

# COCA-COLA BEVERAGES BELORUSSIYA UNITARY ENTERPRISE SUSTAINABILITY REPORT 2017



# Address by the Director General

**"Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their needs".**

UN Commission for Environment and Development

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Dear colleagues and partners!

Let me present you the annual report on sustainable development and social responsibility of the Coca-Cola Beverages Belorussiya Unitary Enterprise. We annually review the results of our operation, focus on progress across key indicators of sustainable development, and show our commitment to the principles of corporate social responsibility.

We always are working to develop our business. The principles of sustainable development and corporate social responsibility have been well integrated into all its aspects. Practical implementation of our principles by every employee of the Enterprise in his or her daily work is the key to the successful work of our Enterprise in the Belarusian market. Compliance of our product portfolio with consumer needs, mutually beneficial cooperation with trade organizations, improvement of our management systems and business processes, socially responsible business operation have been and remain strategic directions of our business practices.

Achievements of our Enterprise are highly valued both in Belarus and at international scale. The Enterprise was awarded winner's diploma of the contest "The best product 2017" in nominations "Sweetener-based sparkling soft beverages" (Coca-Cola Zero), "Still drinking water" (BONAQUA pure still drinking water), "Sugar-based sparkling soft beverages" (Coca-Cola sparkling soft beverages), "Juices" (Apple juice under the trademark "Dobriy").

The Belarusian team was the third among 28 CCHBC countries that won the Supply Chain Excellence Award.

In the area of sustainable development we make all efforts to minimize environmental impact by reducing energy- and water consumption and volume of wastes. Together with the Coca-Cola Company we work towards solution of packaging waste utilization problem.

To ensure revenue growth and business development, in 2017 we introduced RGM (Revenue Growth Management), the tool enabling to find opportunities for growth of our product consumption and revenue growth. RGM is aimed at increasing business process efficiency: customer relations, promotion management, equipment ordering, adaptive warehouse management, order acceptance and accounting business systems, effective communication plans, etc.

Reliable partnership relations with non-governmental and state-owned organizations enable us to consolidate our achievements. In 2017, we invested more than Eur 175 thousand in social projects for environmental protection, development of sports and active lifestyle, support of disadvantaged groups, and also in education and culture. Owing to the principle of consistency and focusing on achievement of practical results, our projects turn into long-term programs able to provide meaningful contribution to the development of the Belarusian society.

On behalf of the Coca-Cola Beverages Belorussiya Unitary Enterprise we thank all our colleagues and partners for their confidence, adherence to corporate principles, reliable cooperation in promotion of principles of corporate social responsibility.

Compliance with 10 principles of the Global Compact in the areas of human rights, labour relations, environmental protection and corruption fighting will remain an undisputable priority of the Coca-Cola Beverages Belorussiya Unitary Enterprise.



Sincerely,  
Alexander Denisov  
Director General of  
Coca-Cola Beverages Belorussiya Unitary Enterprise

## Enterprise's key performance indicators in the area of sustainable development

INDICATOR	Unit	2016	2017
<b>PURCHASE OF INGREDIENTS AND MATERIALS</b>			
Share of materials purchased from Belarusian suppliers	%	97	97
Total quantity of suppliers	psc.	1947	1778
<b>ENVIRONMENTAL PROTECTION</b>			
Water consumption per 1 litre of products	l/l	1,57	1,53
Energy consumption per 1 litre of products	MJ/l	0,28	0,27
Waste generation	g/l	6,46	6,54
Share of waste sent for recycling	%	91,0	95,2
<b>STAFF</b>			
Sustainable involvement index	%	92	93
Total number of hours of staff training	hour	11666,28	6471,24
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
Quantity of accidents	psc.	0	0
Quantity of traffic accidents involving the employees	psc.	48	37
<b>DEVELOPMENT OF LOCAL COMMUNITIES</b>			
Share of employees who have participated in charitable and volunteer programs and campaigns	%	7,0	11,0
Volume of drinking water delivered to the Belarusian Red Cross Society within The Heat project to render help to the population in extremely high temperatures	thousand/l	10,5	15,5
Quantity of planted trees	psc.	22300	7000
Support to children under the Coca-Cola New Year Caravan charitable campaign	persons	2114	1113

## 1. Company information

### BACKGROUND OF THE ENTERPRISE

The Coca-Cola Beverages Belorussiya is one of the largest national enterprises and leaders of the Belarusian soft beverages and drinking waters market. Established in 1994 with attraction of direct foreign investments, the Enterprise represents today the technologically advanced production site with up-to-date equipment. Products are manufactured at own facilities: the manufacturing and warehouse unit, finished product and packaging store, administrative building. The Coca-Cola Beverages Belorussiya is one of the largest Belarusian taxpayers.

The Coca-Cola Beverages Belorussiya exercises an exclusive right to manufacture, in the territory of the Republic of Belarus, of the Coca-Cola beverage produced according to the original recipe created more than 130 years ago. The Enterprise consistently develops production of licensed brands and implements import substitution programs of strategic importance providing the consumers with wide variety of new high-quality products. The Enterprise's product portfolio includes the broad range of well-known brands of sparkling and still beverages, juices, teas, and drinking water. Product quality is guaranteed by the international production standards and is a key for constant upgrade of the Enterprise and introduction of innovation technological solutions at all stages of the manufacturing cycle.

The products are distributed through the branches in Baranovichi, Bobruisk, Brest, Vitebsk, Gomel, Grodno, Mogilev. The modern system of direct delivery throughout the country enables to respond to consumers' needs in a timely manner and with high quality.

The Coca-Cola Beverages Belorussiya is the first enterprise in the industry certified:

- Quality management systems – against the requirements of ISO 9001;
- Environmental management systems – against the requirements of ISO 14001;

- Food safety management systems – against FSSC 22000 international standard;
- Occupational management safety systems – against OHSAS 18001 international standard.

The Coca-Cola Beverages Belorussiya Unitary Enterprise is guided by the "Driving for Victory" strategy which is implemented by the Coca-Cola HBC Group in partnership with the Coca-Cola Company and based on four strategic principles of the Coca-Cola HBC Group:

- Social responsibility
- Compliance with consumer needs
- Cooperation with customers
- Perfection in cost management

The Coca-Cola Beverages Belorussiya Unitary Enterprise is implementing the "Driving for Victory" strategy guided by the following six values of the Coca-Cola HBC:

- Concern for staff members
- Victory together with customers
- Training and development
- Adherence to principles
- Perfection in every way
- Working together as a team

The key operating principles of the Enterprise were set forth in the Mission of the Coca-Cola Beverages Belorussiya Unitary Enterprise: We, the employees of the Coca-Cola Beverages Belorussiya Unitary Enterprise are called upon to:

- Provide our consumers with refreshment beverages
- Be partners of our customers
- Meet expectations of our investors and contribute to welfare of the country where we operate.

The Coca-Cola Beverages Belorussiya Unitary Enterprise is on course to improvement of manufacturing processes, cost reduction and ensuring high quality of products and client servicing.

## STATUS OF THE ENTERPRISE IN THE COCA-COLA HBC COMPANY GROUP

The Coca-Cola Beverages Belorussiya Unitary Enterprise is a member of the Coca-Cola Hellenic Bottling Company (HBC) Group which is the Europe's largest and world's second largest bottler of the Coca-Cola Company. Bottlers (from Engl. to bottle) are the authorized manufacturers of beverages under trademarks of the Coca-Cola Company.

The Coca-Cola Company owns and manages its brands globally, establishes marketing strategies, sets and monitors quality standards, and sells Coca-Cola soft drink concentrate to bottlers. The central office of the Company is located in Atlanta, Georgia, USA.

Bottlers are the plants or associations of enterprises, amounting to more than two thousand worldwide, which are organizationally and financially independent from the Company. Relationships between the Coca-Cola Company and bottlers are based on franchising.

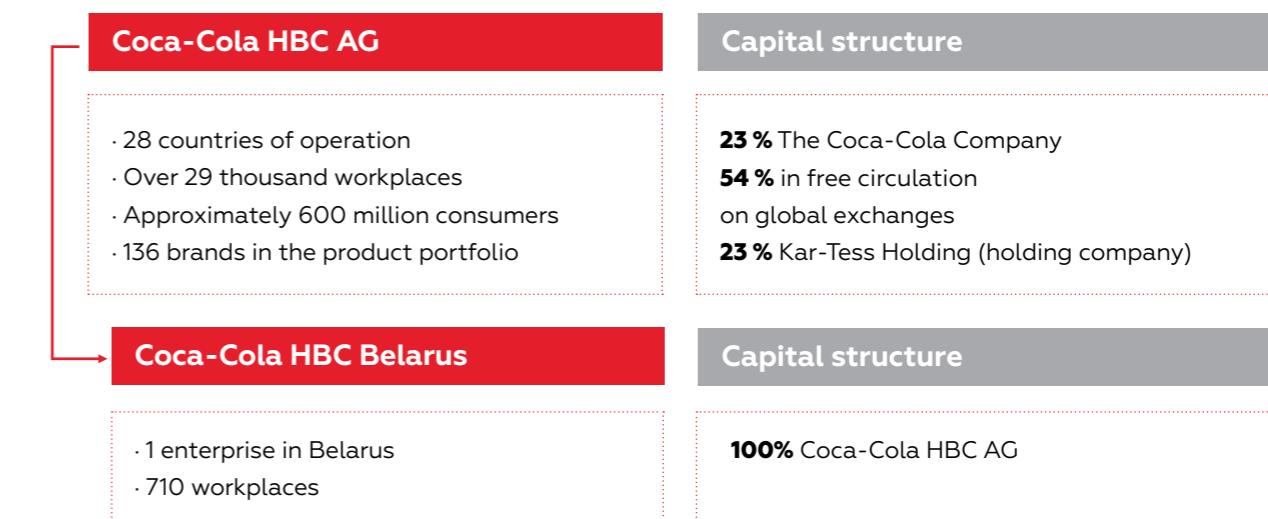
The Coca-Cola HBC Group operates in 28 countries around the world and provides beverages to more than 589 million people. The Group unites the enterprises operating in the following countries: Greece, Cyprus, Ireland, North Ireland, Austria, Switzerland, Italy, Poland, Estonia, Latvia, Lithuania, Czechia, Slovenia, Slovakia, Hungary, Croatia, Belarus, Russia, Ukraine, Moldova, Romania, Montenegro, Armenia, Bulgaria, Serbia, Bosnia and Herzegovina, Macedonia, Nigeria. Shares of the Coca-Cola HBC are ranked in the premium segment of the London and Athens Stock Exchanges.

Manufacturers' operation in 28 countries is continuously supported by the Coca-Cola HBC Central Office in Switzerland, yet the enterprises of each country are independent, operate in compliance with the laws of the respective country with due regard for cultural traditions of its population.

In 2017, the Coca-Cola HBC Group for the fourth time headed DJSI World Rating in the category of soft beverage manufacturers. The Coca-Cola HBC Group is a leader by such criteria as environmental policy, packaging, sources of raw materials, development of human capital, health and nutrition, sustainability reporting, adherence to the code of business conduct, compliance with the established judicial and legal requirements, adoption of the anti-corruption policy, and attraction of talented employees. The Coca-Cola HBC Group adheres strictly to the principles of social responsibility in all countries where its enterprises operate, by implementation of sustainability programs in the following four key areas: Market, Workplace, Ecology, Society.

The Coca-Cola HBC Group provides highest-quality products to consumers. The unique portfolio (136 brands) makes the Coca-Cola HBC one of the leaders of the world soft beverage industry. The enterprises produce and sell a wide range of beverages: sparkling and still soft beverages, juices, drinking waters, ice tea and coffee, sports beverages and energy drinks.

**Figure 1. Place in the Coca-Cola HBC Company Group**

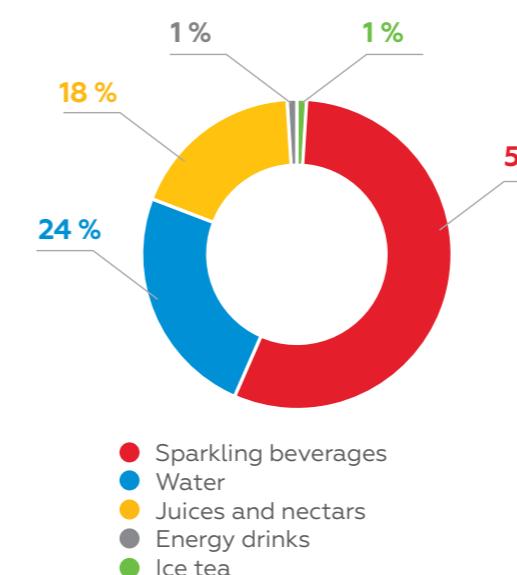


## PRODUCT PORTFOLIO

To form the product portfolio, the Coca-Cola Beverages Belorussiya Unitary Enterprise focuses on consumer tastes and needs. We produce a wide variety of consistently high-quality beverages and allow every consumer to choose the product that will meet his or

her needs. Our products are presented by wide variety of tastes, categories and forms: sparkling soft beverages, juices, nectars, fruit drinks, ice tea, energy drinks, drinking water. All in all, the Coca-Cola Beverages Belorussiya Unitary Enterprise sells 70 beverage variations under 14 brands.

**Figure 2. Product portfolio structure by sales volume in 2017**



55 % of the Enterprise's product portfolio accounts for sparkling beverages manufactured under the brands such as Coca-Cola, Coca-Cola Zero, Fanta, Sprite, Schweppes, Fruitime.

Still beverages are represented by a wide variety of products: juices and nectars Rich and Dobriy, Moya Semya, Joy; juice drinks Dobriy, Pulpy; energy drinks BURN and MONSTER; ice tea FUZE TEA.

The Enterprise also produces sparkling and still drinking water under BonAqua brand.

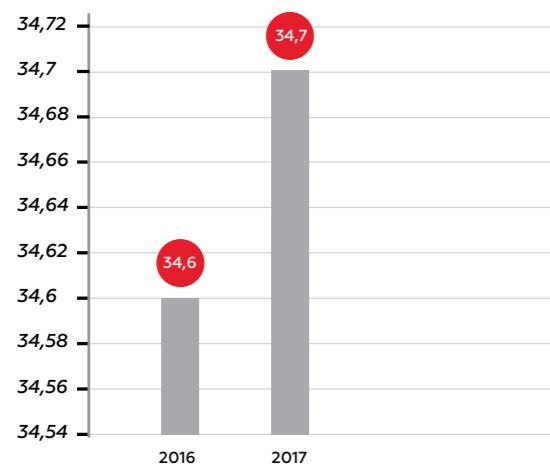
## GEOGRAPHIC REACH AND SCOPE OF THE ORGANIZATION

The Coca-Cola Beverages Belorussiya Unitary Enterprise has all necessary facilities for manufacture and sale of its products throughout the country. Owing to well-developed network of branches and availability of outlets for direct and indirect sales, almost 10 million people have the opportunity to buy necessary beverages on the doorstep. To optimize product sales, in 2017 a number of sales outlets switched to delivery through shipping partners. In 2017, the total number of

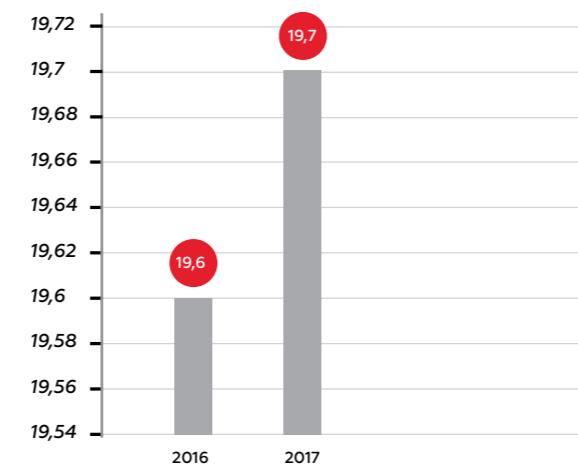
outlets for direct and indirect sales made 20 270.

The manufacturing and warehouse unit of the Coca-Cola Beverages Belorussiya Unitary Enterprise is located in the territory of Minsk district (Kolyadichi village, Minsk district) and includes 4 manufacturing lines and the line for Postmix manufacture. Totally, as many as 34.7 million of unit cases were produced in 2017.

**Figure 3. Gross output in 2016–2017,  
million unit cases**



**Figure 4. Output sold in 2016–2017,  
million decalitres**



## MISSIONS, VALUES, AND APPROACH TO SUSTAINABLE DEVELOPMENT

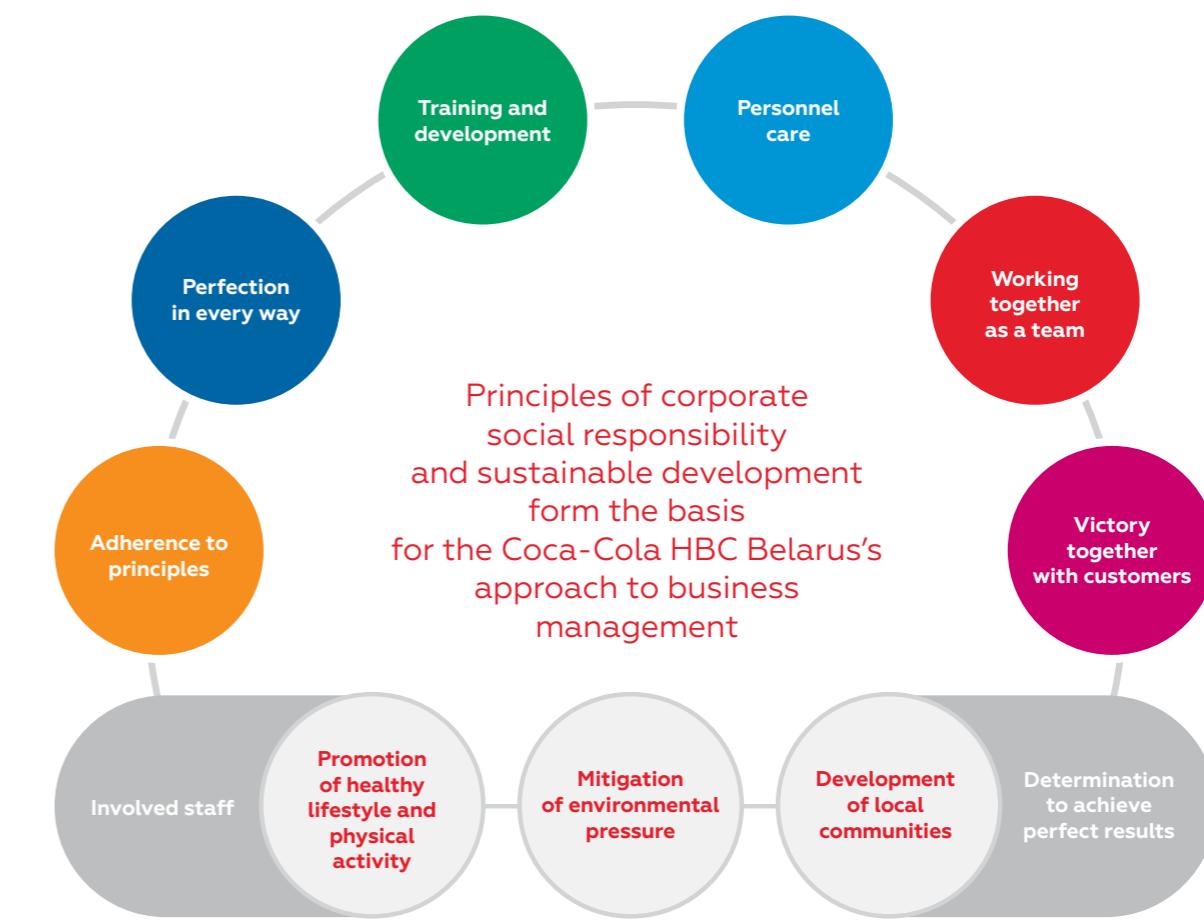
The Coca-Cola Beverages Belorussiya looks to gain a competitive edge in the Belarusian soft beverage market. To be an undisputed market leader in the chosen segment means to conduct its business in a responsible manner with a view to achieving outstanding performance and taking due regard for the world around us. The principles of corporate social responsibility and sustainable development are embodied in all aspects of operation of the Enterprise. The Coca-Cola Beverages Belorussiya makes all efforts to stick to the plan of sustainable development up to 2020, through manufacture

of products of higher nutritional value, mitigation of environmental pressure and creating new opportunities for people and communities of concern. The Coca-Cola Beverages Belorussiya closely cooperates with the stakeholders. Such cooperation enables the Enterprise to identify business aspects most important to the community, and shape goals and obligations in the sustainability area. Currently it focuses on areas such as waste handling, water and energy management, GHG emission reduction, use of raw materials from responsible sources, and investments in welfare of the community. Corporate values get the whole team of the Coca-Cola Beverages Belorussiya motivated to achieve

high performance, and differentiate it from other companies. Involvement of employees in promotion of healthy lifestyle and physical activity, mitigation of environmental pressure, development of local communities are the key aspects of corporate social responsibility. It is essential to the Enterprise that all employees and suppliers are guided in their activity by the principles of corporate social responsibility and

sustainable development. That is why for rating personnel and counterparties the Enterprise also considers compliance with such principles. The Enterprise adheres to the best practices of corporate governance and regularly reports on the progress towards the goals and furnishes the stakeholders with other relevant and transparent information on its operation.

**Figure 5. Values and principles of corporate social responsibility and sustainable development of the Coca-Cola Beverages Belorussiya Unitary Enterprise**



## 2. Strategy and vision

Steady growth and prosperity are the global strategic goals of the Coca-Cola Company. Strong position of the Coca-Cola Company in the world market offers many opportunities and entails great responsibility. The Company is on the rise, using the findings of own expertise in marketing, market research, innovations and brand development. The Coca-Cola Company management model improves through decrease of own production facilities and increase in the number of partner bottlers throughout the world.

Long-term partnership relations connecting the Coca-Cola Beverages Belorussiya and the Coca-Cola Company are based on common values and common approaches to responsible business. The development strategy of the Coca-Cola Beverages Belorussiya is stated in the Growth Program: to be an undisputed leader in the soft beverage market. Implementation of such strategy would lead the Enterprise to attainment of the four key targets of year 2020: to double revenues, to triple profits, to get negative working capital, to reduce water consumption and emission of CO2 by 40 %.

### Development strategies of the Coca-Cola Beverages Belorussiya Unitary Enterprise

#### GROWTH IN THE SOFT BEVERAGE CATEGORY

As is known, demand breeds supply, that is why the Enterprise thoroughly studies the market of soft beverages. In the world today there is a growing concern for healthy lifestyle; more and more people prefer active leisure and sports, follow balanced diet. Young people are looking for new products and examine new tastes, quenching their thirst here and now, in a large group or alone. Following such trends, the Coca-Cola Beverages Belorussiya thoroughly studies the market of soft beverages, new

The Coca-Cola Beverages Belorussiya puts consumer care in the foreground, and this is the key component of the formula for success. We are evolving our product portfolio taking account of changing customer tastes and preferences, tend to comply with new expectations and offer beverages according to everyone's liking. We maintain high quality of our products, reduce sugar content in our beverages, provide full label information on ingredients, so enabling everyone to make choice.

The Coca-Cola Beverages Belorussiya is working continuously to expand its share in the national soft beverage market. Special focus is made on formulation of effective policy for product promotion with a view to increasing revenue growth.

Management of working capital is strictly controlled by the executives. Regular monitoring of receivables arranged at the Enterprise prevents from occurrence of overdue and bad debts. We strive for further optimization of inventory, seek for mutually beneficial and risk-free conditions of doing business with suppliers.

#### COMPANY PRESENCE IN THE MARKET

The Belarusian soft beverage market is notable for high competition between large manufacturers. The Coca-Cola Beverages Belorussiya Unitary Enterprise, one of the acknowledged leaders in the industry, forms major market trends. High demand for soft beverages, mineral and drinking water of proper quality and taste contribute to the development. Our beverage production demonstrates positive dynamics and strong seasonality. The Enterprise has due regard to special aspects of retail trade market's structural adjustment. During the past ten years the focus shifted towards large department stores such as hypermarkets and supermarkets. A number of companies develop their networks consisting of large shopping facilities and neighbourhood stores; at the same time the share of small trade outlets such as markets and kiosks dramatically reduces. Wide field for sales and supplies is provided by the Internet and electronic trading segment. The number of hotels, restaurants, cafes grew considerably. Such broad range of trading facilities requires differentiated

approaches to product sales. So it is important for the Coca-Cola Beverages Belorussiya to continuously improve its business model able to respond to new challenges and maintain leading position by categories. Ongoing analysis of our business model compliance with market trends, expectations of customers and partners, and with best practices in the industry enables to optimize business processes within the Enterprise and maintain high efficiency ensuring an exceptional level of customer service and presence of our brands at every trade outlet. It includes both inhouse distribution and also all processes within the Enterprise relating to customer relations in the market: the manner we deliver the products to trade outlets, communicate with the customers, support merchandising standards, etc. As estimated by GFK, we are the number one in terms of customer servicing. There are still substantial opportunities in terms of the level of relationships and development cooperation with key customers. We believe that the sales model we use will enable to maintain a high level of customer satisfaction and ensure steady growth of profits in subsequent years.

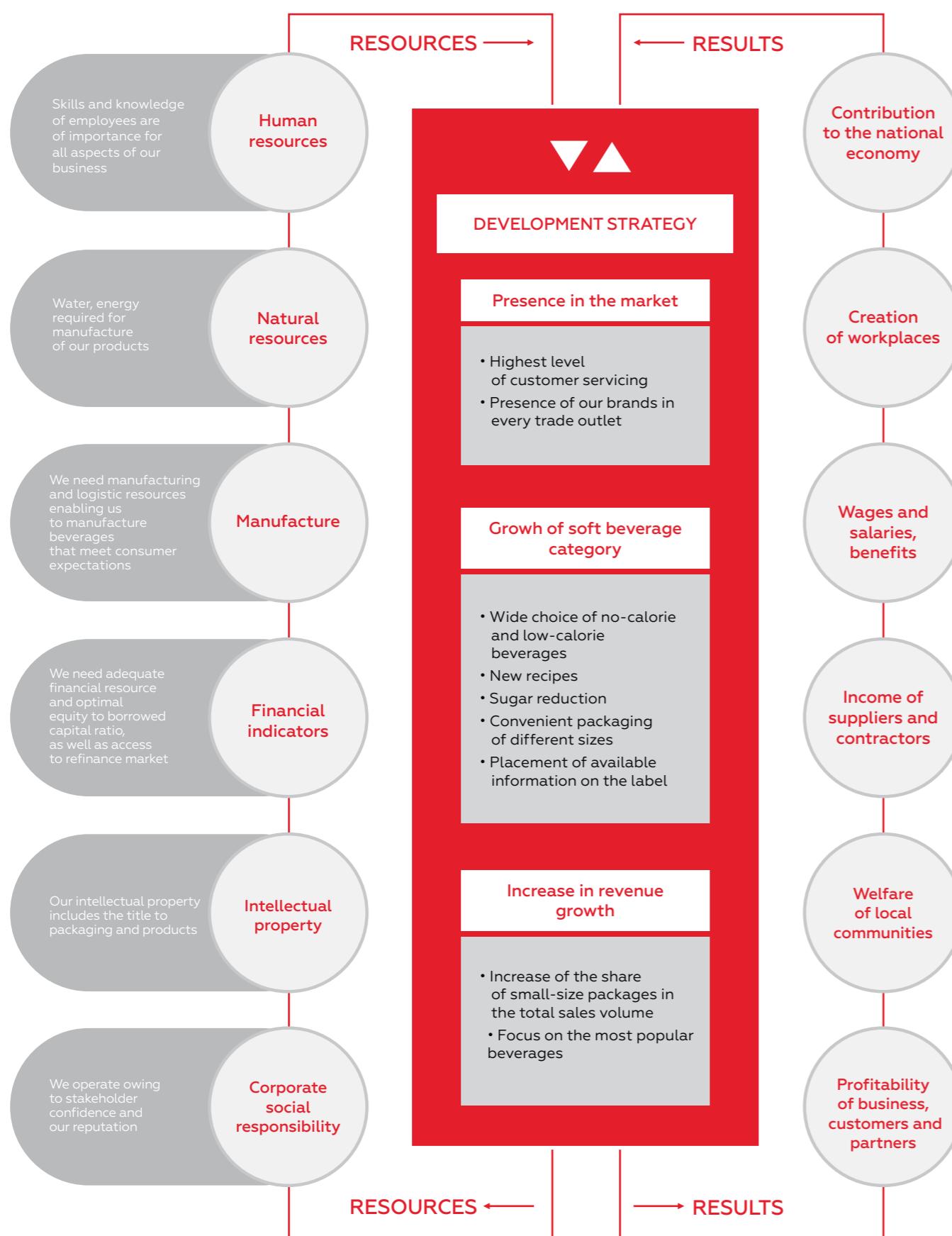
#### INCREASING REVENUE GROWTH

Revenue growth directly depends on your product's consistency with consumer expectations. We monitor ongoing changes in consumer preferences and behavior, offer innovative products most popular due to their gustatory qualities and convenient packaging. Special focus is made on promotion of cooling beverages in small packages at attractive prices. Promo offerings for promoting the novelties and encouraging use of small carton beverages of different categories are arranged. We comply with merchandising standards in respect of refrigerated cases for the consumers to choose the most demanded products in chilled state.

The Coca-Cola Beverages Belorussiya supports the Group's global initiative — management of revenue growth. The new commercial policy enables to systematize the approach to consumer investment and pricing, make promotions more effective. The Enterprise seeks for advantageous offers and conditions in the market of raw materials and services, thereby reducing costs. Adhering to the Enterprise's value "To act as the owner", practically every business unit has more than one initiative under development, aimed at cost reduction and enhancement of business process efficiency.



**Figure 6. Business model of the Coca-Cola HBC Belorussiya**



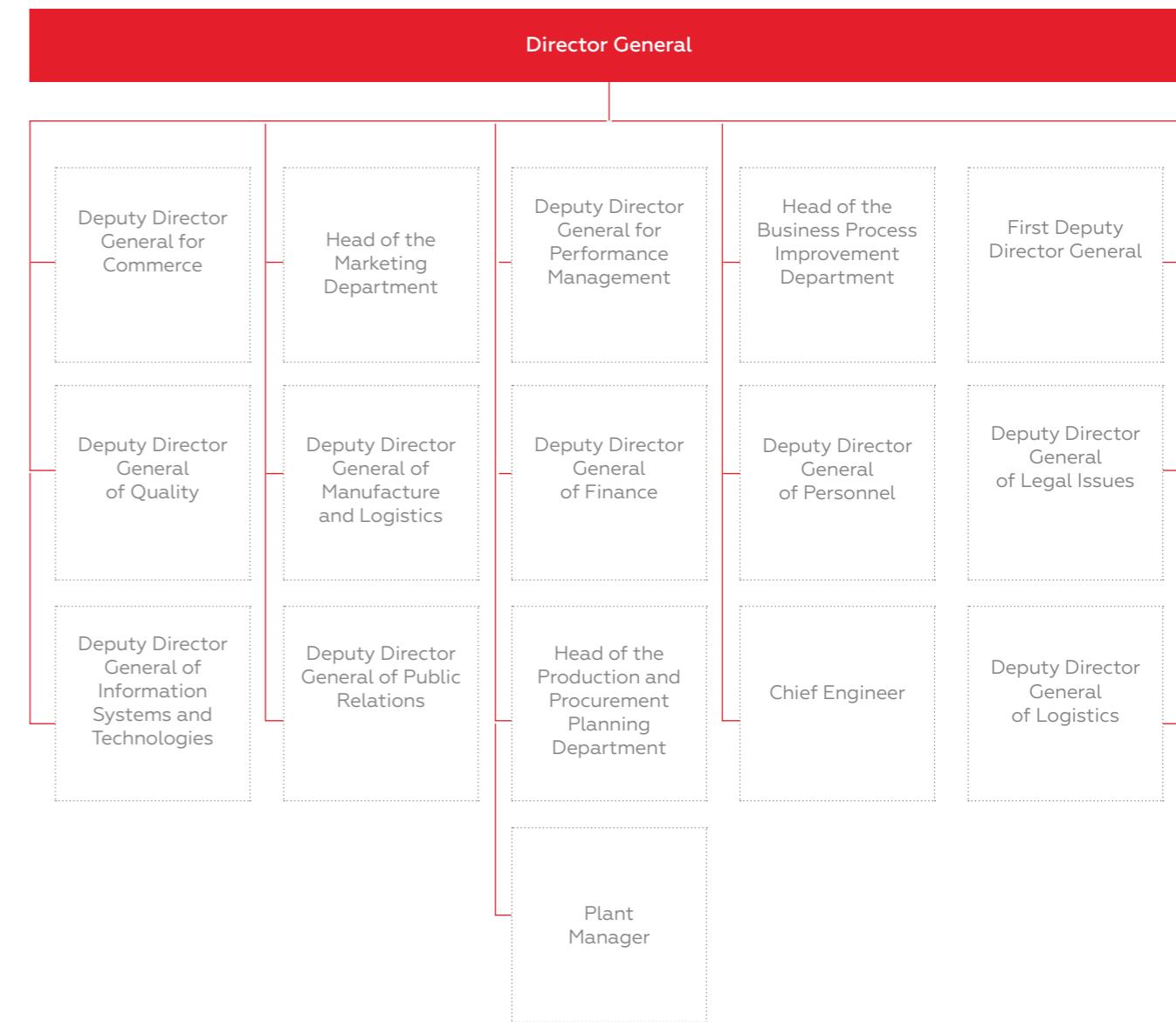
### 3. Responsible decision making

#### Corporate governance

Coca-Cola HBC operates in 28 countries of Europe, Asia and Africa. It operates in the territory of the Republic of Belarus through the Coca-Cola Beverages Belorussiya Unitary Enterprise. The Director General is a sole executive body responsible for operational management. Deputy Directors General and heads of departments are under administrative control of, and directly report to, the Director

General. Management of certain aspects of the Company operation in the area of sustainable development at the national level is the responsibility of the following officials: Deputy Director General of Quality is responsible for environmental issues; Deputy Director General of Public Relations – for social issues; Deputy Director General of Finance – for economic issues.

**Figure 7. Organization structure of the Coca-Cola Beverages Belorussiya**



## Business ethics and corruption fighting

The Coca-Cola Beverages Belorussiya Unitary Enterprise reaffirms its commitment to ethical standards and the principles of open and fair business, driving for corporate culture improvement, following best practices of corporate governance, and maintaining its business reputation at a high level. Compliance with the principles of business ethics, availability of well-established financial and nonfinancial indicators management processes make the Enterprise attractive for consumers, and cooperation beneficial for the partners.

We strictly comply with the legislation of the Republic of Belarus in the area of corruption fighting. The Code of Business Conduct and Anti-corruption Policy have been adopted at the Enterprise since 2012. Compliance therewith is mandatory upon the employees at all levels. The Code of Business Conduct describes admissible conduct of the employees not only in their workplaces, but in all situations when they represent the Enterprise. The Anti-corruption Policy adopts the principles of conduct preventing from bribery and corruption. The mentioned Policies are applicable not only to the employees, outside consultants, but also to everyone who acts in the name of the Enterprise irrespective

of his/her position. Such Policies are intended to create supportive and enabling work environment.

The Coca-Cola Beverages Belorussiya Unitary Enterprise works towards development of corporate culture based on confidence and open-mindedness. To ensure compliance with such principles, the Enterprise has introduced the transparent system for communication with third parties and examination of workers' complaints. The Enterprise guarantees complete safety to all employees who report on violations honestly and in good faith.

Anually, the Enterprise runs a Week of Ethics dedicated to professional ethic and responsible business. During the Week, the program of compliance with the Code of Business Conduct and Anti-corruption Policy, as well as the Enterprise's tools promoting better understanding of such documents and enabling to report on possible violations in due time, are reviewed.

Responsibility for compliance with ethic norms at the Enterprise, in particular, for corruption-control processes are borne by the Legal Service.

of the efficient risk management strategy. The Risk Management Program is annually reviewed by the Group's Internal Audit Service. The Audit Director provides general recommendations for improvement of the Risk Management Program, and audit findings are submitted to the Risk and Audit Committee.

The Group compiles the list of key risks in the area of business sustainability. Such risks are relevant for all 28 countries of operation, Belarus including, with due regard for local aspects. Key risks of the Coca-Cola Beverages Belorussiya in the area of sustainable development are listed below.<sup>1</sup>

**Table 1. Risks affecting sustainability of the Coca-Cola Beverages Belorussiya**

DESCRIPTION	POSSIBLE IMPACT	ACTIONS OF THE GROUP
<b>CHANGE OF CONSUMER PREFERENCES</b>		
Less-than-prompt adapting to current trends relating to desire of consumers for healthy lifestyle	<ul style="list-style-type: none"> <li>• Loss of consumers</li> <li>• Falls in brand confidence</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation development and evolving of product portfolio</li> <li>• Expansion of the assortment of low-calorie and no-calorie beverages</li> <li>• Lowering the volume of standard packaging</li> <li>• Restriction of beverage energy value</li> <li>• Improvement of informative value of the label</li> <li>• Promotion of healthy lifestyle through the consumer interaction programs</li> </ul>

## CONTRACTION OF CONSUMER DEMAND

DESCRIPTION	POSSIBLE IMPACT	ACTIONS OF THE GROUP
Complicated and unstable macroeconomic, political and social conditions	<ul style="list-style-type: none"> <li>• Loss of consumer confidence and subsequent contraction of demand</li> <li>• Inflation pressure</li> <li>• Social instability</li> <li>• Safety of people and assets</li> </ul>	<ul style="list-style-type: none"> <li>• Actions aimed at offering the proper brand at optimum price in convenient packaging through the proper channel</li> <li>• Reliable safety methods and procedures to protect people and assets</li> <li>• Strategies for crisis response and business continuity management</li> </ul>

## Risk management system

The Coca-Cola Beverages Belorussiya Unitary Enterprise operates in the modern business environment exposed to dozens of risks that can affect financial performance. The risk management system functioning both at the Group and national levels, is aimed at minimization of threats without loosing sight of opportunities.

The Group's Risk Management Program is administered by the Risk Management Director. He closely cooperates with risk owners in business units. The Group Board of Directors bears ultimate responsibility for the Group's risk management system and internal control and their regular performance evaluation.

Creation and effective operation of the Group's risk management system and internal control is the responsibility of the Board of Directors. The results of risk analysis are examined quarterly to ensure that the system manages key risks effectively in accordance with its strategic goals and tasks. The Audit Committee and Risk Committee supervise this area, while the Board of Directors is in charge of the outcome and solution of all substantive issues.

In 2017, the Group proceeded with integrating the Risk Management Program into corporate culture. The Program is aimed at raising awareness of employees at all levels of how the key risk management principles must be applied. Furnishing the employees with information on key risks helps to find new business opportunities and forms the basis

<sup>1</sup> Please see detailed information on risks inherent in the Coca-Cola HBC Group in the Group's Integrated Annual Report 2017: [https://coca-colahellenic.com/Campaigns/AnnualReport2017/assets/pdf/COCI22\\_CCH\\_IAR\\_2017\\_Final\\_Web\\_Ready\\_PDF\\_180315.pdf](https://coca-colahellenic.com/Campaigns/AnnualReport2017/assets/pdf/COCI22_CCH_IAR_2017_Final_Web_Ready_PDF_180315.pdf).

DESCRIPTION	POSSIBLE IMPACT	ACTIONS OF THE GROUP	
<b>IMPACT ON THE CLIMATE AND WATER RESOURCES, WASTE DISPOSAL</b>			
Partial compliance of the Enterprise's actions in the area of impact on the climate and water resources, and waste disposal with expectations of stakeholders	<ul style="list-style-type: none"> <li>Lasting damage to the reputation of the Enterprise</li> <li>Lowering of business profitability</li> </ul>	<ul style="list-style-type: none"> <li>Collection and recycling of packaging waste</li> <li>Renewable energy use</li> <li>Rise in energy efficiency of assets</li> <li>Water management</li> </ul>	Poor staff involvement
<b>QUALITY CONTROL</b>			
Problems arising from quality or spoilage of products	<ul style="list-style-type: none"> <li>Damage to the brand and reputation of the Enterprise</li> <li>Loss of consumer confidence</li> <li>Decrease in sales volume and net proceeds</li> </ul>	<ul style="list-style-type: none"> <li>Systematic quality control</li> <li>Reliable response systems enabling to address quality-related issues promptly and effectively and to guarantee high quality of products</li> </ul>	<ul style="list-style-type: none"> <li>Termination of agreements in force or disadvantageous agreement renewal terms</li> </ul>
<b>LEGISLATIVE REGULATION</b>			
Incompliance with the legislative regulation or related legal aspects in the country of operation	<ul style="list-style-type: none"> <li>Damage to Enterprise's reputation</li> <li>Financial penalties</li> <li>Costs of jurisdictional dispute</li> </ul>	<ul style="list-style-type: none"> <li>Clarification of the top staff views on an annual basis</li> <li>Training and increasing awareness of the Code of Business Conduct</li> <li>Training in corruption control policy</li> <li>Internal audit</li> <li>Internal control system</li> <li>Hotline for calls on violations</li> <li>Ongoing dialogue between the legal service and regulators</li> </ul>	<ul style="list-style-type: none"> <li>Negative impact on business profitability</li> </ul>
<b>STAFF ENGAGEMENT</b>			
Inability to engage and retain an adequate qualified and experienced staff in a highly competitive labour market	<ul style="list-style-type: none"> <li>Non-fulfillment of growth and development plans</li> </ul>	<ul style="list-style-type: none"> <li>Development of employer's brand</li> <li>Training of the Enterprise's staff for taking top management positions</li> <li>Development of leadership capacity and talents</li> <li>Search of shared community values to form a vision of the Enterprise as of a responsible employer</li> </ul>	<ul style="list-style-type: none"> <li>OCCUPATIONAL HEALTH AND SAFETY</li> <li>Control of safety of Enterprise employees, contractors and suppliers during land transportation</li> <li>Mortality and injury of employees of the Enterprise</li> <li>Lowering motivation and involvement of employees</li> </ul>

In the course of annual business-planning, the Coca-Cola Beverages Belorussiya Unitary Enterprise compiles the list of business-relevant risks. To identify risks, we consider micro- and macroeconomical factors that affect them. For risk identification we use the Group methodology introducing risk classification by groups, categories, likelihood of occurrence, impact on financial indicators of the Enterprise, etc.

According to the Group's requirements, risks inherent in the Enterprise are examined monthly, and all changes are recorded in the minutes of the meetings. All risks inherent in the Enterprise are quarterly disclosed to the Risk Director of the Head Office. Twice a year, all disclosed risks are made available to the

Regional Director for review and feedback if issues arise. The Risk Coordinator (Financial Controller) and Risk Sponsor (CFO) bear responsibility for disclosure of risks of the Enterprise to the Head Office.

The Group risk management conference is held annually to discuss best risk management practices with professionals from other companies, and to study advanced risk management expertise in the countries of the Coca-Cola HBC Company Group. From time to time the Group implements the risk management culture advancement program in CCH countries, for the employees at all levels to improve their knowledge in the area of risk management.

**Figure 8. Types of relations between stakeholders and the Enterprise, and their impact**



extent such stakeholders should be involved in the workflow. Analysis of demands and expectations is performed for high-impact stakeholders. Risks and opportunities identified by such analysis are considered at

making management decisions. The Enterprise continuously monitors changes in situational factors and demands of relevant stakeholders.

## Engaging stakeholders

When engaging stakeholders, the Coca-Cola Beverages Belorussiya Unitary Enterprise gets an opportunity to become aware of stakeholders' expectations in respect of implementation of the Enterprise's social responsibility or of their dissatisfaction with its actions. It forms the basis for finding mutually beneficial solutions and considering stakeholders' interests in the context of planning further Enterprise activities. We seek to comply with customer expectations and respond effectively to any changes in the market of soft beverages with due regard for findings of special studies performed by the Coca-Cola Company and outside experts.

Engaging stakeholders as a regular consistent dialogue-based process is often implemented within large international and industry-specific events.

In 2017, the representatives of the Enterprise took active part in different events, such as

LawSpring-2017 International Congress of Legal Services; meeting of the workgroup of the Consultative Council for Foreign Investments under the Council of Ministers of Belarus (CCFI); meeting of CCFI Standing Committee; Forum for dispute solution in East Europe countries; IV International science-to-practice conference "Methodology and Principles of Pricing in the Construction Industry. Innovation Technologies in the Construction Industry and their Implementation. BIM-Technologies"; XIV Republican Environmental Forum; March Meetings 2017, and other events.

For consolidation of confidence of all stakeholders, the Coca-Cola Beverages Belorussiya Unitary Enterprise regularly provides information on its activities in the area of sustainable development in its Sustainability Report and on the Corporate Internet Portal.

## Procurements

Due to cooperation with suppliers, the Coca-Cola Beverages Belorussiya Unitary Enterprise ensures commitment to international standards and compliance with the local legislation. Well organized procurements of raw and related materials make impact on all aspects of production and financial operations of the Enterprise daily and in the long term. High-quality raw and related materials at a reasonable price is the key to high-quality and competitive products contributing to financial and economic standing of the Coca-Cola

Beverages Belorussiya Unitary Enterprise.

The Enterprise strictly follows corporate procurement standards and attaches due importance to the aspects of corporate social responsibility in activities of its partners. Planning and information support of the Enterprise's procurement logistics is the responsibility of the Logistics Department. The functions of the Department include both choice of the best possible suppliers, and assessment of their performance

so that to make a decision on long-term relationship. Improvement of processes of supplier and contractor choice and relationship management in accordance with best practices

#### SUPPLIER EVALUATION ACCORDING TO SUSTAINABILITY CRITERIA

The Coca-Cola Beverages Belorussiya Unitary Enterprise pre-selects and evaluates suppliers according to special criteria, provided that sustainability indicators are the key ones. Authorization by the Coca-Cola Company, required for procurement of ingredients and primary packaging that directly contacts with beverages, is the main criterion of supplier assessment. For authorization, the supplier is audited for compliance of ingredients and materials with quality requirements established by the Coca-Cola Company, its ingredients and materials are tested, and also the supplier is subject to social audit. Social audit checks the supplier's compliance with the requirements of corporate social responsibility set forth in the Coca-Cola Company Supplier Guiding Principles and pointing to commitment to common values and ethic standards. Such suppliers are evaluated according to the designed form where the share of sustainability-related questions makes 27.8 %.

For choice of suppliers in the indirect procurement category, the sustainability indicator must be at least 5 % for all procurements, and it increases up to 10-15 % for strategic procurement category. During the process of choice of suppliers and materials that contact with the product, availability of all required certificates and declarations evidencing of quality and safety of purchased

in the area of sustainability has become one of the key lines of procurement activities of the Coca-Cola Beverages Belorussiya in 2017.

products, raw and other materials and their full compliance with regulations established legislatively and with own requirements of the Enterprise is the main criterion of supplier choice and agreement signing. Compliance of suppliers with the Enterprise's requirements in the areas of labour and environment protection, human rights, quality of products, work and services, as well as with the requirements of corporate social responsibility set forth in the Coca-Cola Company Supplier Guiding Principles which form indispensable provisions of any agreement, are the compulsory conditions for entering into agreements. In case of incompliance with such criteria no agreement may be signed with suppliers. Upon expiration of contractual obligations suppliers are evaluated, and results of such evaluation are recognized for subsequent tenders.

Percentage of Belarusian suppliers makes 73 % in the category of direct procurement and 97 % in the category of indirect procurement.

The Enterprise has developed its own supplier compliance requirements that provide for availability of the quality management system according to ISO 9001, risk assessment and internal audit for food safety and quality, adoption of approved control and production monitoring procedure, use of chemical additives permitted by law and specifications, planning and control of product development, including analysis, verification and validation, etc.

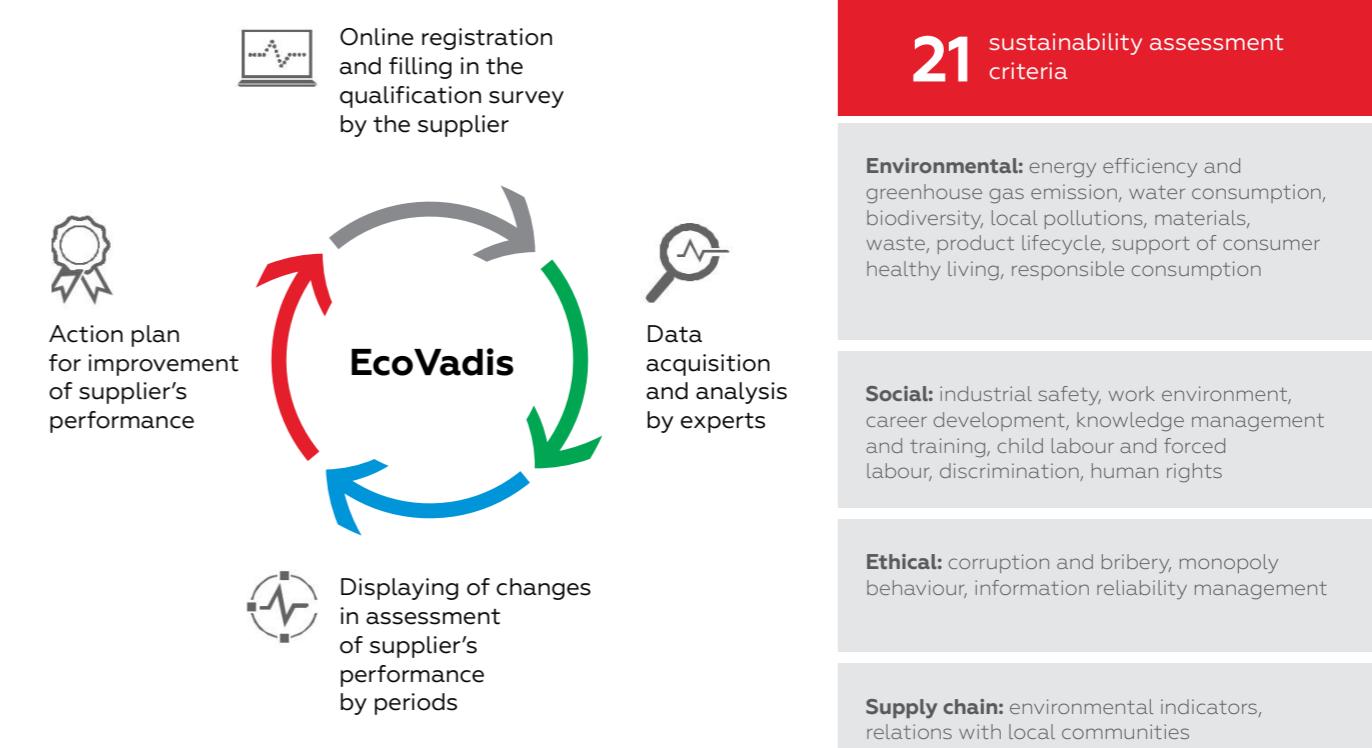
#### IT INTEGRATION INTO PROCUREMENT

Improvement of production process efficiency is the prime objective of introduction of digital technologies. In 2017, preparation for introduction of E-Auctions and E-Sourcing electronic auction platforms, their testing and analysis of employment at the local market was launched. Such platforms ensure compliance with the principles of procurement openness and transparency, competitiveness, innovation promotion, and improvement of procurement efficiency according to price criteria.

In 2017, the Enterprise focused on attraction of main suppliers to EcoVadis platform (Collaborative Platform) which provided large companies with access to the database of social and environmental indicators. Today the Coca-Cola HBC uses the EcoVadis platform to evaluate performance of more than 85% of suppliers in all countries of operation.

Currently the Enterprise applies PLATO operating model (migration to 2.0 version is planned in 2018) aimed at improvement of procurement efficiency and service quality rendered by the Logistics Department to other business units.

**Figure 9. EcoVadis platform working process**



#### Components of supplier assessment:

25 % – policies	40 % – actions	35 % – results
<ul style="list-style-type: none"> <li><b>Policy</b> Mission, policies, strategic tasks management of goals</li> <li><b>Support</b> Support of CSR initiatives</li> </ul>	<ul style="list-style-type: none"> <li><b>Measures</b> Taken measures (procedures, trainings, equipment, etc.)</li> <li><b>Certification</b> Certification and labelling (ISO 14001 etc.)</li> <li><b>Scope</b> Scope of taken measures</li> </ul>	<ul style="list-style-type: none"> <li><b>Accounting</b> KPI accounting</li> <li><b>Events</b> Prizes, claims, disputes</li> </ul>

## CONTRIBUTION TO DEVELOPMENT OF THE REGION OF OPERATION

The Coca-Cola Beverages Belorussiya Unitary Enterprise continually seeks to increase the share of local manufacturers among its partners and establishes stable long-term relations with Belarusian companies, so contributing to economic development of this country. In 2017, the share of purchases from

## MAINTAINING SUSTAINABLE DEVELOPMENT OF SUPPLIERS' BUSINESSES

The Enterprise establishes partner relations in accordance with the Supplier Guiding Principles that, inter alia, promote sustainable development of business partners and call for non-discrimination and prevention from cruel treatment of employees, ensuring safety of workplaces, avoidance of child and forced labour, respect for the environment. When choosing the suppliers, the Coca-Cola Beverages Belorussiya, given other conditions being equals, gives preference to those having management systems certified against

Belarusian suppliers made 97 %. More than 1700 business entities supplied the necessary materials and resources, raw stuff and services to the Enterprise. In addition to promotion of business activity in the region, such approach contributes to development of local suppliers and bringing their business into compliance with international standards in the area of quality and environmental protection.

international standards. Audits are conducted and sustainability indicator improvement measures are developed together with the Coca-Cola Company.

In 2017, the Enterprise adopted the Procurement Policy and Supplier Choice Procedure, within which 89 line managers were trained. The Procurement Department performs internal audits of business units, provides clarification on supplier choice procedures with due regard for all indicators of quality of procured goods and services, and also on compliance with the sustainable development goals.



## 4. Consumer care

### Quality assurance

#### PRINCIPLES OF THE ENTERPRISE AND ITS COMMITMENT TO QUALITY ASSURANCE

The Coca-Cola Beverages Belorussiya Unitary Enterprise highly appreciates the confidence of its consumers and business partners and works for consistent high quality products and leadership positions in the market. Perfection in every way is one of the main principles of the Enterprise.

The Coca-Cola Beverages Belorussiya Unitary Enterprise ensures compliance with all requirements of ISO 9001, FSSC 22000, The Coca-Cola Company KORE and best corporate practices with respect to the Belarusian legislation. The Enterprise management system is guided by the key principles of quality management: innovative approach to solution of quality issues; prevention from quality problems and exclusion of defects; establishing quality requirements; rating and control of compliance with set ratings;

consideration of systemic nature of product quality; consideration of market demands and success of competitors; covering of all stages of the product lifecycle.

The Enterprise oversees the system's operation and is continuously striving to further improve it in accordance with the product quality and safety policy. For this purpose it allocates all necessary resources taking account of the system business planning requirements.

The Coca-Cola Beverages Belorussiya may independently exercise ongoing and strict control over product quality. For this purpose the Quality Control Department Laboratory was established and accredited for compliance with STB ISO/IEC 17025. The Coca-Cola Global Sensory Program provides for testing of all produced soft beverages, bottled water and unboiled water, carbon dioxide and sugar for foreign flavours and odours.

#### CONTROL OF PRODUCT QUALITY

Provision of sustained quality and safety of manufactured product is the key task of the Coca-Cola Beverages Belorussiya Unitary Enterprise. The quality management system of the Enterprise covers all activities affecting the product quality, prescribed by the international standards, in particular, improvement of forms of business administration, production and labour management that contribute to quality upgrading; creation of favourable working environment; formation of social climate in the working team on the basis of moral incentives and involvement of employees in solution of quality issues.

Strict control of quality management processes provides for upgrading quality of raw materials and finished products, and proper manufacturing, so enabling the Enterprise to minimize the likelihood of quality problems and ensuring manufacture of fresher products with the best flavours.

The Coca-Cola Beverages Belorussiya Unitary Enterprise seeks to avoid problems relating to

In view of the results of audit of the quality management system conducted by SGS Company, the Coca-Cola Beverages Belorussiya Unitary Enterprise was successfully re-certified against the revised version of ISO 9001:2015 and confirmed it. Such certification confirms the Company principle of doing responsible, sustainable and advanced business.

The Quality Department of the Enterprise is engaged in the issues of quality and food safety. Responsibility for control of such issues is borne by the Deputy Director General of Quality. He is also responsible for management of the Enterprise operation in terms of fire and occupational safety. The Enterprise regularly notifies its employees of significance of efficient management of quality and food safety.

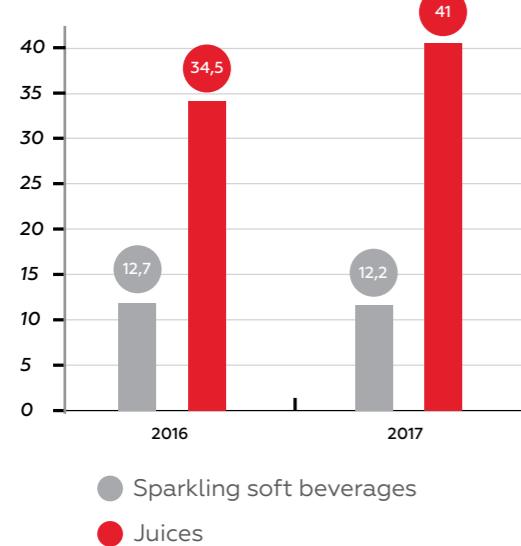
product quality and safety, is concerned about its consumers and customers and, above all, about its brand credibility. The Enterprise uses a number of key business-indicators of performance of quality management, such as the probable quantity of defective products, screwing force, CO<sub>2</sub> level, level of filling and gross monthly output. The Enterprise monitors the storage time of products at warehouses and trade outlets, so that to provide consumers with high-quality products and prevent from penetration of time-expired products into the market. This indicator is controlled on the basis of a special standard specifying the optimum shelf life of products from their manufacture, within which the level of carbonization and all organoleptic qualities of products are saved. Average shelf life of soft beverages at the Enterprise's warehouses is 12.2 days, of juices – 41 days. According to audit results, in 2017 the share of time-expired products available in the market made 2.5 % for sparkling soft beverages and 6 % for juices.

Employees of the Coca-Cola Beverages Belorussiya bear both individual and shared responsibility for maintaining high

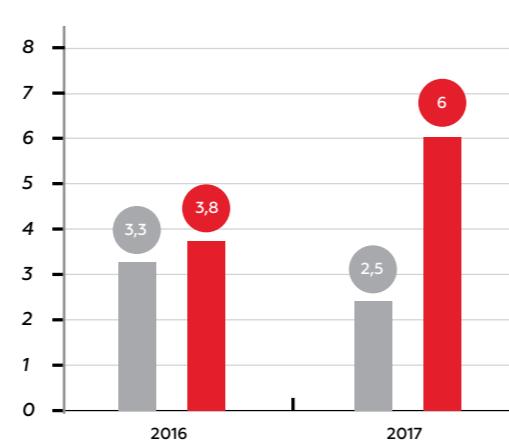
quality standards in respect to all products manufactured at the Enterprise. That is why the Enterprise emphasizes the importance of training and development of personnel. The

Quality Department provides regular training of operational personnel and laboratory specialists for rising awareness of product quality and safety issues.

**Figure 10. Average shelf life of products at warehouses, days**



**Figure 11. Percentage of exceeding the established targets for product age in trade, % > PA**



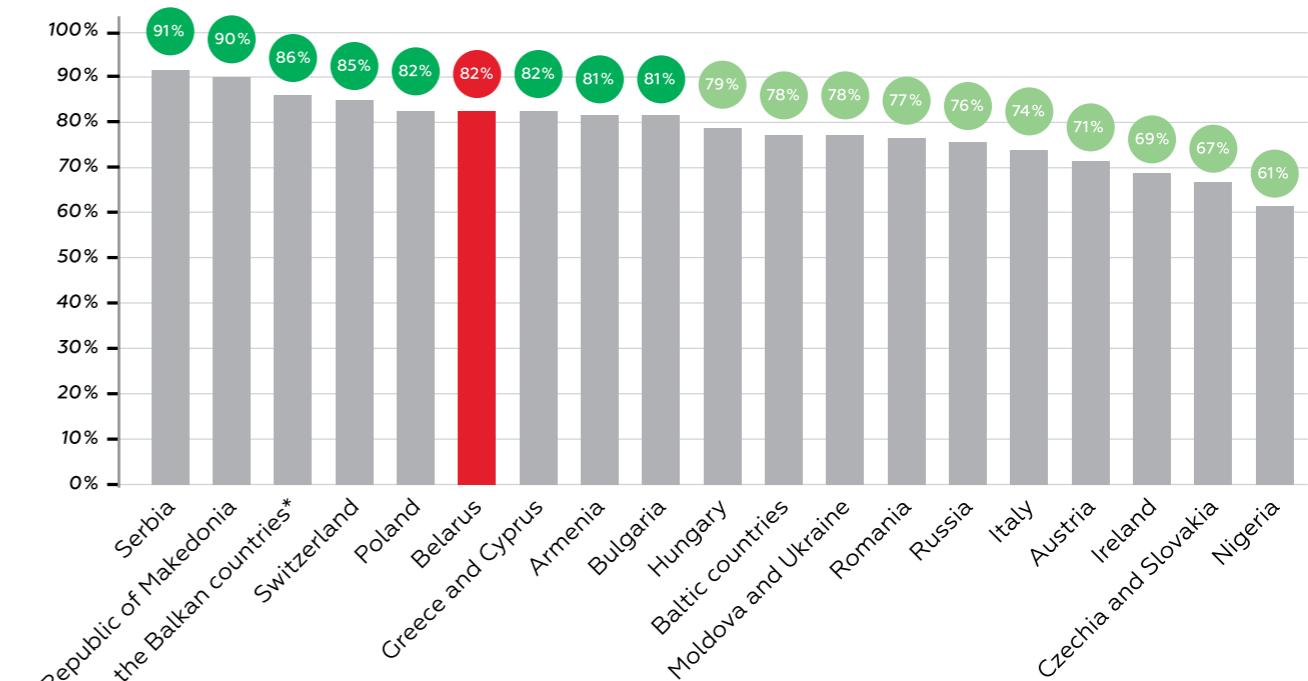
#### DEVELOPMENT OF THE QUALITY MANAGEMENT SYSTEM

The Coca-Cola Beverages Belorussiya Unitary Enterprise seeks to increase consumer satisfaction through efficient application of its quality management system, in particular, through processes of its continuous improvement. To analyse the quality management system, the Enterprise implements The Maturity Matrix, a project allowing to assess the system's performance in the areas of production practice development, improvement of the quality management system, environmental protection and

occupational safety. Also, criteria related to personnel training, division of responsibilities, risk assessment, accounting and informational interaction are subject to assessment. The project-related methods enable to identify the key positions and tools which are to be developed and adopted in order to achieve high-level sustainability.

One of the four maturity levels is assigned to the management system depending on the results. On the basis of assessment 2017, Belarus, was the sixth in the Group with its outcome improved against 2016.

**Figure 12. Maturity Matrix indicators in the bottler countries of the Coca-Cola HBC in 2017**



**Figure 13. Maturity Matrix**

#### Components of the management system maturity



#### Assessment of maturity level



#### Maturity evaluation criteria in the area of quality

##### Key performance indicators

- Violations, and penalties from monitoring authorities
- Consumer complaints
- Compliance with the product shelf life
- Quantity of failure audits
- Quality-related incidents

##### Preventive measures

- Implementation of the equipment inspection matrix
- Quantity of defects per million opportunities

##### Competence

- Knowledge and measurements
- Human resource and skills
- Leadership and production practices
- Process organization

\* the Balkan countries of Adriatic region: Croatia, Bosnia and Herzegovina, Slovenia

## IMPROVEMENT OF PRODUCTION PRACTICES

Production practices of the Coca-Cola Beverages Belorussiya Unitary Enterprise is a set of job arrangement measures aimed at creation of favourable work environment: workflow improvement, workplace upgrading, aesthetic remaking of the environment, creation of favourable psychological climate within the team. The Enterprise ensures safe and comfortable labour conditions for each employee, provides proper salaries and wages, massive opportunities for training, personal development and career growth.

The Enterprise works for production practice development through implementation of

projects aimed at raising consciousness of personnel. In 2017, the Company held the Sustainability Week for upgrading knowledge of every worker in the areas of quality, occupational safety and environmental protection. More than 200 employees of the Enterprise learned the manufacturing process throughout the product chain in details. Special focus was made on quality issues at every stage of manufacture. During the tour around the Enterprise the workers of commercial service were trained in product non-acceptance in the market. Approximately half a tonne of waste such as old equipment and batteries were gathered by the Enterprise employees within the Environmental Week.

## PROVISION OF HIGH QUALITY PRODUCT DELIVERY SERVICE

The Coca-Cola Beverages Belorussiya Unitary Enterprise establishes long-term relations with its partners/customers and provides high quality service for product delivery to trade outlets. To provide effective control of relative processes, the Enterprise monitors warehouse operations, controls orderly shipping and unloading of products, monitors vehicle idle time.

Quality of product delivery service is assessed according to DIFOTAI (Delivered in Full on Time Accurately Invoiced) integrated index describing the share of orders delivered in full, in due time, and with correct documents.

At the Coca-Cola Beverages Belorussiya, DIFOTAI index demonstrated positive growth during the recent 5 years. In 2017, the index grew by 0.04 pp as against 2016 and made 99.32 %, enabling the Enterprise to become the first among the Coca-Cola HBC bottler countries.

To raise quality of customer services, the Coca-Cola Beverages Belorussiya provides its customers with free trading equipment: racks, concession stands, summer furniture, umbrellas, cooling facilities. Technical maintenance and repair of such equipment are carried out by the Enterprise professionals.

## CONSUMER INTERACTION ON THE ISSUES OF PRODUCT QUALITY

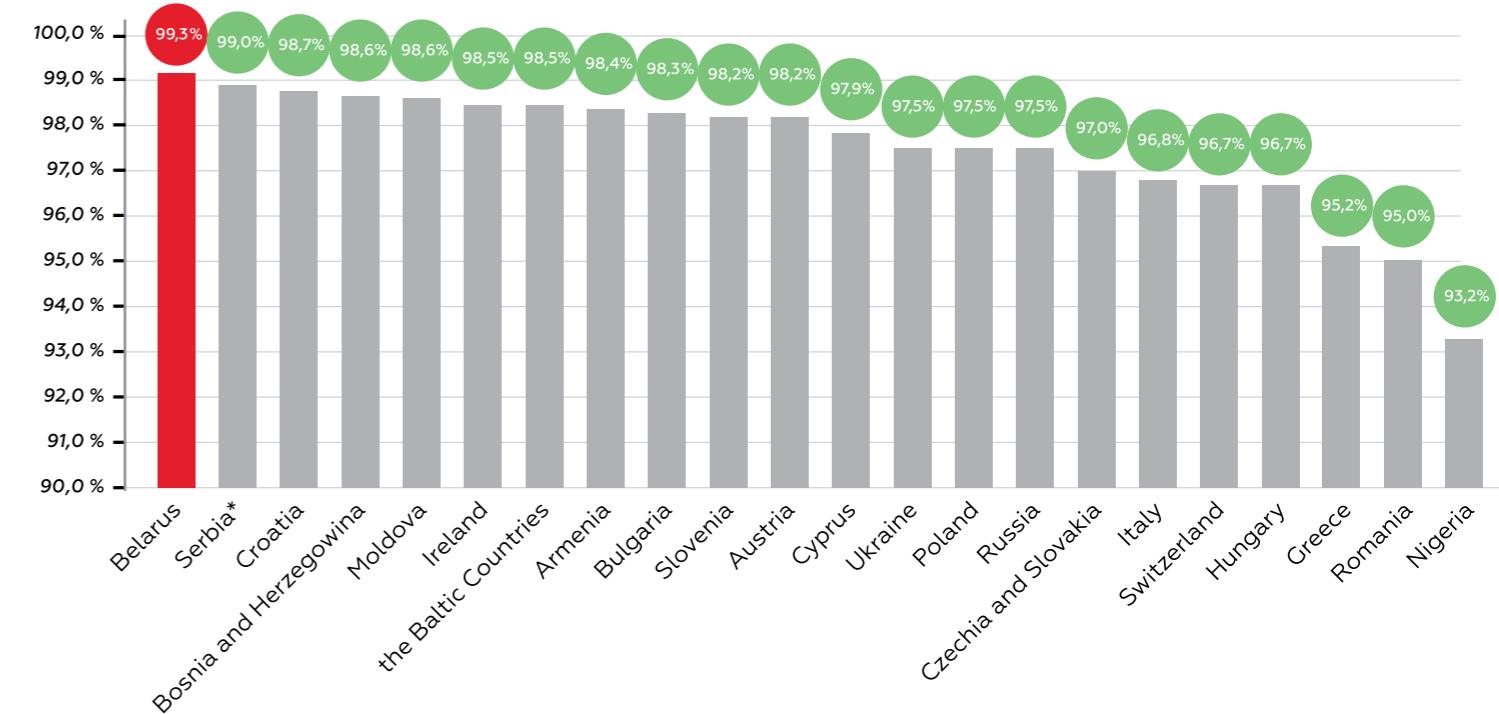
The Coca-Cola Beverages Belorussiya Unitary Enterprise is open to dialogue with its consumers. All information received from consumers is analysed and used for improvement of processes, product quality, and novel solutions. The level of consumer satisfaction with the Enterprise's product

quality is the main criterion of efficient management of manufacturing processes. There is a guarantee that consumers will receive a high-quality product, and consumer appeals will be considered promptly. The Enterprise has organized systematic handling of consumer complaints. When a complaint is received, the whole batch is checked and all alleged errors in the logistic chain are excluded. Upon completion of investigation information

on its findings is sent to the applicant. To take account of consumers view of product quality, the Enterprise applies the indicator of quantity of complaints per one million units of sold product. In 2017, such indicator made

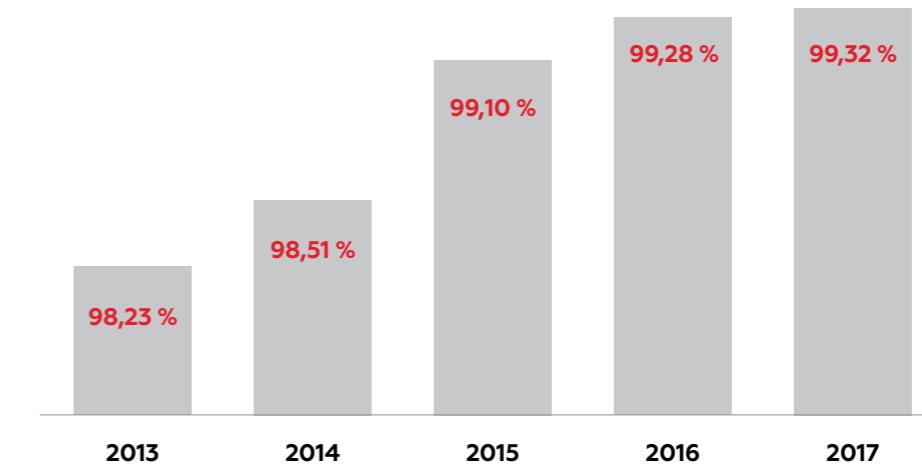
0.02. When an incident of incompliance with food safety and quality requirements and processes is discovered, the Enterprise itself communicates with the consumer in order to suspend sale of such product.

**Figure 14. Indicator of delivery service quality in CCHBC bottler countries in 2017**

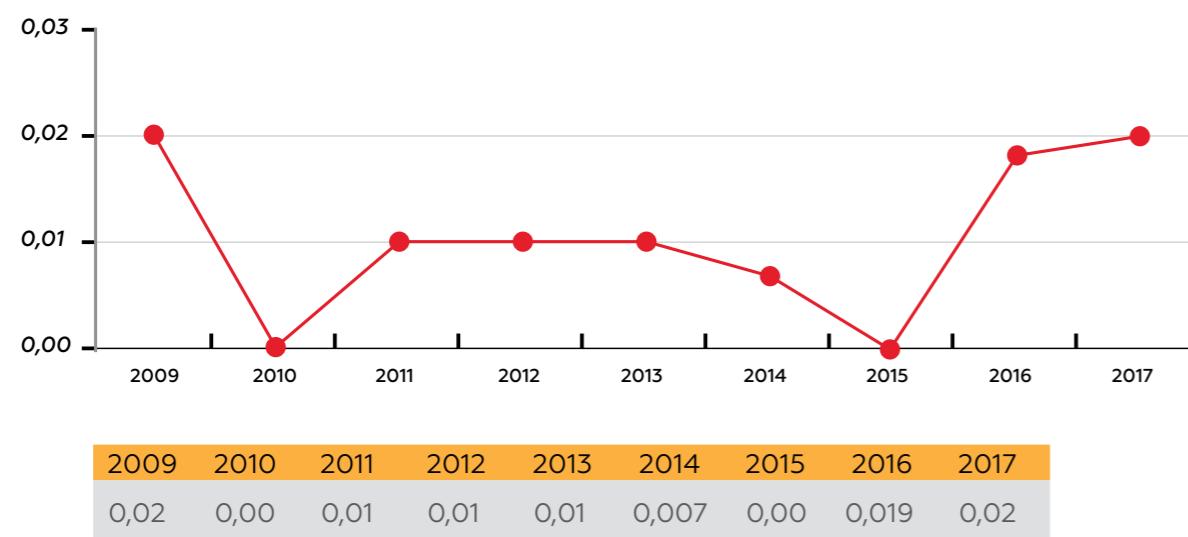


\*Serbia, Montenegro, Kosovo

**Figure 15. Dynamics of service quality indicator growth relating to delivery of products of the Coca-Cola Beverages Belorussiya in 2013–2017**



**Рисунок 16. Growth dynamics of quantity of complaints per one million units of sold product of the Coca-Cola Beverages Belorussiya in 2009–2017**



## Support of healthy lifestyle

The Coca-Cola Beverages Belorussiya Unitary Enterprise manufactures a wide variety of soft beverages and juices that meet consumers' desire to be healthy and active. Special focus is made on reduction of sugar and total energy of products, increase in percentage of natural ingredients. Coca-Cola Zero, no-calorie sugar-free soft beverage, is manufactured for most dedicated adherents of healthy living.

At present the Enterprise is guided by the new soft beverage growth strategy which includes



the two key development areas: "in the bottle" and "outside the bottle".

Within the "inside the bottle" we:

- reduce sugar concentration in our beverages;
- develop new and improve existing recipes of beverages;
- offer wider variety of beverages to fit every taste in packaging of different sizes;

Within the "outside the bottle" we:

- sell one fourth of manufactured beverages under the Coca-Cola trade mark, in packages not exceeding 0.33 l;
- disclose reliable information on nutrient value of beverages by placing data on sugar content and product energy on the packaging face;
- do not promote our products for children under the age of 12 and do not sell sparkling beverages at schools

The Coca-Cola Beverages Belorussiya is scrupulous about marketing and discloses all necessary information on the product packaging: ingredients, energy, date of manufacture, shelf life.

## BROADENING CHOICE OF BEVERAGES

The Coca-Cola Beverages Belorussiya Unitary Enterprise expands its product range by offering new products and improving most popular ones. In 2017, the Enterprise launched low-calorie version of Sprite, Fanta Orange. Launch of Coca-Cola Zero Cherry, Fanta Marakanas with reduced sugar concentration and other low-calorie products is scheduled for 2018.

The Enterprise describes itself as a universal manufacturer of soft beverages, so it seeks to

meet the needs and expectations of various consumer groups and releases its products in different forms and categories:

- sugar-sweetened and sugar-free beverages; sparkling and still beverages; beverages with natural ingredients – juices, nectars, ice tea, drinking water;
- beverages in small- and large-size packaging from 0.33 l to 2 l, in glass or plastic, etc.

Such approach means providing opportunity for the consumer to choose high quality product in his adherence to healthy lifestyle.

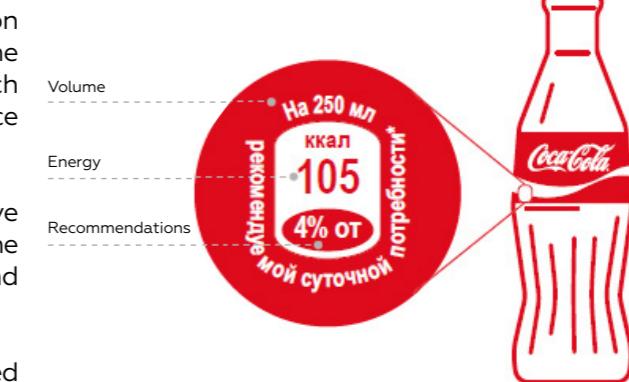
## INFORMATION ON THE PRODUCT

Information on beverages is provided in understandable terms and contains data on the brand, category and ingredients of the beverage, sugar contents including. Such information provides consumers with guidance in their choice of the needed product.

More than 90 % of the Enterprise output have FOP label on the package face disclosing the volume of one beverage helping, its energy and share of the daily caloric intake.

Fig. Per 250 ml: 105 kcal or 4 % of recommended daily intake

### Example of FOP labeling



## Responsible marketing

Commitment of the Coca-Cola Beverages Belorussiya Unitary Enterprise to the principle of social responsibility involves both meeting the consumer needs and responsible marketing for social benefit.

Taking account of parents' desire to impart the skills of healthy lifestyle to their children, the Enterprise supports the obligation of "Restriction of Children-oriented Advertising" approved by the Coca-Cola System in 2009. In pursuance of this obligation the Enterprise refrains from promotion of its beverages for the audience where the share of children under 12 is at least 35 %. According to such obligation

we:

- do not sell sparkling soft beverages at schools and do not advertise there;
- do not advertise in the mass media clearly dealing with children under 12, in particular, TV shows, printed media, web-sites, social networks, films, as well as SMS- and Email marketing; and we do not place such advertisements on our own web-sites;
- do not develop marketing events clearly targeted at children under 12, in particular, do not use images of celebrities and characters, games and competitions, toys that are mainly popular with children under 12;

· do not provide branded sponsorship of sport- and entertainment events destined mainly for children under 12.

The obligation of "Restriction of Children-oriented Advertising" is entrenched in the Coca-Cola Global Policy of Responsible Marketing adopted in 2015. The Policy was supplemented

with methodological recommendations containing instructions for compliance with its requirements which are binding for implementation, in particular, upon advertising and communication partner agencies and their employees. Compliance with the Policy is strictly monitored and controlled by internal auditors of the Enterprise.



## 5. Personnel care

### Personnel management

#### PERSONNEL MANAGEMENT SYSTEM

Creation of conditions for professional advancement and development of the Enterprise employees is the key purpose of the personnel management system. The Coca-Cola Beverages Belorussiya Unitary Enterprise is sensitive to work environment of its employees, their professional and personal advancement, so ensuring increase in labour productivity and involvement of every team worker in reaching production goals. It is the employees who are the key partners of the Company in achieving the sustainable development goals.

In 2016, the Coca-Cola HBC Group fully introduced a new model of the Personnel Department in all countries of operation. Since 2016, the Coca-Cola Beverages Belorussiya has introduced the matrix structure which main components are the Global Expertise Centers aimed at upgrading efficiency of personnel choice and development, formation of leadership competencies. Business partners

and HR-admin act as separate institutes of the structure.

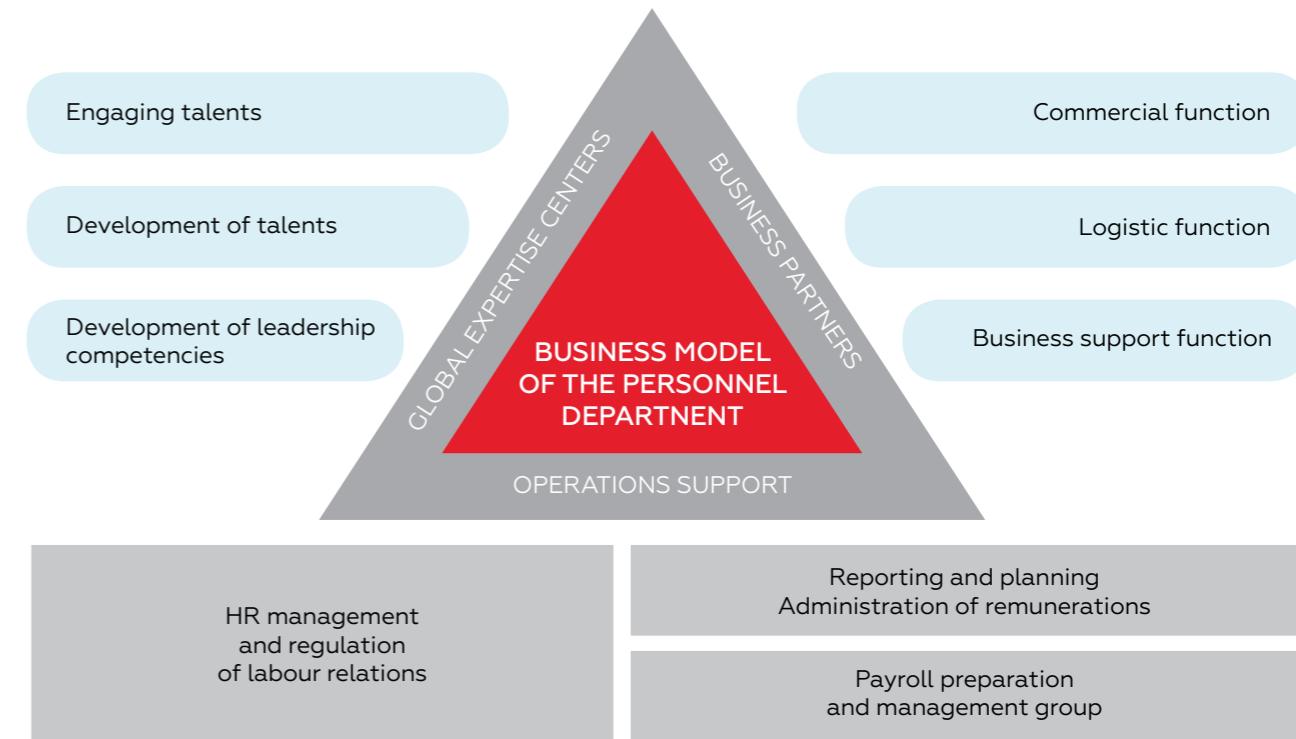
Shift to a new matrix model enabled the Enterprise to considerably improve a number of indicators: at year end 2017, as many as 78.5 % positions critical for successful commerce were held by the employees whose development was treated by the Enterprise as promotion to executive positions (64% in 2016). Moreover, the new model made it possible to raise effectiveness of personnel development. Approximately 90 % of employees were appointed to new positions after completion of the accelerated development program. Professional expertise and knowledge obtained at the Coca-Cola Beverages Belorussiya provide career advancement opportunities of the personnel both inside the company and in the Group companies in other countries. The level of personnel engagement is one of the key performance indicators of the Personnel Department. In 2017, the indicator of personnel engagement made 93 %, being 1 % higher as against 2016.

#### RESPECT FOR HUMAN RIGHTS AND LABOUR RIGHTS

The Coca-Cola Beverages Belorussiya Unitary Enterprise defines labour relations with its

employees in compliance with the legislation of the Republic of Belarus, international standards and corporate rules. The Enterprise grants equal rights to all its employees; adheres to the principle of freedom of associations,

*Рисунок 17. Work model of the Personnel Department*



and does not let any forms of discrimination in labour relations. Obligations of the Coca-Cola Beverages Belorussiya Unitary Enterprise to its employees are entrenched in the Human Rights Policy and Policy of Equal Opportunities.

The Enterprise is committed to such principles also in its relationships with third parties. The Supplier Guiding Principles applied to dealing with business partners contribute to responsible attitude of the Enterprise's partners towards respect for rights of their workers.

#### PERSONNEL OVERVIEW

In 2017, the Enterprise employees numbered 710, being 49 workers less than in 2016. Annually the Enterprise recruits personnel for seasonal work at warehouses or production facilities. In 2017 temporary assistance strength made 135 workers. The Enterprise average employee turnover for the reporting period made 20.9 %.

The Enterprise stands for the personnel structure well-balanced by gender and age. But due to the nature of operations 62 % of

The Coca-Cola Beverages Belorussiya Unitary Enterprise also adopted a number of local regulatory legal acts governing special aspects of labour relations:

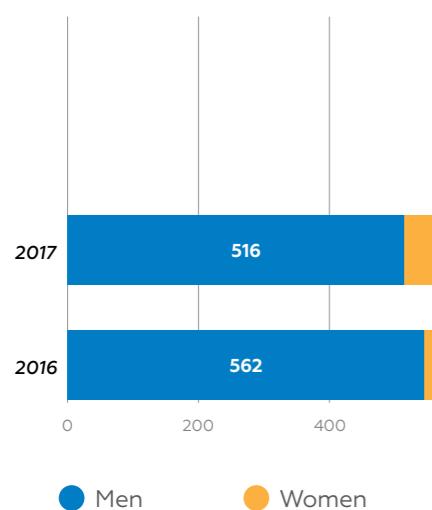
- The Policy of Healthy Lifestyle;
- The Policy of Handling Personal Data;
- HIV/ AIDS Policy.

Respect for, and regulation of, human rights at the Enterprise is the responsibility of the Personnel Department.

employees are men and 38 % women. Also minor gender difference exists among blue-collar workers. As for the personnel age structure, employees at the age from 30 to 50 prevail.

Labour productivity at the Coca-Cola Beverages Belorussiya Unitary Enterprise grew by 27 % in the reporting period as against 2016.

**Figure 18. Personnel capacity in terms of men to women ratio in 2016–2017**



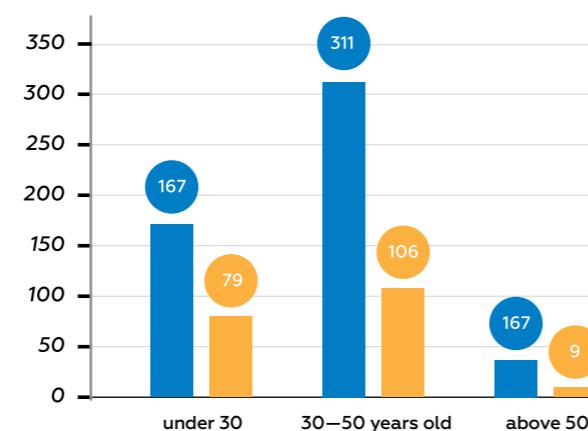
#### CHOICE OF PERSONNEL

The Personnel Department continuously improves the methods and tools for choice of new employees. Minimization of adaptation period for new employees is an important task. In 2017, the Enterprise launched HELO platform uniting the entire cycle of personnel-related processes, in particular, assisting new employees to adapt. A special adaptation plan is developed at the Enterprise for every new work team member, which provides

#### DEVELOPMENT AND TRAINING OF PERSONNEL

The Coca-Cola Beverages Belorussiya Unitary Enterprise creates conditions for professional development and implementation of professional knowledge of its employees. The Enterprise has developed its own personnel training system when heads of business units conduct training sessions in their respective areas of expertise; also the mentoring program operates. Since 2017, the Enterprise employees have been trained according to improved corporate programs. Leadership trainings at all levels are aimed at development of leadership competencies required for further growth, development

**Figure 19. Personnel capacity in terms of age ratio in 2017**



for necessary trainings, study of corporate procedures and policies, and other significant aspects required for quick adaptation and efficient work from the very beginning of employment.

In 2017, the strategy of cooperation with key higher educational establishments was developed and cooperation agreements were signed. Launch of the planning system that will provide for pre-recruitment even before occurrence of a vacancy is scheduled for 2018.

and promotion. The Enterprise also provides programs and trainings in professional and functional development in employees' current capacities. Eight such programs – major and minor – were developed. E-courses have also been modified and some of them were moved from SAP system to new HELO system.

In 2017, the Enterprise employees were trained during 6 471 academic hours, including external training (upgrading, seminars, courses), learning leadership and functional development programs, studying the English language.

The Enterprise is concerned with career advancement of its employees and facilitates

their promotion; majority of top- and middle-level managers started their employment at the Enterprise at grass-roots level. In 2017 as many as 19 employees were trained under accelerated development programs for promotion to the next career level:

- Fast Forward S2O 14 participants (from the self-management level to the people management level)
- Fast Forward O2M 3 participants (from the people management level to management of managers)
- Fast Forward O2M adv 1 participant (from the people/managers management level to the expanded managers management level)
- Fast Forward M2F 1 participant (from the managers management level to the function/line managers management level)

Every development program lasts for ten months and includes 12 hours for presentation of projects, 24 hours for functional analysis, approximately 1000 hours for project work, 40 hours for training, and 400 hours for homework. 13 participants of the Fast Forward

program have already got new positions.

The Rise Management Trainee Programme for training of prospective managers, developed specially for young graduates, continues working. This program lasts for two years. During this period the participants have time to work in different departments of the Enterprise and rise from the grass-root level to a manager. In 2017 the prospective manager program covered 7 participants.

In 2017 as many as 60 Enterprise employees (heads of commercial business units and representatives of Personnel and Marketing Departments) underwent intensive training according the Super Ambassador program.

The Enterprise supports aspiration of its employees to independently improve their proficiency and renders access to the electronic library containing special literature and publications, and the electronic business glossary.

"Employee of the Year", and their photos are displayed on the recognition board of the Enterprise.

The Mini-football championship of the Coca-Cola Beverages Belorussiya has become a traditional corporate event in which the employees of both the Enterprise and its branches take part. In addition to football matches, grounds for active entertainment of the Enterprise employees and their families are created: master classes conducted by professional yoga, aerobics and dance-fitness instructors.

#### PERSONNEL MOTIVATION

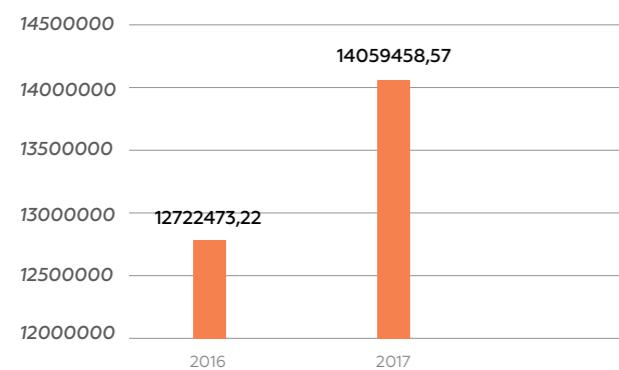
At the Coca-Cola Beverages Belorussiya Unitary Enterprise, relations within the work team are established on the principles of openness, absorption in shared cause, just remuneration for achievements, and maintaining team spirit. The Enterprise pays competitive salaries and wages to its employees and annually increases them in accordance with the market trends, on the basis of the industry's pay level reviews. In 2017, the average pay made BYN 1623.9.

The Enterprise also uses other incentive methods for personnel remuneration, such as private health insurance scheme, life insurance, providing opportunity to go in for sports and participate in corporate and incentive programs.

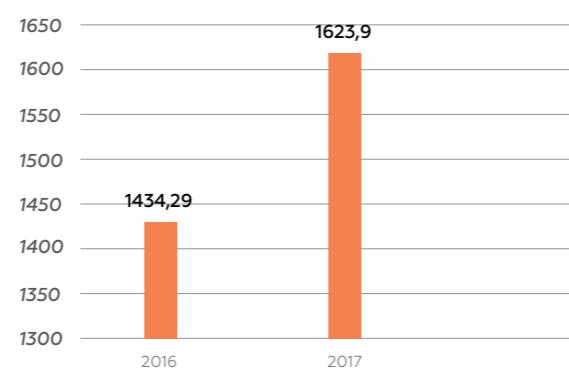
The Employee of the Year contest holds a special place among the most popular incentive programs, as the Enterprise staff members with the best performance get valuable gifts and certificates "The Best Employee of the

Year". The Enterprise prepares annual studies based on "My Voice" opinion poll taken among its employees concerning their engagement and commitment to the values. The value commitment index, sustainable engagement index, and ambassador index are the main indicators of such studies. At year end 2017 all indicators remained high and the Enterprise was ranked the second by the employees engagement level among 28 countries, which fact speaks of sustainable rise of corporate culture.

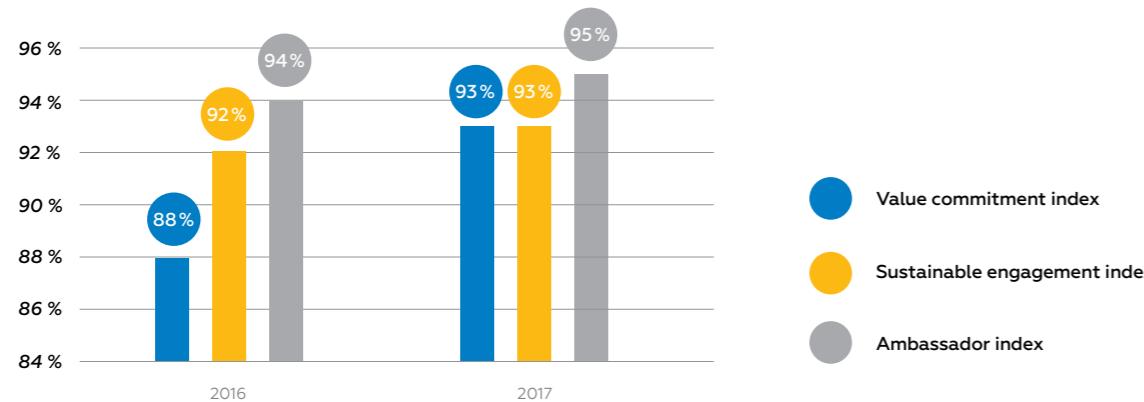
**Figure 20. Salary budget of the Coca-Cola Beverages Belorussiya in 2016–2017, BYN**



**Figure 21. The average pay at the Coca-Cola Beverages Belorussiya in 2016–2017, BYN**



**Figure 22. Results of "My Voice" opinion poll concerning engagement and commitment to the values taken in 2016–2017**



## Safety of labour and business operation

The Coca-Cola Beverages Belorussiya Unitary Enterprise provides healthy and safe occupational conditions for its employees in compliance with high standards of the Coca-Cola HBC Company Group and the Coca-Cola

### FUNCTIONING OF THE MANAGEMENT SYSTEM

Activities of the Administration and Services at the Coca-Cola Beverages Belorussiya Unitary Enterprise relating to raising the labour safety level are arranged through the labour safety

Company, statutory regulations of labour safety of the Republic of Belarus, and internal regulatory legal acts and instructions.

management system. Shared goals in the area of labour safety and commitments to improve efficiency of the labour safety management system of the Enterprise are specified in the special Policy of labour safety and safety of business operations developed on the basis of identified risks of exposure of personnel of

the Enterprise, contractual organizations or third parties to hazard and harmful production factors. To achieve goals set forth in the Policy and to ensure continuous improvement of the labour and business operations safety system, the Enterprise annually sets targets for labour safety and safety culture indicators, and

develops action plans to meet such targets.

Efficiency of the functioning labour safety management system is described in terms of minimization of risk of incidents, accidents, and occupational diseases.

**Table 2. Target and actual values of key indicators of labor safety efficiency**

KEY INDICATORS	2016		2017	
	target	actual	target	actual
On-the-job accidents	0	0	0	0
Quantity of workplaces where on-the-job accidents occurred	0	0	0	0
Quantity of on-the-job accidents per 100 employees	0	0	0	0
Loss workdays due to on-the-job accidents, days	0	0	0	0
Loss workdays due to on-the-job accidents per 100 employees	0	0	0	0
Claims expenses, BYN	0	0	0	0
Quantity of registered potentially dangerous events (Near Miss)	408	641	549	517

### CONTROL OF COMPLIANCE AND CERTIFICATION

The labour safety management system introduced at the Enterprise in 2008 was certified against OHSAS 18001 international standard. Regular compliance and re-certification audits indicate that, as before, the Enterprise complies with strict requirements of the mentioned standard and continuously improves its labour safety management systems.

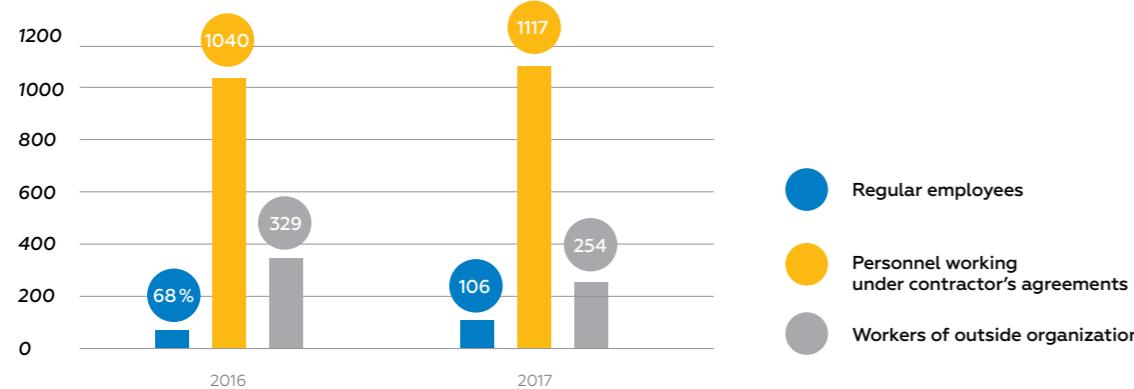
To provide internal control and maintain high labour safety level at the Enterprise, special focus is made on regular monitoring of safety at workplaces: walks around premises, depot acreage, external territories of the plant and offices. When an unsafe situation is discovered which, in the employee's opinion, can cause injury, disease or material damage, the employee may in a confidential manner notify the Technical Control Department or Administration of such fact, in particular, on paper or in electronic format.

## AWARENESS RAISING AND COMPETENCE DEVELOPMENT

Knowledge of all employees in the area of labour and business operations safety continuously increases due to regular training. As required by law, the employees are trained

in labour and fire safety, fire protection facilities application instructions, and course of actions in the event of fire. Emergency drills to train actions in case of emergency (leakage of highly-flammable liquid, breakage of mercury-containing devices, leakage of CO<sub>2</sub>, etc.) are conducted annually.

**Figure 23. Quantity of employees trained in labour and fire safety at the Coca-Cola Beverages Belorussiya in 2016–2017**



The total number of employees trained in 2017 exceeded 1 thousand.

## DEVELOPMENT OF SAFETY CULTURE AND REDUCTION OF RATE OF ACCIDENT

In 2017, the traditional Labour Safety Week was held focused on behavioural safety, as majority of accidents occurred due to misbehavior, underestimation of risks or inadequate attitude to own safety.

Information stands displaying key indicators of quality, environment and labour safety are available to the employees of the Enterprise at any time and are destined for raising awareness of all employees.

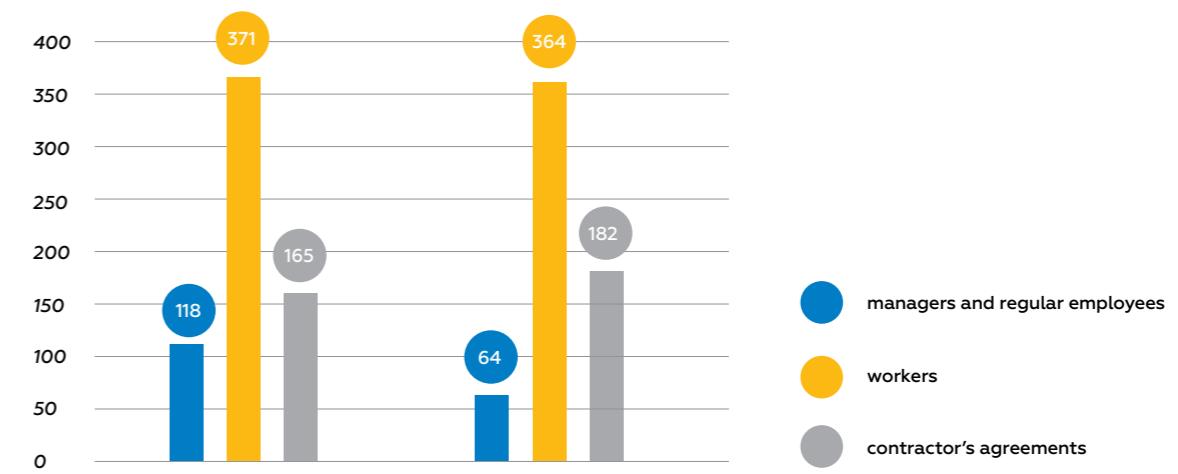
Short talks about safety-related issues (Toolbox Talks) are also conducted, so enabling to raise awareness of staff members

concerning labour and business operations safety. In 2017 as many as 517 potentially dangerous actions and conditions were detected (Near Miss).

To ensure occupational safety, the employees working in harmful and/or hazardous labour conditions or exposed to contamination or working under infavourable temperature are provided with individual protective gear in accordance with the Norms of Providing Individual Protective Gear, Sanitary Clothes and Footwear developed at the Enterprise.

Trainings and assessment of knowledge of labour and fire safety are annually conducted for managers and regular employees, and personnel working under contractor's agreements.

**Figure 24. Quantity of employees tested for knowledge of fire and occupational safety at the Coca-Cola Beverages Belorussiya in 2016–2017**



In 2017, the major focus in the area of labour safety was made on correct execution and issue of work permits and lockouts/tagouts (LOTO).

The Enterprise puts an emphasis on ensuring safety of contractors' personnel. All agreements with outside organizations are subject to approval by the Labour Safety Service prior to their signing. The necessary qualification and training status of blue-collar staff, frequency of medical examinations, availability of certified special clothes and footwear and appropriate licenses, availability

and condition of necessary equipment, track record in similar projects, testimonials and references, and other factors are taken into consideration for approval.

The Enterprise has specified the set of safety requirements applicable to a contractor's organization. The permit to work is issued strictly in compliance with labour and business operations safety requirements. Safety measures and risk assessment are agreed with the Labour and Business Operations Safety Service prior to start of work.

## PLANS OF THE LABOUR SAFETY AND HEALTH PROTECTION SYSTEM DEVELOPMENT IN 2018

In 2018, working conditions at workplaces will be assessed in order to identify harmful and hazardous factors of the production environment and workflow and take prompt measures to minimize their negative impact on the employees.

To reduce the risk of injuries, efforts related to prevention from traffic accidents, promotion of safe driving practice, ensuring safety of

equipment handling at workplaces will be continued in 2018.

Medical tumor marker screening and subsequent physician's advice including interpretation of findings and general recommendations is scheduled for 2018, in order to prevent from occurrence of occupational diseases and dissemination of bacterial and viral diseases, and to ensure compliance with the active health and safety legislation. Vaccination of personnel is planned.

In 2018, the Enterprise is going to implement the Behavioral Based Safety Project aimed at encouraging the employees at all levels to become personally involved in ensuring safety at workplaces and enhance individual accountability for safety. Any employee may monitor his colleagues' workflow, and then

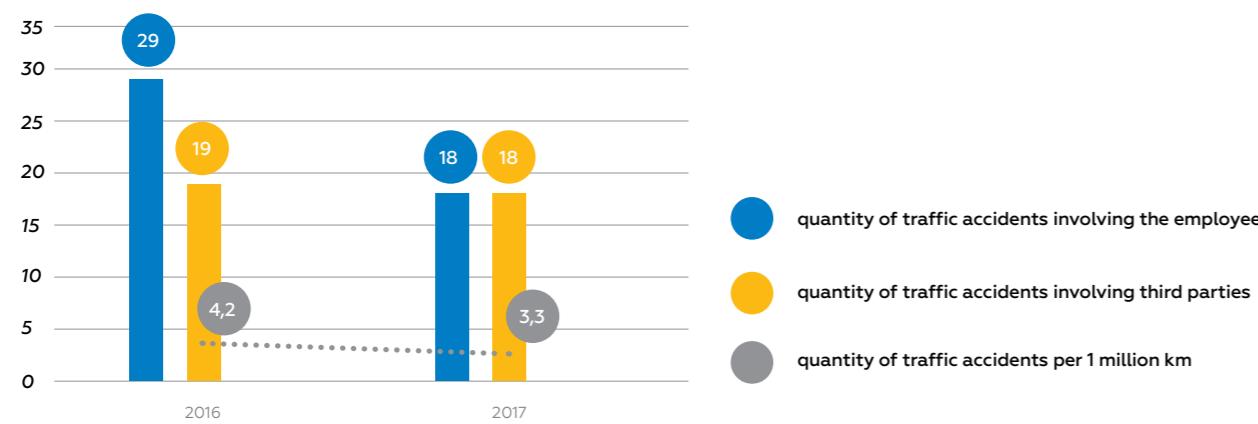
highlight unsafe behavior and try to find out its causes during the conversation. Statistics acquired through such monitoring will help to eliminate root causes of unsafe behavior of employees, take corrective measures and train the employees in better recognition of risks they are exposed to.

#### TRANSPORT SAFETY

The Coca-Cola Beverages Belorussiya Unitary Enterprise seeks to minimize the number of traffic accidents involving its employees. For this purpose the events contributing to driving culture development are arranged, and transport-related engineering safety

systems are introduced at the Enterprise. Failure to observe the rules of passing through crossroads, crossing into oncoming traffic, and wrong choice of speed under bad weather conditions were the main causes of traffic accidents involving the Company's transport in 2017.

**Figure 25. Decrease in the number of traffic accidents at the Coca-Cola Beverages Belorussiya in 2016–2017**



The Coca-Cola Beverages Belorussiya Unitary Enterprise proceeds with adoption of innovative traffic safety management tools. The number of transport vehicles of the Enterprise equipped with Mobileye intelligent active safety system grew in 2017 by 33 % and made 124. The system recognizes transport vehicles, road marking and pedestrians, and gives a timely warning signal to the driver when a threat is detected. Advanced technologies are also used to ensure safety of warehouse workers.

Since 2015, the Enterprise has been implementing the program of theoretical counter-emergency training. The program

participants study the methods of prevention from and forecasting of possible unforeseen situations on the road, in particular, under bad weather conditions. The trainees improve their driving skills by learning the techniques of holding a steering wheel, steering speed, steering with one and both hands, correct seating of the driver at the wheel, conduct on the road.

All drivers attend qualification courses. When violations of road safety requirements are discovered, the drivers are subject to re-certification. Road safety commissions responsible for development of plans of transport safety-related events and control of

their implementation function in all branches of the Enterprise.

Meetings with drivers considering the major causes of traffic accidents at the Enterprise are held regularly aiming at awareness raising.

The Coca-Cola Drive, a spectacular event organized with involvement of the Counter-Emergency Training Center was held in 2017

within celebration of the Motor Transport Professionals Day. More than 60 Enterprise employees whose duties were inextricably linked to everyday driving took part in the event. The participants were able to demonstrate both driving skills and knowledge of driving theory. The contest winners were given commemorative diplomas and nice souvenirs from the Coca-Cola.

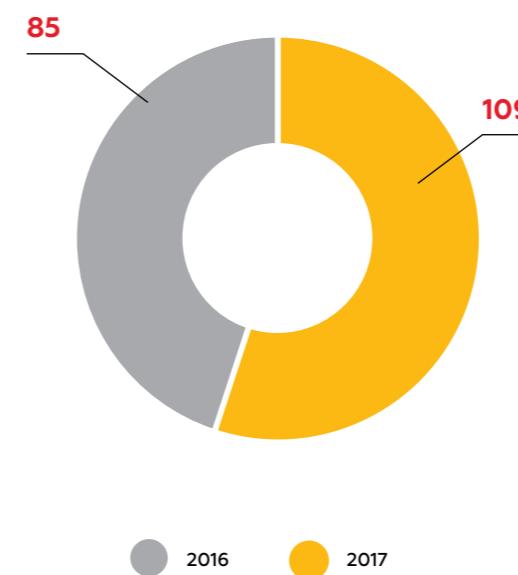
of the Emergency Ministry workers are held annually.

During daily GMP guard tours talks about labour and fire safety are held and incompliances in these areas are detected. Based on findings of the guard tour, the form containing observations, indication of persons responsible, and a remedial period is filled in.

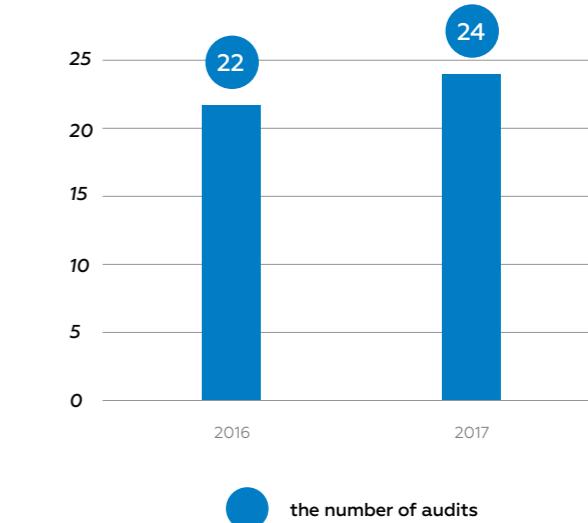
#### FIRE SAFETY

The Enterprise focuses specifically on fire safety. To ensure fire safety, the buildings were equipped with automatic fire safety system with alarm transmission to the units of the Emergency Ministry. A new fire-extinguishing system was installed in the warehouse in 2017. Special panic bar locks and additional access control system release buttons were installed on escape doors. Trainings with participation

**Figure 26. The number of incompliances discovered during daily guard tours at the Coca-Cola Beverages Belorussiya in 2016–2017**



**Figure 27. The number of fire-safety audits performed at the Coca-Cola Beverages Belorussiya in 2016–2017**



## INDUSTRIAL SAFETY

The Enterprise operates two hazardous production facilities (HPF) assigned to the III hazard classes (mean). The industrial safety management system fully complying with legislative requirements of the Republic of Belarus functions at the Enterprise in order

to prevent from accidents and incidents at such hazardous production facilities. Accident free HPF operation is achieved due to the set of organizational and technical measures, including regular production supervision. Four internal audits within the production supervision system were performed in 2016–2017.

## COOPERATION WITH CONTRACTOR ORGANIZATIONS

When cooperating with contractor organizations, the Coca-Cola Beverages Belorussiya commits to high standards and focuses on development of contractor workers' safety culture, reducing accident rate and quantity of unsafe actions and violations, minimization of financial and reputational risks.

The Enterprise has developed the contractors' operations management program which provides the framework for management at all stages of the contract lifecycle from development of contractor and subcontractor questionnaires to completion of contractual relations and assessment of outcome of contractual relations.

Contractor organizations are chosen on the basis of analysis and comparison of ability of contractor's personnel to execute all scheduled work in compliance with legislation and other regulatory acts of the Republic of Belarus, requirements of local regulatory legal acts of the Enterprise.

During initial choice of a contractor organization, requirements to contractors are specified and comparative assessment of contractors' capacities is made. The chosen contractor organization is furnished with contractor questionnaire enabling the Enterprise to estimate the occupational level and training status of blue-collar staff, frequency of medical examinations, availability of certified special clothes and footwear, as well as licenses, availability and state of necessary equipment, track record in similar projects, testimonials and references, and other factors.

When the filled in questionnaire is submitted, the Enterprise assesses it and, if successful, proceeds with signing a contract.

After the contract is approved, the contract administrator from the part of the

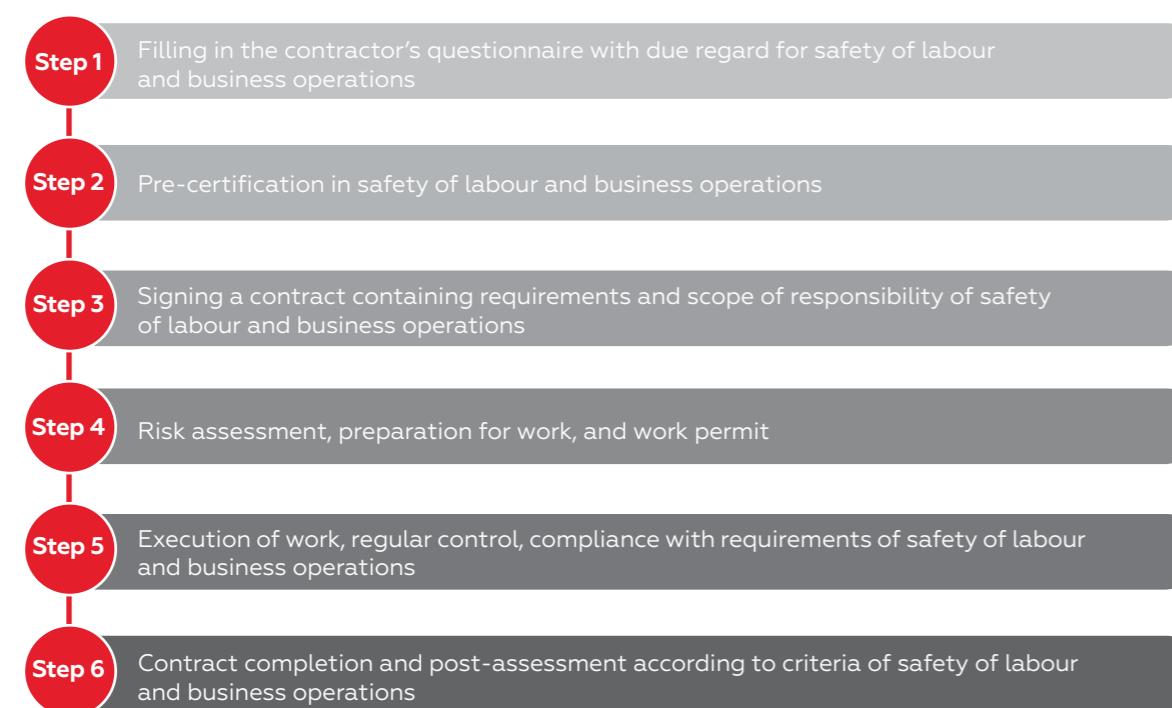
Enterprise assesses risks associated with contractor's presence and execution of work/rendering services in order to specify the risk management measures.

All prospective counterparties undergo preliminary qualification so that to exclude those who fails to meet the requirements of safety of labour and business operations prior to signing a contract.

Contractor's operation is controlled by the authorized employee of the Enterprise. When contractor's personnel fails to comply with the requirements set forth in the operations certificate, work permit, legislative and other regulatory acts of the Republic of Belarus, TCCC standards, the responsible employee of the Enterprise suspends works until such incompliance is eliminated.

Compulsory contractor performance evaluation is made on the basis of work results and contract performance; such evaluation is considered in case of engagement of such contractor organization in future.

*Figure 28. Basic steps of contractor safety management*



## 6. Environmental concern

### APPROACH TO ENVIRONMENT MANAGEMENT AND MITIGATION OF ENVIRONMENTAL IMPACT

Environmental protection as one of the key lines of implementation of the corporate social responsibility principles by the Coca-Cola Beverages Belorussiya is a priority issue in the pursuit of sustainable development. The Enterprise seeks to mitigate environmental impact and ensure environment management through water conservation, climate protection, promotion of environment-safe packaging, and raising of raw and other materials use efficiency.

The Enterprise implements recirculating water system in production lines, reduces consumption of energy resources so contributing to reduction of air pollutant emission, and strictly controls emission of refrigerants used in refrigeration equipment. The Enterprise implements projects aimed at reduction of product packaging weight, segregated collection and recycling of

consumer packaging waste, industrial waste utilization. All measures comply with the environmental laws of the Republic of Belarus.

Annually, the Coca-Cola HBC Group elaborates strategic plans and key indicator targets for business priorities in the area of environmental protection. Every country of the Group operation makes its own contribution to achievement of long-term targets. The Coca-Cola Beverages Belorussiya Unitary Enterprise implements environmental strategies in the business planning process, develops environment management plans, conducts regular audits enabling to assess compliance with corporate environmental requirements according to the Coca-Cola Company KORE standard.

The Enterprise uses the environmental protection management system certified under ISO 14001:2015. We annually prove compliance with standard requirements through compliance and recertification audits.

### Waste and environment-safe packaging

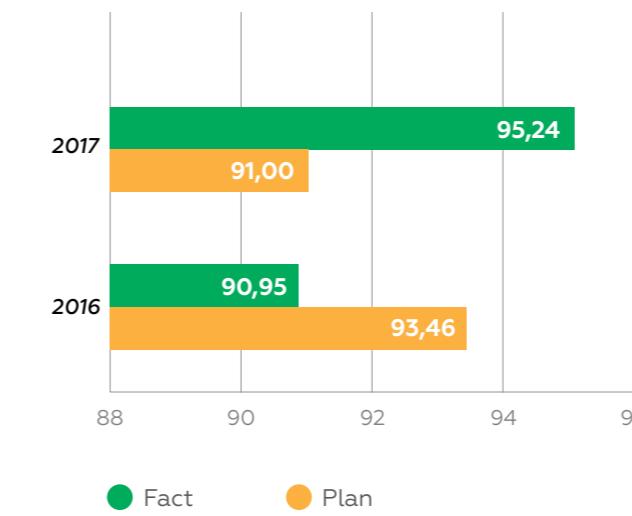
The Coca-Cola Beverages Belorussiya Unitary Enterprise focuses on minimization and recycling of waste. Performance of such tasks focuses on the three main lines: reduction of overall level of waste, increase in the share of recycled waste, and reduction of waste disposed at landfills. Targets are developed and measures for meeting such targets are scheduled for every line. Different types of waste are collected separately in containers and delivered to designated companies for recycling and getting recoverable materials.

In 2017, the overall level of waste made 1002 tonnes, of which 99.55 % were formed with low-hazard and non-hazard waste and only a minor portion (0.45 %) fell under high-hazard

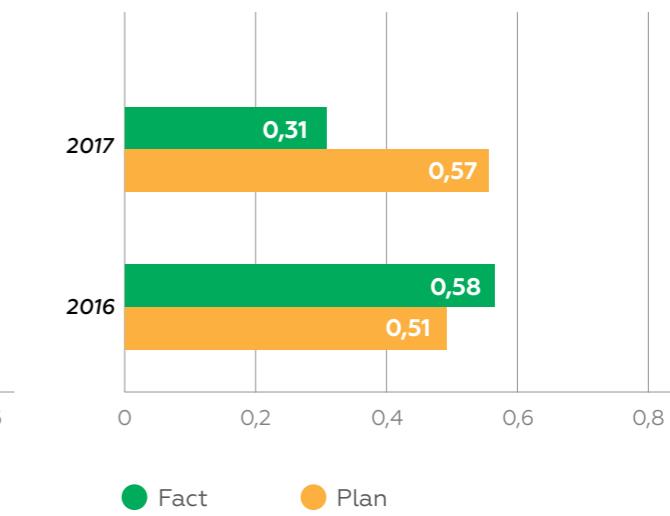
class. Waste disposed at landfills per 1 litre of manufactured products reduces by 46.68 % (to 0.31 g/l) in the reporting period as against 2016. The Enterprise's effort to develop waste recycling enabled to increase the share of recycled waste from 90.95 % to 95.24 %.

The Enterprise is working continuously to increase production efficiency in terms of its resource base. For this purpose the package weigh reduction projects were implemented in 2017: the preform weight made 16.84 g for 0.5 l of still water and beverages and 39.5 g for 1.5 l of still water and beverages; in 2016 the corresponding figures were 18 g and 39.5 g respectively.

**Figure 29. Share of waste delivered for recycling in 2016–2017, %**



**Figure 30. Disposal per 1 l of manufactured products in 2016–2017, g/l**



### Energy efficiency and reduction of greenhouse gas emission

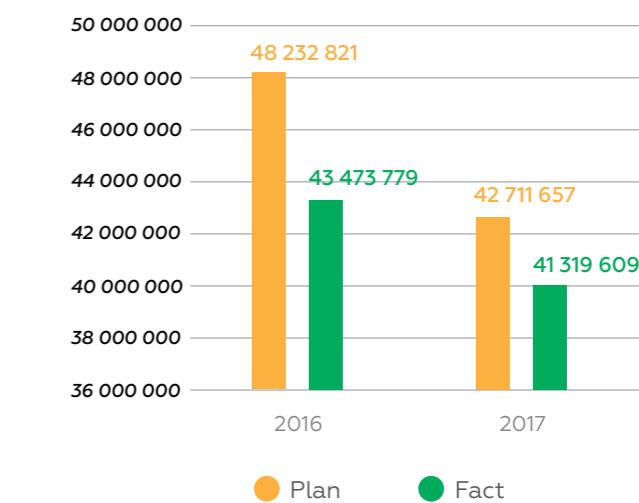
Over a number of years the Enterprise takes part in the corporate energy saving project "10 major energy saving initiatives". In 2017 the energy saving targets were achieved: with reducing energy consumption in absolute

terms the index of energy intensity per 1 l of finished product reduced in 2016–2017 from 0.28 MJ/l to 0.27 MJ/l and exceeded the target 0.28 MJ/l.

**Figure 31. Energy intensity per 1 l of finished product in 2016–2017, MJ/l**

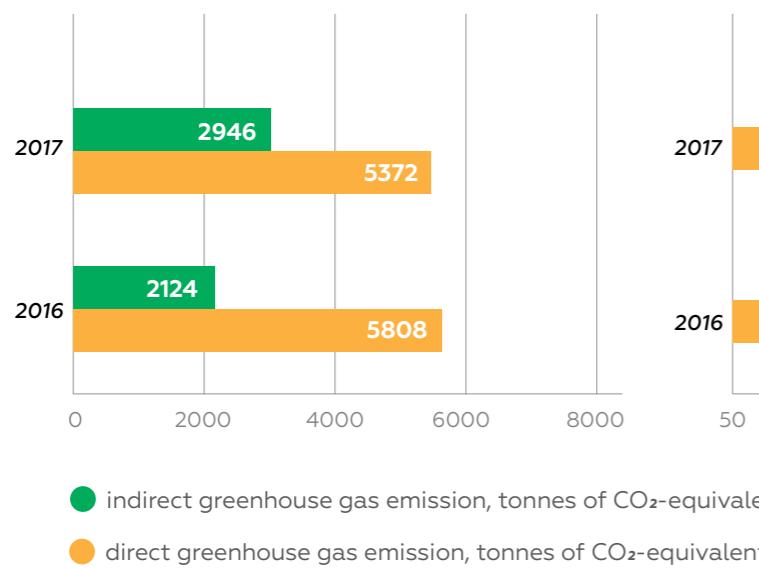


**Figure 32. OTotal energy consumption in 2016–2017, MJ**



To improve efficiency of boilers and reduce fuel consumption, air ducts feeding preheated air from the boiler house to boiler burners were installed in the Enterprise in 2017. It resulted in reduction of energy consumption by 2154 GJ. Installation of a subsidiary refrigerating circuit filled with propylene glycol is scheduled for 2018; it is intended for use of natural frost in winter in order to decrease the chiller run-time in cold months, so allowing to reduce energy consumption approximately by 200 GJ.

**Figure 33. Direct and indirect greenhouse gas emission caused by the Company operations in 2016–2017, tonnes CO<sub>2</sub>-equivalent**



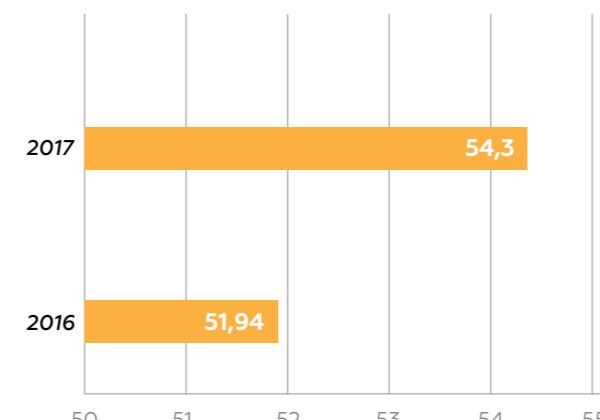
## Responsible water management

The Coca-Cola Beverages Belorussiya Unitary Enterprise is implementing the corporate project "10 major water saving initiatives" in the area of responsible water management.

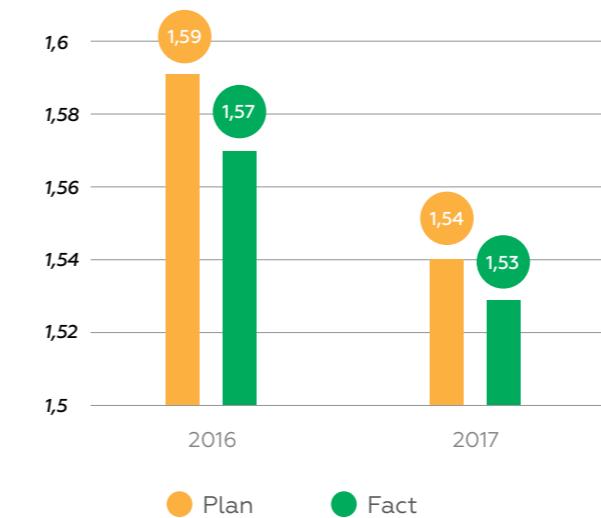
Specific water consumption per 1 litre of finished products is a key performance indicator of the Enterprise. This indicator considers not only consumption of water used for manufacture of beverages, but also water used for secondary

The Enterprise seeks to minimize greenhouse gas emission. In 2017, direct greenhouse gas emissions reduced by 7.52 % and made 5372 tonnes of CO<sub>2</sub> equivalent. Greenhouse gas emissions are constantly monitored with allowance for performance of the equipment used for manufacture, delivery and storage of products. The system of industrial environmental control of CO<sub>2</sub> emission functions at the Enterprise.

**Figure 34. Greenhouse gas intensity per 1 l of finished products in 2016–2017, CO<sub>2</sub>-equivalent/l**

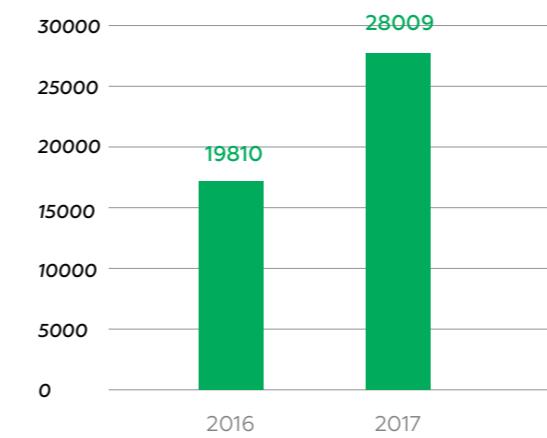


**Figure 35. Specific water consumption per 1 l of finished products in 2016–2017, l/l**

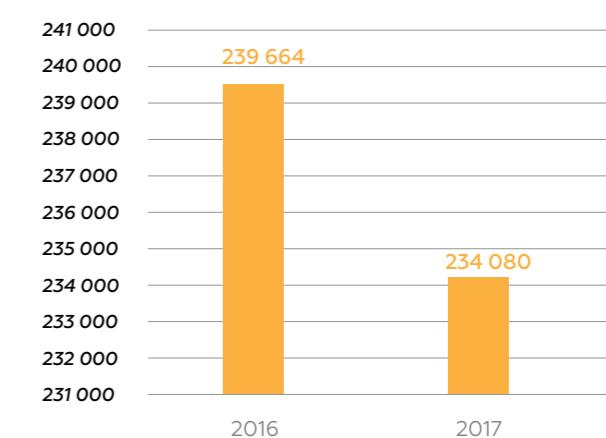


The volume of reused water grew by 8199 m<sup>3</sup>. The share of reused water made 11.97 % in 2017, which is by 3.7 % more than in 2016.

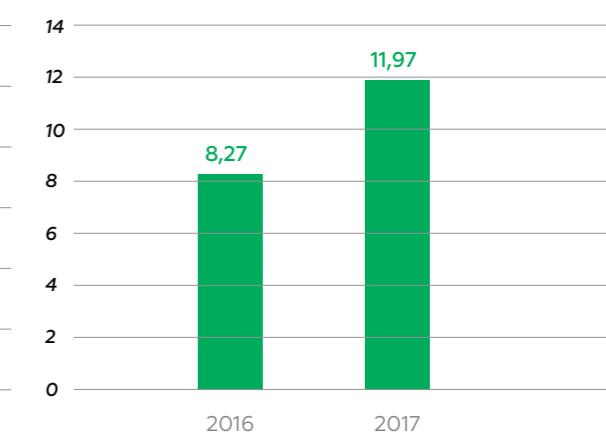
**Figure 37. Volume of reused water in 2016–2017, m<sup>3</sup>**



**Figure 36. Total water consumption in 2016–2017, m<sup>3</sup>**

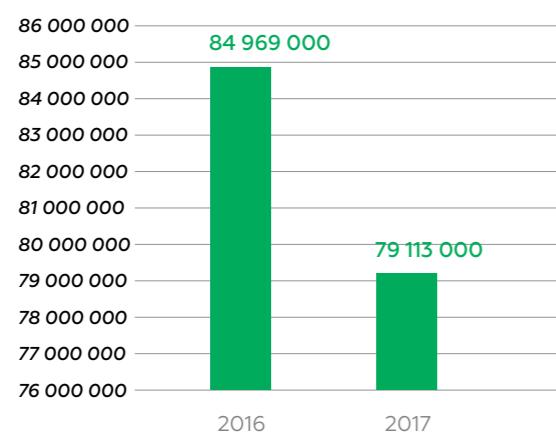


**Figure 38. Share of reused water in total water consumption in 2016–2017, %**



Waste water of production facilities is discharged into the municipal sewerage system. In 2017, the total wastewater disposal made 79113 m<sup>3</sup>, which was 5856 m<sup>3</sup> less than in 2016.

**Figure 39. Wastewater disposal in 2016–2017, l**



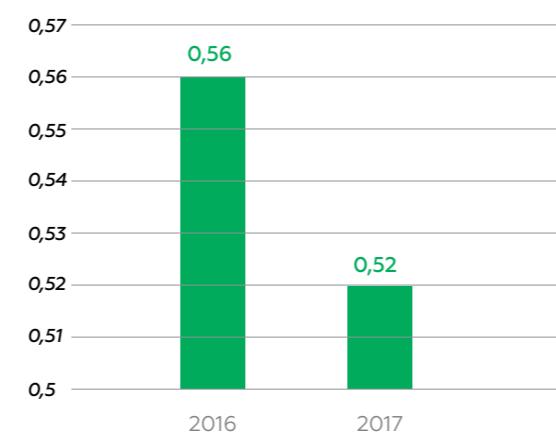
To improve water management efficiency, the Enterprise implements environmental projects. In 2017, the automated production process monitoring system was installed on the reverse osmosis plant (smart osmosis) enabling to keep track of all processes in the reverse osmosis plant promptly, and to optimize its operation parameters. The project implementation led to 5584 m<sup>3</sup> reduction in water consumption.

## Clean transport

The Coca-Cola Beverages Belorussiya Unitary Enterprise uses its own transport facilities for direct delivery of products to shopping units. The Enterprise's well-developed logistics and dispatching control, choice of transport vehicles in accordance with higher environmental standards, timely technical maintenance considerably reduces negative impact of motor transport on the environment.

Compliance of the equipment with the highest environmental standards is one of the main criteria of fleet replacement. In 2017, the Enterprise purchased 41 new Euro-5 motor vehicles sufficiently reducing emission of harmful substances into the atmosphere as compared to motors of other classes. At

**Figure 40. Specific water disposal per 1 l of finished products in 2016–2017, l/l**



In 2018, it is planned to arrange for catchment of water after the CIP washing closing stage and use it for scrubbing in the production area, for which purpose the buffer vessel will be installed and arrangements for catchment of water after the closing stage of CIP washing of the manufacturing equipment will be made. Then such water will be used for scrubbing in the production area.

present the Enterprise's fleet consists of 4 Euro-3 motor vehicles, 85 Euro-4 motor vehicles, 292 Euro-5 motor vehicles. To improve fleet performance, the Enterprise updates the product delivery routing map. Vehicle mileage reduced by 1.38 % or 166494 km in 2017.

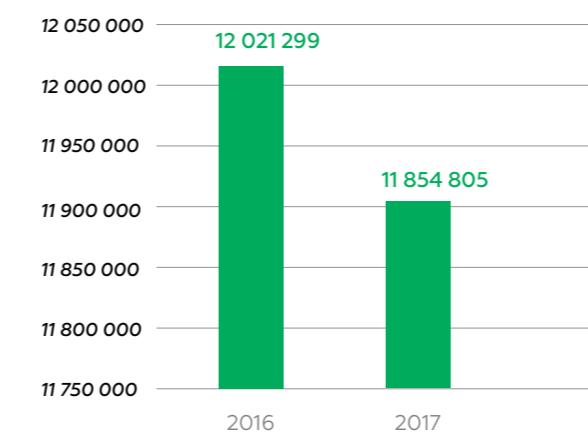
The Enterprise continuously works towards improvement of the fuel consumption control system. The program of truck drivers incentive for fuel economy is in operation. In 2017 fuel consumption made 1 454 469.93 litres, while in 2016 it was equal to 1 508 912.28 litres. Fuel economy made 12 716.20 litres in 2017 as against 9 543.00 litres in 2016.

To reduce exhaust gas emission of freight

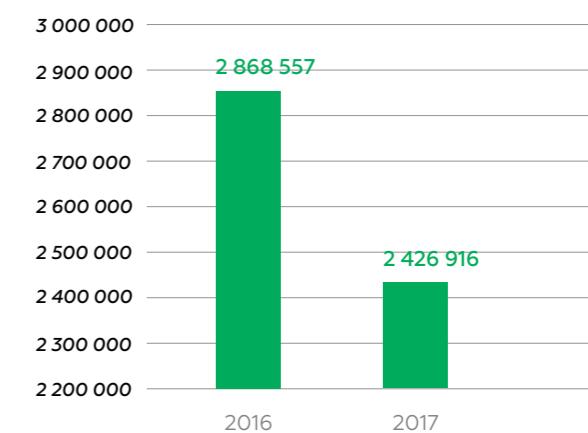
transport, the Enterprise carries out regular GPS-control of routes of motor transport delivering finished products throughout the country. In 2017, CO<sub>2</sub> (kg) emissions from motor transport decreased by 15.4 % or 441642 kg as compared to 2016.

The Enterprise focuses on personnel training in driving techniques in accordance with the Economic and Ecological Driving Instruction, and implements the safe and ecological driving training program Safe&EcoDriving.

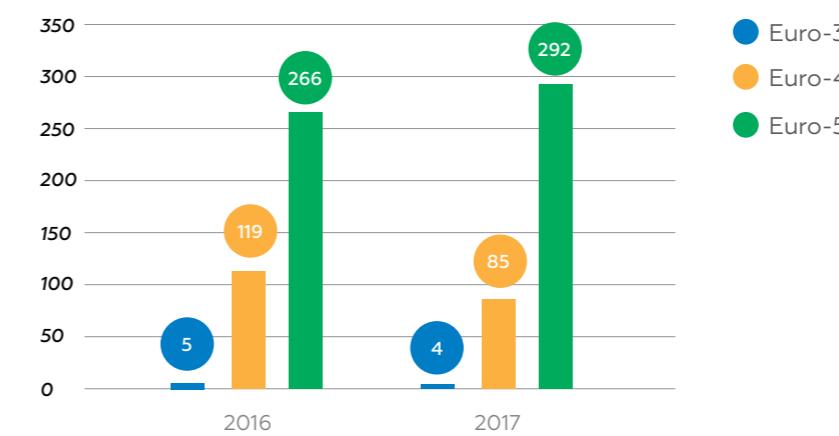
**Figure 41. Distance run by transport vehicles in 2016–2017, km**



**Figure 42. CO<sub>2</sub> emission from motor transport in 2016–2017, kg**



**Figure 43. Share of motor vehicles in 2016–2017**



## 7. Concern for local communities

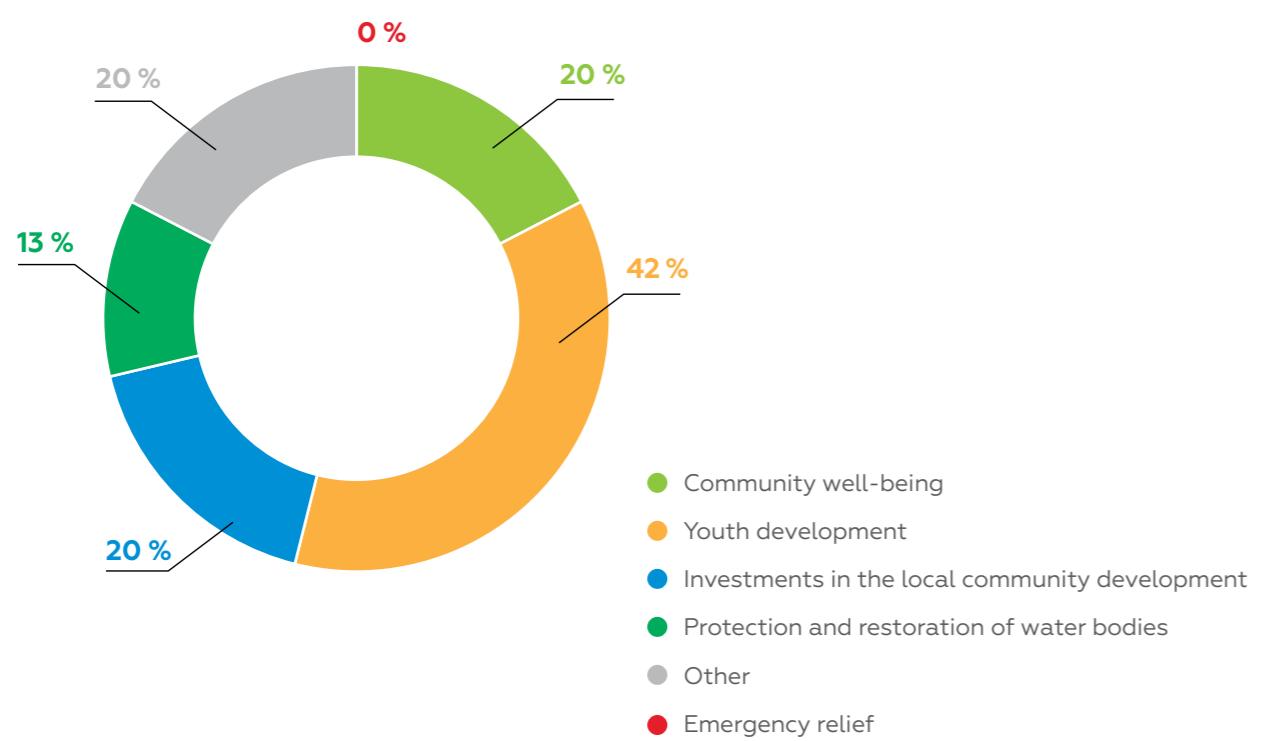
The Coca-Cola Beverages Belorussiya Unitary Enterprise implements the principle of corporate social responsibility and builds partnership relations with the state administration bodies and non-governmental organizations, joining efforts for development and support of charitable projects in the following key areas: social, environmental, and educational.

Social projects are aimed at rendering charitable and social aid to the needy, elderly people, veterans and persons with disabilities, children from orphanages and social shelters, and also at improvement of well-being of local communities. Environmental projects are intended to inform the community and employees on environmental issues, develop

understanding of importance of one's personal contribution to environmental improvement, and promote practical activity towards achieving the goals. Educational projects consolidate concerned organizations and communities for support and development of gifted and talented youth.

The Enterprise maintains long-term partner relations with the Belarusian Children's Fund, NGO "Belarusian association of assistance to children and young people with disabilities", NGO "Belarusian association of War-Disabled Veterans", Republican Association of wheelchair users, Belarusian Red Cross Society. More than Eur 175 thousand were invested by the Coca-Cola Beverages Belorussiya in the community development in 2017.

**Figure 39. Investment in the local community development in 2017, %**



### Social projects

Since its establishment the Coca-Cola Beverages Belorussiya Unitary Enterprise has implemented long-term social projects providing help to those who are most in need of it. The Enterprise moves beyond sporadic campaigns and establishes long-term relations with its partners in order to support disadvantaged groups and further their integration into society.

Since 1996 the Coca-Cola Beverages Belorussiya Unitary Enterprise has been an official partner of the Belarusian Children's Fund republican public association and aimed its efforts at implementation of children-oriented socially important projects. The Enterprise provides support to two rehabilitation and recreational sessions for children with cardiovascular diseases and children who have come through cancer: "Happy Hearts" (at the premises of Hope XXI Century center) and "Rainbow of Hope" (at the premises of Zubryonok children's educational and recreational center). For more than ten years the charitable campaign "Our Hearts to Sick Children" has been uniting the Belarusian Children's Fund and the Coca-Cola Beverages Belorussiya when they send holiday greetings on Christmas and New Year eve to child patients in hospitals.

For the seventh year running the Enterprise supports the International Festival of special theatres "Neprataptany shlyach" aimed at raising public awareness of the needs of people with disabilities and their integration into society. Children and adults perform on the same stage of a special theatre. It is indicative that the actors are persons with physical disabilities.

Since 2009 the Enterprise has supported the N.I. Kolbasko Memorial – the sports festival for wheelchair users. This event promotes healthy lifestyle, raises public awareness of problems of people in wheelchairs. Participation in such competitions is for them not only the chance to demonstrate their sports talents, but to have a lovely time with like-minded people, find new friends and become active members of society.

Cooperation with higher educational establishments is one of the key areas of work with gifted and talented young people. Since 2010 the Enterprise has been cooperating with the International Sakharov Environmental Institute of Belarusian State University within the international scientific conference "Sakharov Readings". The forum aims at uniting efforts of leading scientists and practitioners, postgraduate students, master's students and undergraduates from different countries with a view to assessing environmental implications of technological change and its impact on people, and developing measures for mitigation of negative human impact on the environment. The Enterprise also provides support to the Pressing Environmental Challenges international scientific conference of young scientists, undergraduates, master's students and postgraduate students, and to summer environmental students' teams of the University in the Berezinsky Biosphere Reserve.

Since 2005, the Enterprise has been providing financial and organizational support to the Belarusian national student academic competitions in jurisprudence at the premises of the Jurisprudence Department of the Belarusian State University.

In 2017 the Coca-Cola Beverages Belorussiya Unitary Enterprise launched the Business-School "From Idea to Business", a new youth-oriented social project implemented by the Coca-Cola HBC Group within the Youth Empowered international program in 28 countries. The project is intended to promote development of the youth enterprise capacity. 12 business schools were organized in 2017, with 319 young participants, 9 of which started their own businesses. Opening of 25 "From Idea to Business" schools with 750 participants is scheduled for 2018.

In December, the Coca-Cola system in Belarus for the sixteenth time held the New Year Caravan, a traditional campaign within which the volunteers visited children's orphanages in the Belarusian cities and towns. The New Year Caravan organized the festive day for

more than one thousand children left without parental care.

In summer 2017 traditional annual "The Grassroots football tournament "Coca Cola Cup. Join the Game!" was held in which approximately 24 thousand children from across the country took part. Such competitions promote values of healthy lifestyle and sports among schoolchildren, develop strength of mind and endurance. The winners traditionally got a chance to have training together with the

members of the Belarusian national team and attend the Belarus vs. Holland qualification match of the European football championship.

Since 2012, the Enterprise has contributed to development of Street Workout youth movement. 13 sports grounds were built at the expense of The Coca Cola Foundation. It is planned to open specialized integrated play sports grounds in Zhodino and Rogachev in 2018.

## Environmental projects

The Coca-Cola Beverages Belorussiya Unitary Enterprise provides voluntary support to large-scale environmental projects. Bearing in mind the nature of its core business, the Enterprise focuses on water conservation programs.

The "Let's Save Yelnya Together!" project celebrated its tenth anniversary in 2017. Over the years the Enterprise's initiative has developed from organization of volunteers' teams into one of the large-scale environmental programs in the area of corporate social responsibility implemented in this country. In 2016 the project was praised as the best environmental protection project at the III Prize of corporate social responsibility in Belarus.

Following implementation of the two project stages it was possible to restore one of the Europe largest raised bogs after it had been affected by many years of fires occurred due to drying out of the upper peat layer.

Raised bogs are not only rich in peat deposits and cranberry crops, they also are the largest reservoirs of pure drinking water. Estimated water reserves in Yelnya make approximately 450 million cubic meters or approximately 2/3 of water reserves of lake Naroch, the largest

one in Belarus. The cost of water accumulated in Yelnya is USD 247 million judging from its market value. Moreover, raised bogs both accumulate moisture and are the natural systems for water purification, including ground water purification. There is one more feature of raised bogs: dried out peatlands are powerful sources of carbon dioxide ( $\text{CO}_2$ ) which emission considerably increases in fires. But normally wetland peat layers rather absorb excessive carbon dioxide. According to experts of the Institute of Experimental Botany of the National Academy of Sciences, re-establishment of hydrological regimes of Yelnya will allow to reduce greenhouse gas emission by 8.2 million tonnes a year.

Another Enterprise's project priority is environmental education of local communities. Since October 2016, a specialized ecological stream "Nature of Native Land" has been functioning in the secondary school of Germanovichy village, not far from the water-peatbog complex. Modern equipment and teaching materials were purchased through the Coca-Cola Foundation. The stream functions as an environmental center and hosts both the pupils and local people, and also tourists who come to Yelnya.

Since 2009, the Enterprise has been successfully implementing, together with Public Organization "Protection of the Fatherland birds" NGO and the Turov Town Executive Committee, the joint project for cleaning of the grounds of the Turov Meadow biological reserve. The main purpose of this nature conservation project is to protect the rich ecosystem of far-flung flood meadows along the Pripyat river. This territory is unique as it is one of the Europe largest nesting areas and an important stop of hundreds of thousands of over 50 waterbirds species on migration. During the project life it became possible to develop environmental awareness of the younger generation, tell local people about values of the area they live in. The environmental campaign for cleaning of the grounds of this biological reserve, in particular, plastic waste removal and delivery for disposal, is held annually. Schoolchildren and people from Turov, volunteers from the Enterprise, workers of Public Organization "Protection of the Fatherland birds" NGO take part in environmental campaigns for rehabilitation of Turov meadow.

In 2017, the Coca-Cola Beverages Belorussiya Unitary Enterprise, together with the Republican Center of ecology and local history and Center for ecological decisions, initiated the republican environmental event within "Let's Do It 2017" campaign! The event was aimed at drawing attention of young people to environmental situation in Belarusian cities and town. Representatives of state-owned institutions, students of higher and secondary special educational establishments, volunteers and workers of mass media took part in the campaign. Environmental anti-littering campaign was held in all regions of Belarus.

The Enterprise, together with representatives of the Ministry of Forestry of the Republic of Belarus, annually takes part in the Forest Week

which focuses on involvement of the population and non-governmental organizations in handling the problem of conservation of forests as the national wealth. 7000 young trees were planted in the territory of approximately 2200 m<sup>2</sup> during the Forest Week 2017.

Among numerous international events addressing water conservation issues, the World Water Week in Stockholm stands out. During such Week, the world finals of the Stockholm Junior Water Prize under the patronage of Crown Princess of Sweden Victoria have been held since 1997. The national stage of the World Junior Water Price, supported by the Coca-Cola Beverages Belorussiya, has been held in Belarus since 2007; its winner represents Belarus at the world finals.

The Enterprise not only provides financial support, but takes part in selection and training of the winner of the national stage to successfully perform at the world finals in Sweden. Any pupil at the age from 13 to 20 may take part in the competition. The works submitted must cover any water management issue and be focused on enhancement of human habitat and getting scientific and practical effects.

102 works were submitted to the competition in 2017. Only 14 of them were selected for the finals. The work by Daniil Sharoykin, pupil of the 9th form of Secondary School No.18 in Mogilev, was the best. The jury found his study titled "Colorimetric method to determine nitrate ions concentration in well water of small settlements of Mogilev region" the most promising for further development and practical application. The work focused on creation of a new method of the most accurate determination of nitrate concentration in water. The pupil presented his work at the world final in Stockholm where he went together with his academic advisor.



## 8. Report overview

This report discloses operating results of the Coca-Cola Beverages Belorussiya Unitary Enterprise in the area of sustainable development in 2017, and presents its plans for the near future.

### SCOPE OF THE REPORT

The sustainability report is an important tool of interaction with stakeholders. Such report provides a comprehensive representation of full and reliable information on the Enterprise's business priorities in the area of sustainable development in the territory of the Republic of Belarus to the wide circle of stakeholders.

### CONTENTS OF THE REPORT

The report was prepared in compliance with the basic version of the GRI Sustainability Reporting Guidelines (GRI Standards). The list of GRI Standards indicators is available in Annex 1 to this report.

### DETERMINING MATERIALITY OF ISSUES

The Coca-Cola HBC identified 12 most important aspects of sustainable development that affect the Group performance at present or can affect it in the future. Such aspects are the key ones in the reporting of all Group companies. However, every company independently determines materiality of each aspect taking the regional specifics of its activity into account, and may add not more than three aspects to the list.

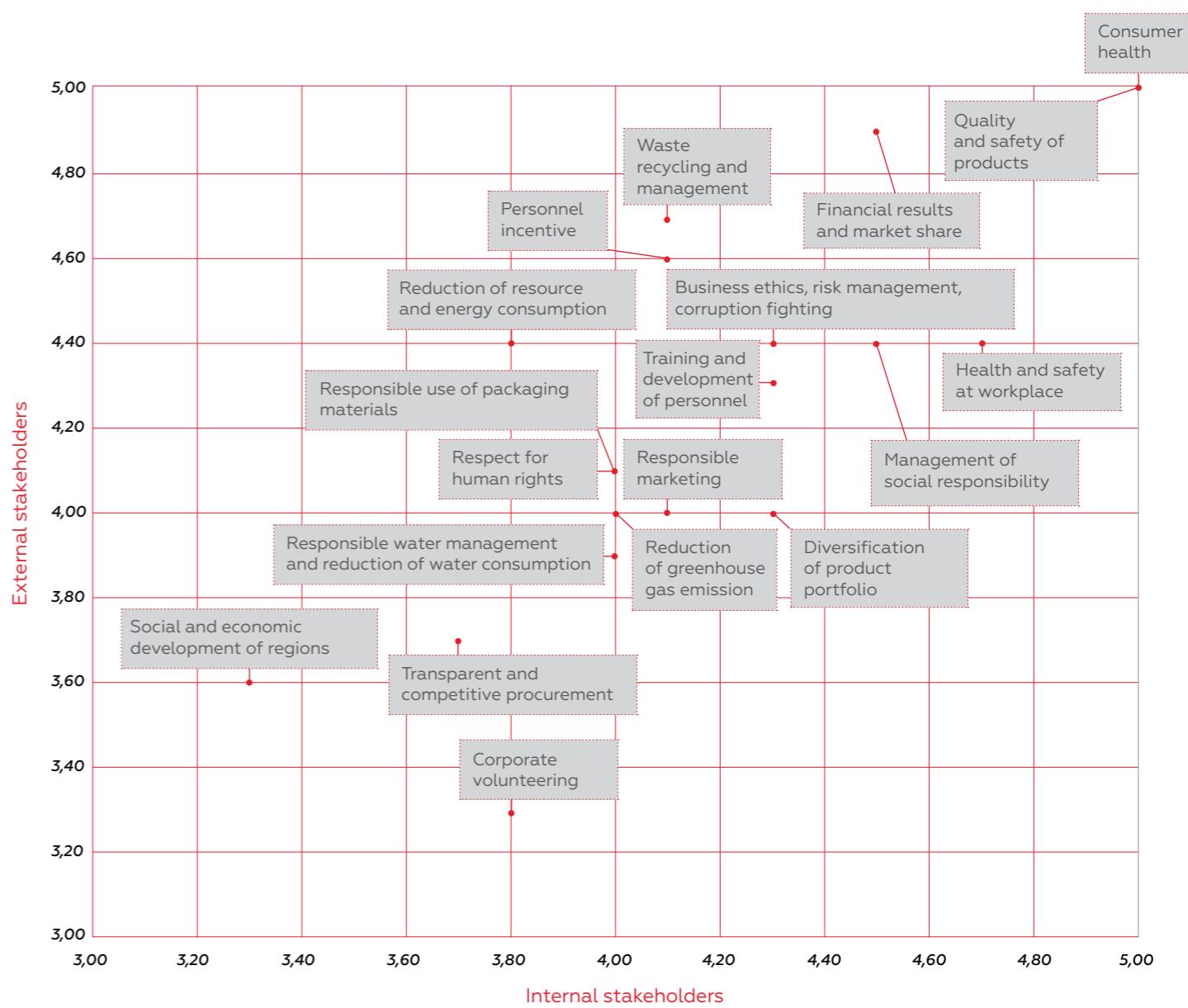
To determine the materiality level of main and additional aspects, the Enterprise conducted an opinion survey involving more than fifty representatives of different stakeholder

groups. The Enterprise analysed its internal documents, publications in the mass media and non-financial reports of Belarusian and foreign peer companies.

Based on such analysis, the Enterprise identified 19 issues of this report; certain aspects identified by the Group as priority ones were divided into several issues, and issues associated with regional specifics of activity were added. The results of analysis formed the basis for development of the framework to assess the significance of material issues of the Coca-Cola Beverages Belorussiya Unitary Enterprise for internal and external stakeholders.

development in 2017, and presents its plans for the near future.

**Figure 40. Framework to assess the significance of material issues of the Coca-Cola Beverages Belorussiya for internal and external stakeholders**



**Table 3. Material issues for Report 2017**

Issue/aspect	Significance for stakeholders		Substantiation of significance for the Enterprise		ENVIRONMENTAL		Climate change bears a potential risk for the Enterprise as it is associated with possible rise in the cost of energy, introduction of carbon regulation, etc. Energy management is a strategic priority of the Company. The Company sees its economic benefits from investments in energy efficiency measures and use of renewable energy sources.	
	internal	external			Reduction of greenhouse gas emission	4,0	4,0	
<b>ECONOMIC</b>								
Social and economic development of regions	3,3	3,6	Success of the Enterprise depends on development and welfare of the community where it operates. Investments in development of the regions of operation, creation of workplaces, payment of taxes and involvement of local communities entail growth in prosperity and business growth.		Responsible water management and reduction of water consumption	4,0	3,9	Water is the main ingredient of the Enterprise's products. Water is central to the manufacturing process and is required for production of the agricultural feedstocks. The Enterprise needs adequate volume of pure high quality water for development of its business, ensuring safety of consumers, ecosystems and local communities, and for maintaining economic growth.
Business ethics, risk management, corruption fighting	4,3	4,4	The Enterprise is focused on responsible attitude to the community. Such attitude centers around inadmissibility of corruption, compliance with the Code of Business Conduct, securing independence of the Board of Directors.		Waste recycling and management	4,1	4,7	The Enterprise produces large volume of waste, in particular, packaging waste of different materials. Collection and recycling of packaging waste and use of recycled materials is a key factor of sustainable development of the Company.
Quality and safety of products	5,0	5,0	Product quality directly affects the Company reputation and business growth. The Enterprise offers highest quality products that meet consumer needs.		Reduction of resource and energy consumption	3,8	4,4	The Enterprise's business model implies use of different raw materials and energy, that make a strong environmental impact. Reduction of raw materials and energy consumption allows the Enterprise to improve its performance in the area of sustainable development and mitigate adverse impact on ecosystems.
Diversification of product portfolio	4,3	4,0	The Enterprise seeks to manufacture the beverages that are popular with consumers. That is why it evolves its product portfolio so that to meet the needs of every consumer and improve its leadership position in the soft beverage market.		Responsible use of packaging materials	4,0	4,1	Manufacture of beverage packaging is an inalienable part of the Enterprise's business. Packaging waste makes a strong environmental impact. Use of recycled materials for packaging manufacture and its subsequent recycling is critical to the Enterprise's performance in the area of sustainable development.
Transparent and competitive procurement	3,7	3,7	The Enterprise respects the principles of competitiveness and transparency of procurement in compliance with statutory requirements and with a view to supporting competitive market environment.					
Financial results and market share	4,5	4,5	It is essential for the Enterprise to strictly implement its strategy for achievement of financial targets.					

SOCIAL			
Responsible marketing	4,1	4,0	
			Efficient and responsible marketing is one of the key aspects of the Enterprise's business. Approach to marketing and method of engagement of customers and consumers has a direct impact on the Enterprise reputation.
Consumer health	5,0	5,0	
			The Enterprise supports consumer preferences to live healthy life.
Training and development of personnel	4,3	4,3	
			Development of the Enterprise is impossible without the team of professionals. The Enterprise programs aimed at training and development of personnel allow to get qualified staff and provide for further growth.
Health and safety at workplace	4,7	4,4	
			The employees are the main assets of the Enterprise, so their safety is among the strategic priority issues. Labour safety is an inherent part of the Enterprise corporate culture.
Respect for human rights	4,0	4,1	
			In the context of globalization, more and more representatives of different cultures and minorities work together. The Enterprise creates working environment that supports diversity and inclusion, and oversees respect for human rights.
Personnel incentive	4,1	4,6	
			Succes of the Enterprise depends on motivated and engaged personnel. Personnel incentive and provision of certain benefits is critical for the Enterprise corporate culture.
Corporate volunteering	3,8	3,3	
			Corporate volunteering is a key tool to improve employees engagement enabling to contribute to development of local communities and mitigate adverse environmental pressure. Corporate volunteering is an important element of corporate culture and efficient tool of achievement of the Enterprise's goals in the area of sustainable development.
Management of social responsibility	4,5	4,4	
			The Enterprise implements the principles of corporate social responsibility and establishes partnership relations with the state administration bodies and non-governmental organizations, so uniting efforts for development and support of charitable projects in three key areas: social, environmental and educational.

The report 2017 discloses all issues recorded in the framework for assessment of materiality of aspects of the Coca-Cola Beverages Belorussiya Unitary Enterprise for internal and external stakeholders.

Approach to management is described for major business areas of the Enterprise, and indicators are recorded in accordance with GRI Regulations and the Food Sector Supplement.

#### THE KEY ISSUE OF THE REPORT

This report discloses all aspects of the Enterprise operation in the area of sustainable development for 2017. Electronic version of the report 2017 is

#### LIMITATIONS

Plans of the Enterprise recorded in this report are of preliminary nature. Their implementation depends on a number of external factors, so

available on the Enterprise's website: <https://by.coca-colahellenic.com/en/sustainability/>

actual results achieved in the subsequent reporting periods can differ from those stated in the report 2017.

## Annex.

### The Table of compliance of the report with GRI Standards

The Table of compliance of information contained in the report with GRI Regulations (Standards version; Basic option)

INDICATOR	NAME OF THE INDICATOR	SECTION OF THE REPORT
<b>STANDARD DISCLOSURE ELEMENTS</b>		
<b>102-1</b>	Name of the organization	1. Company information
<b>102-2</b>	Main brands, products and services	1. Company information
<b>102-3</b>	Location of the organization headquarter	1. Company information
<b>102-4</b>	Quantity of countries where the organization operates, and names of countries where it conducts its core business or which are of special importance in terms of sustainability issues covered by the report	1. Company information
<b>102-5</b>	Nature of ownership and organizational legal form	1. Company information
<b>102-6</b>	Markets where the organization works (including geographic split, served branches and categories of consumers and beneficiaries)	1. Company information
<b>102-7</b>	Scope of the organization	1. Company information
<b>102-8</b>	Information on personnel	5. Personnel care
<b>102-9</b>	Description of the organization's supply chain	3. Responsible decision making

<b>102-10</b>	Description of material changes in scope, structure or ownership form of the organization or its supply chain occurred during the reporting period	No material changes occurred in the reporting period.	<b>102-43</b>	Description of organization's approach to interaction with stakeholders, in particular, regularity of interaction by forms and stakeholder groups; and information on whether such interaction was specially arranged for preparation of this report	3. Responsible decision making
<b>102-11</b>	Does the organization apply the precautionary principle and, if so, how?	In 2017 the Enterprise did not apply the precautionary principle for risk identification, control and management.	<b>102-44</b>	Description of key issues/concern raised/expressed by stakeholders in the course of interaction with the organization, and of organization's response to such key issues/concern, in particular, within preparation of its accounting	3. Responsible decision making
<b>102-12</b>	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	4. Consumer care	<b>102-45</b>	The list of legal entities which accounts were included in the consolidated financial accounting or similar documents. Information on whether the sustainability report fails to contain data on any legal entity which accounts were included in the consolidated financial accounting or similar documents	The Coca-Cola Beverages Belorussiya Unitary Enterprise. Consolidated financial statements are published for the Coca-Cola HBC Group. The sustainability report contains information only about the Coca-Cola Beverages Belorussiya Unitary Enterprise
<b>102-13</b>	Membership in associations and/or national and international organizations for defence of interests	3. Responsible decision making	<b>102-46</b>	Methods of defining the report contents and delimitation of issues	8. Report overview
<b>STRATEGY</b>			<b>102-47</b>	The list of all material issues identified in the course of defining the report contents	8. Report overview
<b>102-14</b>	Statement made by the Director General about the importance of sustainable development for the organization and strategy used by the organization for addressing the sustainability issues	Address by the Director General	<b>102-48</b>	Consequences of all re-formulations of indicator published in previous reports, and reasons of such re-formulation	Indicators were not re-formulated
<b>102-15</b>	Description of key impacts, risks and opportunities	3. Responsible decision making	<b>102-49</b>	Material changes of scope and delimitation of issues and aspects as compared to preceding reporting periods	This report contains information on risk management and corporate governance not disclosed in the reports for preceding periods
<b>ETHICS AND INTEGRITY</b>			<b>102-50</b>	The reporting period	8. Report overview
<b>102-16</b>	Information on values and standards	3. Responsible decision making	<b>102-51</b>	Date of publication of the previous sustainability report	8. Report overview
<b>102-17</b>	Mechanisms of seeking advice, and provision of information about cases of unethical and unlawful behaviour	3. Responsible decision making	<b>102-52</b>	Reporting cycle	8. Report overview
<b>CORPORATE GOVERNANCE</b>			<b>102-53</b>	The contact person, to refer to concerning the report or its contents	Deputy Director General of Public Relations
<b>102-18</b>	Structure of the organization's corporate governance, including committees of its supreme corporate governance body. Committees responsible for making decisions on economic, environmental and social issues	3. Responsible decision making	<b>102-54</b>	The option for report preparation in compliance with GRI Regulations chosen by the organization	The report is prepared in accordance with the basic version of GRI Regulations
<b>102-21</b>	Stakeholder consulting in economic, environmental and social issues	3. Responsible decision making	<b>102-55</b>	GRI content index for the chosen option of report preparation	Annex. The Table of compliance of the report with GRI Standards
<b>INTERACTION WITH STAKEHOLDERS</b>			<b>102-56</b>	The option for report preparation in compliance with GRI Regulations chosen by the organization and GRI content index for chosen option of report preparation	8. Report overview Annex. The Table of compliance of the report with GRI Standards
<b>102-40</b>	The list of stakeholder groups with which the organization interacts	3. Responsible decision making			
<b>102-41</b>	The share of employees covered by labour agreements	5. Personnel care			
<b>102-42</b>	Description of principles of stakeholder identification and choice for interaction	3. Responsible decision making			

APPROACHES TO MANAGEMENT					
103-1	Description for every material issue, delimitation of the issue	8. Report overview	306-1	Overall wastewater discharge, with indication of wastewater quality and the receiving waterbody	6. Environmental concern
103-2	Management approach and its components	3. Responsible decision making 4. Consumer care 5. Personnel care 6. Environmental concern 7. Concern for local communities	306-2	Total mass of waste by types and methods of treatment	6. Environmental concern
103-3	Assessment of management approach effectiveness	3. Responsible decision making 4. Consumer care 5. Personnel care 6. Environmental concern 7. Concern for local communities	307-1	Incompliance with environmental legislation and regulatory requirements	No significant fines and non-financial sanctions were levied for incompliance with environmental legislation and regulatory requirements in the reporting period
ISSUE-RELATED ELEMENTS OF DISCLOSURE					308-1 Environmental assessment of new suppliers <b>SOCIAL</b>
ECONOMIC			401-1	The total number of new recruits and staff turnover	5. Personnel care
201-1	Generated and distributed direct economic value	1. Company information	401-2	Benefits provided to full-time employees that are not provided to temporary or partial-time employees	5. Personnel care
202-1	Ratio of standard entry level wage of men and women and minimum wage in the region	5. Personnel care	402-1	Minimal notice period regarding significant operational changes in the organization's operation	5. Personnel care
203-1	Development and impact of investments in the infrastructure and cost-free services	7. Concern for local communities	403-1	Share of staff included into official committees on health and safety	5. Personnel care
204-1	Procurement from local suppliers	3. Responsible decision making	403-2	Types and level of occupational injury, rate of occupational diseases, lost day rate and absentee rate, and the total number of work-related fatalities, by region and gender	5. Personnel care
205-2	Creating awareness of the rules and methods of fighting corruption and training	3. Responsible decision making	403-3	Share of staff exposed to high risk of injury or high risk of occurrence of occupational diseases	5. Personnel care
205-3	Confirmed incidents of corruption and the measures taken	3. Responsible decision making	404-1	Annual average number of training hours per one employee	5. Personnel care
206-1	Anticompetitive conduct and antimonopoly practices	3. Responsible decision making	404-2	Staff capacity-building programs and reassignment or career ending support programs	5. Personnel care
ENVIRONMENTAL			404-3	Share of staff whose performance and career development are regularly assessed	5. Personnel care
301-2	Use of recycled materials	6. Environmental concern	405-1	Composition of the organization's governing bodies and main staff categories, by gender, age groups and other indications of diversity	5. Personnel care
302-1	Energy consumption within the organization	6. Environmental concern	406-1	Discovered incidents of discrimination and measures taken	No incidents of discrimination were discovered in the reporting period
302-4	Reduction of energy consumption	6. Environmental concern	407-1	Discovered business units and suppliers where/by which human rights for freedom of association and collective bargaining are likely to be violated or where there is a substantial risk of violation of such rights	No violations were discovered at the Enterprise and current suppliers in the reporting period
303-1	Total water usage by sources	6. Environmental concern	408-1	Discovered business units and suppliers with significant risk of child labour	No incidents of child labour were discovered at the Enterprise and current suppliers in the reporting period
303-3	Water reuse	6. Environmental concern	409-1	Discovered business units and suppliers with significant risk of forced or compulsory labour	No incidence of forced or compulsory labour were discovered at the Enterprise and current suppliers in the reporting period
304-2	Description of material impact from operations, products and services on biodiversity of protected natural areas and areas of high biodiversity value outside the protected areas	The Company does not operate in protected natural areas and areas of high biodiversity value outside the protected areas			
305-1	Direct greenhouse gas emission (coverage 1)	6. Environmental concern			
305-2	Indirect energy-related greenhouse gas emission (coverage 2)	6. Environmental concern			

<b>410-1</b>	Security service employees trained in the area of human right policies or procedures	100 % of security service employees were trained in the area of human right policies or procedures in the reporting period
<b>411-1</b>	Discovered incidents of violation of rights of indigenous minorities	The Enterprise does not operate in areas of residence of indigenous minorities. No incidents of violation of rights of indigenous minorities were discovered in the reporting period
<b>412-2</b>	Employees trained in the area of human right policies or procedures	5. Personnel care
<b>413-1</b>	Interaction with local communities; assessment of impact, and development programs	7. Concern for local communities
<b>414-1</b>	New supplier appraisal by social criteria	3. Responsible decision making
<b>415-1</b>	Policy contribution	3. Responsible decision making
<b>416-1</b>	Assessment of product impact on health and safety	4. Consumer care
<b>416-2</b>	Incidents of non-compliance with health and safety impact requirements	4. Consumer care
<b>417-2</b>	Incidents of non-compliance with requirements regarding the product label information	No incidents of non-compliance with requirements regarding the product label information were discovered in the reporting period
<b>418-1</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints regarding breaches of customer privacy and losses of customer data were submitted in the reporting period
<b>419-1</b>	Monetary value of significant fines and non-financial sanctions levied for incompliance with statutory and regulatory requirements in social and economic areas	No significant fines and non-financial sanctions were levied for incompliance with statutory and regulatory requirements in social and economic areas in the reporting period
<b>INDUSTRY STANDARDS</b>		
<b>FP1</b>	Share of products purchased from the suppliers complying with the resource policy of the organization	3. Responsible decision making
<b>FP2</b>	Volume of purchase (%) defined as complying with reliable internationally acceptable responsible production standards	4. Consumer care
<b>FP5</b>	Volume of products manufactured at the facilities certified by any third party in accordance with international standards of food safety management systems	4. Consumer care



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Belarus**