates under written terms of reference and its duties include:

- The appointment of external auditors, their audit fee and any questions of resignation or dismissal of external auditors.
- Discussing with the external auditors before the audit commences the nature and scope of the audit and ensuring co-ordination, where more than one audit firm is involved.
- Reviewing the company financial statements before submission to the board, focusing particularly on any changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards and compliance with any applicable stock exchange and legal requirements.
- Discussing issues arising from the interim and final audits and any matters the external auditors may wish to discuss.
- Reviewing the internal audit program, receiving summaries of internal audit investigations and management’s response and ensuring coordination between the internal and external auditors.
- Reviewing the effectiveness of corporate governance and internal control systems and, in particular, the external auditor’s management letter and management’s response.
- Reviewing and recommending approval to the board of the code of business conduct, as well as treasury policy and the chart of authority, which provide the control framework for all treasury and treasury-related transactions.
- Considering any other matters, as appropriate.

The **Citizenship and Environmental Committee** comprises five members of the board of directors and takes responsibility for the development and supervision of procedures and systems to ensure the Company’s pursuit of its citizenship and environmental goals. Its written terms of reference include:

- Establishing the principles governing corporate social responsibility and environmental policies.
- Ensure transparency and openness by the Company, and its staff at all levels in the conduct of its business.
- Establish an effective working group responsible for initiating, assessing and reporting on the Company’s actions in support of its commitment to appropriate implementation of policies, agreed strategies, and compliance with externally and internally set measures affecting all stakeholders.
- Continually review and, where appropriate, seek to adapt and enhance capabilities throughout the Company, in order to further execution of its policies, strategies, regulatory requirements and corporate social responsibilities.

**Workplace**

As a Group that is focused on delivering a wide range of beverages to a large and varied range of consumers, Coca-Cola HBC employs people in many different social contexts. We believe that corporate goals must be balanced with respect for social principles, wherever we do business.
The Human Resources Committee aims to provide total com-

EXECUTIVE COMPENSATION

DIRECTORS

Under the company’s articles of association, the

DIRECTION

To assist in this process, the business looks to external par-
ties for independent assessment and includes:

Aon, our external risk advisors, work with our risk man-
gagement function to provide a comprehensive Safety &
Loss Prevention (S&L) programme across all territories.

The structure of the programme includes:

- Property Loss Prevention
- Business Continuity Planning
- Worker Safety (leading to OHSAS 18001)
- Fleet Safety Management
- Environmental Safety Management
  (leading to ISO 14001)

Denkstatt, our external environmental advisors who
work with our technical function to provide third party
verification of our Environmental programme including:

- The appropriateness of the mechanisms of Key
  Performance Indicators
- The traceability and accuracy of the data collected.
- The analysis of the data collected, reporting and consis-
tency of the data.
- The availability of the data for external scrutiny.

Lloyd’s Register Quality Assurance & Société
Générale Surveillance International are Certification
Bodies, who externally validate our systems, procedures
and practices against international standards and manage-
ment systems. These include:

- ISO 9000/2000
- ISO 14001
- Occupational Health & Safety Series 18001

In seeking to appoint members to the Board,
Coca-Cola HBC is mindful of its responsibilities to
identify and propose candidates who will provide a
proper balance of knowledge and expertise that
will help to fulfill the company’s commitment to all
its stakeholders. Major Coca-Cola HBC sharehold-
ers, in particular The Coca-Cola Company, have
extensive experience in matters relating to corpo-
rate behaviour across numerous countries.

As a general matter, the Board of Directors con-
venes the Annual General Meeting and determinesthe items on the agenda. However, shareholders
holding 5% or more of Coca-Cola HBC shares also
have a right to convene a general meeting of
shareholders.

A quorum of 67% of the holders of the share cap-
tal and a supermajority of 90% of the share capi-
tal present and entitled to vote is required to pass
any resolution concerning a change to the Group’s
“objects and purposes”.

DIRECTORS’ AND SENIOR
EXECUTIVE COMPENSATION

To achieve the business results required by Coca-
Cola HBC, the company must attract, retain and
motivate high calibre executives for whom it recog-
nises there is an international market. The Human
Resources Committee aims to provide total com-

Ensure the regular communication of the
Company’s status, and where appropriate,
progress in the implementation of policies,
strategies, regulatory compliance and engage-
ment with all stakeholders.

As part of the company’s commitment to best
business practice in corporate governance, it maintains var-
ious measures to enhance internal control and man-
agement, and it continues to institute others
as its business grows and evolves. These meas-
ures include a permanent Internal Audit function,
which reports to the audit committee and
approves the internal audit work for each year.

The internal audit department comprises 16 full-
time internal staff covering a range of disciplines
and business expertise. The head of the internal
audit department makes regular presentations to
the audit committee.

A Disclosure Committee has recently been
established which reports to the Audit Committee.
The committee is responsible for the implementa-
tion of controls and procedures to ensure the
accuracy and completeness of the company’s pub-
lic disclosures.

The company also has in place a Risk
Management function for the identification,
assessment and control of key business risks.
Risks covered are those arising from a range of
sources in three broad categories: the external
environment in which the business operates, the
business processes, and the information available
for business decisions. The risk identification and
assessment process has been incorporated as
part of the company’s annual business planning
process since 2001. This covers all countries and
involves senior management of the company and
each business unit. The process enables a reg-
ular review to take place by management of the
risks associated with the business and the plans to
address them.

Ten of the eleven Board members are non-execu-
tive and three members are independent, with the
remainder representing the two largest share-
holders, who together comprise 64% of share-
holding. An independent director is a person who
do not have any direct or indirect relationship
with the company or its affiliates that would inter-
fere with the exercise of independent judgement.

Committees established by Coca-Cola HBC to
overview the economic, environmental and social
aspects of the company are required to report
regularly to the Board of Directors. The content of
such reports, covering action taken and the iden-
tification of challenges or opportunities, are used
by Board Members to determine appropriate
responses, in line with strategic planning.

As a general matter, the Board of Directors con-
venes the Annual General Meeting and determines
the items on the agenda. However, shareholders
holding 5% or more of Coca-Cola HBC shares also
have a right to convene a general meeting of
shareholders.

A quorum of 67% of the holders of the share cap-
tal and a supermajority of 90% of the share capi-
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any resolution concerning a change to the Group’s
“objects and purposes”.

To achieve the business results required by Coca-
Cola HBC, the company must attract, retain and
motivate high calibre executives for whom it recog-
nises there is an international market. The Human
Resources Committee aims to provide total com-
pension that that is competitive by reference to other multinational companies similar to Coca-Cola HBC in terms of size, geographic spread, and complexity.

In line with its commitment to maximise shareholder value, Coca-Cola HBC’s policy is to link the interests of key executives of the firm to those of shareholders, they are eligible to participate in a Stock Option Plan. Recipients are granted awards by the Board of Directors, upon the recommendation of management, based on a view of competitive market conditions for employee remuneration and employee performance.

While a senior executive’s contribution to the financial performance is a key factor, performance feedback is based on their overall performance, including the way it has “impacted on the business as a whole”. In addition, a number of General Managers have non-financial targets linked to Corporate Social Responsibility activities such as environmental, occupational health & safety.

In this regard, executives as well as middle ranking employees receive incentives and other compensation based not only on economic factors but also their adherence and contribution to Coca-Cola HBC values and principles. Any employee found to contravene company commitment to its Code of Business Conduct, or who is in breach of regulations relating to the environment, or any such similar matter, is potentially subject to dismissal. Our approach to Directors’ and Senior Executive Compensation is reported each year in the Coca-Cola HBC Annual Report.

**Coca-Cola HBC Mission Statement**

We, the people of Coca-Cola HBC, will:

- **Quality**
  - To be committed, in each part to the business, to total quality of product, customer service, operations, execution in market place and people.

- **Integrity**
  - We will conduct our business openly and honestly to the highest ethical business standards.

**Title** | **Implemented**
---|---
Mission Statement | August 2000
Core Values Statement | August 2000
Chart of Authority | August 2000
Code of Business Conduct | August 2000
Code of Ethics | December 2000
CCHBC Operating Framework | August 2000
Ethical Trading Policy | December 2003
European Works Council Agreement | November 2002
Core Development Curriculum |

**OUR STATEMENT OF BUSINESS PRINCIPLES**

At Coca-Cola HBC we recognise our responsibility for all of our business operations and the impact that they have on our employees, our products, our customers, our consumers and the communities in which we operate.

We are committed in all our business activities to honesty and integrity, respect for the dignity and diversity of people, support for the communities in which we operate, and protection of the environment.

We are committed to the advocacy of our core values, including the principles of clear ethical standards as outlined within the Coca-Cola HBC Code of Business Conduct. This code details our corporate philosophy and our commitment to employees and the company in terms of compliance with the letter and spirit of laws, regulations and business ethics. We have implemented training and awareness programmes to ensure that ensure that employees are fully aware of our philosophy and have confidential access to report breaches of the code.

We are a responsible and ethical business organisation and will respect the principles enshrined in the UN Declaration of Human Rights, while recognising the need to consider the social, economic and environmental implications of our actions. We will respect the nine principles of the UN Global Compact as they address the areas of human rights, labour and the environment.

We will not hire any person below the local legal working age, and will not, in any circumstances, hire anyone below the age of fifteen years. We will not use or condone the use of forced or compulsory labour in any of our operations.

All of our operations, within twenty-six countries, are expected to acknowledge our principles and values as set out in this statement and to comply within an appropriate timeframe. As a basic requirement we expect that all of our operations be in full compliance with all local laws including environmental and labour laws.

We believe that our values and principles will enhance the business reputation of our organisation and accelerate the success and achievement of our business mission.

**MONITORING OUR PROGRESS**

In 2003 we have implemented The Coca-Cola HBC Employee Relations Survey to monitor the performance of our local operations within the areas of employee relations including, equality, occupational health & safety, internal communications and the participation of women within management. We also sought to establish our performance against our ethical and environmental standards.

We are currently working on updating the survey to fully reflect the indicators as outlined within the GRI guidelines. The updated survey will be conducted annually across all of our operations to...
monitor our progress against our stated values and principles.

We will ensure that all of our suppliers and contractors are aware of our principles and values, as articulated within the Coca-Cola HBC Ethical Trading Policy, and we will use our influence to bring about alignment within our supply chain among those who seek to do business with us.

**PROMOTING EQUALITY OF OPPORTUNITY**

At CCHBC we celebrate the diversity of our territory, our consumers, our customers and of our own people. Our core values reflect a commitment to creating an environment in which all employees are exceptionally well trained and highly skilled, as well as motivated and rewarded to meet the needs of our challenging business goals.

We seek to ensure that we will not discriminate in any aspect of employment on the grounds of race, religion, colour or national origin, age, disability, sexual orientation, political opinion, gender or marital status.

The Coca-Cola HBC Employee Relations Survey 2003 found that all of our country operations are in compliance with local equality legislation. While 80% of our operations have a written policy on equality, 40% stated that they did not have a written policy in this area and instead focused on compliance with local legislation. Based on the findings of this survey we will implement a plan with all of our countries in 2004 to ensure that each of our operations adopt and implement a written policy advocating and communicating the full extent of our equality policy.

The gender make up of our workforce reflects the strong influence of local cultures. The local cultural norms concerning women in the workforce, together with the physical nature of manufacturing work have tended to influence the participation of men to a greater extent than women within our local workforces. This is strongly evident in countries like Nigeria, where 95% of employees are male. The overall representation of women in our workforce is 17%. Switzerland has the highest participation rate by females within its workforce (43%).

The gender make up of our management structures reflects the advances of women in the organisation, with women accounting for 22% of 1,359 managers.

There are currently no women members on our board or within our twenty-two country/region general managers. In 2004, we will continue to monitor the participation of women within the higher strata of our management structure, with a view to determining how we can encourage more participation at this level. Coca-Cola HBC is seeking to reshape this sexual demographic more equitably and anticipates that future reports will demonstrate its progress in this regard.

**PROVIDING A POSITIVE WORKING ENVIRONMENT**

The health safety and welfare of our employees is paramount within the philosophy of Coca-Cola HBC. It is the policy of Coca-Cola HBC that all of our countries are in full compliance with local health and safety legislation. This involves taking all reasonable and practical measures to ensure that our operations provide a secure and safe working environment.

Our OHS&S strategy is based in the simple premise of centrally directed and locally executed programmes:

**Central Activities**
- Driving and Co-ordinating Activities
- Developing standards and training
- Implementing Group programmes

**Country Activities**
- Ownership of risk
- Managing local resources
- Implementing corrective action plans

The positive outcomes from the Safety and Loss Prevention programme include:
- Verified documented standards and procedures.
- An independent audit programme producing measurable compliance and corrective action plans. The 2003 audit score demonstrates an increase in performance of:
  - Property Loss Prevention +12.5%
  - Business Continuity +36%
  - Worker Safety +14.5%
- Jointly delivered Occupational Health and Safety training programmes across all territories.
- Individual development for local resource.

Two of our countries, Greece and Switzerland have been awarded the Occupational Health and Safety Assessment Series (OHSAS) 18000 in recognition of the high standard of safety implemented in these locations. In 2003 we will embark on a process to ensure that all of our operations are certified to the OHSAS 18000 standard by 2008. To enable the delivery of our OHSAS 18000 objective we will:

- Enhanced group-wide systems and procedures.
- Provide appropriate training, via group wide programmes.
- Improve personal development and training programmes for internal regional and local occupational health and safety resources.
- Appoint and work with independent OHSAS certification bodies (SGS and LRQA).

Ensure the effective monitoring, measurement of all OHS&S performance through the programme deliverables and report findings via annual reports.

Concern is shown for employee welfare, not only through health care, security, and safety, but also in fostering career and personal development. We seek to ensure that employees operate within a work environment that is free of harassment, including physical, sexual, psychological, verbal or other forms of harassment or abuse.

An example of our commitment to employees is exemplified through our support for action to combat HIV/AIDS in Nigeria. Faced with the extent of the AIDS epidemic in Africa we are working closely with The Coca-Cola Africa Foundation to ensure that our employees and their families are educated in the dangers of the disease. We also ensure that Nigerian employees and their families have access to confidential HIV testing and, if HIV positive, have access to counselling, health support and medical treatment.

**CREATING A HIGH PERFORMANCE CULTURE**

Our core values emphasise our relentless focus on delivering outstanding performance through a focus on creating a fun environment in which highly skilled and motivated people are exceptionally well trained, developed, challenged and respected.

Our focus on creating and enhancing strategic organisational capabilities recognises that management and leadership skills are critical to the business and to effective management processes. This is supported with investment in the Coca-Cola HBC Core Development Curriculum to ensure that we support key performance and develop a high level of leadership skills at all levels of our organisation.
We invest consistently in developing all of our 36,000 employees to the best of their abilities, empowering them to achieve superior performance today and in the future. In 2002, we invest ed over $12 million in external training costs, and we budgeted more than $17 million for the same purpose in 2003.

All employees (from team leader upwards) are supported to have an annual skills assessment that includes both technical and professional as well as managerial and behavioural skills. The assessment identifies strengths and development areas that form the basis of the annual individual development plan. The development plan sets learning objectives and identified specific training programmes and other development activities, to be undertaken during the year. This process improves each individual’s capability to perform their current role and prepares them for future opportunities.

RECOGNISING & REWARDING PERFORMANCE

Our Total Compensation programmes are structured to drive value creation, provide cost-effective rewards that are meaningful to employees, and encourage continuous learning, in order to make the company and its employees as successful as possible.

Where possible and appropriate, employees have some proportion of compensation at risk in relationship to business unit, team, or individual performance.

Our Total Compensation programmes are competitive with other appropriate large, high-performing companies of comparable size, thereby allowing the company to attract and retain the level of talent necessary to grow the business. Compensation practices may be customised as necessary by country or regions within countries to address specific, local business needs and local market conditions, but must be consistent with the Coca-Cola HBC principles of total compensation.

A consistent philosophy in the design, application, and administration of Total Compensation programmes throughout the company ensures fair and equitable treatment for all employees. The Total Compensation programmes of the company are clearly defined, explained, and communicated to all employees in ways that are relevant to the employees.

DEVELOPING EMPLOYEE ENGAGEMENT

The Coca-Cola HBC internal communications strategy emphasises the objective of ensuring that employees at every level of the workforce are fully engaged and focused on the plans, actions and behaviour that will consistently exceed consumer and customer expectations.

The company believes that the more engaged employees are, the more passionate, productive and committed they will be to the achievement of stretching business goals and capable of being rewarded for their efforts. To this end Coca-Cola HBC has established and continues to develop excellent two-way internal communications systems across all of its business units, and at all levels.

Coca-Cola HBC celebrates the uniqueness of its employees as individuals, while seeking to harness and share the synergies presented by teamwork both within country operations and across the entire organisation.

The company respects the right of employees to join or not to join trade unions, and to consult with management on issues of joint interest. The Coca-Cola HBC Employee Relations Survey 2003 indicates that 32% of the workforce are members of a trade union. The company is committed to communicating directly with all employees, whether unionised or not, about major change initiatives. Almost 50% of employees are covered by collective labour agreements.

In 2002 Coca-Cola HBC established the Coca-Cola HBC European Works Council (EWC) under the European Works Council Directive 94/45/EU. This forum is made up of employee representatives from Austria, Greece, Italy, Northern Ireland and the Republic of Ireland. With EU enlargement, participation in this forum will be expanded to include representation from the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia.

The Coca-Cola HBC Employee Relations Survey 2003 indicates that all of its country operations have direct communication systems, including open door policies, cascading communication networks, employee forums, newsletters, confidential employee opinion surveys, 360 degree and other confidential feedback surveys.

Coca-Cola HBC has a strictly enforced policy requiring every business unit to carefully record and report all accidents and illnesses. Any incident of a serious nature or in the case of illness, of a sickness that may be potentially infectious must be immediately reported to management whereupon relevant action will be taken, according to the circumstances.

In stimulating and heightening self-examination through preparation of this report, the company has gained greater appreciation of the fact that environmental management and sustainability are much more than just compliance. It is about finding and seizing opportunities to simultaneously enrich the lives of those in the communities served while improving our business. Saving resources makes the company not only more eco-friendly, but also more competitive. Communicating, sharing and reporting these achievements is of benefit to all.

The journey has started, but it is still just beginning!
environment

community

workplace

marketplace
Our commitment is to conduct our business in ways that protect, preserve, and enhance the environment, and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes.

We deliver this commitment through the consistent application of key principles, including:

- Minimizing the use of natural resources, and maximizing opportunities for the recovery and re-use of resources.
- Implementing an environmental management framework that addresses issues such as water, energy, and solid waste.
- Assessing our environmental performance and taking action towards continuous improvement.
- Abiding by applicable local environmental laws and regulations.

We will follow practices that support these principles, including:

1. We implement eKO system and other recognized environmental management systems compliant with the norm ISO14001, that meet specific local business objectives.
2. We continuously examine our business for opportunities to reduce our consumption of resources, minimize the generation and disposal of waste, and maximize the amount of recycled content in our packaging and other materials.
3. We follow good environmental practices to increase water usage efficiency in every stage of the beverage production process.
4. We follow good environmental practices to reduce the volume and improve the quality of wastewater discharges.

**ENVIRONMENT**

**Environmental Policy**

The Coca-Cola HBC Environmental Policy is fundamental to its operations as the company believes its employees and everyone associated with its activities has an important role to play in achieving environmental goals.

In accordance with this objective, Coca-Cola HBC is committed to putting in place reliable measures and effective management systems to monitor and report upon its business, and the impact it has on the environment.

Responsibility for overseeing the implementation of this policy lies with the Citizenship and Environmental Committee of the Board of Directors as part of its mandate.

**Environmental Policy**

Coca-Cola HBC is committed to dealing responsibly with the environment in carrying out all its business activities in a sustainable manner.

We continuously increase our environmental standards and minimise any negative impact on the local and global environment, while fulfilling consumer and customer expectations of the quality and safety of our products and ensuring safe working conditions.

To reach these targets, we:

- play a leading role within the beverage industry by conducting operations in compliance with local and national laws and regulations and apply everywhere our high Coca-Cola HBC environmental standards including The Coca-Cola Company’s eKO System.
- develop an internationally recognised management system in all of our operations that is based on continuous improvement.
- include environmental considerations in our business planning process to ensure that environmental management and advancement remains an integral part of our operations.
- set environmental goals, monitor results and audit our processes, and judge our achievements and improvements against our high environmental standards.
- identify and implement ways to improve the efficiency with which we use resources, including water, packaging, energy and other raw materials.
- minimise discharge of emissions and waste material into the environment; reduce, recover, recycle and reuse our on-site solid and liquid wastes wherever practicable and ensure that we dispose of our unrecoverable wastes safely and with minimal impact.
- encourage and equip our employees to identify and act upon opportunities to improve environmental performance and waste management in the areas where they work.
- Co-operate with stakeholders in seeking solutions to those environmental problems on which we can make an effective and long-lasting contribution and we communicate openly on our environmental performance.

This Policy applies to all CCHBC employees.

Responsibility for overseeing the implementation of this policy lies with the Citizenship and Environmental Committee of the Board of Directors as part of its mandate in the area of Corporate Social Responsibility.

Doros Constantinou

**ENVIRONMENTAL MANAGEMENT ORGANISATION**

A Citizenship and Environmental Council has recently been formed under the guidance of the Citizenship and Environmental Committee of the board of directors. Its objective are:

- review environmental goals and targets to ensure their continuing relevance
- allocate responsibilities and time scales for progressing actions
- set and agree environmental objectives and targets
- review and progress environmental corrective action plans and recommendations
THE ENVIRONMENTAL CHALLENGE

The identification of environmental risks and opportunities has taken place over a number of years in the Coca-Cola System. Numerous internal and external ecological footprint and life cycle analyses have shown what our main environmental impacts are. Various stakeholders have contributed to an awareness of downstream problems and in addition, dialogue with NGOs, and media coverage have reinforced the social and political significance of many issues.

Multi-criteria analyses based on these inputs have led to the definition of the following three top environmental priorities:

1. Water: As the single most important substance for the human environment, water is a key priority. Due to the volume of our bottling operations, consumption of raw water and the discharge of wastewater will always be a priority for our business, this is especially so in countries with low water resources and low technicality in water treatment. Impacts tend to be local and can affect groundwater as well as aquatic ecosystems.

2. Energy: Because of its global significance, energy is our next priority. Environmental impacts occur mostly where energy is extracted or transformed, and globally, since air emissions bring about climatic disruption (greenhouse effect), as well as soil acidification and water eutrophication. Energy is used not only in our plants, but also in all our distribution activities and by all our sales and marketing equipment.

3. Waste: Solid waste has been recognised as an environmental concern for many years and cannot be eliminated without impacting the local environment. It is an output of our production facilities and an outcome of consumer behaviour (littering). Packaging is among the most politically important environmental issues.

BUSINESS PLANNING

Having identified the three key impacts, the group has agreed objectives and targets for country operations for 2004. These environmental targets are as follows:

- Reduce water ratio by 5% vs. 2003
- Reduce energy ratio by 5% vs. 2003
- Reduce waste ratio by 5% vs. 2003
- Improve waste recycling by 5% vs. 2003.

Country Operations elaborate their business plans accordingly and report them centrally. Each country details its national and local planning and defines action plans. The projects and actions relevant to the environment in those action plans determine the content and conduct of their environmental programmes.

ISO14001 Certification

A cornerstone of the company’s environmental actions is the ISO 14001 certification of all operations.

Coca-Cola Beverages Switzerland AG, a wholly-owned subsidiary of Coca-Cola HBC became the first Coca-Cola bottler in the world to obtain ISO14001 certification in 2001, achieving as it did so, significant reductions in water usage, improvements in waste recovery and recycling and improvements generally in efficiency. More information is available in the Coca-Cola Beverages Environment Report 2002 (www.coca-cola-shop.ch/environment).

At present 84% of Coca-Cola HBC alcohol-free beverage operations have achieved Environmental Certification ISO 14001, with all other operations in Europe, planned to reach the same standard in the first six months of 2004. Nigeria, due to historically reasons is scheduled to achieve ISO14001 certification in 2006.

ENVIRONMENTAL TRAINING

Training in this area is organised by the business units within the individual countries and included several workshops specifically for Country

Environmental Coordinators: Six environmental training workshops took place in 2002, focussing on developing and implementing ISO 14001 environmental management systems. They were carried out in Vienna, Moscow and Sofia and attended by 51 environmental coordinators from 19 countries, totalling 348 session days. In May 2003, a follow-up meeting with ten participants was organized in Vienna, and the next meeting is planned to take place in Nigeria in 2004.

In addition to training on the this practical implementation of environmental management systems in house, we also provide regular training workshops on environmental legislation and the implementation of waste and packaging waste recovery schemes for all countries.

Local Implementation

A large degree of autonomy is left to countries, because it is understood that in order to be fully effective, solutions to local problems must be implemented locally. Each country and each plant define and implement their action plans according to their priorities and capabilities, taking into account Group objectives and targets.

Reporting

Environmental reporting serves to evaluate and track our impacts, prove the effectiveness of our programmes, detect problems and successes, communicate with interested parties, and identify ways to improve performance and introduce new initiatives.

The most important environmental Key Performance Indicators (water, energy and waste)
are reported on a quarterly basis. These figures are consolidated centrally and used for benchmarking. In addition, each production facility reports a multitude of data to The Coca-Cola Company on an annual basis.

Reporting standards are described in the internal document Good Environmental Practices on Environmental Reporting. The reporting process is audited during eKo System audits.

Public reporting of environmental impact is made from time to time in line with the requirements of the ISO 14000 standards.

Controlling
Numerous internal and external audits take place at plant and country level. Environmentally relevant audits include those for ISO 14001 and for The Coca-Cola Company eKo system that will cover all bottling plants by mid 2004 (except Nigeria). Environmentally due diligence audits are carried out prior to acquisitions, and Safety and Loss Prevention audits have been completed at 83% of Coca-Cola HBC plants.

EFFECTIVE SYSTEMS FOR EFFICIENT STEWARDSHIP

Consideration is given to improving economic and environmental aspects associated not only with the design, production and packaging of products, but also their transportation and ultimate disposal. Responsibility for this lies with the company’s Citizenship and Environmental Council comprising managers from a range of functional areas including Supply Chain, Quality Assurance, Risk Management, Public Affairs, Human Resources and General Management. The Council also has external representation from The Coca-Cola Company and external consultancies and NGOs.

The Council co-ordinates environmental affairs and discusses packaging and equipment design to obtain optimum impacts both up and downstream. For example, by working with our suppliers, the weight and quantity of material used in packaging has been significantly reduced and the efficiency of chilling equipment greatly increased.

ENVIRONMENTAL MANAGEMENT SYSTEM VERIFICATION

The environmental part of this report is verified by Denkstatt, an independent environment-counselling firm which has worked with The Coca-Cola Company and has an in-depth knowledge of business in the beverage sector. DENKSTATT Umweltberatung und -management GmbH (DENKSTATT) were commissioned to provide a third party validation of the key performance indicator data (KPI) and EMS implementation progress data included in this report based on site visits and reviewing existing audit data from both internal and external sources. A summary of the key findings is as follows:

1. The description of our business and environmental activities, commitment and progress is a fair description of the current reality.
2. The environmental impacts and KPIs reported and included are those identified as being the most important, based on the companies specific business activities. The accuracy of the data collected by each operation is plausible and accurate and the traceability will become more effective as the EMS matures further.

The ISO14001 implementation work at country level has made substantial progress given the aggressive and challenging targets for accreditation set by the company and should be used as an example to other multinational corporations.

The company also remains focused on international priorities, NGO requirements and in-depth lifecycle analysis (see Coca-Cola Beverages Environment Report 2002 (www.coca-cola-shop.ch/environment) which are monitored through the formation of a centralised Citizenship and Environmental Council.

3. The data provided are coherent with the company’s processes and spot-checks were carried out in 3 countries their selection being based from each of the three business development categories (established, developing and emerging) as well as an in depth review of environmental system audit data from several of the companies other operations.

4. The companies environmental organisation includes country Environmental Coordinators who are trained comprehensively. They actively develop the EMS (Environmental Management Systems), corrective action and continuous improvement plans in conjunction with senior operations management and are encouraged to exchange best practice ideas and experiences within the Coca-Cola HBC group.

A copy of the report submitted by Denkstatt is available at www.coca-cola-hbc.com

ENVIRONMENTAL STANDARDS

The following environmental internal and external regulations are applicable to all Coca-Cola HBC Operations.

- The eKoSystem comprises the environmental management standards of The Coca-Cola Company and is applicable to all bottling plants operating under its licence.
- There are Good Environmental Practice (GEP) manuals on Wastewater, Fleet Management, Managing Hazardous Materials, Ozone Protection, Measuring and Reporting Environmental Performance, Auditing Environmental and Safety Systems, and Environmental Due Diligence.
- The international standard ISO 14001 lists requirements for environmental management systems based on a continuous improvement process.
- All relevant local, national and [for EU members] European environmental legislation must be respected by each operation.

ENVIRO
The total energy consumed by the company’s 87 production facilities is 5000 million MJ. The country averages are shown in the benchmarking section and more detailed numbers are in the data table. Some 14,650 vehicles consume petrol and diesel to transport salespersons and technicians as well as goods to and from customers. As one of the largest fleets of vehicles ... to the reduction of these impacts. The energy used by the distribution fleet in 2003 is estimated to be 2100 million MJ.

Refrigeration equipment located on customers’ premises also consumes electricity. The total electricity used by sales and marketing equipment is evaluated at 1800 million MJ.

Even though the costs are with the customers and the ecological impacts are with the electricity generation plant, Coca-Cola HBC has initiated and taken part in the development of electricity saving systems that are being introduced as part of our on-going energy reduction programme.

As a developing business within expanding markets, the energy requirements of Coca-Cola HBC continue to grow. To minimise the adverse implications of this, the company is committed to continuously improving its processes in order to reduce relative energy use (MJ per litre produced beverage). The graph below shows past performance as well as goals set for 2004. The company’s stated objective is to reduce the average energy ratio by 5% vs. 2003.

**ENERGY IMPROVEMENT PROGRAMMES**

Various energy saving projects have been implemented and are underway in many plants. For example:

- Heat recovery from blowing machine captures excess heat resulting from PET bottle blowing to heat the workspace during winter-time, or to pre-heat water for other uses such as washing.
- Reusing hot air within the shrink wrapper saves electricity.
- Energy-saving lighting in warehouses reduces the demand for electricity.
- Recharging electrical forklift trucks in phases lowers the peak electricity demand.

The Kyoto-derived targets for CO2 emissions in some countries in the Coca-Cola HBC system will drive further endeavours towards greater energy efficiency. It is anticipated that this will lead to valuable innovations that will be shared with other operations. Alternative renewable energy sources are to be used whenever economical.
Water
As a prime user of water for our core products, we are keenly aware of the ecological impacts of beverage production on water resources and are improving our management of them.

Water consumption
The Coca-Cola system takes stringent measures to ensure that water it is treated and purified to the highest standards prior to use. Measures involve multi-barrier filtration and other methods, to ensure that we achieve the appropriate level of water purity.

Water is also used in cleaning processes, for rinsing, washing, cooling and disinfecting beverage containers and manufacturing installations.

The ratio of total water consumed to volume of produced beverage is defined as a water ratio and represents one of the main environmental Key Performance Indicators. The average ratio for Coca-Cola HBC operations in 2003 was 3.3 litres per litre of finished product.

In 2003 the company’s plants used 20 million cubic meters of water. The country averages are shown in the benchmarking section.

WATER IMPROVEMENTS PROGRAMMES
Water recovery projects have led to durable water savings in many plants. For example, clean cooling water from pasteurizers or rinsing water has been recuperated and re-used. Despite increasingly complex product mixes and stricter cleaning standards requiring more water, water use has remained stable across our operations (see graph).

Because water is a key resource in the production of beverages, Coca-Cola HBC makes it a high priority to protect water sources and aquatic ecosystems. Most operations have projects for 2004 for reducing water use, recovering water, or improving wastewater quality. The company’s objective for 2004 is to reduce the average water ratio by 5% vs. 2003 (see graph).

As market leaders within the beverage segment, Coca-Cola HBC is focussed on increasing water savings, conservation and protection activities. In collaboration with local authorities and NGOs, Coca-Cola HBC strives to protect the biodiversity in living ecosystems, in particular forests, grassland, wetlands and all bodies of water that are essential for water supply. Much remains to be done, but we strongly believe that the programmes put in place will yield long-term results and benefit the communities we serve.

EMISSIONS AND EFFLUENTS
Emissions
There are no significant specific emissions of substances from Coca-Cola HBC operations, such as volatile organic compounds. The emissions from beverage production activities result from the combustion of fossil fuels such as heating oil, natural gas, petrol and diesel, similar to those from household heating and vehicle use. The quality of the fuel, in particular its sulphur content, has a large influence on the resulting emissions. The consumption of electricity indirectly produces air emissions, not where the electricity is used but where it is produced. The resulting calculated emissions are included in the reported emissions using the euro-mix definition.

Burning fossil fuels produces various air emissions. Among them, carbon dioxide (CO2) that contributes to global warming, nitrous oxides (NOx) that may lead to summer smog and water eutrophication (over-fertilisation of lakes); sulphur oxide (SOx) that results in acid rain; and particulates (PM10) that have a negative effect on breathing. The calculated air emissions resulting from energy consumption are reported in the Environmental data table.

Wastewater
The main substances emitted with wastewater in the production process are residues of cleaning and disinfecting substances, and to a lesser extent beverage residues and sanitary wastewater. Most of these substances can be biodegraded if treated properly.

Coca-Cola HBC ensures that its wastewater is treated before reaching natural bodies of water. The methods of treatment differ among plants and among countries. Approximately 90% of European operations have on-site neutralisation of production water, 80% have an on-site wastewater treatment system, and 20% are connected to a public wastewater treatment plant.

Production plants with their own wastewater treatment plants typically have a fish tank or pond which serves to test the effluent. The live fish are indicators of an acceptable water quality.

Graph (pie chart): Typical water uses in Coca-Cola HBC plants (example Plant Dietlikon, Switzerland)

Graph (columns): Average water ratio Coca-Cola HBC (L/lpb) vs. year 2000, 2001, 2002, 2003, goal 2004

Looking ahead
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Coca-Cola HBC activities in solid waste management have initially focussed on proper, conformity in elimination. All plants have put in place waste separation and collection procedures, so that much of the valuable waste can be recycled instead of being disposed of. The company is currently striving to decrease the total amount of waste while increasing the recycling ratio and has set goals to reduce overall waste production by 5% in 2004 compared with 2003 results.

The material minimisation program will reduce the amount of polyethylene film usage by 3,000 tonnes over the next year and will minimise the amount of other materials used as secondary and tertiary packaging.

The purpose of packaging is to contain, protect, inform and advertise.

**PET Lightweighting**

PET bottles were first introduced by the Coca-Cola system in 1978. By 2002, 2-liter PET bottles had been developed weighing 47.2 gm a cumulative reduction of 30 per cent compared to the first 67.1 gm of the late seventies.

Coca-Cola HBC continues its drive to improve the environmental impact of PET packaging and to reduce the overall resin content used in manufacture. In 2003 the company achieved a weight reduction of 4.4% (an average weight reduction of 1.7-2.00gms per bottle) and a corresponding reduction of 2.5% in PET resin usage totalling 4,950 tonnes.

**Glass bottles**

The weight for our 250ml non-refillable glass bottles has been reduced from 225 gm to 190 gm in certain markets. A 170 gm bottle we are using in Nigeria is nearly 25 percent lighter than the standard weight of a 250 ml bottle, 225gms.

In the case of refillable glass bottles, 300 ml bottles weighing 425 grams have been replaced by 330 ml bottles weighing 380 grams, which is 19% lighter per ml served.

**Aluminium Cans**

When Coca-Cola was first packaged in aluminium cans in 1965, a 12 oz can (330ml) weighed 24.5 gm. By 2002, an aluminium can had been developed weighing 13.2 gm. A reduction of 47 per cent.

The weight of steel crowns is also targeted for reduction by as much as 10% by 2006.

**Single piece closures**

In Greece the company is saving 125 tonnes of polyethylene annually through the use a lightweight one piece closure for post-mix syrup used are re-usable, refillable metal containers; impacts occur mostly in washing

**Bag-in-box** is a multi-material plastic film contained in a cardboard box. Since this is an commercial package, impacts are relatively low.

The total amount of solid waste generated in company plants in 2000 was 72,000 tonnes. The average rate of recovery or recycling was 59%. The country averages are shown in the benchmarking section. The average rate or recycling and recovery quoted in the The Coca-Cola Company Environmental Report 2003 was 76%. This variance is as result of the inadequate recycling capability in number countries of Central and Eastern Europe and the Balkan and the fact that there is little infrastructure for energy recovery.

Solid Waste

Solid waste is a by-product of every industrial activity. Waste also occurs at consumer level in the form of used beverage containers and packaging. Solid waste data quoted in this report refers to the company’s beverage production facilities only since it at this point that we have the maximum influence over environmental impacts.

Waste can be classified according to its final method of treatment; landfill, incineration, hazardous waste disposal, energy recovery (incineration with heat recovery), recycling and composting. Energy recovery and recycling are included in the company’s statistic of “percentage recycled”, even though this classification differs in some countries. Hazardous waste is dealt with by special legislation in most countries. However, Coca-Cola HBC requires that the minimum internal Good Environmental Practice (GEP) for Hazardous Waste is followed.

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In order to increase the recovery rate of used beverage containers, Coca-Cola HBC works both upstream, to use as much recycled material as possible, and downstream to have as much material collected and recovered as possible.

Coca-Cola HBC is an active member of Packaging Associations and Recovery Organisations in all of the countries where they have been formed with the exception of Latvia (where for historical reasons, the company uses the services of an existing organisation) to improve the collection and recovery of packaging materials, enhance the collection infrastructure and promote anti-littering campaigns to encourage a shift in consumer behaviour. However, the facts remain that despite these efforts, littering remains an issue.

From the most recent studies carried out, only 5 per cent of littering consists of packaging materials and only 0.5 per cent of beverage containers. However, certain countries fall far below this standard and we continue our efforts to encourage good consumer behaviour and improvements in anti-littering infrastructure.

### POST CONSUMER PACKAGING WASTE MANAGEMENT

#### 1. Littering and Consumer Education

While a number of countries mandate packaging disposal methods, through recycling or ‘take-back’ obligation of containers, Coca-Cola HBC has voluntarily engaged in a number of consumer education activities, including placement of the ‘Tidyman and Recycle’ symbols on all products as well as conducting special educational and information programmes across numerous communities, from time to time. In addition the company is an active participant in recovery and recycling programmes.

#### 2. Country Collection and Recycling Schemes

Since 1992 Coca-Cola HBC has been an active participant in the structured dialogue of packaging waste management. Together with other industry members, the company organises Packaging Associations as a cross-sectoral platform to facilitate the legal development process. In the process efforts are made to achieve practical solutions suited to the social, economical and environmental situation in particular countries. Coca-Cola HBC within the Packaging Associations works with local authorities to identify practical and acceptable packaging waste management solutions. As soon as packaging legislation is in force, the company then actively participates in being a proactive driver of its implementation.

Coca-Cola HBC is among the funding members of packaging associations and in most cases is a founding shareholder of the national recovery organisation which implements the waste packaging management scheme.

A recovery scheme takes over the legal ‘take-back’ obligation of obliged industry and ensures the management of packaging waste according to the national packaging legislation. In many of the countries in which Coca-Cola HBC operates, the European Packaging Directive 94/62 has been transposed and implemented.

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### COLD DRINK EQUIPMENT

The cooling equipment used in Coca-Cola HBC sales services comprises three main categories: refrigerators, vending machines and fountains. This equipment is company-owned and is located at shops, restaurants and various public places in order to assist customers in offering chilled beverages to consumers. This equipment belongs to the company and is primarily serviced by our technicians. As of end 2002, there were 555,000 coolers, 56,000 vending machines and 49,000 fountains in the marketplace. As such, Coca-Cola HBC is one of the primary users of refrigeration equipment in Europe. All these devices have a cooling unit with an electrical compressor and refrigeration fluids.

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### COLD DRINK EQUIPMENT

#### 3Littering Evaluation in Vienna & Other European Cities. Prof. Vogel University of Economics, Vienna

LITTER – The Challenge of Prevention and Cleaning up. SVM-PACT, Netherlands

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### ELECTRICITY CONSUMPTION

#### 555,000 Coolers

Coolers are used to display and chill Coca-Cola HBC beverage bottles and cans. They may have one or two doors, or an open top, or an open front.

#### 56,000 Vending Machines

Automatic vending machines deliver cooled bottles and cans after payment by the consumer.

#### 49,000 Fountains

Fountains are used where large amounts of Coca-Cola HBC beverages are consumed on the premises.
The electricity consumption of all cooling equipment amounts to 1,200 million MJ. An ecological analysis has shown that the electricity use of cold drink equipment has a higher ecological impact in terms of ecopeoints than other parts of the company's business.

Projects are currently underway to reduce the electricity consumption of refrigerators by up to 50%. The Coca-Cola system is currently examining ways in which to reduce these levels even further including the use of alternative power sources and various power-saving technologies.

**ENERGY MANAGEMENT SYSTEM**

An Energy Management System (EMS) using a patented “self-learning” technology has been developed by The Coca-Cola Company to reduce cooler electricity consumption. Coca-Cola HBC is testing it in five of its countries: Greece, Ireland, Italy, Poland and Russia.

The EMS self-management module works by establishing a pattern for operating hours. The EMS module automatically controls the temperature, lighting and ventilation of the cooler.

Overall energy savings are expected to be between 35 and 54%, depending on the cooler’s placement and usage pattern.

Coca-Cola HBC will begin to rollout EMS-equipped coolers in 2004 that in the long-term should deliver considerable savings in the use of electrical energy.

**OZONE DEPLETING SUBSTANCES**

Cooling agents such as CFCs contribute to the destruction of the ozone layer. Under the Montreal Protocol, this introduction of new equipment containing CFCs is prohibited. By December 1994, Coca-Cola HBC, like many other Coca-Cola bottlers, had stopped buying new equipment containing CFCs. Simultaneously, a robust capture and recovery programme for all refrigerants was implemented.

Because typical refrigeration equipment can have a useful life of between 10-20 years, and there are about 550,000 cooler units in our markets, about 55,000 CFC-containing units (10%) remain in use. This proportion is being steadily reduced as part of a continuing equipment replacement programme and it is expected that the phase-out will be completed by 2007. We will continue to monitor the use of refrigerants within our business during 2004 and further quantify the replacement programme in future environmental reports.

**GREENHOUSE SUBSTANCES**

The HFCs, the replacement for CFCs, are not free of concern. Their global warming potential is far greater than that of C02 and enhances the greenhouse effect. HFCs have therefore become the target of global warming reduction programmes.

In June 2000, The Coca-Cola Company stated its intention to no longer purchase new cold-drink equipment containing HFCs wherever cost efficient alternatives are available. The Coca-Cola Company has spent millions of US$ in research and development with suppliers and business partners, and although not yet available commercially, a number of these new units will be in use at the Olympic Games in Athens in 2004.

**REDUCING FUEL CONSUMPTION**

Individual country initiatives have been put in place to reduce fuel consumption and air emissions these include:

- Vehicle maintenance and inspection programmes
- Driver training programmes (leading to 5-10% fuel savings)
- Software to plan and optimise journeys
- Provision of lower emission clean-burn engines

Coca-Cola HBC is undertaking an overall appraisal of its transport system, recognising that is clearly one of the areas where the company’s environmental efforts can be enhanced, and where many opportunities can still be found to reduce both fuel costs and environmental impacts.

**BENCHMARKING**

Plants and countries differ in their production volume, product mix, age and type of installations, and other factors therefore data has been aggregated at country level.

The Key Performance Indicators for water, energy and solid waste are compared in the tables below. Countries are shaded according to their status as established [darkest], developing or emerging [lightest].

Established countries tend to have better environmental Key Performance Indicators because they have more modern installations and have had the ability to invest more in environmental projects.

**COUNTRY BENCHMARKING**

![Water use](chart)

* Chart showing water use comparison with different states.

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4 Eco-balance study, Coca-Cola HBC Switzerland
This formal body, with established policies and procedures, develops partnerships with local businesses, non-profit organizations and other volunteer centers. Activities engaged in include beach-cleaning and various other environmental efforts such as a four-year reforestation project in Patras.

PROTECTING HERITAGE

Coca-Cola HBC extends its partnership with communities into many areas of life, including the preservation and promotion of national heritage sites.

In 2003, in Croatia, the business unit gave its support for the creation of an “educational” pathway in response to an idea presented by children attending the Dubrovnik High School. The pathway was built along soaring, majestic cliffs that rise some 200 metres from the sea at Popovići in the region of Konavle.

The new route at this natural heritage site includes signposts and information boards providing facts about the rich variety of plants, animals, birds and reptiles that are to be found in the area.

In Greece, an historic footpath along the Cladeus River in ancient Olympia was restored in 2003 through assistance provided to the non-profit group Conservation Volunteers Greece by Coca-Cola HBC. The pathway, said to be taken by athletes attending the Olympic Games, was reconstructed and a leaflet produced with maps and information to enable visitors to understand and appreciate the full significance of its cultural and historical importance.

COMMUNITY ENVIRONMENTAL SUPPORT

Coca-Cola HBC takes its commitment to environmental protection into the communities in which it operates.

In Austria, the group’s business unit launched a Junior Ranger Camp in January 2003 in conjunction with the country’s National Park Board, with the aim of teaching young people the importance of nature and environmental awareness.

VOLUNTEER STAFF ENVIRONMENTAL ACTIVITIES

Coca-Cola HBC encourages and supports employee participation in environmental protection programmes.

In 2003, about 100 members of staff and their families in Romania launched a “Spring Day” initiative to refurbish six parks in five cities. In the city of Ploiești, the team transformed a barren area into a park for local children with the endorsement of the mayor, who took part in the work.

In Greece, the operations support a staff volunteer association called Alyssos, meaning “chain.”

Health & Safety at Work

Coca-Cola HBC is constantly pursuing increasingly heightened standards of workplace safety and health.

While the group is proceeding to achieve OHSAS 18000 certification across all plants, business units are, at the same time, seeking to achieve levels of protection that go beyond those already established, or required.

Coca-Cola Beverages Croatia received an award in 2003 for Outstanding Performance from the Croatian Association for Development of Protection at Work (HUUZ) for recording superior levels of safety through the company’s policies, procedures and practices.

In Switzerland, a Safety and Eco-Drive Training scheme was commenced in 2002. Drivers completing this course have recorded a substantial reduction in accidents. A further bonus has been seen in environmental protection through a lowering of fuel use of between 10-20% and of around 40% in polluting emissions.

Environmental Education

Coca-Cola HBC is engaged in initiatives to support greater awareness of environmental protection methods – and benefits.

The group’s business unit in the Ukraine, in November 2003, cooperated with the European Union under TACIS (????) to prepare an informational film on “Environmental Management Standards for Enterprises.” The film, which features the environmental and economic advantages gained at the Coca-Cola bottling plant through achievement of ISO 9000 and ISO 14000 certification, is aimed at informing and encouraging other industries in the Ukraine to take a similar approach.

Group operations in the Republic of Ireland supports a continuing “Green Schools Education and Action” programme, begun in 1998, that encourages children schoolchildren to be more environmentally conscious. Conducted in association with the Republic’s Department of Environment and the environmental group An Taisce, it promotes behavioural change towards litter and recycling in Ireland.
### ENVIRONMENTAL DATA TABLE 2003

Table with the most relevant environmental data, for reference and for avoiding that the main text becomes too technical. This is based on the KPIs of the GRI guideline. The table will be completed with technical comments or explanations on calculations, and might be modified depending on final availability and reliability of data. Air emissions will be calculated with final data.

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<td>Total beverage production</td>
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<td></td>
</tr>
<tr>
<td>EN1 Material use other than water</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar and other sweeteners</td>
<td>656,353 tonnes</td>
<td>84.9 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Concentrate</td>
<td>42,042 tonnes</td>
<td>5.44 g/lpb</td>
<td></td>
</tr>
<tr>
<td>FR</td>
<td>17,880 tonnes</td>
<td>2.31 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Glass</td>
<td>196,165 tonnes</td>
<td>25.4 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Aluminum (Cans)</td>
<td>14,598 tonnes</td>
<td>1.89 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Cardboard</td>
<td>31,872 tonnes</td>
<td>4.13 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Wood</td>
<td>84,149 tonnes</td>
<td>10.9 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Plastic closures</td>
<td>49,454 tonnes</td>
<td>6.40 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Metal crowns</td>
<td>9,115 tonnes</td>
<td>1.18 g/lpb</td>
<td></td>
</tr>
<tr>
<td>PET labels</td>
<td>3,677 tonnes</td>
<td>0.476 g/lpb</td>
<td></td>
</tr>
<tr>
<td>Paper labels</td>
<td>60,059 tonnes</td>
<td>7.77 g/lpb</td>
<td></td>
</tr>
<tr>
<td><strong>EN2 Percentage of waste-materials</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recy-PET</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled Aluminum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled Cardboard</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ENERGY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN3 Direct energy use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>electricity (MJ)</td>
<td>2,385 TJ</td>
<td>0.335 MJ/lpb</td>
<td></td>
</tr>
<tr>
<td>light heating oil (kg)</td>
<td>430 TJ</td>
<td>0.056 MJ/lpb</td>
<td></td>
</tr>
<tr>
<td>natural gas (MJ)</td>
<td>35 TJ</td>
<td>0.005 MJ/lpb</td>
<td></td>
</tr>
<tr>
<td>coal (kg)</td>
<td>1,568 TJ</td>
<td>0.203 MJ/lpb</td>
<td></td>
</tr>
<tr>
<td>others in plants (MJ)</td>
<td>223 TJ</td>
<td>0.028 MJ/lpb</td>
<td></td>
</tr>
<tr>
<td>diesel (l)</td>
<td>53,087,000 liters</td>
<td>0.007 liters/lpb</td>
<td></td>
</tr>
<tr>
<td>petrol (l)</td>
<td>Not available</td>
<td>Not available</td>
<td>calculated</td>
</tr>
<tr>
<td>others in fleet (MJ)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EN4 Indirect energy use (primary energy use)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>electricity (MJ)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>light heating oil (kg)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>heavy heating oil (kg)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>natural gas (MJ)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>coal (kg)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>others in plants (MJ)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**WATER**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount [unit]</th>
<th>Relative Amount [Unit/lpb]</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN5 Total water use</td>
<td>20,338,448 m3</td>
<td>2.63 l/lpb</td>
<td></td>
</tr>
<tr>
<td>EN22 Total recycling and reuse of water</td>
<td>5,210,904 m3</td>
<td>0.67 l/lpb</td>
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</tbody>
</table>

**BIODIVERSITY**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount [unit]</th>
<th>Relative Amount [Unit/lpb]</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN6 Land owned in biodiversity-rich habitats</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>EN7 Major Impacts on biodiversity</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
</tbody>
</table>

**EMISSIONS, EFFLUENTS AND WASTE**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount [unit]</th>
<th>Relative Amount [Unit/lpb]</th>
<th>Comment</th>
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</thead>
<tbody>
<tr>
<td>EN8 Greenhouse gas emissions</td>
<td></td>
<td></td>
<td>calculated</td>
</tr>
<tr>
<td>CO2 emissions, direct (fuel + gas)</td>
<td>1,972,882 tonnes</td>
<td>255.4 g/lpb</td>
<td></td>
</tr>
<tr>
<td>CO2 emissions, indirect (electricity)</td>
<td>354,145 tonnes</td>
<td>45.8 g/lpb</td>
<td></td>
</tr>
<tr>
<td>CH4 emissions, indirect</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>EN9 Ozone-depleting substance emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R12</td>
<td>683 kg</td>
<td>0.1 mg/lpb</td>
<td></td>
</tr>
<tr>
<td>R134a</td>
<td>5,956 kg</td>
<td>1 mg/lpb</td>
<td></td>
</tr>
<tr>
<td>EN10 Other significant air emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOx</td>
<td>5,021 tonnes</td>
<td>650 mg/lpb</td>
<td></td>
</tr>
<tr>
<td>SO2</td>
<td>6,445 tonnes</td>
<td>834 mg/lpb</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>Particulate Matter</td>
<td>615 tonnes</td>
<td>80 mg/lpb</td>
<td></td>
</tr>
<tr>
<td>EN11 Amount of solid waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount</td>
<td>73,725 tonnes</td>
<td>9.54 l/lpb</td>
<td></td>
</tr>
<tr>
<td>Recycling and energy recovery</td>
<td>44,587 tonnes</td>
<td>5.77 l/lpb</td>
<td></td>
</tr>
<tr>
<td>EN12 Discharges to water</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantity of waste water</td>
<td>11,974,936 m3</td>
<td>1.55 l/lpb</td>
<td></td>
</tr>
<tr>
<td>Average COD</td>
<td>3,787 tonnes</td>
<td>490 g/lpb</td>
<td></td>
</tr>
<tr>
<td>EN13 Spills of chemicals, oils, fuels</td>
<td>48,107 kg</td>
<td>6.23 g/lpb</td>
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</tr>
</tbody>
</table>

**PRODUCTS AND SERVICES**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount [unit]</th>
<th>Relative Amount [Unit/lpb]</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN14 Significant environmental impacts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upstream: Nutrient acquisition due to sugar production</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>Downstream: Littering of (PET-)Bottles</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>EN15 Percentage reclaimable products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Possible recycling rate of PET bottles</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>Achieved recycling rate of PET bottles</td>
<td>No data</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>Recycling of other packaging products</td>
<td>No data</td>
<td>No data</td>
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</tbody>
</table>

**COMPLIANCE**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount [unit]</th>
<th>Relative Amount [Unit/lpb]</th>
<th>Comment</th>
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</thead>
<tbody>
<tr>
<td>EN16 Incidents and fines</td>
<td>5</td>
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</table>

**TRANSPORT**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount [unit]</th>
<th>Relative Amount [Unit/lpb]</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN34 Environmental impacts of transport</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fleet size trucks</td>
<td>5230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>fleet size vans</td>
<td>1800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>fleet size cars</td>
<td>6000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>