



## Dear stakeholder,

Our strong performance during 2018 was the result of the successful execution of Coca-Cola HBC's growth strategy, increasingly efficient operations and the efforts of our talented and resourceful people. I am pleased to report that even as we transformed many aspects of our business, our approach of creating value for all of our stakeholders continued.

## In Good Company

The theme of this year's report, In Good Company, reflects the importance of our network of partners, including customers, shareholders, suppliers, our people and communities. The Board of Directors has striven to ensure that the Company has a comprehensive approach to stakeholder engagement, including building robust stakeholder engagement practices which allow us to listen to stakeholder concerns and feedback, and taking steps to engage further when deemed appropriate.

As part of our commitment to ongoing dialogue and engagement, we, along with The Coca-Cola Company, invited policy makers, investors, customers, non-governmental organisations and industry associations from across our markets to our Annual Stakeholder Forum. Anastasios Leventis and Charlotte Boyle represented the Board at our 2018 forum in Vienna, where we listened to stakeholders' views on sustainability and the key issue of how we continue to tackle packaging waste.

How and why we work with our stakeholders forms a key thread throughout this report.

## Sustainability

We have made great progress in managing the environmental and social aspects of our business and have already delivered on a number of our 2020 sustainability targets, ahead of schedule. New, ambitious 2025 sustainability commitments were approved by the Board of Directors during the year to ensure that sustainability remains integral to our future strategy.

# IN GOOD COMPANY

Our commitments focus on the areas of most material importance for our stakeholders, industry and society, such as: reducing emissions; water use and stewardship; a World Without Waste; ingredient sourcing; nutrition; and our people and communities.

Our sustainability leadership has long been recognised internationally. The 2018 Dow Jones Sustainability Indices ranked Coca-Cola HBC in the top three of both the global and European beverage industry leagues, while we received additional recognition in other sustainability benchmarks, such as CDP Climate, FTSE4Good and MSCI.

## Culture and values

Effective corporate governance is as much about fostering a strong culture and values as about abiding by corporate codes, and I am proud of our success in embedding a values-based culture with a drive for excellence. Transforming our business to become a Total Beverage Company requires us to build on our strong existing culture. We know from our success in navigating macroeconomic challenges in recent years that our people are resourceful and resilient. Successfully transforming our business requires that we further empower our people to take bold and entrepreneurial action to serve our customers, while at the same time asking that they seek to learn from failure and remain accountable for their decisions.

In my role as Chairman, I have the opportunity to meet many of the women and men who form Coca-Cola HBC and I see their excitement about the evolution of our business. I'm confident that our people will rise to meet the challenges of faster-paced innovation, and that we are taking the right steps to support our Company's long-term success.

With more new products successfully launched in 2018 than ever before, we achieved currency-neutral revenue growth in most markets. Our results for the year are a testimony to the agility and entrepreneurship of our people. They give me additional confidence that we have the right culture to succeed in the future.

## Governance

The Board benefits from a diverse range of skills, experience, independence and knowledge. I believe our current composition, after the process of renewal in the past few years, represents a well-balanced and diverse group who can support management in leading this Company to long-term success. In 2018, we were able to support our new Chief Executive Officer as he worked to drive the business strategy, and we look forward to ongoing engaging and collaborative discussions for many years to come.

As the Group transforms into a Total Beverage Company, some of the corporate governance frameworks we have in place will need to transform too. In 2018, we have promoted changes to support the informed risk-taking necessary for innovation and growth, evolving our risk management framework. While the Company is identifying and managing material issues and principal risks faster and more proactively, what has not changed is the Board's process of overseeing and reviewing these.

## Dividend

Due to the strong operating performance of the business and our confidence in management's ability to continue to guide the Company to further success, the Board is proposing a full-year dividend payment of €0.57 per share. This proposal represents a 5.6% increase compared to the dividend that we paid in 2017, which itself was a 22.7% increase on the dividend that we paid in 2016.

## Priorities for 2019

On behalf of the Board, I would like to take this opportunity to give my thanks to everyone at Coca-Cola HBC for another year of outstanding progress towards our 2020 targets.

Our focus in 2019 will be on supporting management with strategy and decision-making as we continue our journey to become a Total Beverage Company and prepare for the next chapter of growth. The Board is in agreement about the importance of sustainability, and we will work to retain our leadership here, supporting our progress towards our 2025 commitments. We will also continue to nurture the culture and values which underpin the potential of the business and to ensure a strong pipeline of talent for both Board and senior management positions.

Finally, on behalf of the Company, let me thank you, our shareholders, for your support and partnership in our growth. I look forward to seeing you at the Annual General Meeting.



**ANASTASSIS G. DAVID**  
CHAIRMAN OF THE BOARD