



**Coca-Cola HBC**  
**Belarus**



**COCA-COLA SYSTEM BELARUS**  
**2018 SUSTAINABILITY REPORT**



## TABLE OF CONTENTS

### 03 REFERENCE OF THE MANAGEMENT

### 04 I. ABOUT SYSTEM OF COMPANIES

#### 05 HISTORY

05 ABOUT SYSTEM ENTERPRISES

06 Branches and subsidiaries, geography of presence

07 History of Formation, Main Stages of Development

#### 07 MANAGEMENT

07 COMPANIES OF SYSTEM

08 MANAGEMENT STRUCTURE

08 CAPITAL STRUCTURE

#### 09 POLICIES AND STRATEGIES

10 STRATEGY AND DIRECTIONS OF DEVELOPMENT

11 CSR VALUES

11 CSR Principles

12 Obligations and Purposes

13 Ethics and Corruption Fighting

13 Assessment of Corruption Risks of Company Activities

14 Provision of Equal Opportunities and Protection of Rights

14 Risk Assessment and Principle of Precaution

14 Purposes of Sustainable Development

16 Dow Jones Index

16 Partnership for Sake of Sustainable Development

16 Personnel Management Policy

17 Staff

18 Employment and Dismissal of Personnel

18 Training

19 Personnel Motivation and Involvement Means

20 Pay Ratio

20 Motivation Programs

20 Occupational Safety System

21 Identification of Hazards and Risk Assessment

21 Health of Employees

22 Involvement of Employees in Development

of Occupational Safety System

22 Training on Occupational Protection and Safety

23 Labour Safety of Business Partners

23 Traumatism and Investigation Mechanism

23 Transport Safety

24 Supply Chains

24 Governing Principles for Suppliers

24 Standards and Requirements to Suppliers

25 Purchases

26 Auxiliary Platforms

26 E-Auctions and E-Sourcing

#### 27 PRODUCTION

28 Brief Description of Production

29 Manufacturing Efficiency Improvement Programs

#### 30 SALES

30 Range of Products

30 Sales Channels

30 Delivery of Products

31 Responsible Marketing

31 New Products

31 Product Labeling

### 32 II. ENVIRONMENTAL IMPACT

33 Responsible Water Management

34 Water Withdrawal

35 Wastewater

36 Use Of Materials

37 Waste Management

38 Transport

40 Emission

41 Energy Consumption

### 42 III. INFLUENCE ON SOCIETY

43 Cooperation with Local Communities

43 Production Control

44 Water Resources

44 Expansion of Rights and Opportunities  
of Women and Youth

45 Development of Local Communitie

45 Social Projects

45 Volunteer Projects with Participation of Employees

### 46 IV. INFLUENCE ON ECONOMY

47 Economic Indicators

47 Direct Economic Contribution

49 Investments in Development of Production  
and Economy

50 Taxes and Fees

51 Purchases from Local Suppliers

51 Influence on Salaries and Wages and Jobs

#### 52 ABOUT REPORT

52 Identification and Selection of Stakeholders

53 Approach to Involvement of Stakeholders

53 Assessment of Significant Issues  
and Changes in Reporting

54 Matrix of Significant Issues

54 List of Significant Issues

56 Reporting Principles and Limits of Significant Issues

56 Contact Information

#### 57 ANNEXES TO THE REPORT

#### 60 THE TABLE OF COMPLIANCE OF THE REPORT WITH GRI STANDARDS



## REFERENCE OF THE MANAGEMENT

Dear colleagues and partners!

Let us provide you with the annual Sustainability Report of Coca-Cola Beverages Belorussiya Unitary Enterprise comprising the results of the social, economic and environmental activities for 2018.

Coca-Cola System in the Republic of Belarus is on the path of the sustainable development and stable economic growth, with the satisfaction of customer needs as the priority and main purpose of our activities. To implement our main purpose, we take the comprehensive measures, which are not represented only by development and introduction of novelties and improvement of quality of the products manufactured. We continuously work on environmental exposure reduction, carrying out various social projects aimed at the improved awareness of the population and creation of the healthy life-style conditions for the improvement of socio-economic climate in Belarus.

Having the clear goals and purposes, Coca-Cola System in the Republic of Belarus deals with innovations, in order to keep pace with the market trends, as tastes of consumers change quickly in the today's world. We assume the innovations facilitating the invention of new approaches to our business, as a basis of our activities. In line with expectations of consumers, we expand and review the product portfolio and offer interesting, unusual beverages of high-quality, reduce the contents of sugar, increase the number of sugar-free beverages, enrich beverages with many nutrients.

Besides the expansion of the product portfolio and improvement of quality of our product, we apply every effort in order to increase the productive efficiency, to reduce the consumption of resources and energy, as well as emissions of greenhouse gases against the increased volumes of output. Since the moment of its foundation, Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise has been implemented numerous social projects, with the establishment of the long-term relationship with partners. Much attention is paid to the achievement of the World Without Waste strategy goals, water resources management, development of entrepreneurship possibilities for women and youth, development of local communities. Furthermore, Coca-Cola System in the Republic of Belarus implements several projects aimed at the support and development of the youth, as the Company believes that this is the investment into the future of both the enterprise itself and the country as a whole. Thus, since 2017 Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise has been implementing the international additional education program — Youth Empowered for young people aged 18 to 29; this program is intended for the development of entrepreneurship and management skills, improvement of the financial and legal awareness and education of young people.

The employees are one more, yet still important, priority of the Company. For the implementation of the business strategy, the company is governed by the principle of observance of human rights and implements a policy of equal opportunities, get the talented, purposeful persons involved in the team and creates the safe and healthy working and social environment for them.

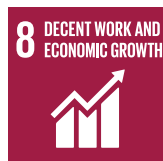
This report is the disclosure of all the measures taken by us for the achievement of the main UN sustainable development purposes, which are the basis of the sustainable development and strategic reference for the enterprise in this field.



Best regards,  
Alexander Denisov  
Director General of Coca-Cola Beverages Belorussiya  
Manufacturing Unitary Enterprise



## ABOUT SYSTEM OF COMPANIES



## HISTORY ABOUT SYSTEM ENTERPRISES

**Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise is a member of 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 (Eng. "to bottle") are the authorized manufacturers of beverages under trademarks of The Coca-Cola Company.

 **Coca-Cola Hellenic Bottling Company**

does business in

 **28 countries worldwide**

and provide beverages to

 **605 million people**

HBC Group of Companies operates in 28 countries worldwide and provides beverages to over 589 million people. The central office of Coca-Cola HBC Group of Companies is located in Zug (Switzerland) and the enterprise in the Republic of Belarus is located at the address: 147/2 village of Koliadichi, Senitskii rural district, Mink district, Minsk region, 223056 Republic of Belarus.

Form of ownership and organization legal form: private, unitary enterprise.

Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise manufactures and sells high-quality carbonated, non-carbonated and energetic beverages, like Burn and Monster Energy, drinking water, juices and juice-containing products. The company adheres to the established principles for categories and brands and, therefore, offers the wide variety of products in diverse packaging to consumers. The long-term experience of the operation in the market enables us to apply our knowledge in the consumer-oriented manner and offer low-sugar products, present new original tastes, and so we are perfectly ready to satisfy the changing preferences of consumers quickly. The manufacture of products

is arranged in the own premises, and the direct delivery system is organized in the whole territory of the country what makes it possible to satisfy the needs of clients in the rapid and well-coordinated manner.

Currently, Coca-Cola Beverages Belorussiya is one of the leaders in the Belarusian market of non-alcoholic beverages and drinking waters, which quality is greatly appreciated by consumers, and this is proved by the fact that the company is a regular prize-winner in the Annual

Best Product contest. The achievements of the enterprise are recognized at both national and international level. The company offers a wide range of products, implements the strategically important import-substitution programs, maintains the high standards of The Coca-Cola Company by means of the efforts in the field of the enhancement of the efficiency of manufacturing processes and preservation of the high quality and safety of products, care of the occupational safety and environmental protection, systematic reduction of the materials consumption of products. Nowadays, the product portfolio of the company comprises near 200 product items. Due to the cooperation with partners, the products of The Coca-Cola Company are represented with 16 different brands in the market of the Republic of Belarus. Carbonated beverages amount to more than a half of the portfolio. But the range of non-carbonated beverages is rather wide as well. Besides, the company produces carbonated and non-carbonated drinking water.

In order to satisfy quickly changing tastes of consumers, the company constantly offers novelties for the market – juice-containing beverages, carbonated and non-carbonated beverages, water with food additives and flavours, isotonic drinks. The company develops in the purposeful manner, mobilizes the direct foreign investments in the production expansion and modernization, introduces innovations and improves business processes for the purpose of the constant enhancement of the business effectiveness, as well as provision and maintenance of the high quality of the products being manufactured.

Coca-Cola Beverages Belorussiya is the largest taxpayer in the country, makes a major contribution to the national GDP, influences on the development of local suppliers and agriculture, combines the efforts for development and support of charitable projects in three key spheres – social, environmental and educational.

Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise was certified for the compliance with the standards of the international quality systems (ISO9001), of food safety (FSSC22000), environmental management (ISO14001) and labour protection and industrial safety (OHSAS18001).

THE CORPORATE APPROACH OF THE COMPANY TO THE SUSTAINABLE DEVELOPMENT IS BASED ON THREE STRATEGIC PRIORITIES



BRANCHES AND SUBSIDIARIES, GEOGRAPHY OF PRESENCE

Coca-Cola HBC operates in three continents in 28 countries worldwide, like Greece, Cyprus, Northern 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.

The activities of the manufacturers in these countries have the constant support from the central office, however, the enterprises in each country are independent and operate in accordance with the laws of the respective country, depending on the traditions of the local population. In the Republic of Belarus the activities are carried out through Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise which branches operate in all centres of the regions, as well as in Baranovichi and Bobruisk. Currently the enterprise has 7 branches and 9 representative offices in Belarus. The products are distributed through the branches in Baranovichi, Bobruisk, Brest, Vitebsk, Gomel, Grodno, Mogilev.



HISTORY OF FORMATION, MAIN STAGES OF DEVELOPMENT

1994

The manufacturing activities in the territory of the Republic of Belarus have been arranged since 1994 by means of the mobilization of direct foreign investments. In the village of Koliadichi, Minsk district, the Coca-Cola plant was built in 1997 and started its operation in July 1997.

2002

In 2002, the enterprise started the charitable activities, so the Caravan Coca-Cola annual charitable project was launched for the first time. In 2006, Coca-Cola Beverages Belorussiya became a part of the Local Network of the UN Global Compact. The long-term environmental project "Let's save Yelnya together!" started.

2009

In 2009, the enterprise started to expand its production in Belarus. Thus, Coca-Cola Beverages Belorussiya opened its representative offices in regions: Pinsk, Molodechno, Slutsk, Polotsk and Mozyr. The same year Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise was awarded the Best Employee title in the Socially Responsible Brand nomination of the Brand of the Year contest, and in 2012 Company became the laureate of the 2012 Best Entrepreneur of the Republic of Belarus contest.

2013

In 2013 Coca-Cola Beverages Belorussiya became the official partner of the Ice Hockey World Championship, which was carried out in the Republic of Belarus.

2016

In 2016, the Integrated Competitive Supply Chain (ICSC) was introduced for the purpose of the enhancement of the cooperation effectiveness of subsidiaries, cost optimization and business process standardization.

2017

In 2017, the From Idea To Business business school started to operate within the #YouthEmpowered international program, which is implemented by Coca-Cola HBC in 8 countries.

MANAGEMENT

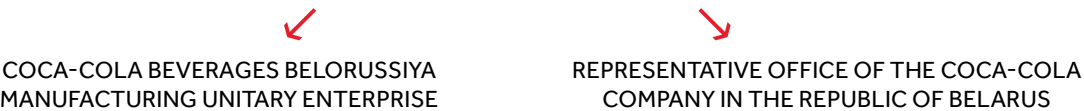
The Director General fulfils the general management of the enterprise; the First Deputy, deputies for the supervised fields, heads of departments, Chief Engineer and Plant Manager are directly subordinate to the Director General.

The policy of the Coca-Cola HBC Group is based on the adherence to the principles of the social responsibility in all regions covered by the activities. These principles are assumed as a basis of all business solutions and actions being realized.

As a part of the Group and for the purpose of supporting and implementing the Group principles and priorities, Coca-Cola Beverages Belorussiya is governed in its activities by the approved codes and policies and demonstrates the commitment to the highest business standards.

COMPANIES OF SYSTEM

COCA-COLA SYSTEM IN BELARUS INCLUDES

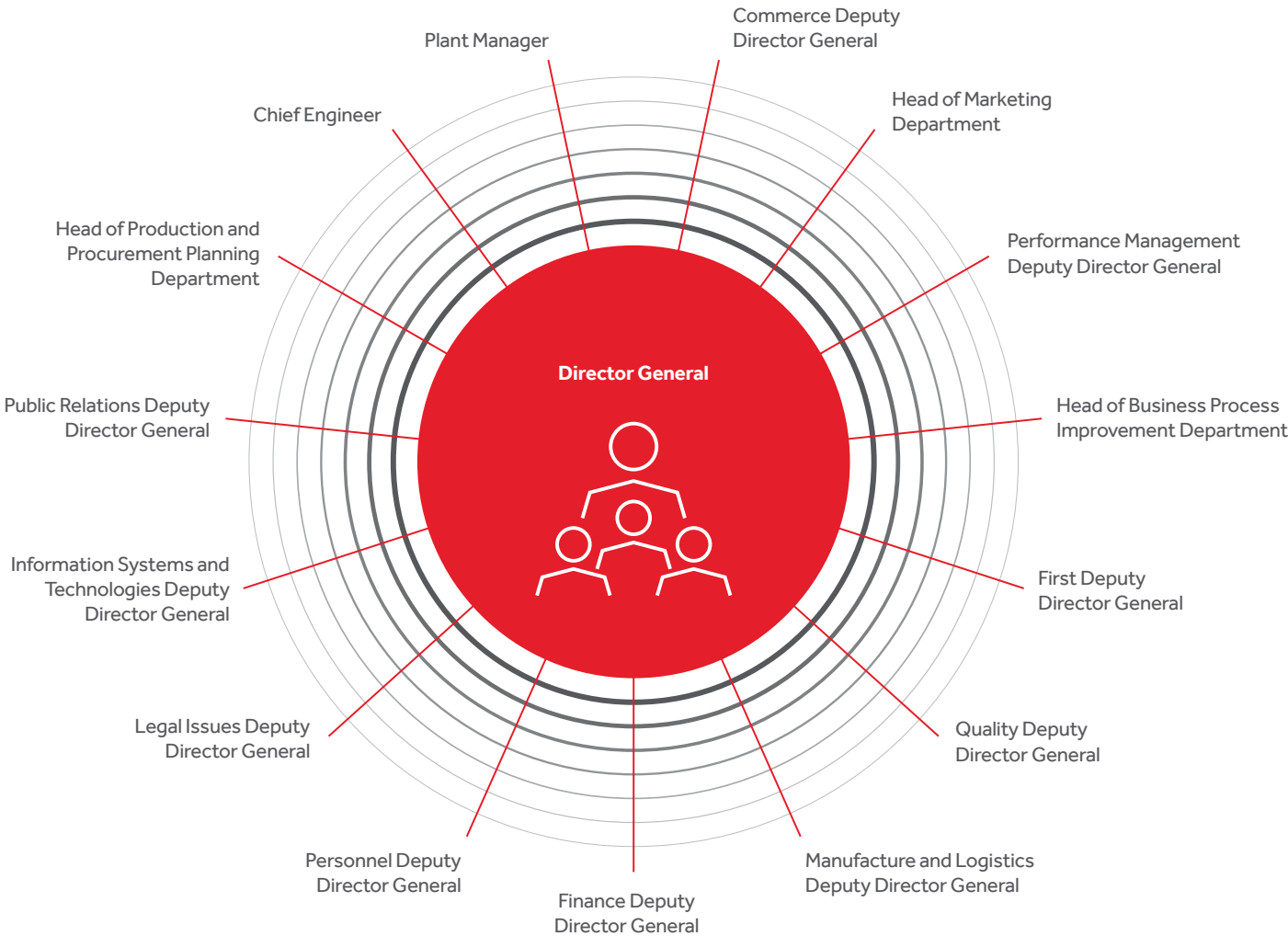




MANAGEMENT STRUCTURE

The operation of Coca-Cola Beverages Belorussiya is under the operative and strategic management of the Director General to whom Deputies Director General, heads of departments, plant managers are subordinate to. The management of the individual aspects of the sustainable development of the company is divided strictly and is the sphere of responsibility of the Deputies Director General:

- for environmental issues — Quality Deputy Director General;
- for social issues — Public Relations Deputy Director General;
- for economic issues — Finance Deputy Director General.



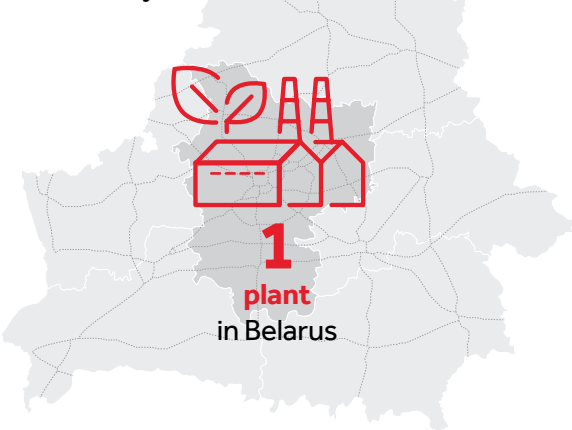
CAPITAL STRUCTURE

Structure of Coca-Cola HBC AG — 23 % the Coca-Cola Company, 54 % in free circulation in exchanges worldwide, 23 % Kar-Tess Holding (holding company)

136 BRANDS in the product portfolio

28 countries of presence  
Over 29 thousand workplaces  
Near 600 million consumers

Capital structure of Coca-Cola Beverages Belorussiya — 100 % Coca-Cola HBC AG



POLICIES AND STRATEGIES

Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise demonstrates its commitment to the ethical standards and principles of the open and fair business, drives for the corporate culture improvement, maintenance of its business reputation at a high level, and this make the company attractive for consumers and beneficial for partners for cooperation.

So, special attention is paid to the adherence to the policies adopted at the enterprises, as each one of the policies is intended to improve the corporate culture and support the healthy and productive work environment. So, the acquaintance with the in-house labour rules and human rights protection policy is obligatory for all employees immediately on the day of employment. The following policies are mandatory to be acquainted with as well:

- In-house labour rules;
- Regulations on processing the personal data of employees of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise for protection of personal data;
- Regulations on the commercial secret of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise;
- List of the data being the commercial secret;
- List of the positions and professions granted with the access to the commercial secret;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise for human rights protection;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise in the field of provision of equal opportunities;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise in the field of HIV and AIDS;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise in the field of healthy life-style.

Code of Business Conduct and Anti-corruption Policy adopted in the company are mandatory to be acquainted with and adhered to for all employees as well, this is aimed at the strict compliance of the legal requirements of the Republic of Belarus in the field of corruption fighting.

Based on our motto "Perfection in Everything" we attempt to modify the out-of-date norms and policies, in order to ensure the creation of more favourable and comfortable working environment. The list of the policies, principles, standards and norms of behaviour updated or introduced by the company in 2018 includes:

- In-house labour rules;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise for human rights protection;
- Anti-corruption Policy;
- Statutes of the Ethics and Normative and Legal Compliance Committee;
- Policy on Trade Sanctions;
- Anti-money Laundering policy;
- Policy of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise for protection of personal data;
- Regulations on processing the personal data of employees of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise.



# STRATEGY AND DIRECTIONS OF DEVELOPMENT

Being a part of and in close cooperation with Coca-Cola HBC Group, Coca-Cola Beverages Belorussiya adheres to the common values and common approaches to the responsible conduct of business, and determines the principle formulated in the Growth Program — to be an undisputed leader in the beverage market — as the main strategic direction of development.

## ADOPTED STRATEGY IS BASED ON FOUR PRINCIPLES

- 1. SOCIAL RESPONSIBILITY
- 2. COMPLIANCE WITH NEEDS OF CONSUMERS
- 3. COOPERATION WITH CUSTOMERS
- 4. PERFECT COST MANAGEMENT

Within the promotion of these principles the company is governed by the series of adopted and implemented policies which defines the key aspects, like protection of and respect for human rights, provision of equal opportunities and avoidance of discrimination, taking anti-corruption measures, necessity to restrict the harmful impact of industrial activities on climatic changes, care of the health and safety of employees and society in whole, maintenance of the high quality of products manufactured and impermissibility to use genetically modified products in the manufacturing activities, drive for the constant improvement of environmental parameters in the waste management and rational use of water resources.

The principles of the corporate social responsibility (CSR) and sustainable development are fundamental for the company in all business fields. The bases of the responsible social conduct are the part of both the whole company and each manager and employee.

In order to achieve the set goals, Coca-Cola Beverages Belorussiya ensures the compliance with all legal requirements existing in the Republic of Belarus, implementation of the mission and values of Coca-Cola HBC Group, adherence to the requirements of The Coca-Cola Company, international and national standards ISO 9001, ISO 14001, AWS, ISO 45001, FSSC 22000, STB ISO/IEC 17025.

The corruption risk assessment system functions in the company. Anti-corruption Policy, Anti-corruption Portal, Recommendations on Procedure to Use Code of Business Conduct and Anti-corruption Policy, Policy on Informing about Potential Violation, Statutes of the Ethics and Normative and Legal Compliance Committee, Regulations on Examination of Violations of Code of Business Conduct have been developed and commissioned.

The main tolls of the risk mitigation are training of all employees for the requirements of the Anti-corruption Policy, discussions with individual employees, sample inspections of activities of employees, as well as the obligatory previous legal audit of all contracting parties and third persons which may represent the enterprise to third persons.

Within the implementation of one of the most significant strategic priorities, Coca-Cola Beverages Belorussiya establishes the fiduciary partnership relations with suppliers, customers, consumers, employees and partners. Guidelines for Suppliers have been introduced and are used, they regulate the avoidance of a direct or indirect violation of human rights.

The company develops stably and constantly, follows the changing trends in the market, offers the wide variety of new products to consumers and improves well-known products, places the information on beverages in an understandable manner and refreshes the packaging, in order to satisfy the needs and expectations of various population groups. The company adheres to the commitment On Restriction of Advertisement Intended for Children. an does not carry out the marketing activities in relation to the children under 12 years old.

Coca-Cola Beverages Belorussiya actively develops and improves the standards and practices in the fields of occupational safety and environmental protection, quality and food safety, gives much attention to the protection of personal data, makes a valuable contribution to the national economy and takes an active part in the social life of the country, and independently develops and implements significant social projects as well.

# CSR VALUES

In the course of the implementation of the strategy chosen, the Company is based on six main Values of Coca-Cola HBC, which not only determines the general business conduct but also form the routine philosophy of each team member:



The corporate values motivate the whole team of Coca-Cola Beverages Belorussiya to achieve high results, and this marks it out among other companies.

# CSR PRINCIPLES

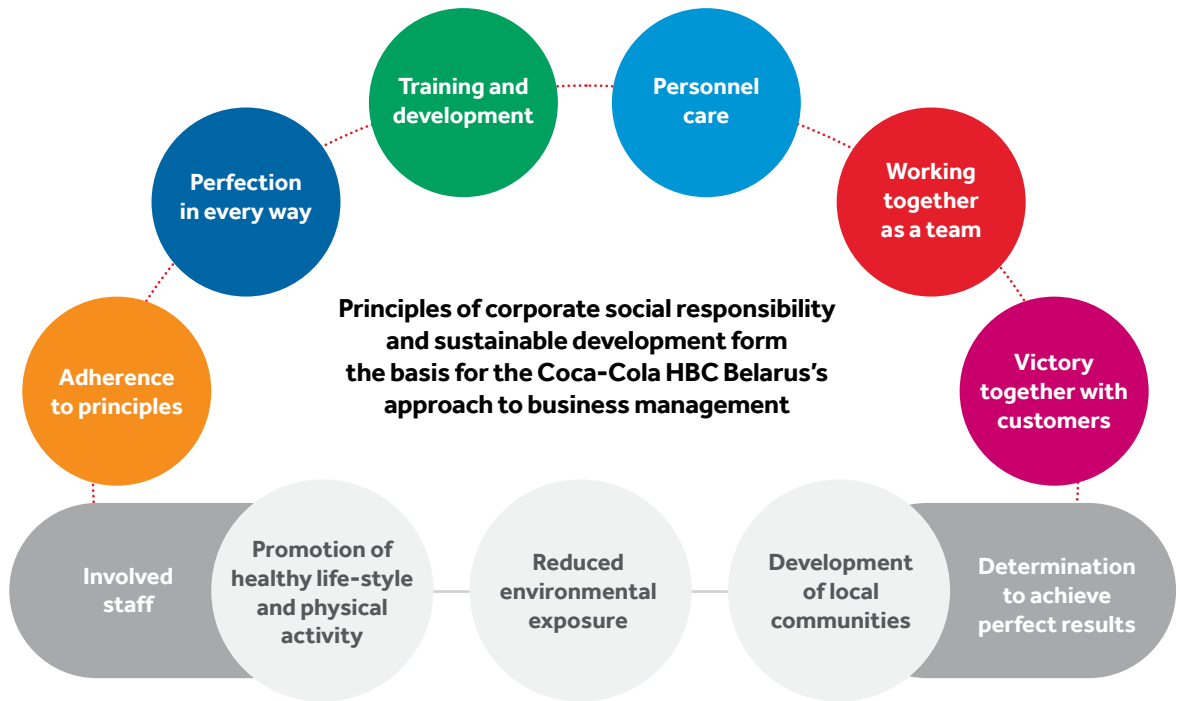
For the implementation of the business strategy, the company is governed by the principle of observance of human rights and adheres to the policy of equal opportunities, get the talented, purposeful persons involved in the team and creates the safe and healthy working and social environment for them. The obligations assumed by the company in relation to its employees are stated in the Policy for Human Rights Protection and Policy of Provision of Equal Opportunities. The main principles of the activities of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise are as follows:

- to provide our consumers with refreshers;
- to be a partner for our customers;

- to come up to expectations of our investors;
- to increase the national well-being.

Additionally, Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise bases its activities on the Striving for Victory strategy consisting of 4 main principles of Coca-Cola HBC Group:

- social responsibility;
- compliance with needs of consumers;
- cooperation with customers;
- perfect cost management.



Thus, Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise not only improves the manufacturing processes but also increases the quality of products and servicing.



# OBLIGATIONS AND PURPOSES

The main strategic purpose of The Coca-Cola Company is the stable growth. The most significant directions of the development of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise are stated in the Growth Program and, first of all, our purpose is to be an undisputed leader in the market of soft drinks. The implementation of this strategy should lead the enterprise to the achievement of 2020 purposes: doubled proceeds, threefold profit, achievement of the negative circulating capital.

The corporate social responsibility and sustainable development are inseparable from our business approach. Our purposes of the sustainable development are based on the main principles of the sustainable development worked out by the UN, universal values, global trends of the national and regional development. We integrate the economic, environmental and social purposes and tasks into the corporate business-solution system in order to fulfill the tasks set and achieve the results desired.

## THREE STRATEGIC PRIORITIES ARE THE BASIS FOR OUR APPROACH TO THE SUSTAINABLE DEVELOPMENT:

- Health and well-being of consumers;
- Reduced impact of our activities on the environment;
- Contribution to the social development.

## CARE OF CONSUMERS STANDS FIRST FOR COCA-COLA BEVERAGES BELORUSSIYA. WE CARE OF HEALTH AND WELL-BEING OF OUR CONSUMERS AND USE THE FOLLOWING TOOLS:

- Objective results of scientific studies;
- Constant innovations;
- Provision with the wide variety of beverages;
- Open information for consumers about the nutritive value of our products;
- Unalterable adherence to the responsible marketing principles;
- Involvement of people in the active life-style.

## WE SEEK TO MINIMISE THE IMPACT OF OUR ACTIVITIES ON THE ENVIRONMENT AT ALL PRODUCTION STAGES THROUGH THE FOLLOWING PURPOSES:

- Reduction of the water and energy consumption in the course of the manufacture of products, reduction of the industrial waste;
- Sharp reduction of emissions of greenhouse gases;
- Improvement of the packaging, active use of reprocessing and recycling of waste, reduction of waste burial percentage;
- Saving use of natural resources.

## OUR CONTRIBUTION TO THE DEVELOPMENT OF LOCAL COMMUNITIES IS AS FOLLOWS:

- Creation of the socio-economic value;
- Support of local nature-conservative initiatives;
- Introduction of probation programs and development of partnership relations with educational institutions for the implementation of the programs aimed at the youth development;
- Partnership with international non-commercial organizations in the sphere of the assistance with emergency situations.

One of the purposes of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise is to increase the satisfaction of consumers through the effective use and constant improvement of the quality management system. The special project — Maturity Matrix is implemented for the analysis of the quality management system; this project is a business indicator being calculated on the basis of the evaluation of the process effectiveness and values of main business indicators in the field of quality, occupational safety and environmental protection. The values related to the personnel training, risk assessment, information exposure are subject to the evaluation as well. Under the 2018 results, the indicator is 85 % which ranks as the fourth result in Coca-Cola Hellenic Bottling Company (HBC) Group.

WE BELIEVE THAT OUR ACTIVITIES IS SIGNIFICANT FOR BOTH OUR BUSINESS AND THE SOCIETY WE OPERATE IN

# ETHICS AND CORRUPTION FIGHTING

100 % OF TOP MANAGEMENT were acquainted with the anti-corruption policies and procedures.

100% OF MANAGERS from the top management of the company were trained in the anti-corruption policies and procedures.

In 2018 the total number of the employees acquainted with the anti-corruption policies and procedures amounts to 145 persons including 46 office workers, 18 middle-level managers, 84 plant workers and 7 company workers (of the Representative Office of The Coca-Cola Company in the Republic of Belarus, without no account taken of the top management). 100 % of new business partners the company started to work with in 2018 have been acquainted with the anti-corruption policies and procedures.

## ASSESSMENT OF CORRUPTION RISKS OF COMPANY ACTIVITIES

The Anti-corruption Policy, Anti-corruption Portal, as well as the Recommendations on Procedure to Use Code of Business Conduct and Anti-corruption Policy, Policy on Informing about Potential Violation, Statutes of the Ethics and Normative and Legal Compliance Committee, Regulations on Examination of Violations of Code of Business Conduct and other local normative legal acts are valid in Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise.

The main instrument in the mitigation of corruption risks is the training for all employees in the requirements of the Anti-corruption Policy; discussions with individual employees, inspections of activities of individual employees, as well as the obligatory previous legal audit of all contracting parties and third persons who may represent the enterprise to third persons.

The enterprise applies the extended (as compared with the laws of the Republic of Belarus) definition of government officials what broadens the category of the persons falling under the definition of corruption — officers or representatives of any governmental subject or subject controlled by the government worldwide, including both high- and low-ranking officers. The information about the possibility to inform confidentially about potential violations is in the site, enterprise rooms. The risk scale depending on the risk appearance region and eventual consequences is established and used in the company.

All subdivisions, without exception, are subject to the corruption risk assessment.

At the average, 35 requests are submitted by employees for the risk analysis per year. The risks are assessed

and risk acceptance/non-acceptance is agreed under the strict established procedure with the necessary documents enclosed. The examination of a request presupposes the risk analysis by, at the least, two heads of the request initiator. The risks are examined and their acceptance/non-acceptance is agreed in the maximally transparent manner for all parties.

The Anti-corruption Policy and procedures are implemented and the personnel is trained as follows:

- All employees examine and acquaint themselves with the Anti-corruption Policy and prove this with their signature.
- The employees are trained in the requirements of the Anti-corruption Policy twice a year in writing or on-line with recording of results.
- The top management is trained in the Anti-corruption Policy each year.
- The third persons, business partners who represent the enterprise interests before governmental authorities, undergo the previous legal audit and sign the appropriate questionnaires wherewith assume the obligations to comply with the Anti-corruption Policy.

The trainings are conducted for the company management (top management), business partners and other employees for the anti-corruption policies and procedures:

- On-line training for the persons with the access to PC;
- Face-to-face training for the persons with no access to PC;
- For the top management – both on-line and face-to-face training;

The training duration is 1 hour at the least.



## PROVISION OF EQUAL OPPORTUNITIES AND PROTECTION OF RIGHTS

We appreciate our employees and from the very start of our operation we adhere to the rules of provision of equal opportunities, this means that Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise intends to provide all employees with equal opportunities and avoid their discrimination in any aspects related to the employment, payment of pecuniary remuneration and allowances, training, career development, transfer to another position and termination of labour relations.

The adherence to the principles of human rights protection is the key factor of the sustainable development; the company strictly follows the principle of the rightful and respectful attitude to the employees and defences them from discrimination. The support and provision with the safe working environment and occupational safety to employees are very important as well.

## RISK ASSESSMENT AND PRINCIPLE OF PRECAUTION

The risk assessment system in Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise covers the operating risks at the introduction of new products. The process is arranged in accordance with the rules accepted in Coca-Cola Hellenic (Coca-Cola HBC S.A.) Group and is as follows:

- The company management determines and assesses risks, as well as develops the consequence mitigation plan.
- Risks, their consequences are monitored on a monthly

basis and, if necessary, the consequence mitigation plan is developed.

- The information about risks is provided to the Head Office of Coca-Cola Hellenic (Coca-Cola HBC S.A.) Group on a quarterly basis.
- The risks are assessed and included in the strategy during the business planning process.

In 2018 the Company did not use the principle of precaution for the risk detection and control, as well as risk management.

## PURPOSES OF SUSTAINABLE DEVELOPMENT

In the field of the sustainable development we aim to minimize the environmental exposure by means of reduction of water and energy consumption, as well as waste volume. Together with The Coca-Cola Company we try to solve the problems associated with the disposal of packaging waste. The main purposes for 2018 are:

### LESS EMISSIONS IN POINTS OF SALE

We make every effort to have 50 % of all our refrigerators as the refrigerators with the highest power-efficiency class in the points of sale. Thus, in 2018 the total number of refrigerators was 17,588 pcs. and 30 % of them were energy-effective models (5,227 pcs.), i.e. by 12 % more as compared with 2017.

### 100 % WATER SAFETY

Water safety is the assistance in the access to pure water and in renewal of water resources in a risk area. In 2018 the portion of reuse water was 20,41 %, i.e. by 8,44 % more than in previous year.

### RECYCLABLE PACKAGING

100 % of consumer packaging is suitable for recycling.

### USE MORE SECONDARY RAW MATERIALS

The company aims to produce 35 % of plastic bottles from secondary raw materials. At present, the portion of plastic bottles reused or manufactured from secondary raw materials is absent in the general production, however we work actively in order to reach these goals.



### COLLECT MORE WASTE

Our goal is to collect the equivalent of 75 % of the product packaging marketed. In 2018 the total output of plastic packaging amounted to 6,092.302 t, and the total volume of the plastic packaging collected was 167 m<sup>3</sup>.



### ENVIRONMENT-FRIENDLY PURCHASES

The company purchases 100 % of main agricultural ingredients from the suppliers implemented the good environment-friendly-practices (sugar is an agricultural ingredient). The main suppliers are two plants which have implemented the following programs:

- separate refuse collection;
- reduction of water consumption for industrial purposes;
- control of atmospheric emissions (modernization of filters);
- installation/modernization of dust units, dust collectors;
- gas-cleaning units;
- control over heat energy (modernization/optimization of the equipment);
- less calories in our carbonated drinks.

NAME	Caloric content, calories per 100 ml of drink		Difference, %
	2015	2018	
Fanta Orange	47,2	45,85	3%
Sprite	41,7	10,05	76%
Schweppes Bitter Lemon	38,01	36,62	4%



### SAFE WORKPLACE

We aim at the absence of accidents with the fatal outcome and reduction of accidents with disability by 50 %. However, in 2018 an accident with disability was recorded, while in 2017 this index was 0.



### GENDER BALANCE

The gender balance is the priority for the enterprise as well. Thus, we try to create the situation with 50 % of the managerial positions filled by women. In 2017 the portion of the managerial positions filled by women was 24.11 % (women occupied 34 from 141 managerial positions), in 2018 this value increased to 26.67 % (women occupied 32 of 120 managerial positions).



### TRAIN PEOPLE IN LOCAL COMMUNITIES

We attempt to provide 10 % of employees of partner organizations with master classes for basic skills of management.



### BRING TRAINING OF YOUTH TO NEW LEVEL

Our aim is to train 1 million young people under the #YouthEmpowered program in the countries where our companies are represented. The number of participants of the program increased by 477 persons as compared with 2017 and amounted to 796.



### ZERO WASTE PARTNERSHIP

We try to be a part of 20 Zero Waste initiatives. Currently, the list of mentioned initiatives includes: "Let's do it!" global environmental action (partner — Centre of Environmental Solutions institution, Ministry of Education of the Republic of Belarus, Ministry of Natural Resources and Environmental Protection), Forestation project (partner — Minsk Forestry State Forestry Institution), Turovskii Lug cleaning initiative (partner — Turov Centre of Children and Youth Creative Work State Institution of Auxiliary Education).



### VOLUNTEERISM

Out of 727 employees, 88 persons took part in various volunteer initiatives, i.e. 12.10 % of the total number of the personnel.



## DOW JONES INDEX

The group of Coca-Cola companies is the leader in the fields like the environmental policy, development of the human capital, including talented young employees, reporting on the sustainable development, compliance with the established legal and legislative requirements, anti-corruption policy. Special attention is paid to the adherence of the social responsibility principles with the active implementation of the sustainable development program. Being the four-year leader in the beverage manufacturing industry in Europe and in the world, the group of Coca-Cola HBC companies was included in the group of three in this segment in 2018.

Zoran Bogdanovic, the executive director of Coca-Cola HBC, commented this rating, "We will study the results of Dow Jones Sustainability Index, in order to continue the improvement of our policy and practice. Our obligations in the field of the sustainable development for the period till 2025, as published now, prove that the sustainable development is the integral part of our business strategy based on the experience of our employees and partners and their adherence to the sustainable practices and productivity."

## PARTNERSHIP FOR SAKE OF SUSTAINABLE DEVELOPMENT

SINCE THE EARLY STAGES OF ITS OPERATION COCA-COLA BEVERAGES BELORUSSIYA MANUFACTURING UNITARY ENTERPRISE HAS BEEN ESTABLISHING THE PARTNERSHIP RELATIONS WITH VARIOUS ORGANIZATIONS BY MEANS OF COMBINING THE EFFORTS FOR THE DEVELOPMENT AND SUPPORT OF DIFFERENT PROJECTS RELATED TO IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT PURPOSES.

Since 2005 Coca-Cola Beverages Belorussia has been implementing projects with the Belarusian State University. "Annual Sakharov Readings: Environmental Problems of XXI Century" international scientific conference and "Urgent Environmental Problems" international scientific conference of young scientists, students, graduate and postgraduate students, as well as Belarusian Student Legal Olympics were carried out within this co-operation.

Since 2017 Coca-Cola Beverages Belorussia Manufacturing Unitary Enterprise has been implementing the

Youth Empowered international program of auxiliary education for the young people aged 18 to 29. The program is implemented in 28 countries of Coca-Cola HBC Group and aimed at the development of entrepreneurial and managerial skills, enhancement of the financial and legal awareness and education among young people. Consequently, 796 project participants not only acquired new skills and knowledge in the field of finance, entrepreneurial activities, but also enhanced the self-confidence, improved self-presentation and dialog skills, as well as acquired the knowledge in the field of promotion and public relations, and many other skills.

Business Razvitie DLC and Youth Social Service CUE are the main partners in this project.

Since 2012 Coca-Cola Beverages Belorussia has been the partner of the Belarusian Children's Fund in the rehabilitation and health-improving projects like "Cheerful Hearts" and "Rainbow of Hope". The "Cheerful Hearts" project was intended for the rehabilitation of the children after complex cardiac surgeries. The "Rainbow of Hope" project is the rehabilitation and health-improving session for the children after oncologic diseases at the remission stage.

## PERSONNEL MANAGEMENT POLICY

Undoubtedly, the main earnest of success of Coca-Cola Beverages Belorussia is the personnel which professional competence and well-coordinated work result in the satisfaction of any desires of consumers of our products. Therefore it is very important for the

Coca-Cola System in Belarus to make the safe labour conditions, ensure the adequate remuneration of labour, provide the possibility of training and prospects of the professional and, as a consequence, career advancement of employees.

The principle of justice is the main principle in the personnel administration related to employment, hiring, remuneration and allowances, training and career advancement, transfer to another position and termination of labour relations. The personnel department is governed by this principle in the assessment of employees in terms of their compliance with the requirements and standards set for the positions occupied by the employees.

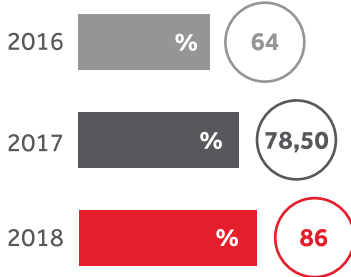
The personnel management system based on the matrix model was introduced in 2016 and was not altered significantly in the reporting year. Its main task is the high-quality personnel recruitment and training, development of professional skills of the System enterprise employees, formation of necessary competences.



THE KEY POSITION INDEX WHICH IS CRITICAL FOR THE SUCCESSFUL COMMERCIAL ACTIVITIES AND OCCUPIED BY EFFECTIVE AND HIGH-POTENTIAL EMPLOYEES IS ONE OF THE MAIN INDICATORS OF THE EFFICIENCY OF THE PERSONNEL DEVELOPMENT SYSTEM.

In 2018 this index increased by **7,5%** as compared with 2017, and amounted to **86%**

THE KEY POSITIONS OCCUPIED BY SUCCESSOR EMPLOYEES



## STAFF



men

**72,63%**



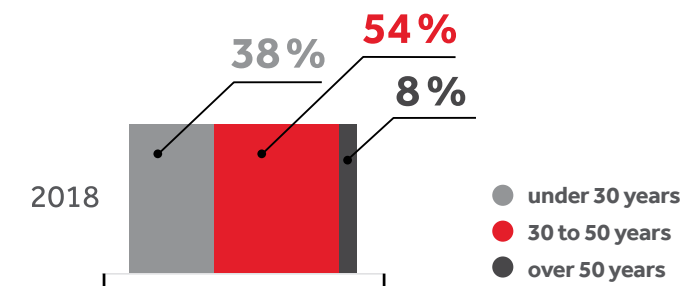
women

**27,37%**

**54%**  
of employees aged 30 to 50

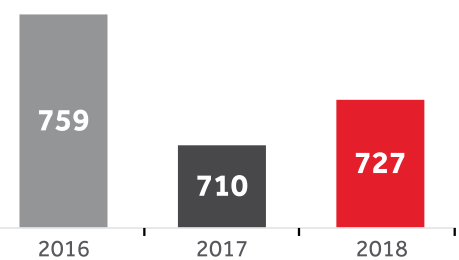
Due to the increased volume of output, the number of staff members grew significantly from **710 persons** as of the end of 2017 to **727 persons** as of the end of 2018, i.e. by 2,39 % more than this value last year. The collective agreement covers 100 % of employees. form In the gender respect, **men** make up a bigger portion of the staff — **72,63 %** what is caused by the established practice and specificity of manufacturing processes. In 2018 the biggest portion, in the age respect, is made by the **employees aged 30 to 50 – 54 %** of the total number of the personnel.

AGE STRUCTURE OF PERSONNEL



All staff member of Coca-Cola in Belarus work under the permanent labour contract and full-time<sup>1</sup> conditions. The bigger part of the employees — 83 % works in Minsk — in the company offices and production. Such distribution is caused by the manufacturing needs, so it remains relatively unaltered.

PERSONNEL SIZE



In addition to the staff members who perform the overwhelming majority of works, a part of the functions is entrusted to out-of-staff workers. Mainly they fulfil handling operations, works related to delivery and sales of products, repairs and adjustments, technical and laboratory control. Some servicing functions like maintenance of machinery, accountancy, etc., are partially performed by out-of-staff workers as well.

EMPLOYMENT AND DISMISSAL OF PERSONNEL

With the increasing number of employees, the System enterprise staff is constantly renewed. So, this year the staff was remained with 250 employees, while 183 employees left their positions, i.e. 32 % and 23 %, respectively<sup>2</sup>.

The average employee turnover value was<sup>3</sup> **25,45**

TRAINING

In order to improve the level of the professional knowledge and skills, the enterprise employees are trained on a constant basis for various fields. The training programs are aimed mainly at the development of necessary skills of employees, depending on their business functions. So, in 2018 the training in the key skills was carried out for the employees responsible for the market development, employees involved in telephone sales, heads of teams. The cross-functional training when employees were trained to fulfil other functions was carried out as well.

Several programs, like Leader's Way, Situational Leadership, Coaching Style of Management, were conducted for the development of leader competences. In the reporting year 18 persons which were hired in 2017–2018, and 14 persons which were hired in 2018 – 2019

continued the training for the accelerated development programs: Fast Forward Self2Others, Others2Managers, Others2Managers advanced. and Managers2Functions.

In 2018 the two-year program was successfully continued for training of future managers from young students of Rise Management Trainee. So, 100 % of the program participants which were recruited in 2016–2018, and 25 % of the program participants which were recruited in 2017–2018, transferred to a new managerial level in the reporting year.

In addition, the company developed the in-house training program for the personnel: the activities are carried out by the heads of structural units for the appropriate fields of the professional activity, the tutorship institute operates.

THE COMPANY IS INTERESTED IN THE CAREER ADVANCEMENT OF ITS EMPLOYEES AND FACILITATES THEIR PROGRESS: MOST OF THE MIDDLE- AND TOP-LEVEL MANAGERS STARTED THEIR LABOUR ACTIVITY IN THE ENTERPRISE AS SPECIALISTS. IN 2018 30 EMPLOYEES ACCOMPLISHED THE ACCELERATED DEVELOPMENT PROGRAMS FOR THE TRANSFER TO THE FOLLOWING CAREER LEVEL:

- Fast Forward S2O (from the self-management level to the people management level);
- Fast Forward O2M (from the people management level to the managers management level);
- Fast Forward O2M adv (from the people/managers management level to the expanded managers management);
- Fast Forward M2F (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.

In 2018 the training of employees lasted for

**1 722,81** hours

On the average, 2,37 h of training was per an employee, 1251,23 h per a man and 471,58 h per a woman.

PERSONNEL MOTIVATION AND INVOLVEMENT MEANS

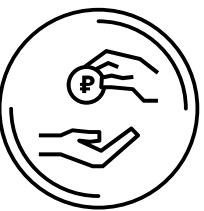
Coca-Cola Beverages Belorussiya seeks creation of the remuneration system, which is attractive for the employees and motivates them to increase the labour efficiency constantly.

The motivation system of the Company includes:

- provision with competitive salaries;
- formation of the transparent bonus system based on the key performance indicators;
- formation of the competitive social package facilitating the employment of high-qualified employees.

The Company 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.

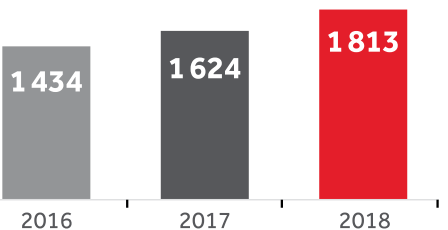
In the benefit and compensation structure, special attention is paid to the matters influencing on the workers' quality of life, like health support, assistance to employees and their family members. Based on the labour market conditions and 2018 pay level, the average pay increased significantly in the System enterprises – by 11.39 % as compared with the previous year.



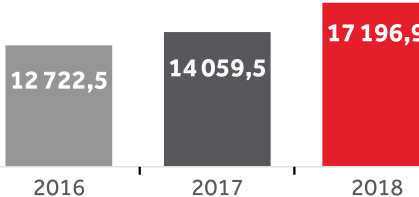
In 2018 the average monthly pay amounted to BYN

**1812,78**

AVERAGE PAY, BYN



LABOUR REMUNERATION FUND, THOUSAND BYN



1. Except for one female employee working under the part-time conditions  
2. As compared with the number of employees as of 31.12.2018.  
3. For more details refer to the annexes to the report.

PAY RATIO

The avoidance of the inequality in remuneration of male and female labour which is rather widespread in the labour market is the important aspect in the achievement of the fair remuneration of labour and prevention from discrimination.

In order to monitor the professional development level of the employees and to evaluate the employee's efficiency and compliance with the positions occupies, the work efficiency and career development are examined regularly in the System enterprises. In 2018 such examination was carried out for 38 % of the staff.

THEREFORE OUR COMPANY ESTABLISHED THE LEVEL OF REMUNERATION ON THE BASIS OF THE IMPLEMENTATION OF GOALS AND TASKS, AS WELL AS THE PROFESSIONAL LEVEL OF THE EMPLOYEES.

MOTIVATION PROGRAMS

The level of interest and involvement of our employees is one of the success determining factor of Coca-Cola System in Belarus. It is extremely important for the enterprise to inspire the staff for routine achievements, under the openness and fairness conditions.

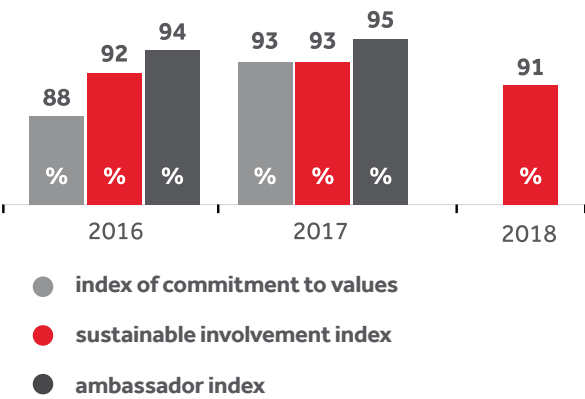
From this point of view, the motivation programs are one of the main tools, but far from being a single tool, for the maintenance of the high level of the personnel involvement. In addition to the monthly, quarterly or annual programs of financial motivation under the results of task performance, other personnel motivation methods are used as well, e.g. insurance programs, corporate events and programs. The Best Employee of Year contest, mini-football corporate championship were held in 2018, the marathon preparation club operated, the football gym was leased.

In order to evaluate the efficiency of such programs, the level of commitment to the values and personnel involvement are studied annually within the My Voice opinion poll, and 2018 was not an exception.

The drop of the sustainable involvement index by 2 %, as compared with the previous year, will undoubtedly serve

as a stimulus for the improvement of the enterprise approaches to the personnel management. The index of commitment to values and ambassador index were not calculated in 2018.

RESULTS OF MY VOICE OPINION POLL



OCCUPATIONAL SAFETY SYSTEM



The occupational safety management system meeting the requirements of the in-house standards of The Coca-Cola Company and Coca-Cola Hellenic and OHSAS 18001 international standards was implemented in 2008 and operates now in the enterprise.

In order to improve the system constantly and confirm the compliance of this system with the requirements of the standard, the external supervisory and recertification audits, in addition to in-house audits, are carried out; the results of such audits prove the high level of compliance with the requirements of the standard, thus confirming the proper level of the occupational safety culture in the enterprise.

The occupational safety management system covers all employees of the enterprise, including the workers of contracting organizations.

The efficiency of this system performance is determined through the fulfilment of the key indices planned for each year<sup>4</sup>.

4. See the results of the fulfillment of the key indices in the annexes to the report.

IDENTIFICATION OF HAZARDS AND RISK ASSESSMENT

The risk assessment of the occupational safety is carried out in all sections and workplaces directly related to the manufacturing activities, transportation and cargo storing, handling works, use of inflammable and explosive materials, etc. In case of changes in the work conditions, the risk assessment is carried out in the way similar to that for the works performed by contractors in the enterprise territory.

Such assessments are performed both by the heads of subdivisions together with the occupational safety specialists and with involvement of specialists of accredited laboratories measuring the harmful factors. Under the results of the risk assessment the safe work method is selected, in order to avoid any hazard for an employee; this is described in the respective instructions.

In case of incompliance the binding corrective actions are developed. So, in the reporting year the special assessment of 22 workplaces was performed.

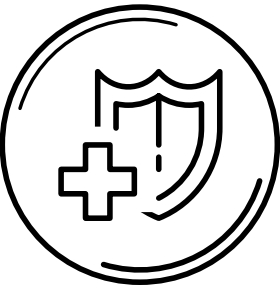
The employees are provided with all necessary personal protection equipment according to the works performed at the harmful, dangerous and unfavourable conditions.

Additionally, the Good Manufacturing Practice inspections (GMP-inspections) are performed every day in the enterprise; such inspections are aimed at the reveal of incompliance in the field of the occupational and fire safety, in the course of such inspections the fire safety discussions are held. Under the results of the inspections, remarks are recorded and time is fixed for correction.

THE MECHANISM FOR INFORMING ABOUT THE CASES OF POTENTIALLY UNSAFE SITUATIONS (NEAR MISS) IS INTRODUCED IN THE ENTERPRISE; 758 SUCH SITUATIONS WERE DETECTED DUE TO NEAR MISS IN 2018.

The anonymity guarantees the prevention from any negative consequences for the employees who reported on such situations.

HEALTH OF EMPLOYEES



TAKING CARE OF THE EMPLOYEES' HEALTH, THE COMPANY PROVIDES WITH VARIOUS SERVICES INTENDED TO REDUCE THE SICKNESS RATE.

249 employees underwent the medical examination for onco-markers with the subsequent consultation by the therapist in May 2018.

170 employees were vaccinated in October 2018.

The company supports the initiatives for the employees out of the work conditions, e.g. annual corporate football tournament, the Minsk semi-marathon preparation club and lease of the football gym. A part of the employees may use the health and life insurance programs partially or fully financed by the company.





## INVOLVEMENT OF EMPLOYEES IN DEVELOPMENT OF OCCUPATIONAL SAFETY SYSTEM

For the purpose of higher involvement of the employees in the occupational safety system improving process, in 2018 the Behaviour Based Safety program aimed at the increased level of the personnel responsibility for safety, was started. For the period of November – December 2018, 38 from 44 planned observations were performed, and under their results, 30 barriers were found and 1 of them was eliminated. The percentage of the safe behaviour for November – December 2018 was 81,5 %.

The work of the responsible persons for the occupational safety is arranged in the enterprise, such persons are elected from the most experienced employees. They are entrusted with the key functions for promotion in implementation of and adherence to all norms and rules regulating the matters of occupational safety, risk identification, protection of employees' rights in relation to the safe work conditions, informing the employees about changes and many others.

The labour union operates in the enterprise; the labour union is entrusted with a whole number of tasks for enhancement of well-being, guarantee of full-time work, promotion in the creation of healthy and safe work conditions, assistance in the settlement of industrial disputes, training of employees and many others.

Communicating and informing the employees on the matters of the occupational safety system functioning is made by e-mail, during meetings, consultations, trainings, instructions, with documents placed and information boards, in the enterprise web site, as well as during a survey of employees on such system functioning.

## TRAINING ON OCCUPATIONAL PROTECTION AND SAFETY

**THE ENTERPRISE EMPLOYEES, AS WELL AS THE PERSONS WORKING UNDER CONTRACTOR'S AGREEMENTS AND EMPLOYEES OF OUTSOURCERS PERFORMING WORKS IN THE ENTERPRISE SHOULD OBLIGATORY BE TRAINED IN THE OCCUPATIONAL AND FIRE SAFETY, THEREFORE THE LEVEL OF THE KNOWLEDGE IN THIS FIELD IS CONSTANTLY GROWING.**

This training is conducted in the full compliance with the requirements of the local laws; under the training results the appropriate testing of the knowledge level is performed.

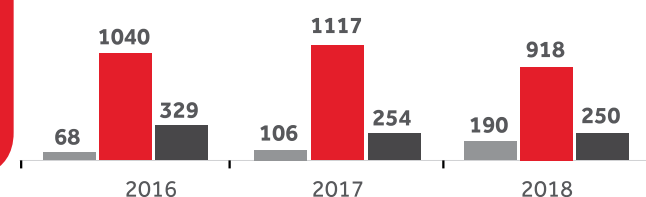
In 2018 the occupational safety week was carried out with the key topics dealing with equipment safety, driving safety, manual handling of materials, slipping, stumbling, falling, as well as office safety.

In the reporting year the traditional training sessions on actions in emergency situations, training in administration of first aid, safe work, observation of the risk behaviour within the Behaviour Based Safety program, as well as the driver training, including extreme driving, were carried out.

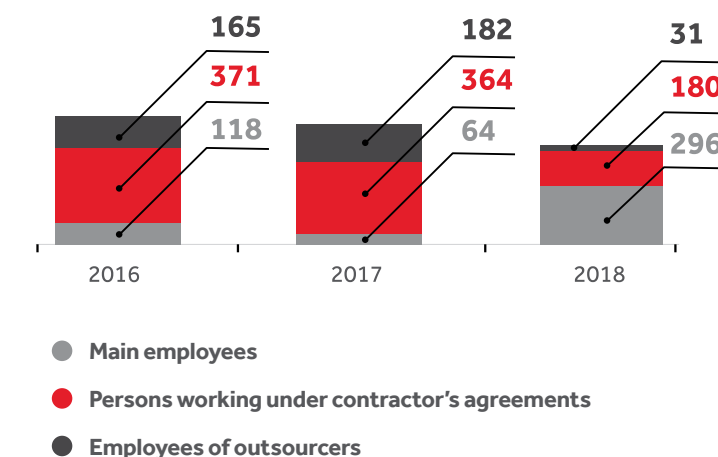
**1 553** were trained within **8 806** hours

on the average, 7.9 hours per person

**NUMBER OF EMPLOYEES EXAMINED IN OCCUPATIONAL AND FIRE SAFETY**



**NUMBER OF EMPLOYEES TRAINED IN OCCUPATIONAL AND FIRE SAFETY**



## LABOUR SAFETY OF BUSINESS PARTNERS



It is important for Coca-Cola to improve the labour safety culture both within its own activities and among business partners. Therefore in the course of the work with providers of services the company ensures the compliance of the provided services and fulfilled works with both the in-house requirements and requirements of local laws. In addition, the company determined the management means applicable for the processes, products and services provided by outside suppliers which involvement is accompanied with conclusion of the agreement (contract) specifying the rights and obligations of the enterprise and third party in relation to the compliance with the requirements to the occupational safety of employees. The company will not deal with providers of services with certification of the compliance of the set of occupational safety requirements by contracting parties.

## TRAUMATISM AND INVESTIGATION MECHANISM

**IN 2018 THERE WERE NO TRAUMAS WITH SEVERE CONSEQUENCES DUE TO THE EFFECTIVE FUNCTIONING OF THE RISK IDENTIFICATION SYSTEM AND THE PROPER LEVEL OF THE LABOUR DISCIPLINE IN RELATION TO THE COMPLIANCE WITH THE SAFETY ENGINEERING RULES.**

The single case of traumatism occurred at the dispatch of products. As a result of this case one staff member obtained a closed fracture which is not a severe one.

In 2018 the rate of recorded industrial injuries amounted to 0,73<sup>5</sup>.

Industrial accidents are investigated by the authorized official of the enterprise with participation of the occupational safety specialist, authorized person for occupational safety of the enterprise employees, representative of the insurance company and a sufferer or the persons representing the sufferer's interests.

Upon completion of the investigation, the occupational safety specialist with participation of the persons participating in the investigation makes the industrial accident report stating the measures for correction of accident causes and prevention from such events.

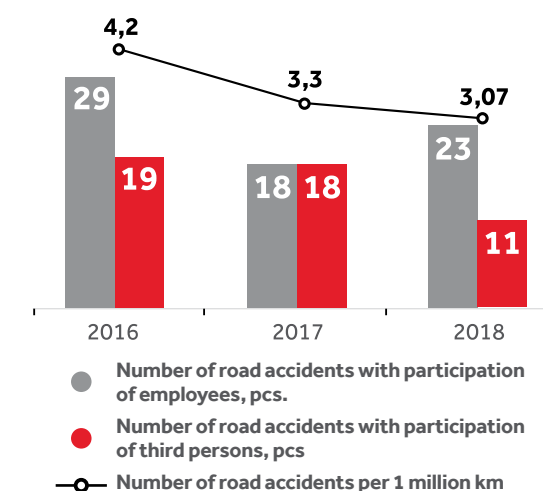
## TRANSPORT SAFETY



As the operation of the enterprise is closely related to the delivery of products by own vehicles, the road accident preventing work is very important. To this end the company conducts monthly training meetings with the commercial function in the whole country, training sessions for drivers, large-scale training with professional instructors in the closed ground. The company enlarges the portion of the vehicles equipped with the Mobileye intellectual active safety system. In 2018 the number of the vehicles with such system was 145 units.

In 2018 the main reason of road accidents was failure to keep the distance. Though the total number of transport accidents increased as compared with the previous year, the number of road accidents with participation of third persons reduced by 64 %, proving the efficiency of the road safety improving measures. The main index "Number of road accidents per 1 million km" (CR\_OWNF&3RDP) tends to decrease as well. So, this index amounted to 4.1 in 2016 and 3.1 in 2018.

**NUMBER OF ROAD ACCIDENTS**



5. Per 1,000,000 worked hours.

## SUPPLY CHAINS

The Coca-Cola System in Belarus exerts every effort to manage the supply chain according to the principles of the sustainable development. It is very important for the Coca-Cola System in Belarus to guarantee the highest quality of purchased raw stock and materials necessary to maintain the invariably high level of the quality and safety of manufactured products under the conditions of the acceptable cost of such materials and services for the support of the enterprise financial position.

Therefore, the company strictly adheres to the corporate standards of purchases and pays proper attention to the quality level of the operation of partners which is determined by the compliance with international standards and requirements of the Coca-Cola System in Belarus.

In addition to exacting requirements to the quality of provided products and services, the company exerts every effort to avoid any cases of violation of human rights, negative social impacts or violation of requirements in the field of the environmental protection by business partners.

## GOVERNING PRINCIPLES FOR SUPPLIERS

TRYING TO DEVELOP AND INTENSIFY THE RELATIONS WITH SUPPLIERS, WE DEVELOPED THE GOVERNING PRINCIPLES FOR SUPPLIERS OF THE COCA-COLA SYSTEM IN BELARUS TO BE GOVERNED IN THEIR ACTIVITIES. THESE PRINCIPLES FORM THE REQUIREMENTS TO ACTIVITIES OF BUSINESS PARTNERS OF THE SYSTEM IN THE FIELD OF OCCUPATIONAL SAFETY AND ENVIRONMENTAL PROTECTION, HUMAN RIGHTS, QUALITY OF PRODUCTS AND WORKS FULFILLED, SERVICES PROVIDED, AS WELL AS TO THE CORPORATE SOCIAL RESPONSIBILITY PRACTICES. THE OBLIGATION OF SUPPLIERS TO ADHERE TO SUCH PRINCIPLES IS THE COMPULSORY CONDITION OF CONTRACTUAL RELATIONS. THEREFORE, IN 2018 THE ABSOLUTE MAJORITY OF CONTRACTS WITH SUPPLIERS CONTAINED THE RESPECTIVE OBLIGATIONS.

## STANDARDS AND REQUIREMENTS TO SUPPLIERS

The mechanism to check of contracting parties is the list of "special" criteria to assess suppliers. In the course of the contest the following additional documents are requested from the winner: actual (1-month, at the most) extract from the Common State Register of Legal Entities and Individual Entrepreneurs, the certificate of absence of tax debts in the state budget, certificate of the bank on absence of debts; additionally, contracting parties are checked through the on-line service for check of contracting parties on the availability or unavailability of legal proceedings. The special criterion may include the availability of all necessary approvals (certificates, licenses, accesses, etc.).

In the course of the supplier selection the supplier are check substantially for the compliance with the System requirements and sustainable development criteria.

The compulsory condition for the suppliers of raw materials and primary packing is the availability of the authorization of the supplier by The Coca-Cola Company supposing that the supplier has been audited for the

compliance of ingredients and materials with the quality requirements established by The Coca-Cola Company, that necessary tests and inspections have been carried out, as well as the special audit has been performed to check the compliance with the Governing Principles for Suppliers.

In the course of the procedure for selection of suppliers of product contact materials, the main criterion is the availability of all necessary certificates and declarations proving the quality and safety of the products, raw stock and materials being purchased, as well as their complete compliance with the legal regulations and requirements of the Coca-Cola System in Belarus.

As regards new suppliers, the enterprise has developed the in-house requirements to suppliers, including the availability of the quality management system in accordance with ISO 9001 standard, the risk assessment system and in-house audit in the field of quality and food safety, the manufacturing process control and monitoring system, usage of exclusively the substances

permitted by international standards and local laws, etc.

Failure of suppliers to comply with the compulsory criteria for quality, sustainable development criteria, corporate social responsibility principles, refusal to carry out an inspection, dubious reputation are the reasons for denial of cooperation.

Upon completion of the contracting conditions the suppliers undergo the assessment procedure which results are taken into account in the further interaction. The reasons for denial of the access to Suppliers' assessment or access to cooperation within the contest is the unavailability of necessary certificates, licenses, approvals, refusal of adoption of the Governing Principles for Suppliers (governmental structures may be an exclusion), bad history of professional activities from the on-line service for check of contracting parties, refusal of acceptance of material contractual conditions.

In 2018 the number of new suppliers (which the company concluded a contract/agreement with for the first time) was 399 contracting parties, 100 % of them were assessed under social criteria.

s regards the mechanism of the social audit of suppliers, i.e. the check for compliance with SGP, there is no separate mechanism, however all suppliers should sign the consent to comply with the Governing Principles for Suppliers and agree to give our representatives the access to their production to check the compliance with the company policies at any, previously agreed moment. The denial of acceptance may be the reason for denial of cooperation. Exclusion may be made for the governmental authorities being the monopolists in a certain field.

The competitive selection may not be carried out, if a potential supplier is a monopolist, original manufacturer, sole authorized representative in the territory of the Republic of Belarus, governmental authority or provides a unique service, manufactures a unique product, as well as if a special permit is available. In such case, the memorandum is made to the head of the logistic department with explanation of the reason of the purchase without the comparison procedure.

## PURCHASES

In 2018 no significant changes occurred in the supply chain and supplier selection system of the Coca-Cola System in Belarus.

### SO, THE PURCHASING PROCESS INCLUDES 6 MAIN STAGES:

- making an application for purchase, including the technical task for the product, service being purchased, and their approval;
- conduct of the supply selection procedure and approval of its results;
- making and approving the purchase order (PO), as well as preparation, agreement and conclusion of a contract;
- confirmation of the order to the supplier;
- arrangement of the supply;
- acceptance of products and/or services/works.

The company purchases products from both Belarusian and foreign suppliers.

In 2018 the total purchase budget amounted to

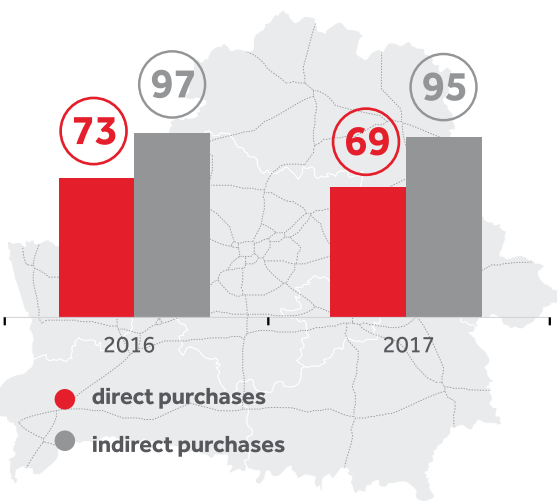
€103 750 231

In 2018 the greater part of the purchase budget of the Coca-Cola System in Belarus was from Belarusian suppliers and was

82 %



PORTION OF BELARUSIAN SUPPLIERS  
IN DIRECT AND INDIRECT PURCHASES



Pro-forms for manufacture of plastic containers, sugar for beverages, state signs and accountable forms, advertising services, as well as lease services and office

maintenance, accounting and personnel services are purchased mainly from Belarusian enterprises. From foreign supplies the enterprise purchases mainly the refrigeration equipment, concentrate for beverages, as well as pre-forms.

The total number of suppliers was **1,632**, including **1,540** — local Suppliers (94 % of the total number of suppliers), **92** — foreign Suppliers (6 % of the total number of suppliers). Out of **92** foreign Suppliers: **33** — the Ukraine, Russia, Kazakhstan; **3** — the USA; **56** — countries of the European Union.

Due to the well-coordinated work of the enterprise personnel for supplier selection, **100 % of purchases were made in accordance with the purchase policies and rules of the Coca-Cola System in Belarus. All the suppliers involved in the reporting year were assessed for the compliance with the social and environmental criteria.**

AUXILIARY PLATFORMS

Various tools are used in the enterprise for the purpose of the simplification of the supplier selection process and assessment of them under social, environmental and economic factors.

ECOVADIS IS AN INTERNATIONAL PLATFORM UNITING THE WIDE SPECTRUM OF COMPANIES (OVER 55,000 COMPANIES FROM 155 COUNTRIES WORLDWIDE OPERATING IN 198 SECTORS) INTO THE GLOBAL EXPERT MEDIUM ENABLING TO USE THE ASSESSMENT OF THE EFFICIENCY OF THE COMPANY ACTIVITIES INTERESTED IN THE SUSTAINABLE DEVELOPMENT. IN THE COURSE OF THE DECISION-TAKING FOR SUPPLIER SELECTION THE COCA-COLA SYSTEM IN BELARUS HAS BEEN ACTIVELY USING ECOVADIS FOR SEVERAL YEARS AND INVOLVING THE INCREASING NUMBER OF KEY SUPPLIERS TO THIS PLATFORM.

The company assessment methodology within this platform is based on the international standards of the corporate social responsibility, Global Reporting Initiative approaches, UN Global Compact and international standard ISO 26000 on social responsibility.

E-AUCTIONS AND E-SOURCING

In 2018 the company introduced the E-Auctions electronic auction platform, introduced on 10.01.2018, with 27 auctions held for the year, as well as E-Sourcing, introduced on 20.04.2018, with 10 sourcings made for the year. These platforms simplified significantly the purchasing processes, influenced positively on the competitiveness among suppliers, as well as enabled to increase the efficiency of purchases under price criteria.



PRODUCTION

BRIEF DESCRIPTION OF PRODUCTION

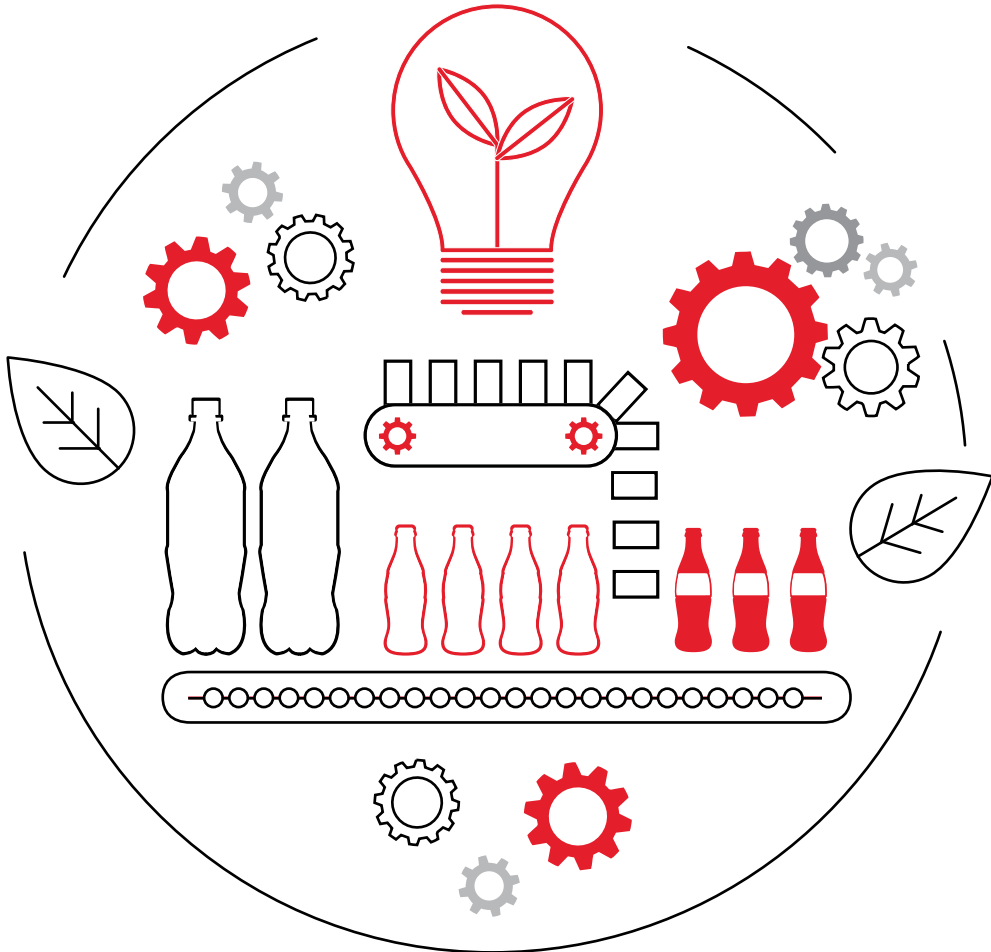
FROM THE VERY FOUNDATION OF THE COMPANY THE PRODUCTION WAS ARRANGED IN THREE MANUFACTURING LINES:

**1 — LINE** for bottling of products in 1 l and 2 l PET-bottles. In 2015 the line was improved significantly (bottling block was replaced, packing machine, palletizer, pallet wrapper, labelling machine). Currently this line can produce all 4 formats (0.5 l, 1, 1.5 l, 2 l) including still water and drinks. At the start of the production the bottles which were manufactured with this line had a paper label. Since 2015, resulting from the improvement with the increased production capacity, the possibility to use a more un-to-date OPP (plastic) label appeared. Currently, in addition to the first line, 2 other PET lines operate in the enterprise: PET-3 from 2008 (manufactures 1.5 l and 2 l products) and PET-4 from 2015 (0.5 l and 1 l). It should be noted that PET-4 is a high-speed line (0.5 l — 43,200 bottles/h, it is 2.4 times more effective than PET-1, 1 l — 25,000 bottles/h, it is 1.4 times more effective than PET-1), it is our pride.

**2 — LINE** for dispensing, syrup is dispensed in special 20 l bags which are further packed in cardboard bags. In 2015 the line was improved: from this moment the syrup for post-mix apparatuses is dispensed under Bag-in-Box technology (syrup is dispensed in special bags which are further packed in cardboard boxes).

**3 — LINE** for bottling in 0.25 l glass bottles operated for a long time but was taken out of operation for the economic reasons (high energy intensity of the line, high prime cost of the manufacture and, consequently, high retail price, low demand for products in glass bottles). Currently, glass bottles are purchased from the companies of Coca-Cola Hellenic Bottling Company (HBC) Group.

**4 — LINE** for pre-form manufacture operated for a long time as well, but pre-form was not purchased, only PETP granulated material was purchased. Afterwards it was rejected for the economic reasons (high energy intensity). Currently, pre-form is purchased from specialized enterprises.





## RANGE OF PRODUCTS MANUFACTURED

COCA-COLA BEVERAGES BELORUSSIYA OFFERS THE WIDE CHOICE OF CARBONATED, STILL AND JUICE-CONTAINING BEVERAGES, JUICES, NECTARS, DRINKING WATER, AS WELL AS ENERGETIC BEVERAGES BURN AND MONSTER ENERGY.

Carbonated drinks are the basis of our business. We offer the wide choice of carbonated drinks to consumers, including sugar-free ones, in different packaging, satisfying various needs of our consumers (**Coca-Cola, Coca-Cola Zero, Coca-Cola Cherry Zero, Coca-Cola Zero Лимон, Fanta, Sprite, Schweppes, Fruktime**).

LINE OF STILL DRINKS, JUICES AND JUICE-CONTAINING DRINKS is represented by **FUZE TEA** still drink, **Rich, Rich Crystal, Dobriy, Dobriy Pulpy and Joy** juices and nectars, **Moya Semya** juice-containing drinks, **PowerAde** isotonic drink launched in 2019.

Our company offers the wide choice of drinking water **BonAqua и BonAqua Vivaw** which was launched in 2019 and is a novelty.



Currently, the production has expanded greatly and we manufacture

**84** types of products

As compared with the previous year, the volume of output grew by

**20%↑**

The manufacture of our beverages is characterized by strongly pronounced seasonal prevalence. The company always takes into account the peculiarities of the structural rearrangement of the retail trade market. For the recent decade, our orientation moved to large-format shops — hyper- and supermarkets.



At present, 6 shifts operate in the plant during the low-season period and 8–10 shifts — during the high season (depending on the planned demand for products).

### THE RESULTS OF THE MINSK PLANT PRODUCTION ACTIVITY ARE ONES OF THE BEST IN COCA-COLA HELLENIC BOTTLING COMPANY (HBC) GROUP:

- water consumption per liter of manufactured products reduced by 64 % (as compared with 2016 period (start of observations));
- efficiency of manufacturing lines is rather high “70 % + SLE” and even “75 % = SLE<sup>6</sup>” (as compared with 2016 period (start of observations)).

### THE PRODUCTION IS CONSTANTLY FOCUSED ON THE REDUCTION OF MATERIALS CONSUMPTION OF MANUFACTURED PRODUCTS, WHAT HAS A POSITIVE INFLUENCE ON THE REDUCTION OF WASTER FORMED. THE FOLLOWING RESULTS WERE ACHIEVED IN COOPERATION WITH MANUFACTURERS OF THE EQUIPMENT AND SUPPLIERS OF MATERIALS:

- weight of the preform being used reduced by ~ 20 – 35 %, depending on formats of plastic bottles extruded. In 2018 the mass of 0,5 l BonAqua still bottle was as low as 16,8 g;
- weight of a cap being used reduced by ~ 15 %;
- thickness of shrinkable film being used reduced by ~ 55 %;
- thickness of wrapping (stretch) film being used reduced by ~ 43 %.



UNDER THE 2018 RESULTS, THE MINSK PLANT (PRODUCTION) WAS RECOGNIZED AS THE BEST IN COCA-COLA HELLENIC BOTTLING COMPANY (HBC) GROUP AND RECEIVED THE BEST PLANT AWARD FOR THE FIRST TIME.

## MANUFACTURING EFFICIENCY IMPROVEMENT PROGRAMS

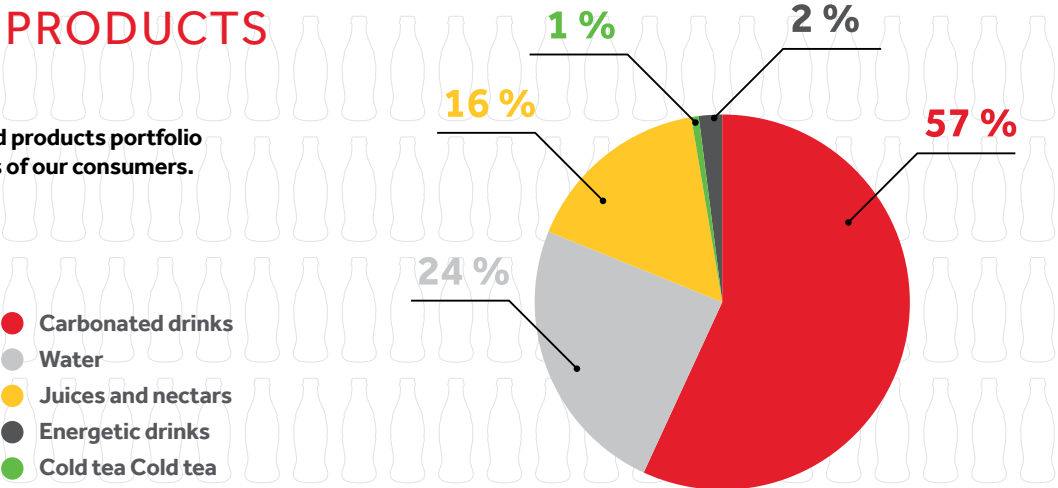
From the beginning of 2018, 24 programs with the total budget of € 157,637 aimed at the manufacturing efficiency improvement were implemented. The key areas include the replacement of heat-exchangers, modernization of the cooling system, filler control system of PET-4, as well as many projects for installation, replacement and modernization of the manufacture-related equipment.

6. SLE (System Line Efficiency) is the index of the line operation efficiency which represents the actual efficiency of the equipment (bottling lines) to its nominal efficiency (set by the manufacturer), i.e. the actual time consumed for the manufacture of products, with account of standing idles, failures, in relation to the time needed for the manufacture of such products with the nominal operation rate without stoppages. It is measured in per cents.

SALES

RANGE OF PRODUCTS

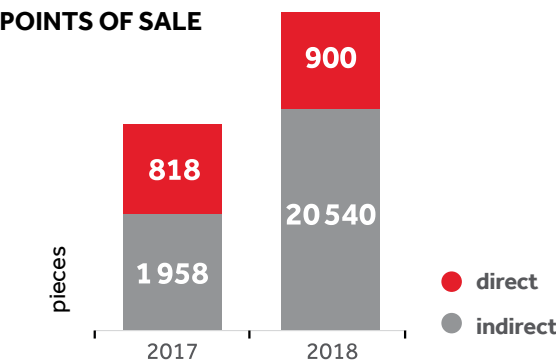
The structure of the sold products portfolio in 2018 represent tastes of our consumers.



SALES CHANNELS

Over **96 %** of products were sold through indirect sales channels in 2018

By **5 %** the total number of points of sale increased as compared with 2017



DELIVERY OF PRODUCTS



The important condition of the mutually advantageous commercial activities is the timely performance of delivery conditions and arrangement of the logistic schemes with which consumer will be always provided with high-quality products. [DIFOTAI (Delivered in Full on Time Accurately Invoiced) is the special index used for the assessment of the service quality. In 2018 this index was 98,9 % and enables Coca-Cola Beverages Belorussiya

Manufacturing Unitary Enterprise to be a leader among other countries — bottlers of CCHBC.]

The excess of set purposes for the product age in trade is tracked for such purposes as well; in 2018 it was reduced by 18 % at the average as compared with 2017.

IT MEANS THAT OUR PLANNING, STORING AND SALE PROCESS ENABLES US TO PROVIDE CONSUMERS WITH THE “FRESHEST” PRODUCT WITH THE BEST TASTE CHARACTERISTICS.

BREAKFAST / START OF A DAY

The adherence of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise to the social responsibility principle includes both satisfaction of consumer needs and responsible marketing which is shown as, for example, the support of the commitment On Restriction of Advertisement Intended for Children accepted by the Coca-Cola System in 2009. According to this commitment, the company abstains from advertising of beverages for the audience under 12 years old (covers the mass media where the audience portion of children under 12 years old is not less than 35 %).

ACCORDING TO THIS COMMITMENT, WE:

- do not sell carbonated soft drinks in schools;
- do not place the advertisement in educational institutions;
- do not place the advertisement in the mass media clearly intended for children under 12 years old, and do not publish such advertisement in our sites;
- do not develop the marketing events clearly aimed at children;
- do not make the branded sponsoring of sporting and entertaining events intended mainly for children under 12 years old.

The commitment On Restriction of Advertisement Intended for Children is fixed in the global Responsible Market Policy of The Coca-Cola Company adopted in 2015, supplemented with developed guiding recommendations containing the practical instructions for fulfilment of requirements. The compliance with the Policy is strictly tracked and checked by in-house auditors of the enterprise.

NEW PRODUCTS

THE COMPANY TAKES CARE OF CONSUMERS AND ASPIRES TO ADD VARIOUS NOVELTIES IN THE MARKET, TO EXPAND THE PRODUCT PORTFOLIO, IN ORDER TO SATISFY NEEDS OF EACH CONSUMER AND SECURE ITS LEADER POSITIONS IN THE SOFT DRINK MARKET. IN 2018 SEVERAL NOVELTIES WERE LAUNCHED:



NEW TASTE:

- Coca-Cola Zero Cherry carbonated soft drink;
- Fanta Marakanas carbonated soft drink.

NEW PACKAGING:

- Fruktime Cream Soda carbonated soft drink;
- Fruktime Duchesse carbonated soft drink;
- Fruktime Lemonade carbonated soft drink;

- Fruktime Snowy carbonated soft drink;
- Fruktime Golden Key carbonated soft drink;
- Orange juice, Rich brand;
- Apple juice, Rich brand;
- Grapefruit juice, Rich brand;
- Tomato juice, Rich brand;

- Cherry nectar, Rich brand.

NEW CATEGORY:

- Monster Energy tonic soft (energetic) drink (new brand);
- Fruit drink, Dobriy brand.

PRODUCT LABELING

Labelling of packed food products of the Coca-Cola System, in addition to other requirements, complies with the requirements of the special technical regulation TR TS 022/2011 Food Products Labelling.

The necessary information on the Coca-Cola System beverages is provided in understandable terms and contains the data on the brand, category and ingredients of the beverage, sugar contents and other ingredients.

In order to support the more responsible approach to the choice of products, the FOP (front-of-pack) labelling is placed on the face side of the packaging and states the volume of a drink portion, drink caloric content and a portion of a daily caloric norm.

This enables a consumer to be easily guided and choose a product in accordance with needs.



# ENVIRONMENTAL IMPACT



In the pursuit of sustainable development, production activities of The Coca-Cola System in Belarus is carried out under responsible attitude towards environment and focuses on improvement of environmental performance and any mitigation of environmental impact. The personnel, continuously analysing and improving performance efficacy, introducing new technologies, all the time minimize mitigation of environmental impact of such significant environmental performance as emissions of carbon dioxide, pollutants, and ozone-depleting substances, wastes generation, consumption of energy and water resources.

Compliance with the requirements of local legislations, policies and standards of The Coca-Cola HBC Group and The Coca-Cola Company in the area of environmental protection is strategically important for us. In view of this, enterprises have been introduced management systems in compliance with international and national standards in the area of environmental management, water resources management, quality system and food safety management, occupational health and safety.

In the context of the operation of the environmental management system, in 2018, an annual identification of environmental performance of the enterprise, its products and services with follow-up assessment of their importance on environmental impact took place.

In 2018, by using common efforts of personnel, in their interaction with stakeholders, and high technologies, we managed to achieve significant results in mitigation of environmental impact along the entire value chain.

## RESPONSIBLE WATER MANAGEMENT

It is not a secret that water is the main ingredient of our beverages. In view of water management, the Coca-Cola System in Belarus makes every effort to ensure water resources conservation from both direct and indirect impact of System's enterprises and suppliers.

Besides the products, water is also used to meet domestic, fire protection and technology needs. Water is supplied from the urban water facilities to special reservoirs for temporary storage. Water from reservoirs goes through a strictly regulated procedure of purification and treatment before using according to existing rules and regulations of quality and safety. Domestic wastewater is discharged into public water system. The industrial wastewater treated on the private wastewater treatment plants is discharged there too. Collected surface water run-offs are being treated, thereafter discharged into urban wastewater treatment plants.

Water impact assessment is performed in accordance with water resources management passed AWS certification (Alliance for Water Stewardship), in 2018. This management system focuses on implementation of the four principles:

- honest and sustainable use of water resources;
- water consumption and usage providing conservation of sustainable hydrological budget;
- maintaining an appropriate water quality condition;

- providing appropriate support to ensure sound condition of water resources used by the company in all areas of activity.

The Enterprises of the System continuously perform quality monitoring, keep statistics on the incoming and discharged water quantity, apply alerting service on potential hazardous situation (Near loss) caused by water-loss.

Targets for water consumption per litre of the beverage produced are set annually. The representatives of the enterprise also take part in the work of the Dnieper basin board in order to develop management decisions in the field of protection and usage of water resources throughout the region and interact with stakeholders, participate in activities, implement collaborative environmental projects oriented to evolution, protection and restoring of water resources.

**In 2018, large number of projects related to water resources was carried out, for more details refer to section "Societal impact":**

Let's Save Yelnya Together!

Turov Meadow

Lake Beloye

Let's Do It!

Initiative "Heat"

International competition of scientific-research and application projects "Stockholm Junior Water Prize"

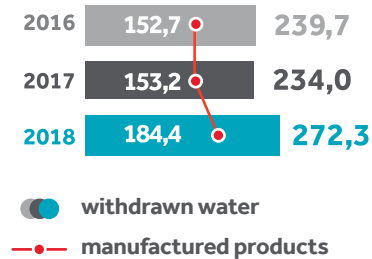


WATER WITHDRAWAL

In 2018, regarding the increase in the number of manufactured products by 20,4 %, total water consumption is 272,3 and increased by 16,4 % in relation to the previous year.

While water intake, its quality is controlled by accredited laboratories in compliance both with internal standards and requirements of legal regulations.

QUANTITY OF EMPLOYEES TASTED FOR KNOWLEDGE OF OCCUPATIONAL AND FIRE SAFETY



SPECIFIC WATER CONSUMPTION<sup>7</sup>

Despite the increase in total water consumption, specific water consumption reduced by 3,27 % as compared to 2017 and made 1,48 litres of water per 1 litre of finished products. This indicator serve as the key indicator for water use efficiency, therefore the enterprises of the System seek a permanent decreasing of its value through organizational and engineering solutions and activities.

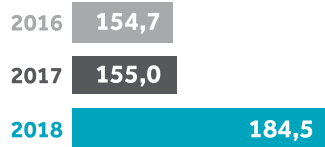
WATER CONSUMPTION DECREASED BY **3,27 %**

In February 2018, there was organized water collection for reuse from the ozone-level sensor after an ozoniser. Estimated volume of additionally collected water, and hence decrease in our water consumption from public utilities made 300 m³ per year.

WATER USAGE

Most of the withdrawn water is used directly for beverages. In 2018, because of the increase in production volume, water consumption increased significantly by 19% as against 2017.

ОБЪЕМ ИСПОЛЬЗОВАННОЙ ВОДЫ, МЕГАЛИТР



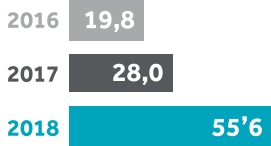
WATER REUSE

WE MANAGED TO INCREASE THE VOLUME OF REUSED WATER BY

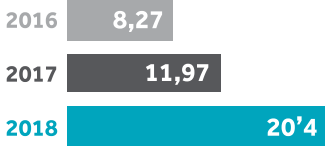
**99%**

In order to reduce the consumption, most of the withdrawn water is being reused. In 2018, it was able to almost double — by 99 % — the volume of reused water, which made 55,6 megalitres — 20,4 % of the total withdrawn water in 2018.

THE VOLUME OF REUSED WATER, MEGALITRES



SHARE OF REUSED WATER OF THE TOTAL WATER WITHDRAWAL, PER CENT



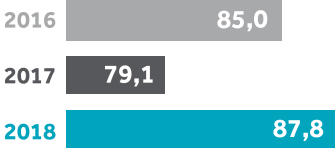
WASTEWATER

THE REDUCTION OF THE WASTEWATER DISCHARGE, MONITORING, CONTROL AND IMPROVEMENT IN THE WATER DISCHARGED QUALITY INDICATORS ARE CRITICAL ASPECTS FOR THE SYSTEM'S ENTERPRISES. IT IS IMPORTANT FOR US THAT ALL THE WATER RETURNING FROM THE PLANTS TO THE NATURAL ENVIRONMENT REMAINS SUITABLE FOR SUSTAINING AQUATIC ECOSYSTEMS.

For this purpose, according to the requirements of the local legislation<sup>8</sup>, as well as internal standards and policies<sup>9</sup>, the enterprises have implemented wastewater management in order to comply with requirements for protection of the surface water against pollution and controlling water quality at water bodies.

The company has also developed the analytical control system that provides additional monitoring some important wastewater quality indicators by the enterprise<sup>10</sup>. Wastewater samples intended for analysis go to an independent accredited laboratory to confirm their compliance with controlled parameters.

VOLUME OF WASTEWATER DISPOSAL, MEGALITRES



WASTEWATER TREATMENT

Part of the industrial and surface water run-offs is purified by using neutralization method at the aerobic wastewater treatment station. Company's wastewater discharged into the municipal sewerage system after treatment in 2018 met the integrated permit requirements at acceptable concentration of polluting substances set by the company receiving wastewater.

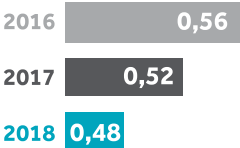
TOTAL WASTEWATER DISPOSAL<sup>11</sup>

Against a background of increasing in production volume, total wastewater disposal increased by 11 % as compared to 2017 and made 87,8 megalitres.

SPECIFIC WASTEWATER DISPOSAL

The average specific wastewater disposal in 2018 made 0,48 litres per 1 litre of finished products, which was 7,7 % less than in previous year. The reduction has made possible due to the project on reuse of water after an ozonator in the water treatment phase.

SPECIFIC WASTEWATER DISPOSAL, L/LITRES OF FINISHED PRODUCTS



7. Instrumental data; indicator of withdrawn water mineralization did not exceed 1000 mg/l

8. Decision of the Minsk City Executive Committee dated 23 January 2003 Concerning Conditions of Waste Water Collection in Minsk Utility Household Wastewater System, Sanitary Rules and Norms 2.1.2.12-33-2005 "Hygienic Requirements for Surface Water Protection against Pollution"  
9. ES-RQ-225 Standard for Waste water Quality  
10. Hydrogen ion concentration (PH), biochemical oxygen demand – 5 day test (BOD5), chemical oxygen demand (COD), suspended substances, ammonium nitrate, phosphates, chlorides, sulphates, dry residues, petroleum products, ferric iron, permanganate index.  
11. Instrumental data; wastewater mineralization rate did not exceed 1 000 mg/litre

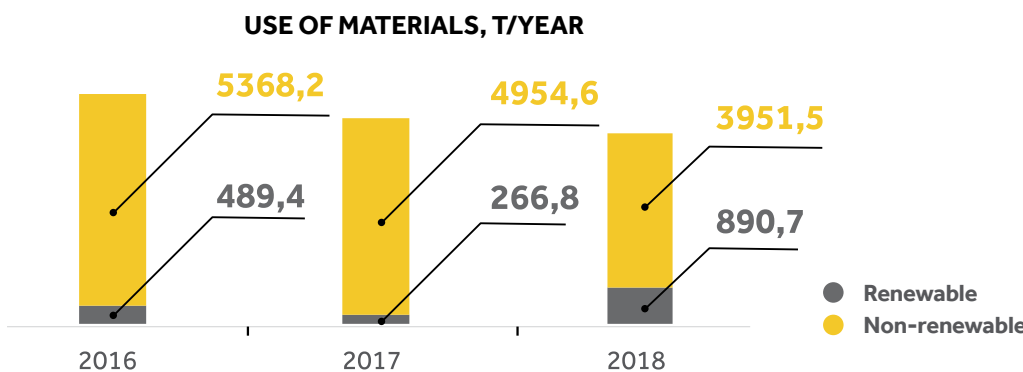
USE OF MATERIALS

RESOURCES FRIENDLINESS MAKES ENTERPRISES OF THE SYSTEM OBLIGED TO CONTINUOUSLY SEARCH FOR WAYS OF MORE EFFICIENT USE OF RESOURCES, INCLUDING SECONDARY USE.

Total mass of materials used for manufacturing and packaging of the products in 2018 made, which was

**4 842,32 tonnes**  
**7,8 %** less as compared to previous year.

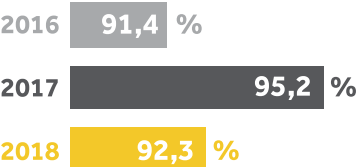
This progress was achieved in relation to the implementation of the project on weight reduction at a substantial increase in volume of finished products by 20,4 % in the same period.



RECYCLED MATERIALS

By 2025, to fulfil the obligations on sustainable development 35 % of plastic bottles used in our packaging should be produced from recovered materials. Recovered materials have not, to date, yet been used in food production.

SHARE OF WASTE DELIVERED FOR RECYCLING, %



PARAMETERS OF PACKAGE WEIGHT REDUCTION

The project successfully reduced the weight of PET bottle for non-carbonated water by 6 %<sup>12</sup> in 2018 as compared to 2016. The weight of carton liner for PET bottle package declined by an average 15 %<sup>13</sup> in the same period. The weight of film for one PET bottle package<sup>14</sup> also decreased by an average 11 %.

weight of PET bottle for non-carbonated water reduced by **6 %**  
weight of carton liner for PET bottle package reduced by **15 %**  
weight of film for one PET bottle package reduced by **11 %**

WASTE MANAGEMENT

The enterprises of the Coca-Cola System in Belarus continuously seek to improve environmental performance in the field of waste management in order to reduce its quantity and increase waste reusability for the avoidance of waste landfilling.

THE ENTERPRISES OF THE SYSTEM, IN THEIR WASTE MANAGEMENT ACTIVITY, ADHERE TO THE FOLLOWING SEQUENCE IN SELECTION OF WASTE DISPOSAL METHOD:

1. Minimization or prevention of waste generation at source.
2. Searching for way of recycling.
3. When recycling is not possible — looking for ways of processing.
4. The last option is landfill of solid municipal waste.

WASTE GENERATION

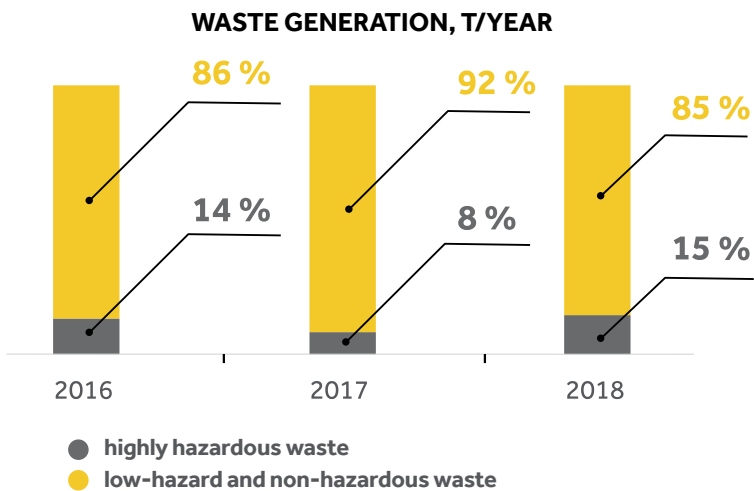
The total waste generation volume in 2018 made

**742,3 tonnes** which **25,8 %** was less than the current indicator in comparison with previous year

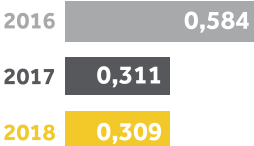
**92,3 %** of the total waste were recycled, to obtain raw materials or energy sources, or processed  
**7,6 %** of waste were landfilled

The decrease in amount of waste or waste transferred to recycling as compared to 2017 was due to the implementation of pallet repair and their reuse, as before broken pallets had been considered as waste.

Specific indicator of the amount of waste transferred for ground disposal referred to 1 litre of finished products made 0,309 grams per 1 litre, which was 0.6 % less than in 2017.



THE AMOUNT OF WASTAGE TRANSFERRED FOR GROUND DISPOSAL, GR/1 LITRE OF FINISHED PRODUCTS



## SELECTION OF SUPPLIERS

SUPPLIERS OF WASTE MANAGEMENT SERVICES IN RESPECT OF WASTE FROM THE SYSTEM'S ENTERPRISES ARE SELECTED BASED ON THE COMPLIANCE WITH THEIR REQUIREMENTS ON METHODS AND OPPORTUNITIES FOR RECYCLING OF SPECIFIC TYPE OF WASTE.

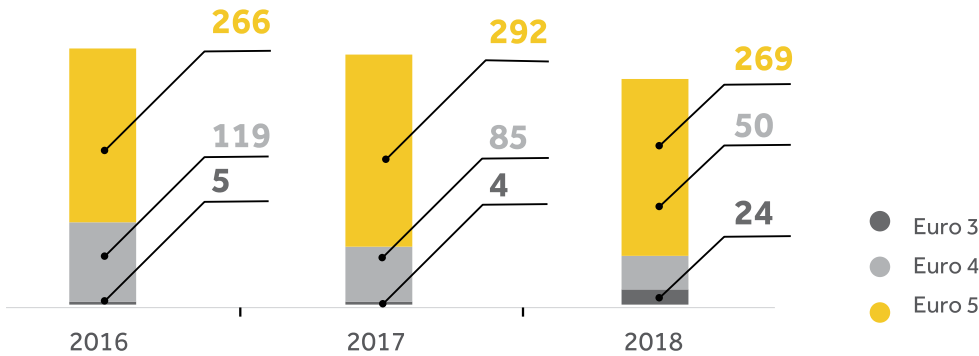
AGREEMENT IS MADE ONLY WITH SUPPLIERS FROM NATIONAL REGISTER OF ENTERPRISES ON THE WASTE EXPLOITATION, PROCESSING AND LANDFILLING AFTER PASSING MANDATORY PROCEDURES OF REGISTRATION AND LICENSE VERIFICATION. SUPPLIERS ARE ALSO REGULARLY CONTROLLED FOR VALIDITY OF A LICENCE, AND AUDITS FOR EXECUTION OF THE REQUIREMENTS ON THE WASTE MANAGEMENT, SET BY THE SYSTEM'S ENTERPRISES, ARE PERFORMED.

## TRANSPORT

In order to reduce the impact of emissions generated by enterprise transport, the vehicle fleet is updated systematically by replacing out-dated vehicles with more advanced and environmentally friendly.

In this regard, in 2018, **35**  new motor vehicles corresponding to the requirements of Euro-5 standard were purchased.

TRANSPORT, DISTRIBUTION BY ENVIRONMENTAL STANDARDS

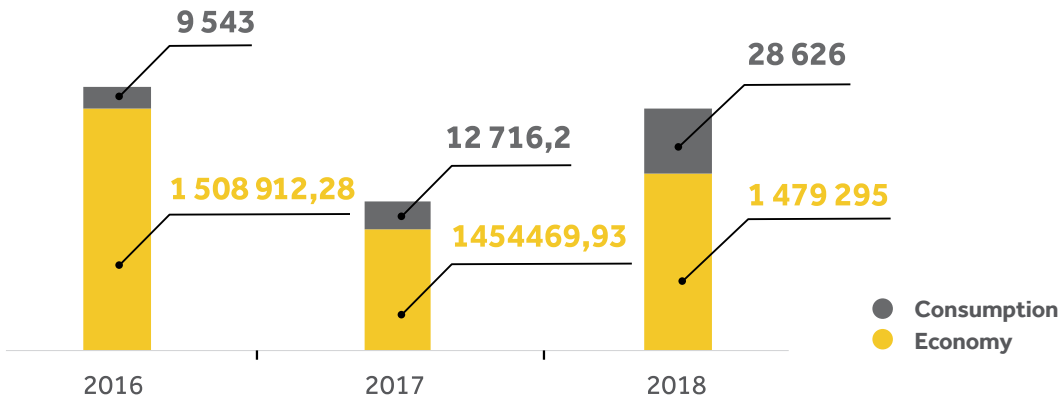


## FUEL CONSUMPTION

In 2018, total fuel consumption grew by 1,7 % due to increase in production volume.

At the same time, the program encouraging drivers for fuel economy and optimization of delivery routes made by the company have contributed to double the volume of fuel saved. **from 0,9 % to 1,9 %**

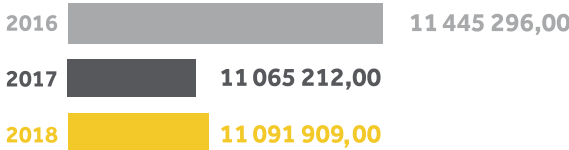
CONSUMPTION AND TRANSPORT FUEL ECONOMY, L



## DISTANCE RUN BY TRANSPORT VEHICLES, KM

The decrease in distance run by transport vehicles by 3,09 % as against 2017 became a result of increased effectiveness of route planning.

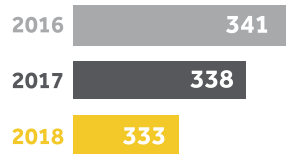
DISTANCE RUN BY TRANSPORT VEHICLES



## CO<sub>2</sub> EMISSION FROM MOTOR TRANSPORT

The average rate of CO<sub>2</sub> emission from motor transport made 333 g/ km. By optimization of delivery route maps, this indicator reduced by 1,2 % or 5g/km as compared to previous year.

AVERAGE CO<sub>2</sub> EMISSION, KM





EMISSION

The enterprises of the Coca-Cola System in Belarus seek to control an impact on climate change because of their productive activities and do a business under the concepts of sustainable development, in particular with respect to emission.

THE TARGET OF OUR WORK IS FUNDAMENTAL REDUCTION IN GREENHOUSE GAS (GHG) EMISSION.

THE MAIN SOURCE OF GREENHOUSE GAS EMISSIONS ON THE ENTERPRISES OF THE SYSTEM ARE THE UTILIZATION OF FUEL INTENDENT FOR PRODUCTION AND TRANSPORT NEEDS. ANNUALLY, THE TARGETS FOR CARBON DIOXIDE (CO<sub>2</sub>) EMISSIONS ARE SET TO MITIGATE THE IMPACT OF EMISSION. THE PLANT HAS ALSO ESTABLISHED AN INDUSTRIAL ECOLOGICAL SYSTEM OF CO<sub>2</sub> EMISSION CONTROL.

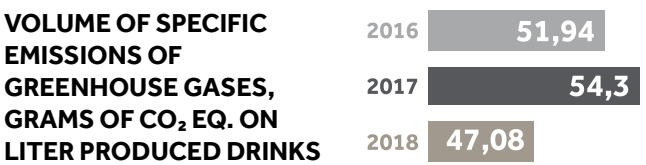
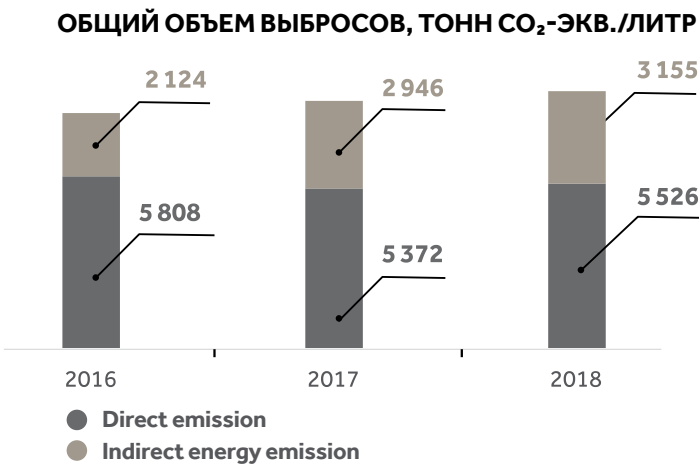
DIRECT AND INDIRECT GREENHOUSE GAS EMISSION

In 2018, 8 681 tonnes of the GHG<sup>15</sup> were emitted to the atmosphere, 5 526 tonnes of which were related to direct emission, and 3 155 tonnes — to indirect. Direct emission involves emissions from fossil fuels, including fuel for transport, as well as emissions from refrigeration facilities and CO<sub>2</sub> in products. Indirect emission takes into account of emissions from purchased electricity.

In 2018, the volume of emission unavoidably increased by 4,4 % as against 2017 because of the increase in the production volume and changes in calculating the amount of emissions. In comparison with 2010, taken as a reference for long-term planning of targets for 2020, the value increased by 3,8 % through higher indirect energy emission caused by the increase in the production volume.

CONSIDERING THE DECREASE IN DIRECT EMISSION BY

12,6%



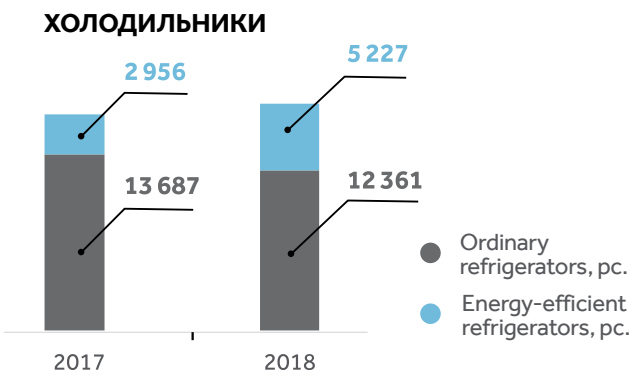
REDUCTION OF GREENHOUSE GAS EMISSION

Replacement of lighting fixtures, optimization of ventilation system run-time, hydrodynamic washing of heating system in commercial buildings, and modernization of packing machine at manufacturing lines have resulted in emission prevention of 34<sup>16</sup> tonnes of CO<sub>2</sub> equivalent. The total mass emission of 19 pollutants, that an enterprise takes into consideration, made 1,5 tonnes in 2018.



REFRIGERATION EQUIPMENT

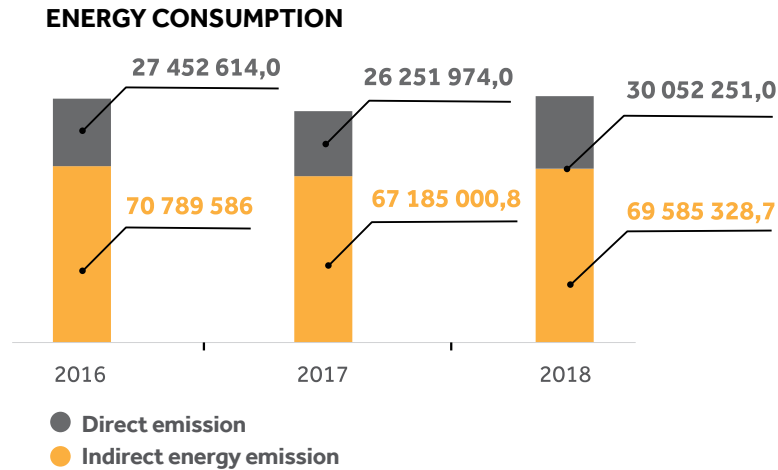
On the way to the reduction of both CO<sub>2</sub> and ozone-depleting substances emission in compliance with sustainable development obligations the refrigeration equipment submitted to the owners for free use is replaced with more energy-efficient. In 2018 the share of energy-efficient refrigerators free of ozone-depleting substances made 30 %, and in 2017 their share was 18 %.



ENERGY CONSUMPTION

In accordance with effective policies in the field of environmental protection, the enterprises of the System are working with determination on energy consumption reduction to prevent further climate changes.

Although there were no significant developments in energy sources, the indicator of total energy consumption in 2018 made 115 879 317,5 mJ, which is by 6 % more that in 2017 (108 488 269,80 mJ). Fuel intended for production and transport needs forms a major share (60 %) in energy consumption. Another 40 % represent electrical and heat energy being produced outside.

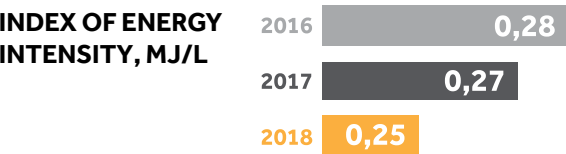


REDUCTION OF ENERGY CONSUMPTION

The company has implemented a number of projects on improvement of energy monitoring system, replacement of lighting fixtures, optimization of equipment run-time, which helped to save 315 994 mJ heat and electrical energy<sup>17</sup> within a year.

ACTIVITIE/INITIATIVE	Reduction of energy consumption, mJ
Replacement of lighting fixtures	17 626
Optimization of ventilation system run-time at manufacturing site	115 776
Hydrodynamic washing of heating system in commercial buildings	23 652
Modernization of packing machine at manufacturing lines	158 940

Thanks to that activities, the index of energy intensity per 1 l of finished beverage made 0,25 mJ, which is 7 % less than in previous year.



IN 2018  
**315 994 MJ**  
OF HEAT AND ELECTRICAL ENERGY WERE SAVED

15. Calculation of direct emission includes CO<sub>2</sub>, HFCs, HC, CFC / HFCF; calculation of indirect energy emission includes only CO<sub>2</sub> and HFCs. Consolidation of emission data on areas 1 and 2 was performed on the basis of operational control of System's enterprises. No emission of biogenic origin took place. Emission factors have been taken from the publication "CO<sub>2</sub> emissions from fuel combustion" IEA (International Energy Agency) 2016 (for the period of 2010–2016), IEA 2017 (in 2017), "Emission factors" IEA 2018 (in 2018), Protocol on GHG 2015, h2tools.org, Protocol on GHG being an instrumental part (<http://www.ghgprotocol.org/files/ghgp/tools/hfc-pfc.xls>), IFEU research made for The Coca-Cola Company according to the Ecolnvent database.  
16. Emission factors have been taken from the publication "CO<sub>2</sub> emissions from fuel combustion" IEA 2016 (for the period of 2010–2016). The assessment of the emissions from stationary sources is conducted by using computational or computational and instrumental method on the POD-1 form (Journal of Emission Stationary Sources and Their Characteristics), computational method on the form POD-2 form (Journal of Atmospheric Air Protection Control), taking into account the time and action time of stationary sources and gas purifying unit, on the form POD-3 (Journal of Action Time of the Gas-cleaning and Dust-collecting Units).  
17. Calculation was being made by mathematical accounting of the data from automated energy consumption monitoring system.

## INFLUENCE ON SOCIETY



## COOPERATION WITH LOCAL COMMUNITIES

In 2018 we completed the development of the corporate social responsibility principles defining the purposes and tasks till 2025. Coca-Cola in Belarus will pay more attention to the following priorities:

- Waste Reduction Strategy "World Without Waste" (WWW) with emphasis on recycling — collection and reuse of packaging materials;
- Rational use of water resources (Water stewardship);
- Expansion of rights and opportunities of women and youth (Youth & Women Empowerment);
- Development of local communities, including the inclusivity enhancement (Community development, incl. inclusivity).

In 2018 significant attention was paid to environmental projects with different aims.

Since 2009 the company together with the Protection of Birds. Motherland public organization and the Turov City Executive Committee have been implementing the project for cleaning the territory of Turovskii Lug biological preserve. During nine years of the project existence the volunteers and enterprise employees carry out the measures aimed at the creation of optimal conditions for nesting and stopping of water-paludal birds during migration, preservation of the existing ecosystem, maintenance of the biological diversity of the territory. In 2018 the employees of Coca-Cola Beverages Belorussiya

Manufacturing Unitary Enterprise together with Turov schoolchildren cleaned the territory of Turovskii Lug biological preserve from refuse: plastic, glass, paper.

From 2015 Coca-Cola Beverages Belorussiya is the general partner of "Let's do it!" global environmental action which became a part of "Let's do it — World clean-up" worldwide campaign. Every year the action collects near 18 million participants in 113 countries of the world. The main purpose of the action is involve people in cleaning in public facilities.

In 2018 Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise together with the Republican Centre for Ecology and Local History, Geography and Culture educational institution and Centre of Environmental Solution institution, with the assistance of the Ministry of Natural Resources and Environmental Protection of the Republic of Belarus, initiated the Republican Environmental Event within the "Let's do it!" action. The main purpose of the event is to draw the population attention to the current environmental situation in Belarusian cities. The action was supported by representatives of governmental institutions, students of institutes of higher and specialized secondary education, volunteers and mass media representatives. So, more than 1500 persons took part in the action and collected more than 167 cubic meters of refuse.

## PRODUCTION CONTROL

**In order to prevent from a negative influence on local communities, in the manufacturing site of the enterprise the control and monitoring system operates for the indices influencing on the condition of the environment in different areas:**

- The accredited laboratory controls emissions of pollutants into the atmosphere from arranged sources, in accordance with the industrial and radiation control scheme;

- The condition of objects of the vegetable world, soil, places of production residue collection and storage are controlled within the GMP (Good Manufacturing Practice) by means of the visual inspection of the territory;

- The local accredited laboratory controls the quality of sewage water in accordance with the in-house policies of the enterprise defining the control of operation of treatment facilities, analysis of industrial and superficial sewage water, with the regularity according to the industrial and radiation control scheme.



## WATER RESOURCES

All current environmental projects of Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise are implemented with participation of educational institutions. From 2007 the company not only gives the financial support for the national stage of the Stockholm Junior Water Prize international contest, but also takes a direct participation in the selection and preparation of a winner for the participation in the international final in Sweden.

The purpose of Stockholm Junior Water Prize is to organize and carry out the creative contest among senior pupils (13 – 20 years) for the best project in the field of protection, renewal and rational use of water resources, detection and elimination of pollution sources water bodies, research and preservation of aquatic communities.

In 2018 the work of Pavel Shliaga, a pupil of class 11 of the gymnasium in Petrikov, was recognized as the best. The Pavel's project was chosen from 80 research works for the participation in the final stage of the contest in Stockholm. Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise financed the travel. Republican Centre for Ecology and Local History, Geography and Culture educational institution was the partner.

## EXPANSION OF RIGHTS AND OPPORTUNITIES OF WOMEN AND YOUTH



The youth development is the key element in the implementation of the sustainable development purposes of Coca-Cola HBC Group in 28 countries, therefore from 2017 Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise started the Youth Empowered international additional education program for specialists and initiative young persons aged 18 to 29. The training under this program lasts for four days and aimed at the development of business skills, study of tools for personal growth, enhancement of the financial and legal awareness. The training is conducted with mentoring of practicing businessmen, professional speakers and coaches. The following training programs are offered at choice:

- From Idea to Project;
- Marketing Research;
- From Idea to Nice Business;
- How To Create a Brand and To Sell an Idea;
- From Idea to Manufacture of Ladies' Wear;
- From Idea to Business. Female Entrepreneurship;
- Franchise;
- From Idea to Book Business;
- Ecofood Business;
- From Idea to Tourist Business;
- From Idea to Opening of Own Café or Restaurant.

1,115 persons were trained under the international program during 2017 – 2018, out of them 31 persons opened their own business in the spheres of beauty, consulting, event planning, manufacture of developmental toys. The Coca-Cola System in Belarus fully finances the training under the #YouthEmpowered program. The top managers of the enterprise participate in the educational process in addition to mentors. The articles about participants of #YouthEmpowered are often published in Citydog.by information portal. Partners — Youth Business Incubator and Entrepreneurship Support Centre of Business Razvitie DLC.

## DEVELOPMENT OF LOCAL COMMUNITIES

In the course of its activities the Coca-Cola System in Belarus takes care of the well-being of both local communities and the society as a whole within the corporate social responsibility through investments in the projects aimed at the improvement of the population standard and quality of life, as well as directly through the high level of the support to the employees in all regions of presence of the Coca-Cola System in Belarus.

## SOCIAL PROJECTS

From the moment of its foundation Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise implements multiple social projects and renders assistance to the needy. The company establishes the long-term relations with partner for the support of socially vulnerable population groups, single charitable actions are carried out as well. In 2018 the investments of the Coca-Cola System in Belarus into social and environmental projects exceeded 220 thousand BYN.

In 2018 the company completed the development of the corporate social responsibility principles defining the purposes and tasks till 2025. Coca-Cola in Belarus will pay more attention to the following priorities: WWW (World Without Waste) with emphasis on recycling, water resources management, expansion of rights and opportunities of women and youth, development of local communities.

The company also supported children within the New Year Caravan of Coca-Cola charitable action. In 2018 the support was received by 1,051 persons.

## VOLUNTEER PROJECTS WITH PARTICIPATION OF EMPLOYEES

Every year Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise takes part in planting trees during the Forest Week. The main purpose of the event is to draw attention of the population and public organizations to problems of the forest resources, to popularize of the careful consideration of one of the main national resources.

In 2018 the action was devoted to the Year of Minor Homeland and renewal of forests damaged by the mass spread of insect pests. The enterprise team together with representatives of Minsk Forestry state forestry institution planted pines and spruces not far from the village of Kaikovo in Minsk district. In this location 20-meter trees were rooted up during hurricanes, the ground was covered with wind-fallen trees, the forest needed renewal. Within the action 4,800 young pines, spruces were planted in the area of 1,3 ha.





## INFLUENCE ON ECONOMY



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS

## ECONOMIC INDICATORS

The integral part of the operation of any business is the direct and immediate influence on the economy of the region and country. Striving for the leadership, the Coca-Cola System in Belarus attempts to achieve the goals set in the Growth Program and directly related to the economic indicators of the enterprise activities till 2020:

- doubled proceeds;
- threefold profit;
- achievement of the negative circulating capital.

NET PROFIT OF THE COMPANY

BYN **27 146**

COST OF ASSETS OF THE COMPANY

BYN **93 894**

as of 31.12.2018

## DIRECT ECONOMIC CONTRIBUTION

	Amount, thousand BYN
Direct economic value created	222 982
Income	222 982
Direct economic value distributed	170 340
Manufacturing expenses, wages and salaries to employees and bonuses	139 333
Payment to capital owners	26 400
Payments to the government	4 607
Other expenses	25 496
Net profit (retained economic value)	27 146

In 2018 the assessment of the social and economic influence of the Coca-Cola System in Belarus was carried in order to evaluate the quantitative influence of the activities of the Coca-Cola System in Belarus, its partners and customers on the national economy. The direct and indirect effects were calculated for the assessment.

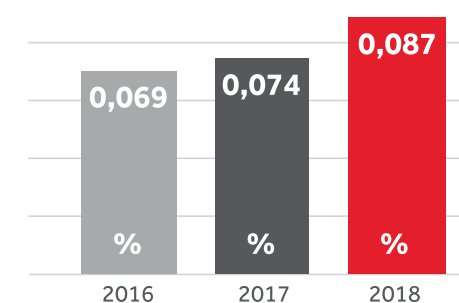
## ADDED VALUE

In 2018 the size of the added value of the Coca-Cola System in the Republic of Belarus, as estimated through the amount of the company profit, paid salaries and wages, payments for the social insurance, depreciation and paid indirect taxes (VAT), amounted to **BYN 106,5 million**.

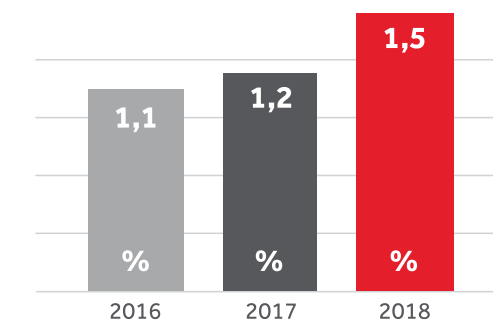
As compared with 2017, the growth of added value in real terms (estimated by means of correction for GDP deflator) was **21,8 %<sup>18</sup>**.

Consequently, the Coca-Cola contribution grew both to the gross added value of the industry and the national GDP in whole.

CONTRIBUTION TO GDP



CONTRIBUTION TO GDP OF INDUSTRY



18. Estimated by means of correction for GDP deflator

INDIRECT EFFECT

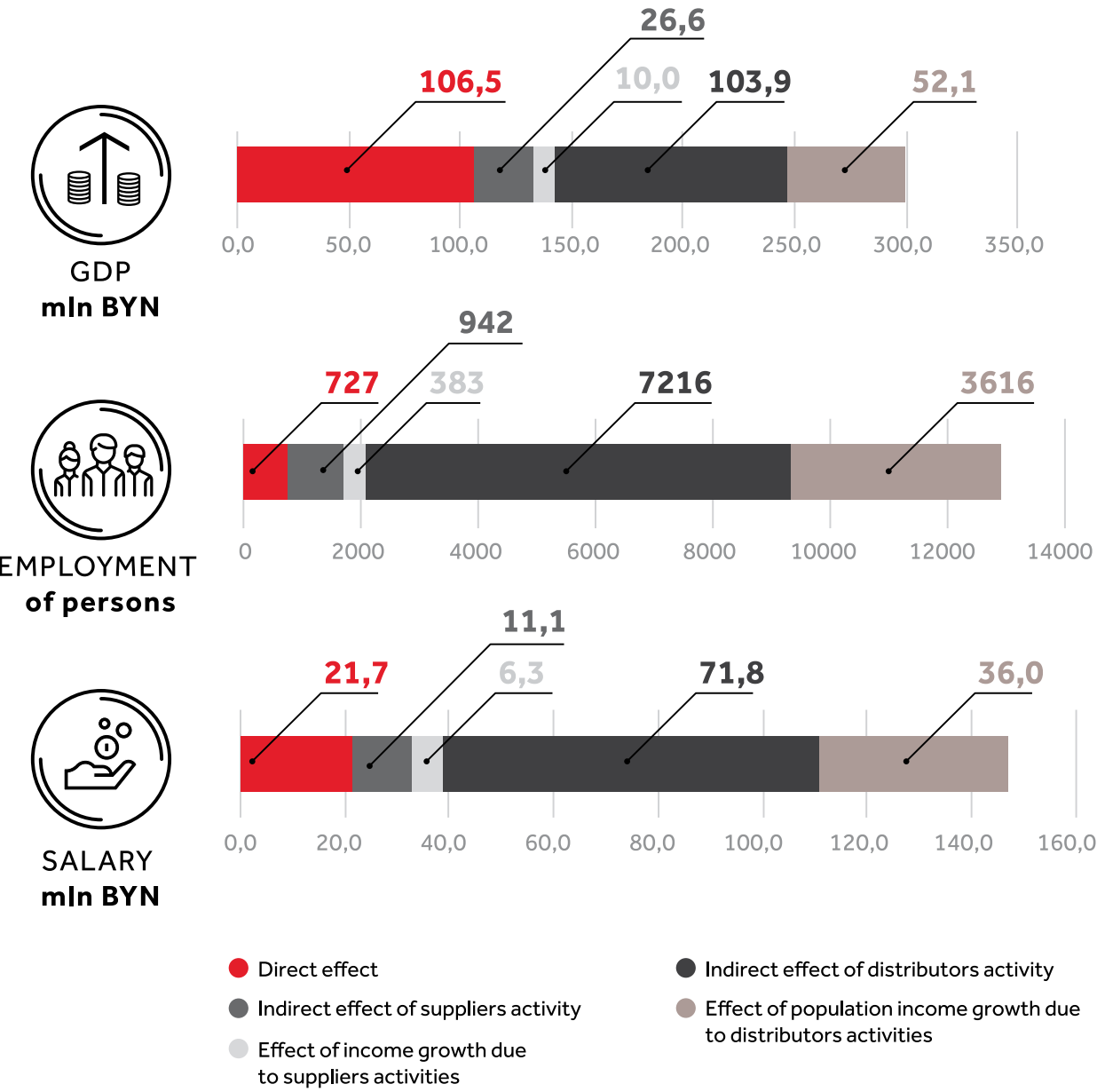
The indirect contribution of the Coca-Cola System in the Republic of Belarus to the national GDP due to activities of its suppliers and distributors, as well as additional demand of the populations, as caused by the accompanying growth of its income, is BYN **192 million**

The charitable activities of the Coca-Cola System generates additionally **BYN 0,5million**.

**1 ⇒ 1,81** BYN 1 of added value in the Coca-Cola System creates additionally BYN 1,81 in economy

Thus, the activities of the Coca-Cola System in the Republic of Belarus provides **0,25 % of GDP of Belarus** due to the direct and indirect effect. In 2017 this value was **0,23 %**.

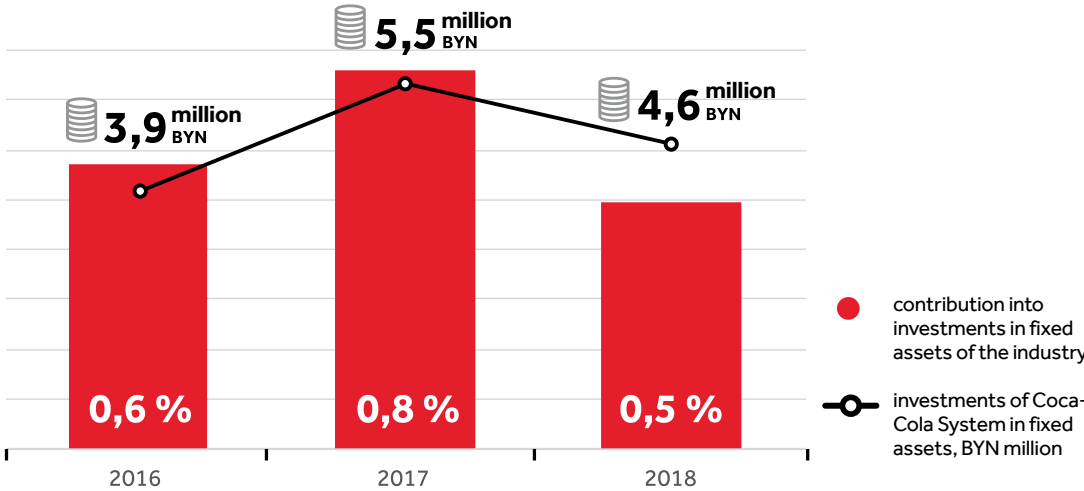
The effect of the Coca-Cola System in the Republic of Belarus on the labour market is ever greater. This is related to the higher, than in the company, labour-intensity of the operation of its suppliers and distributors. **Result: 1 person employed by the enterprise gives 16,7 jobs in the economy, and BYN 1 of salaries and wages paid in the enterprise gives BYN 5,8 of salaries and wages in the economy.**



INVESTMENTS IN DEVELOPMENT OF PRODUCTION AND ECONOMY

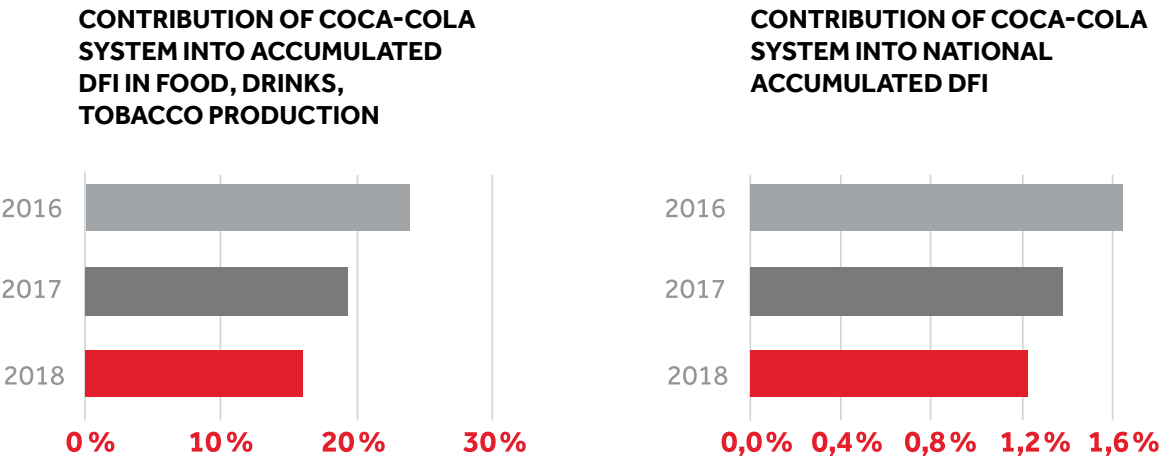
The financial soundness of the Coca-Cola System in the Republic of Belarus is associated with the large-scale investments in the expansion and modernization of the production in 2014 – 2015 (equivalent to USD 19,9 million for two years). In subsequent years the level of investments into the fixed assets of the Coca-Cola System was stably high. In 2018 the investments amounted to BYN 4,6 million what is equivalent to USD 2,2 million.

LEVEL OF INVESTMENTS INTO FIXED ASSETS OF COCA-COLA AND THEIR CONTRIBUTION INTO INVESTMENTS OF FOOD, DRINK, TOBACCO PRODUCING INDUSTRY



The Coca-Cola System provided the attraction of the significant size of direct foreign investments (DFI). Their accumulated size, as of the end 2018, amounts to **\$97,2 million**

The Coca-Cola contribution in DFI in the food, drink and tobacco production exceeds **15 %**, despite the entry of several foreign investors in the sector in recent years. At the national level, Coca-Cola accounts for **1,2 %** of all accumulated direct foreign investments to Belarus.



TAXES AND FEES

The size of tax payments of the Coca-Cola System in the Republic of Belarus in the consolidated budget grew significantly for the previous year and amounted to BYN

41,7 million

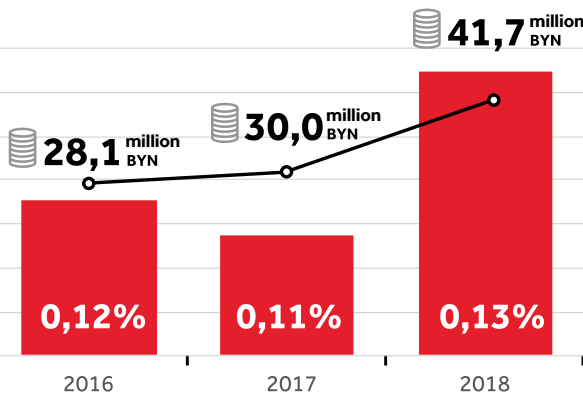
The size of assignments for the social insurance amounted to BYN

5,4 million

The contribution of tax payments of the Coca-Cola System in the Republic of Belarus in the incomes of the consolidated budget amounted to

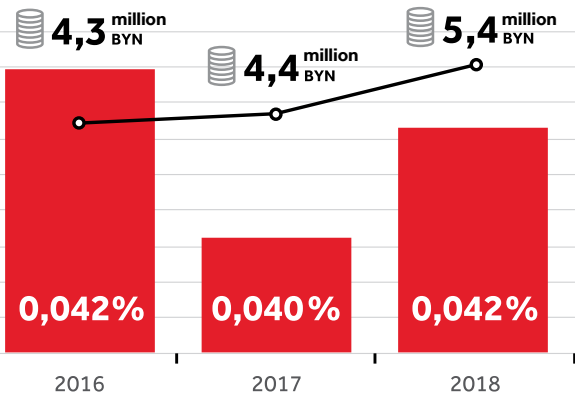
0,13 %

SIZE OF PAYMENTS OF COCA-COLA SYSTEM IN CONSOLIDATED BUDGET



● contribution in incomes of consolidated budget  
○ size of tax payments, BYN million

SIZE OF PAYMENTS OF COCA-COLA SYSTEM IN POPULATION SOCIAL PROTECTION FUND

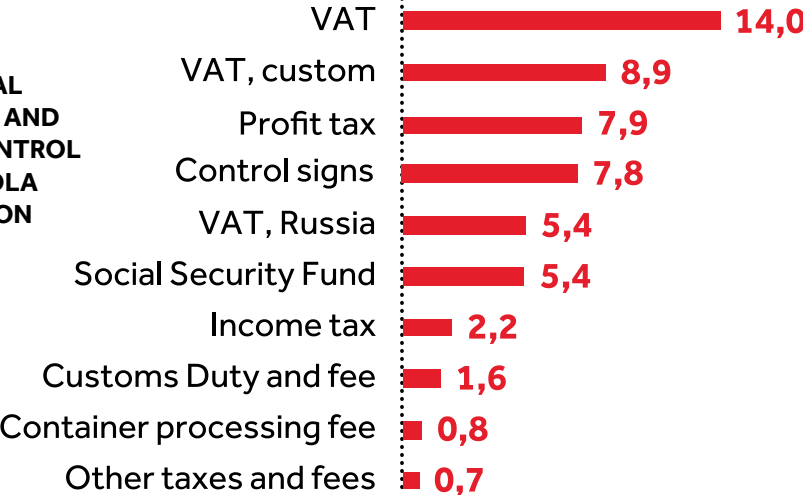


● contribution in incomes of Population Social Protection Fund  
○ size of assignments to Population Social Protection Fund, BYN million

The contribution of the fees of the Coca-Cola System in the Republic of Belarus for the social insurance in the incomes of the Population Social Protection Fund amounts to **0,04 %** with the specific weight of the enterprise in the employment in the economy of **0,02 %**.  
This is indicative of the greater tax burden on the enterprise than in the economy on the average.  
The main size of tax payments is due to VAT and profit tax.  
The specific weight of the Coca-Cola System in the Republic of Belarus in the budget incomes from VAT and profit tax is **0,27 %** and **0,24 %**, respectively.  
In addition to direct taxes and assignments, the Coca-Cola System in the Republic of Belarus purchases control signs in the volume of **BYN 7,8 million** what is comparable with the size of profit tax.



TAX PAYMENTS, ASSIGNMENTS TO POPULATION SOCIAL PROTECTION FUND AND PURCHASES OF CONTROL SIGNS OF COCA-COLA SYSTEM, BYN MILLION



PURCHASES FROM LOCAL SUPPLIERS

The Coca-Cola System in the Republic of Belarus has the most significant influence on the operation of food manufacturers. They account for 80 % of the total indirect effect from the activities of the Coca-Cola System in the Republic of Belarus on the economy due to its suppliers.

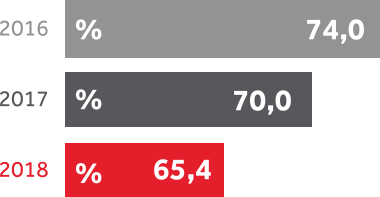
PORTION OF PURCHASES IN DOMESTIC MARKET IN TOTAL VOLUME OF PURCHASES OF COCA-COLA

Sugar is the main item of food purchases.

Under the 2017 data, the Coca-Cola System purchased



of the total sugar manufactured in Belarus.



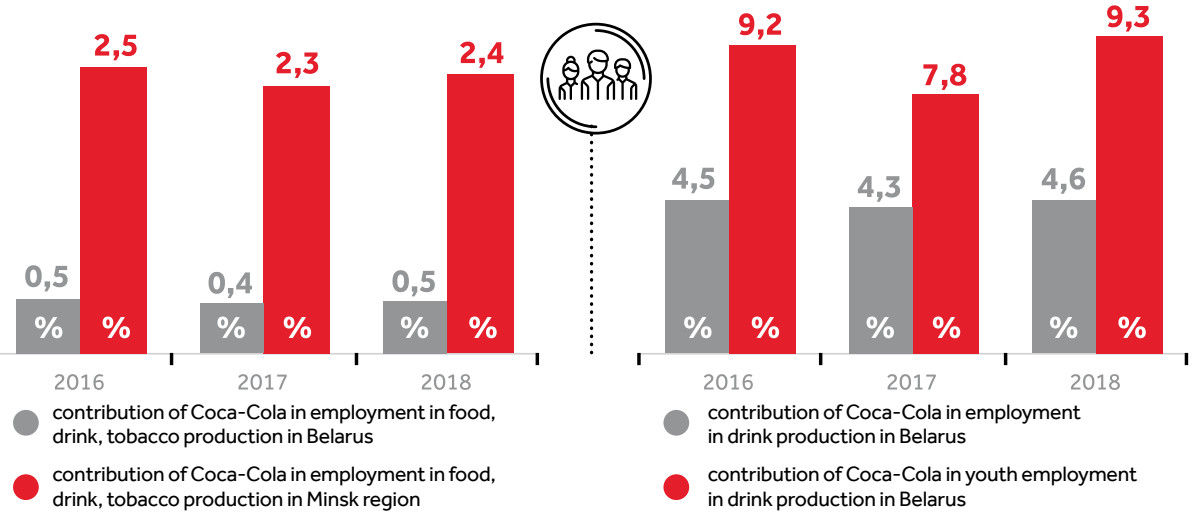
The influence of the Coca-Cola System in the Republic of Belarus on suppliers is determined by the volume of purchases in the domestic market. In 2018 their portion in the total volume of purchases of the company was

65,4 %

INFLUENCE ON SALARIES AND WAGES AND JOBS

The contribution of the Coca-Cola System in the Republic of Belarus in employment of the food industry sector is at the stable level. In 2018 it was **0,5 %** in the industry in whole and **4,6 %** in drink production in particular. In the Minsk region, the contribution of the Coca-Cola System in employment of the food industry sector was **2,4 %**.  
The age structure of employees of the Coca-Cola System in the Republic of Belarus differs significantly from the average

on in the industry. The Coca-Cola System in the Republic of Belarus employs the youth in two times more actively than the sector in whole. **9,3 %** of the total youth engaged in the drink manufacture were employed by the Coca-Cola System in the Republic of Belarus in 2018. Generally, as to the type of activities, the specific weight of the Coca-Cola System in the Republic of Belarus in the youth employment is **4,6 %**.

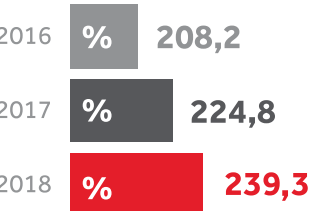


In 2018 the average monthly pay in the Coca-Cola System in the Republic of Belarus amounted to BYN

1812,78

This level of remuneration of labour is much higher the average level in the country and industry.  
The sizes of differences in the remuneration of labour in the enterprise and at the average in the country decreased significantly for the latest year due to high rates of growth of remuneration of labour in other industries.  
The high remuneration of labour is caused by the high labour productivity in the Coca-Cola System. It is 2.4 times higher than the average on in the industry. Moreover, it continues to grow with higher rate than at the average in the industry. The growth of the labour productivity in the Coca-Cola System in the Republic of Belarus strictly leaves behind the growth of remuneration of labour, in contrast to the industry in whole, and supports its competitiveness.

RATIO OF LABOUR PRODUCTIVITY IN COCA-COLA SYSTEM AND FOOD PRODUCTION IN WHOLE





ABOUT REPORT

The sustainable development report is an important tool for cooperation with stakeholders. Such report discloses comprehensively the full and true information to the wide circle of stakeholders about the priority areas of the enterprise activities in the field of the sustainable development in the territory of the Republic of Belarus.

This report covers the period from January 1 to December 31, 2018. The information for 2017 and 2016, if applicable, is stated for understanding trends and dynamics of indices.

Identification and Selection of Stakeholders

All the year round different services of the Coca-Cola System in the Republic of Belarus interact with the wide circle of stakeholders. To understand and take into account their interests is the important aspect of the System activities. The influence of stakeholders is present not only in the field of the economic interaction, but also in the subjective attitude to products and business of the System in whole. The comprehensive analysis of the environment factors is performed to make a stakeholder card and to assess the influence of the enterprise on stakeholders and vice versa.

When interacting with stakeholders, Coca-Cola Beverages Belorussiya Manufacturing Unitary Enterprise obtains the possibility to reveal the expectations of stakeholders in relation to the way of implementation of the social responsibility of the enterprise, as well as any dissatisfaction available with stakeholders. This becomes the grounds for search of mutually beneficial solutions and account of interests of stakeholders during planning of further activities of the company. The

cooperation with stakeholders enables the enterprise to define the business aspects, which are important for the society, and set purposes and obligations in the field of the sustainable development. Currently, they are aimed at the spheres like the waste handling, reduction of emissions of greenhouse gases, use of water and energy, use of raw stock from responsible sources, development of local communities. The reliable partnership relations with governmental and public organizations enable us to consolidate the achieved results. The company always seeks to comply with expectations of clients and responds effectively to alterations in the soft drink market, with account of the results of the special studies conducted by The Coca-Cola Company and external experts. In order to strengthen the trust from all stakeholders, the Coca-Cola System in Belarus discloses regularly the information about its activities in the field of the sustainable development in the report on the social responsibility and influence on economy, including in the corporate internet portal.

INVOLVEMENT FORMAT	Group of Stakeholders	Level of Interest	Level of significance
Active involvement in planning, prognostication and program implementation process on a regular basis	Local public authorities and control bodies Clients Distributors Representatives of work collective Consumers	High	High
Involvement, if necessary, within partnership relations and working process	Creditors and investors Insurance companies Suppliers Contractors Monopolists Public organizations, mass media	Low	High

Informing and involvement in CSR practice development and introduction	Scientific community Public organizations, mass media Local communities Consumers	High	Low
Control and informing	Lessors Neighbouring organizations	Low	Low

Approach to Involvement of Stakeholders

The classification of stakeholders as to their level of interest and involvement enables to determine the possibilities of the further development of existing interrelations, first of all, for understanding of common interests and search of common ways to realize them. The analysis of requirements and expectations is carried out for the stakeholders with the high level of influence and significance.

The Coca-Cola System tracks permanently the changes in the risks detected by the analysis and possibilities arising from the environment factors and requirements of significant stakeholders, and therefore corrects the managerial solution in the adequate way. The interaction with stakeholders, in addition to daily routine processes, is performed also within the regular subsequent process based on the dialogue principles, in the format of various events of either local, national or international scale.

For example, there is a project — Training of Women of Orsha District in Fundamentals of Agricultural Business,

Productive Use of Plots of Land To Get Additional Income for Family, To Open Small Business and Be Involved in Self-employment Process.

Near 600 women of the Orsha district took part in the global project. The participants were foster-mothers and mothers of many children, women bringing up handicapped children, living in incomplete or low-income families.

The women were taught to the fundamentals of agricultural business in 25 subject seminars: they discussed the sustainable farming, were helped to make financial plans and explained legal peculiarities.

So, more than 15 participants registered small holdings, and some of them made a decision on business.

The Street Workout project implies opening of specialized integrated sports grounds for street training.

Assessment of Significant Issues and Changes in Reporting

The key stakeholders were questioned for determination of the report contents and evaluation of significant issues. The below significant issues are based on the list of aspects recognized as the significant ones at the level of Coca-Cola HBC group and The Coca-Cola Company global network, subject to the local context. So, in the process of selection of significant issues for this report the list of 19 significant questions from the report of Coca-Cola Beverages Belorussiya for the previous year was taken into account, as well as the issues arising from the interaction with stakeholders of the Coca-Cola System in Belarus throughout the reporting year.

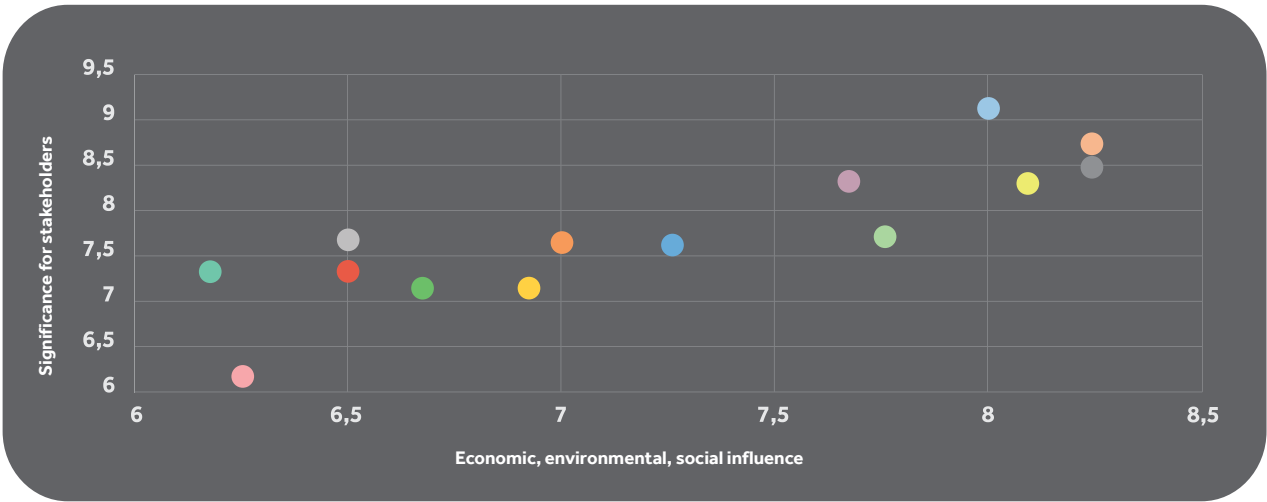
Stakeholders could supplement the list in the course of the questioning in the questionnaire for assessment of

the influence made in 2018 on the economy, environment and society, aspects related to the Coca-Cola System Belarus, and assessment of their significance.

14 of offered issues were evaluated under the 1 — 10 point scale, where "1" is the lowest and "10" is the highest level of influence and significance. So, this report discloses the managerial approaches and specific elements of disclosure for 14 significant issues offered to be assessed in the course of questioning. No additional issues not mentioned during questioning and requiring disclosure in opinion of stakeholders, were found.

Under the questioning results, the below matrix of significant issues was formed.

Matrix of Significant Issues



- Corporate management, business ethics and corruption fighting
- Products quality
- Product safety
- Responsible marketing
- Occupational and industrial safety
- Direct and indirect economic influence
- Investments in development of communities
- Packaging, recycling and waste management
- Rational use of water resources
- Human rights, opportunities, equality
- Rational procurement with resources and supply chain management
- Well-being, development and involvement of employees
- Climate change, environmental pollution, power consumption and productivity
- Expansion of economic rights and opportunities of women

List of Significant Issues

**CORPORATE MANAGEMENT, BUSINESS ETHICS AND CORRUPTION FIGHTING**

The honest business and respect for the society are the priority matters for the Coca-Cola System. This concerns all aspects of the corporate management: from the strict adherence to the business ethics and anti-corruption policy to independence and transparency of professional requirements to the management.

**PRODUCT QUALITY**

The success of our business and faith of the society depend on the product safety and comprehensive approach complying with expectations of clients and consumers in all aspects. The comprehensive approach includes the highest quality, taste, safety and design of the beverages manufactured, as well as material aspects, like the brand prestige.

**PRODUCT SAFETY**

We understand that health and safety are of great importance for consumers of our products. We are aware of the role of the right nutrition and responsible approach of consumers to the choice of beverages. Our company offers the wide choice of beverages and their packaging, sugar-free or sugar-low variants, as well as the full information about the caloric content of products.

**RESPONSIBLE MARKETING**

The efficient and responsible marketing is one of the key business aspects of the Coca-Cola System. The responsible approach to marketing has an effect on the nature of our commercial activities and advertising methods being used. For example, we refrain from advertising and sales of beverages in elementary schools, and a consumer can easily find a detailed information about the drink composition and its influence of the daily intake on each of our cans and bottles.

**OCCUPATIONAL AND INDUSTRIAL SAFETY**

As to the long-term outlook, the successful development of The Coca-Cola Company is inseparably linked with provision of safety of our employees, partners, suppliers and population in whole. We are convinced that the right for a safe and comfortable workplace is one of the most important rights of each person, as well as the integral part of business. Therefore, we seek to develop and implement effective systems, standards and practices in the field of the occupational and industrial safety. It enables to minimize the risks of accidents, injuries and health hazards of our employees and other persons related to our activities.

**DIRECT AND INDIRECT ECONOMIC INFLUENCE**

During many years of the operation of the Coca-Cola System in Belarus we make a significant socio-economic contribution and improve the quality of life of the population. We evaluate the progress in this sphere under the values of the profit we gain. Our company is concerned about the successful adaptation and application of the best world business practices in the domestic market.

**PACKAGING, RECYCLING AND WASTE MANAGEMENT**

Being the integral part of our products, the packaging is an important component of our activities, especially in terms of the size of the materials being used for its manufacture, and possibility of its reuse. For a long time Coca-Cola has participated in the initiatives for rational use and recycling of packaging and attempts to success in this field.

**RATIONAL USE OF WATER RESOURCES**

Water is the main component of our products, a key element of the manufacturing process. In addition, water is necessary for planting agricultural cultures being used for manufacture of beverage ingredients. Access to clear, safe and high-quality water is vital for human health and ecosystem functioning, maintenance of life activity of persons and development of the economy.

**HUMAN RIGHTS, OPPORTUNITIES, EQUALITY**

Human rights are the key element of the corporate social responsibility, necessary for the achievement of high financial values. Therefore we seek to create the working environment promoting the equality, social integration and expansion of opportunities, with the guarantee of the adherence to human rights at all stages of activities. We encourage the formation of the atmosphere considering and respecting similarities and differences between people, cultures and ideas.

**RATIONAL PROCUREMENT WITH RESOURCES, SUPPLY CHAIN MANAGEMENT**

Raw material resources are the important part of our economic, technological and ecological influence on the environment. Being an integral part of business, activities of our suppliers directly influences on the indices of the sustainable development and obligations of the Coca-Cola System, entails the wide spectrum of economic, environmental and social consequences. We work on the introduction and improvement of the methods of the sustainable development of agriculture throughout the supply chain.

**WELL-BEING, DEVELOPMENT AND INVOLVEMENT OF EMPLOYEES**

The success of our business depends on our ability to hire and keep talented, healthy, happy and purposeful persons. Training, development, motivation and involvement of employees in the activities of the Coca-Cola System, in addition to provision with safe labour conditions and well-being improvement, are the main components of our corporate culture.

CLIMATE CHANGE,  
ENVIRONMENTAL POLLUTION,  
POWER CONSUMPTION  
AND PRODUCTIVITY

Climate change is a potential risk for the Coca-Cola System because of the eventual growth of prices for power, introduction of the carbon regulation, irregularities in supplies of water, raw materials and products for the reason of unfavourable weather conditions. The energy management is a strategic priority of the Company and we see business benefits from investments into the development of power efficiency and use of renewable energy sources.

EXPANSION OF  
ECONOMIC RIGHTS AND  
OPPORTUNITIES  
OF WOMEN

There are innumerable evidences that the efforts for the achievement of equality, expansion of rights and opportunities of women are of great benefit. All over the world, women make an important contribution in the development of the Coca-Cola business, but still they are faced serious obstacles in the course of exercise of their economic rights and opportunities sometimes. Therefore, we remove the typical obstacles women are faced with in attempt to achieve success in the market.

Reporting Principles and Limits of Significant Issues

This report contains the main manifestations of the economic, social and environmental influence of the activities of the Coca-Cola System in Belarus only within the financial and operational control of the System. The contents of this report were determined on the basis of the applicable reporting principles under GRI standards. According to the principle of involvement of stakeholders, the questioning was carried out, in order to determine the significance of priority areas, and it was the basis to form the matrix of significant

issues in accordance with the principle of significance. The information in the report is stated in the context of the sustainable development for disclosure of the economic, social and environmental influence of the Coca-Cola System in Belarus and provision with the information completeness sufficient for stakeholders to take decisions. The information stated in the report is based on the principles of accuracy, balance, clearness, comparability, reliability and timeliness to ensure the maximal quality of the report.

Contact Information

For questions related to the report you may contact with:  
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The report was prepared with participation of the specialists of Baker Tilly Bel having the specialists certified in accordance with the requirements of GRI standards.

ANNEXES TO THE REPORT

Nº			Unit of measurement	2016	2017	2018
102-7	Total staff number		People	759	710	727
	Manufactured product volume		Megalitres	152,7	153,2	184,4
102-8	Employees under permanent labour contract, by gender	Men	People	N/A	N/A	528
		Women	People	N/A	N/A	199
	Employees under temporary labour contract, by gender	Men	People	N/A	N/A	0
		Women	People	N/A	N/A	0
	Employees under permanent labour contract, by region	Minsk	People	N/A	N/A	504
			People	N/A	N/A	223
	Employees under temporary labour contract, by region	Minsk	People	N/A	N/A	0
		Regions	People	N/A	N/A	0
	Full-time employees, by gender	Men	People	N/A	N/A	528
		Women	People	N/A	N/A	198
Part-time employees, by gender	Men	People	N/A	N/A	0	
		People	N/A	N/A	1	
102-41	Employees covered by the collective labour contract		%	100%	100%	100%
201-1	Generated economic value		BYN thousand	N/A	N/A	222 982
	Distributed economic value		BYN thousand	N/A	N/A	170 340
	Non-distributed economic value		BYN thousand	N/A	N/A	27 146
202-2	Share of senior management hired from the local population		%	94	94	94
204-1	Share of expenses on local suppliers		%	74,0	70,0	65,4
205-1	Percentage of departments where corruption risks were assessed		%	100	100	100
205-3	Confirmed cases of corrupt practices		Case	0	0	0
	Confirmed cases of employee dismissal or application of disciplinary measures for corrupt practices		Case	0	0	0
	Confirmed cases of suspension of contracts with business partners due to violations related to corrupt practices		Case	0	0	0
	Cases of labour litigations related to corrupt practices initiated in relation to the company or its employees		Case	0	0	0
206-1	Legal cases (finalized or under consideration) of anti-competitive behaviour, violation of anti-trust and anti-monopoly legislation where the company was (or is) a party		Case	0	0	0
301-1	Total weight of materials used for product manufacture and packaging	Renewable	Tons per year	489,4	266,8	890,7
		Non-renewable	Tons per year	5 368,2	4 954,6	3 951,5
301-2	Percentage of raw materials from recycled materials used in company's product manufacture		%	0	0	0



302-1	Consumption of fuel from non-renewable sources, by source	Petrol (transport)		Megajoule	13 698 114	14 240 430	16 930 132
		Diesel fuel (transport)		Megajoule	41 070 294	38 471 364	36 605 717
		Diesel fuel (generator)		Megajoule	0	15 624	0
		Liquefied petroleum gas (heat generation)		Megajoule	1 862 014	1 543 226	1 478 440
		Gas (heat generation)		Megajoule	14 159 164	12 914 356	14 571 040
	Consumption of fuel from renewable sources, by source	-		Megajoule	0	0	0
	Energy consumption	Electric energy		Megajoule	27 452 614	26 251 974	30 052 251
	Energy sold	-		Megajoule	0	0	0
	Total energy consumption within the company	-		Megajoule	98 242 200	93 436 975	99 637 580
302-3	Energy content			Megajoule per litre of manufactured beverage	0,28	0,27	0,25
303-3	Water supply	Municipal water supply system		Megalitre	239,7	234,0	272,3
303-4	Sewage	Municipal sewage system		Megalitre	85,0	79,1	87,8
303-5	Water usage	Manufacture of beverages		Megalitre	154,7	155,0	184,5
305-1	Direct aggregate emission of greenhouse gases (scope 1)			CO <sub>2</sub> equivalent tons	5808	5372	5526
305-2	Indirect energetic emission of greenhouse gases (scope 2)			CO <sub>2</sub> equivalent tons	2124	2946	3155
305-4	Greenhouse gases emission intensiveness	Scope 1 and 2		CO <sub>2</sub> grams per litre of manufactured beverage	51,94	54,30	47,08
305-5	Greenhouse gases emission reduction	Scope 1 and 2		CO <sub>2</sub> equivalent tons	-	-	34
306-2	Waste by types and methods of recycling and processing	High-hazard class	Processing and decontamination	Tons	82,7	68,7	109,5
			Burial	Tons	51,4	13,6	0,9
		Low-hazard, no hazard, undetermined hazard wastes	Processing and decontamination	Tons	820,7	883,8	575,8
			Burial	Tons	33,7	34,1	56,1
306-3	Material emissions (spillages)			Tons	0	0	0
306-4	Hazardous waste transportation			Tons	0	0	0
307-1	Cases of incompliance with the environmental laws and rules			Case	0	0	0
308-1	New suppliers assessed according to the environmental criteria			%	100	100	100
403-8	Number of staff employees whose work and job site are controlled by the company covered by the labour protection system certified by external parties as to compliance with the international standard OHSAS 18001:2007, which is also confirmed by internal audit.			%	100	100	100

403-9	For the staff	Total number and mortality rate in the result of occupational injuries	Incident	0	0	0
			Rate	0	0	0
		Total number and rate of occupational injuries with severe consequences	Incident	0	0	0
			Rate	0	0	0
		Total number and rate of occupational injuries with severe consequences	Incident	0	0	1
			Rate	0	0	0.73
	For employees whose work and job site are controlled by the company	Total number and mortality rate in the result of occupational injuries	Incident	0	0	0
			Rate	0	0	0
		Total number and rate of occupational injuries with severe consequences	Incident	0	0	0
			Rate	0	0	0
		Total number and rate of registered occupational injuries	Incident	0	0	0
			Rate	0	0	0
406-1	Cases of discrimination and adopted corrective measures		Case	0	0	0
407-1	Operating departments and suppliers where the right to freedom of associations and collective bargaining can be at risk		Unit	0	0	0
408-1	Operating departments and suppliers with high risk of child labour usage		Unit	0	0	0
409-1	Operating departments and suppliers with material risk of forced or mandatory labour		Unit	0	0	0
411-1	Cases of violation of rights of indigenous people		Case	0	0	0
414-1	New suppliers assessed according to the social criteria		%	100	100	100
416-2	Cases of incompliance of work and services that led to negative consequences for consumer health and safety		Case	0	0	0
417-2	Cases of mismatch of labelling and information with actual contents		Case	0	0	0
418-1	Total number of grounded claims relating to violation of consumer privacy and loss of consumer data		Case	0	0	0
419-1	Incompliance with the social and economic laws and regulations		Case	0	0	0
FP1	Percentage of procurement from suppliers compliant with the procurement policy of the company		%	100	100	100
FP5	Volume of products manufactured at sites certified by the third party in accordance with the international standards of food safety management systems		%	100	100	100

Target and actual key performance indicators of labour safety

KEY INDICATORS	2016		2017		2018	
	Planned	Actual	Planned	Actual	Planned	Actual
Accidents	0	0	0	0	0	1
Number of work places where industrial accidents took place	0	0	0	0	0	1
Loss of labour time due to industrial accidents	0	0	0	0	0	0
Number of lost working days due to industrial accidents per 100 employees	0	0	0	0	0	0
Reimbursement costs, roubles	0	0	0	0	0	0
Number of registered potentially hazardous cases (Near Miss)	408	641	549	517	474	758

THE TABLE OF COMPLIANCE OF THE REPORT WITH GRI STANDARDS

DISCLOSURE ELEMENT	NAME OF THE DISCLOSURE ELEMENT	PAGE	COMMENTS AND REASONS FOR NON-DISCLOSURE
СТАНДАРТНЫЕ ЭЛЕМЕНТЫ РАСКРЫТИЯ			
102-1	Name of the organization	5	Manufacturing Unitary Enterprise Coca-Cola Beverages Belorussiya, the representative office of The Coca-Cola Company in the Republic of Belarus
102-2	Area of activity, brands, products and services	5	-
102-3	Location of the organization headquarters	5	The headquarters of Coca-Cola HBC group of companies is located in Zug (Switzerland).
102-4	Location of active departments	6	-
102-5	Form of ownership and legal form	5	Private ownership, unitary enterprise
102-6	Markets of presence	6	-
102-7	Scope of the organization	8, 16	-
102-8	Information on the personnel	16, 17	No material change occurred in the personnel employment or other material seasonal variations by staff number and distribution.
102-9	Chain of supply	24	-
102-10	Material changes of the organization and its chain of supply	-	No material change occurred.
102-11	Precautionary principle	13	In 2018, the Company did not apply the precautionary principle for risk identification, control and management.
102-12	External incentives	13, 14	-
102-13	Membership in associations	13, 14	-
102-14	Statement by the management	3	
102-16	Values, principles, standards and norms of conduct	10,11	-
102-18	Structure of governance	8	-
102-40	List of stakeholders	52, 53	-
102-41	Collective labour agreements	16	All staff of Coca-Cola Beverages Belarus UE
102-42	Stakeholder identification and selection	52,53	-
102-43	Approach to stakeholder attraction	53	-
102-44	Key issues and important concerns in review	54, 55, 56	-
102-45	Enterprises included into the consolidated financial statements	-	The manufacturing unitary enterprise Coca-Cola Beverages Belorussiya and the representative office of The Coca-Cola Company in the Republic of Belarus are independent economic entities and prepare individual accounting (financial) statements in accordance with the laws of the Republic of Belarus.
102-46	Defining the report contents and delimitation of issues	56	-
102-47	List of material issues	54, 55, 56	-
102-48	Information adjustment	-	No adjustments were introduced into the previous reports.

102-49	Changes in the reporting statements	-	-
102-50	Reporting period	-	01.01.2018 – 31.12.2018
102-51	Recent report date	-	Date of publication of the recent report of Coca-Cola Beverages Belarus UE is November 2018.
102-52	Reporting cycle	-	Annual
102-53	Contact details to refer to regarding reporting issues	56	-
102-54	Statement on report in accordance with GRI Standards	-	This Report was prepared in accordance with GRI Standards, basic option.
102-55	GRI contents index	-	The necessary information is shown in the Table of compliance of the Report with GRI Standards.
102-56	External approval	-	This Report is subject to no external independent approval.

THEMATIC DISCLOSURE ELEMENTS

CORPORATE GOVERNANCE, BUSINESS ETHICS AND ANTI-CORRUPT PRACTICES

103-1	Description of the material issue and its delimitation	12, 13	The material issue is disclosed through individual elements of standards 205, 206, 307, and 415. Detailed information about functioning of the current governance approach can be found in the Business Conduct Code, Anti-Corruption Policy etc. in the section 'Policies', available at the web-site of The Coca-Cola group of companies in the Republic of Belarus <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
205-1	Assessment of corruption risks in the company's activities	12, 13	-
205-2	Introduction of anti-corruption policy and procedures, staff training	12, 13	-
205-3	Confirmed cases of corruption and adopted measures	-	No cases were registered.
206-1	Legal actions relating to anti-competitive behaviour, anti-trust and monopoly practices	-	No cases occurred when the company would be involved in anti-competitive behaviour, violation of anti-trust and anti-monopoly laws.
307-1	Incompliance with the environmental laws, norms and rules	-	No cases of violation of the environmental laws were detected.
415-1	Political contributions	-	The Coca-Cola group companies in Belarus do not make contributions to political parties.
418-1	Total number of grounded claims relating to violation of consumer privacy and loss of consumer data	-	No claims were submitted.
419-1	Incompliance with the social and economic laws and regulations	-	No cases of violation of the social and economic laws were detected.

PRODUCT QUALITY

103-1	Description of the material issue and its delimitation	9, 10	The material issue is disclosed through individual elements of standard 403. Detailed information can be found in the sections "Policies and strategies", "Labour protection system", at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya, and the global web-site <a href="https://www.coca-colacompany.com/stories/grading-our-progress-toward-a-world-without-waste">https://www.coca-colacompany.com/stories/grading-our-progress-toward-a-world-without-waste</a> The material issue is disclosed in more detail in the section "Policies", namely "Quality and food safety policy" at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		

FP5 GRI G4	Volume of products manufactured at the sites certified by the third party in accordance with the international standards of food safety management systems	-	100 %
PRODUCT SAFETY			
103-1	Description of the material issue and its delimitation	-	The material issue is disclosed in more detail in the section "Policies", namely "Quality and food safety policy" at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components	-	
103-3	Management approach assessment	-	
416-1	Assessment of impact on health and safety of goods and services	-	No cases were registered relating to deviation of the products manufactured and sold by the company from safety indicators stipulated in the applied requirements.
416-2	Cases of incompliance of products and services that led to negative consequences for consumer health and safety	-	In 2018, no cases of incompliance of the products and services were registered, that could lead to negative consequences for consumer health and safety.
RESPONSIBLE MARKETING			
103-1	Description of the material issue and its delimitation	30,31	The material issue is disclosed through individual elements of standard 417. Detailed information can be found in the section "Responsible marketing" of this Report, and in the section "Policies", namely "Responsible marketing policy" at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
417-1	Requirements to labelling and information relating to products and services	31	-
417-2	Cases of mismatch of labelling and information about products and services with actual contents		In 2018, no cases of incompliance with standards of labelling of products and services were registered.
LABOUR PROTECTION AND SAFETY			
103-1	Description of the material issue and its delimitation	21, 22, 23	The material issue is disclosed through individual elements of standard 403. Detailed information can be found in the sections "Labour protection system", 'Staff involvement into development of the labour protection system, etc. of this Report, and in the section "Policies", namely "Labour protection policy" at the web-site of The Coca-Cola group of companies in the Republic of Belarus <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
403-1	Labour hygiene and safety management system	19, 20	-
403-2	Identification of threats, assessment of risks, and investigation of accidents	19, 20, 21	Detailed information about management approach can be found in the Labour Protection Policy of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya.
403-3	Labour protection measures	19, 20	
403-4	Participation, consulting and communicating with employees on the subject of labour protection	21, 22	The necessary information can be found in the section "Labour protection and safety training" of this Report.
403-5	Labour protection training	21, 22	The necessary information can be found in the section "Labour protection and safety training" of this Report.
403-6	Assistance in support of employee's health	21	-

403-7	Prevention and avoidance of risks for health and safety arising in the course of business cooperation	20	-
403-8	Employees covered by labour protection and safety management systems		100 % of employees are covered by labour protection and safety management systems.
403-9	Occupational injuries	22	In 2018, no occupational injuries with severe consequences occurred. The only case of injury was not deemed severe.
403-10	Occupational illnesses	-	In 2018, no cases of illnesses relating to fulfilment of duties were registered.
DIRECT AND INDIRECT ECONOMIC INFLUENCE			
103-1	Description of the material issue and its delimitation	46-51	The material issue is disclosed through individual elements of standards 201, 202, and 204. Detailed information can be found in the section "Influence on the economy" of this Report.
103-2	Management approach and its components		
103-3	Management approach assessment		
201-1	Distributed economic value	47	BYN 170 340 thousand.
201-4	Financial aid from the government	-	The company received no financial aid.
202-2	Share of the top management hired from among the local population	Annex to the Report	94 %
204-1	Доля расходов на местных поставщиков	51	65,4 %
INVESTMENTS INTO COMMUNITY DEVELOPMENT			
103-1	Description of the material issue and its delimitation	42, 43, 44, 45	The material issue is disclosed through individual elements of standards 203 and 413. Detailed information can be found in the section "Influence on the economy" of this Report.
103-2	Management approach and its components		
103-3	Management approach assessment		
203-2	Material indirect economic influence	47, 48	-
413-1	Departments with effective mechanism of local community involvement, assessment of influence and development programmes	42, 43, 44, 45	-
PACKING, RECYCLING AND WASTE MANAGEMENT			
103-1	Description of the material issue and its delimitation	36-37	The material issue is disclosed through individual elements of standard 306. Detailed information can be found in the section "Waste management" of this Report, and in the section "Policies", namely "Package waste management policy" at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
306-2	Waste by type of generation and methods of disposal or recycling	-	This information is contained in the Annex to the Report, standard 306-2.
306-3	Material emissions (spillages)	-	None registered in the reporting period.
306-4	Hazardous waste transportation	-	Not performed.



RESPONSIBLE USE OF WATER RESOURCES			
103-1	Description of the material issue and its delimitation	33-35	The material issue is disclosed through individual elements of standard 303. Detailed information can be found in the section "Responsible use of water resources", "Water supply", "Sewage" of this Report, and in the section "Policies", namely "Policy of protection and responsible use of water resources" at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
303-1	Treatment of water as a common resource	33	-
303-2	Management of actions during sewage discharge	33	-
303-3	Water supply	34	-
303-4	Sewage discharge	35	-
303-5	Water usage	34	-
HUMAN RIGHTS, OPPORTUNITIES, EQUALITY			
103-1	Description of the material issue and its delimitation	-	The material issue is disclosed through individual elements of standard 303. Detailed information can be found in the section "Provision of equal opportunities and protection of rights" of this Report, and in the section "Policies", namely "Human rights protection policy", "Policy of provision of equal opportunities", "Personal data protection policy" at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
405-1	Diversity of representation of employees in the management bodies and staff	19	This information is contained in the Annex to the Report, standard 102-8.
405-2	Ratio of entry salary and wages of women and men	-	The necessary information is contained in the section "Salary ratio" of this Report.
406-1	Cases of discrimination and adopted corrective measures	-	In 2018, no cases of discrimination occurred. The Company applies policies of human rights protection, all staff categories are informed about these policies when hired.
407-1	Operating departments and suppliers where the right of freedom of associations and collective bargaining may be at risk	-	No such cases were detected.
408-1	Operating departments and suppliers with high risk of child labour usage	-	No such cases were detected.
409-1	Operating departments and suppliers with material risk of forced or mandatory labour	-	No such cases were detected. When the Company hires staff, it requires handwritten applications that are stored in personal files of the employees.
411-1	Cases of violation of rights of indigenous people	-	No such cases were detected.
RESPONSIBLE RESOURCES PROCUREMENT AND SUPPLY CHAIN MANAGEMENT			
103-1	Description of the material issue and its delimitation	24, 25, 32, 33	The material issue is disclosed through individual elements of standards 301, 308, and 414. Detailed information can be found in the sections "Chains of supplies", "Standards and requirements to suppliers", "Procurement", "Material usage" of this Report.
103-2	Management approach and its components		
103-3	Management approach assessment		
301-1	Used materials	32, 33	-

308-1	New suppliers assessed according to the environmental criteria	25	All suppliers involved in the reporting year, were assessed as to compliance with the environmental criteria.
414-1	New suppliers assessed according to the social criteria	25	All suppliers involved in the reporting year, were assessed as to compliance with the social criteria.
FP1 GRI G4	Percentage of procurement from suppliers compliant with the procurement policy of the company	-	100 %

## WELL-BEING, DEVELOPMENT AND INVOLVEMENT OF THE EMPLOYEES

103-1	Description of the material issue and its delimitation	-	The material issue is disclosed through individual elements of standards 401, 402, and 404. Detailed information can be found in the section "Policies", namely "Human rights protection policy", "Labour protection policy" at the web-site of The Coca-Cola group of companies in the Republic of Belarus <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components		
103-3	Management approach assessment		
401-1	Hire of new employees and staff turnover	18	-
401-2	Payments to full-time employees that are not made to part-time or temporary employees	-	There are no part-time or temporary employees in the Company's staff.
402-1	Minimal period for notification on operating changes	-	Managers of the organizations shall have the right to change material terms of labour of the employee due to grounded production, organizational or economic reasons, by warning the employee not later than seven calendar days according to the Decree of President of the republic of Belarus "On restriction of requirements to managers and employees of organizations" dated December 15, 2014.
404-1	Average number of training hours per year per employee	18	The average value is 2,37 hours of training per employee.
404-3	Percentage of employees undergoing regular certification of performance results and career development	19	38 %
FP3 GRI G4	Percentage of labour time lost due to labour disputes, strikes, work blockades etc.	-	No such losses were observed in the reporting period.

## CLIMATE CHANGE, ENVIRONMENTAL POLLUTION, ENERGY CONSUMPTION AND PRODUCTIVITY

103-1	Description of the material issue and its delimitation	-	The material issue is disclosed through individual elements of standards 302 and 305. Detailed information about the environmental policy of the Company can be found in the section 'Policies', namely 'Climate change policy' and 'Environmental protection policy' at the web-site of the manufacturing unitary enterprise Coca-Cola Beverages Belorussiya <a href="https://by.coca-colahellenic.com/">https://by.coca-colahellenic.com/</a>
103-2	Management approach and its components	-	
103-3	Management approach assessment	-	
302-1	Energy consumption by the organization	40, 41	-
302-3	Energy content	41	-
302-4	Energy consumption reduction	41	-
305-1	Direct aggregate emission of greenhouse gases (scope 1)	40	-
305-2	Energetic indirect emission of greenhouse gases (scope 2)	-	Scope 2 Electricity Grid Factors = 378 g CO <sub>2</sub> /kWh in 2018; 404 g CO <sub>2</sub> /kWh in 2017. Earlier 279 g CO <sub>2</sub> /kWh (in 2016).

305-4	Intensiveness of greenhouse gases emission	-	Change of calculated parameters in comparison with the previous year is attributed to change of electricity grid factors — 378 g CO <sub>2</sub> /kWh (for 2018) and 404 g CO <sub>2</sub> /kWh (for 2017). Earlier the value of 2016 was used — 279 g CO <sub>2</sub> /kWh. Intensiveness of greenhouse gases emission equals the ratio of the sum of direct (scope 1) and indirect (scope 2) emissions (gram of CO <sub>2</sub> equivalent) to the volume of manufactured products (litres). The calculation took into account the gases CO <sub>2</sub> , HFCs, HC, CFC/HFCF within the limits of scope 1 and 2 emissions. The reference year is 2010, adopted as such for long-term planning of objectives for 2020.
305-5	Greenhouse gases emission reduction	-	Gases included into the calculation — CO <sub>2</sub> , within the limits of scope 1 and 2 emissions. The reference year is 2010, adopted as such for long-term planning of objectives for 2020. Emission coefficients are taken from the publication "CO <sub>2</sub> emissions from fuel combustion" of IEA 2016 (for 2010-2016), IEA 2017 (for 2017), "Emission coefficients" of IEA 2018 (for 2018), GHG Protocol 2015, h2tools.org, GHG Protocol as the part of the tool ( <a href="http://www.ghgprotocol.org/files/ghgp/tools/hfc-pfc.xls">http://www.ghgprotocol.org/files/ghgp/tools/hfc-pfc.xls</a> ), IFEU research for The Coca-Cola Company based on Ecolnvent data.

EXPANSION OF ECONOMIC RIGHTS AND OPPORTUNITIES OF WOMEN

103-1	Description of the material issue and its delimitation	-	The management approach to the material issue of expansion of economic rights and opportunities of women is described in more detail at the official web-site of The Coca-Cola group companies in the Republic of Belarus, namely "Policy of equal opportunities", <a href="https://www.coca-colacompany.com">https://www.coca-colacompany.com</a>
103-2	Management approach and its components		
103-3	Management approach assessment		



SUSTAINABILITY REPORT OF COCA-COLA BEVERAGES  
BELORUSSIYA UNITARY ENTERPRISE FOR 2018

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