

■ SUSTAINABILITY

Coca-Cola Hellenic Leads the Way in Sustainability and Energy Efficiency

Coca-Cola Hellenic is continuing to lead the way in terms of sustainability within the global beverages industry.

Coca-Cola Hellenic has been listed on the Dow Jones Sustainability Indexes for the second consecutive year. This places the group among the top 10% of most sustainable companies worldwide and within the top five sustainable beverage companies.

Most recently, a coalition of global investors from 13 countries, who manage more than \$2.1 trillion of assets, has commended Coca-Cola Hellenic for its leadership in reporting on environmental, social and corporate governance (ESG) activities.

Global Leader

Serving a population of approximately 560 million people in 28 countries and selling over 2 billion unit cases annually, Coca-Cola Hellenic is the largest bottler of Coca-Cola products in Europe. Headquartered in Athens and listed on the Athens, New York



Sir Michael Llewellyn Smith, chairman of the Social Responsibility Committee, Coca-Cola Hellenic.



Coca-Cola Hellenic has also been working with suppliers to develop a new generation of cold drink equipment that eliminates hydrofluorocarbons (HFCs) and is up to two-thirds more energy efficient.

and London stock exchanges, Coca-Cola Hellenic's two major shareholders are Kar-Tess Holding, a private holding company, and The Coca-Cola Company.

Coca-Cola Hellenic achieved net profit of Eur437 million in 2009 on net sales of Eur6.54 billion. Coca-Cola Hellenic offers a broad range of soft drinks in the sparkling, juice, water, sport, energy, tea and coffee categories. The Athens-based group is an integral part of the global Coke System and accounts for about 9% of The Coca-Cola Company's total volumes.

Broad Geographical Footprint

Created in 2000 following the merger of the Athens-based Hellenic Bottling Company and the London-based Coca-Cola Beverages, Coca-Cola Hellenic has continued to expand its territorial reach and its drinks empire now extends from as far west as Galway in Ireland, to Petropavlovsk, the easternmost point of Russia. This broad geographical footprint provides attractive growth opportunities and reduces the company's dependence on any particular market.

Coca-Cola Hellenic's largest market is Russia, followed by Italy, Romania, Poland, Nigeria and Greece. Coca-Cola Hellenic divides its territories into three market cate-



Doros Constantinou, chief executive of Coca-Cola Hellenic.

gories – established, developing and emerging. Established territories include markets such as Italy, Ireland, Switzerland and Greece, while developing markets include Latvia, Poland, Croatia and Slovakia. The group's emerging markets include Russia, Belarus, Ukraine, Romania, Bulgaria, Serbia, Moldova and Nigeria.

Strong Portfolio of Brands

Coca-Cola Hellenic has a strong portfolio of premium international brands complemented by leading national brands. The portfolio comprises world leading brands such as Coca-Cola, Diet Coke, Coca-Cola Zero, Fanta and Sprite as well as brands owned by Coca-Cola Hellenic including Amita, Avra, Deep RiverRock and Fruice. Coca-Cola Hellenic also distributes brands licensed by other companies, such as Nestea.

In recent times, Coca-Cola Hellenic has



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successfully expanded its product range to meet changing consumer demands, especially the shift from carbonated to still drinks. Indeed, the group is now well positioned to capitalise on the growing health and wellness trend within the soft drinks market in Europe. In 2001, sparkling beverages generated 90% of total volume sales of 1.2 billion unit cases and water contributed 6% and still beverages 4%. The proportion of sparkling beverages has since declined to 62% of total volume sales, while water has increased to 21% and still beverages (including juice and tea) to 16%.

Commitment to Sustainability

Coca-Cola Hellenic is committed to behaving in a socially responsible manner throughout all of its operations and has officially embedded the principles of sustainability into its business strategy. "Sustainability is our goal," stresses Doros Constantinou, chief executive of Coca Cola Hellenic. "We must ensure the sustainable growth of our business and contribute to the sustainable development of our communities."

Coca-Cola Hellenic has pledged to combat global warming by building 15 Combined Heat and Power (CHP) units in 12 countries resulting in a 20% reduction of CO₂ emissions across 80 beverage production plants (see Panel). As part of its commitment to sustainability and in line with its focus on improving operating efficiency, Coca-Cola Hellenic is also investing in installing photovoltaic panels on the roofs of bottling plants, and developing cold drink equipment (CDE) with a carbon footprint on average 50% smaller.

Low Carbon Strategy

Like other European food and beverage companies, Coca-Cola Hellenic has had to adjust its strategy to the changed market and business environment but has still persisted in prioritising energy and climate protection.

"The global economic downturn continued to present major business challenges in 2009. By controlling costs and minimising impacts, we are well-positioned for recovery – and we are seeing signs of this in some of our territories. While cost-saving measures

were applied to every part of our business, we maintained our commitment to our Sustainability strategy, and to achieving results in programmes, throughout the downturn," points out Sir Michael Llewellyn Smith, chairman of the Social Responsibility Committee, Coca-Cola Hellenic.

"Energy and climate protection remain a priority as we put our business onto a low-carbon growth path. Incremental improvements are no longer enough. In the largest energy-efficiency initiative in our industry we constructed three more Combined Heat and Power (CHP) units during 2009."

He continues: "By building highly efficient CHP units in 15 bottling plants across 12 countries, we will cut CO₂ emissions from manufacturing by 20% before 2020 - the current EU target. As a result, we were named an Official Partner of the European Commission's Sustainable Energy Europe Campaign."

Cold Drink Equipment

Coca-Cola Hellenic has also been working with suppliers to develop a new generation of cold drink equipment that eliminates hydrofluorocarbons (HFCs) and is up to two-thirds more energy efficient. "These groundbreaking initiatives dramatically reduce our CO₂ emissions – and with immediate effect," he adds.

The introduction of 10,000 cold drink



Coca-Cola Hellenic serves a population of approximately 560 million people in 28 countries and sells over 2 billion unit cases annually.

units in 2009 brought the total in the marketplace to 18,000 - a figure that will be trebled by the end of 2010, helping to reduce the company's Scope 3 carbon emissions.

Energy Efficiency Helps to Fuel Coca-Cola Hellenic

Coca-Cola Hellenic is constructing 15 highly energy efficient plants, designed to substantially reduce CO₂ emissions, across the group's territories in Europe and Africa, including eight EU Member States. The first combined heat and power (CHP) plant, constructed in partnership with power development company ContourGlobal, was opened at Coca-Cola Hellenic's soft drinks bottling facility in the city of Ploiesti in Romania in 2009.

"The opening of the CHP plant represents a milestone to ensure the sustainable development of our operations, and of the communities we serve," explains Doros Constantinou, chief executive of Coca Cola Hellenic. "Across all of our 28 territories we have been working to increase efficiencies and reduce CO₂ emissions, the main culprit in climate change."



GE's innovative Jenbacher cogeneration technology is being used at Ploiesti.



ContourGlobal Quad Gen plant at Ploiesti.

drink production facility. At the same time, clean electricity is delivered to the local grid, providing energy efficient power for the surrounding community in Ploiesti.

The development of the Ploiesti CHP plant follows a pilot project in Hungary in 2006 which reduced CO₂ emissions by 43%, equivalent to a 20% reduction across all 80 beverage production plants, well ahead of the 2020 deadline for emission reductions set by the European Union. Coca-Cola Hellenic and ContourGlobal are scheduled to open up to three more CHP plants in 2009 with others following in 2010 and beyond.

Another two CHP plants were completed last year and the remaining 12 projects are due for completion by the end of 2011.



Through all of its actions in 2009, relative scope 1 and 2 emissions were reduced by 4%, bringing the total amount lowered since 2002 to 31%.

Packaging and Water Management

Another aspect of Coca-Cola Hellenic's climate strategy is the light-weighting of packaging, which improved efficiency by avoiding more than 4,500 tonnes of materials in 2009 - 9% more than the previous year. Across operations, through company-wide recovery programmes, the equivalent of 66% of bottles and cans was recycled.

Special attention was also given to the protection and preservation of water resources. In addition to continuing the construction of water treatment facilities at bottling plants, partnerships with govern-

ments, NGOs and communities were established and further developed to conserve waterways, including those involving the Danube and Tisza river systems.

"Our packaging and recycling programmes are reducing a major source of indirect CO2 emissions, while our water stewardship programmes help our business adapt to growing water scarcity, the most tangible reality of climate change," Sir Michael Llewellyn Smith remarks. "For the second consecutive year, we decreased our absolute water use and are now close to stabilising absolute CO2 emissions. By doing so, we are decoupling business growth from a corresponding increase in environmental impacts."

He adds: "Nevertheless, we still have much work to do in addressing the envi-

ronmental impacts of our supply chain, which are considerably greater than those of our operations. The corporate water footprint which we have developed for the first time will be a major help in addressing such impacts."

Another focus in 2009 was the strengthening of measures to protect employees. A structured three-year Health & Safety plan was begun aimed at substantially cutting accidents in the workplace. During the year a further five plants achieved the international occupational health certification,



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OHSAS 18001, and the company recorded a drop in serious accidents of 26% compared to 2008.

Restructuring

"The continued economic downturn in 2009 meant that we had to restructure our business to remain competitive. We do not lightly take decisions regarding lives and livelihoods, and worked hard to minimise redundancies, focusing primarily on natural attrition, hiring and pay freezes. We ensured that restructuring was conducted fairly and with respect to all those involved," Sir Michael Llewellyn Smith explains.

Throughout the downturn, the soft drinks giant has continued to support the many partnerships that help it deliver effective programmes. For instance, Coca-Cola Hellenic continues to demonstrate its commitment to recognised principles of good corporate citizenship by supporting the UN Global Compact. The group also actively participates in



the CEO Water Mandate and Caring for Climate and supports local networks in 13 countries.

Coca-Cola Hellenic is helping to raise awareness of the urgent need for climate action. The group attended the 2009 Copenhagen climate summit, where it promoted its low-carbon technologies.

"Although our sustainability goals are

long-term, we already see benefits. By developing new technologies and insights, we are positioning our business for more resource-efficient and lower-carbon growth. We also gain reputational benefit as an employer, business partner, member of the community and business in which to invest" he concludes. □



Coca-Cola Hellenic Uses Entropy Software to Improve Environmental and Health & Safety Management

Sustainability ambitions for a company align with a culture of continuous improvement, which in turn means setting objectives and targets to enable a movement from compliance management to performance improvement.

In line with global reporting standards, Coca-Cola Hellenic Bottling Company publishes annual CSR reports which were once created with general-purpose spreadsheet software, but are now a result of investment in Entropy Software from BSI. The Entropy solution allows Coca-Cola Hellenic to improve its reporting process by providing a more efficient method of gath-

ering information and communicating effectively across the company's 80 sites.

Entropy Software assists this leading non-alcoholic beverage group to heighten management of Corporate Social Responsibility (CSR) and sustainability commitments throughout its 28 countries of operation.

Entropy Software is a web-based platform which offers a proven solution for organisations to collect and report data with regard to environmental and health and safety compliance. It offers a proven solution for organisations to manage and mitigate risks; take accountability and allocate internal and external action planning (Corrective and Preventative Actions – CAPA); manage the whole audit process; improve and share sustainable business practices; and respond more proactively to external pressures.

Gary Brewster, operational sustainability director for Coca-Cola Hellenic, says: "Entropy Software helps us to assess and control risk, compliance and performance in



areas of CSR such as corporate governance, environment, health and safety, quality and supply chain compliance management. It also allows us to capture occupational health & safety incidents, which is another key area of importance."

Rob Wallis, managing director of BSI for EMEA, comments: "With its extensive pan-European country network, the group's deployment of Entropy Software will add considerably to the protection of the environment and the health and safety of many thousands of people, as well as helping drive Coca-Cola Hellenic towards sustainability."

Find out more about how food and beverage companies across the world are gaining commercial benefit from using Entropy Software for sustainability management by emailing to info.entropy@bsigroup.com. □

