

Sustainability Report



Coca-Cola[®]

Coca-Cola Hellenic Bottling
Company Moldova

June 2022



KPMG



CONTENT

Abbreviations	4
Glossary	5
Message from the Country Manager	6
Response to COVID-19	8
Key indicators 2021	9
Coca-Cola Hellenic Bottling Company Moldova	11
Products	13
Supply chain	15
Corporate governance	16
Combatting corruption	17
Data protection	17
Caring for people	17
Training and development	19
Employee benefits	19
Contribution to economic development	22
Economic output in terms of gross value added (GVA)	23
Employment contribution	28
Fiscal contribution	30
Investments	30
Community investment	31
Sustainability mission – 2025 commitments	32
Achieving corporate goals	33
Youth & women empowerment project	35
Introducing integrated waste management systems to 10 schools	37
EPR pilot project	38
Stakeholder engagement	39
Affiliations	41
Appendices	42
Appendix 1	42
Appendix 2	44
Appendix 3	46
About this report	50

ABBREVIATIONS

Capex	Capital expenditure
CO2	Carbon dioxide
Coca-Cola HBC	Coca-Cola Hellenic Bottling Company
EPR	Extended producer responsibility
EU	European Union
FSSC	Food safety system certification
FSSC 22000	Food Safety Management Standard 22000
FY	Financial year
GDP	Gross domestic product
GRI	Global Reporting Initiative
GVA	Gross value added
HoReCa	Hotel/restaurant/café
HR	Human resources
ICS	Întreprinderea cu Capital Strain
ISO	International Organization for Standardization
ISO 14001	Environmental Management Standard 14001
ISO 9001	Quality Management Standard 9001
ISO 45001	Occupational Health and Safety Management System Standard 45001
IT	Information technology
KPMG	KPMG Romania LLC
MDL	Moldovan leu
NARTD	Non Alcoholic Ready to Drink
OHSAS	Occupational Health and Safety Assessment Series
PET	Polyethylene terephthalate (polyester)
QR Code	Quick response code
SMT	Senior management team at HBC Moldova
SRL	Società a responsabilità limitata
SSD	Strategic sustainable development
The Company, Coca-Cola HBC Moldova	ICS Coca-Cola Îmbuteliere Chisinau SRL, Coca-Cola Hellenic Bottling Company Moldova
UN	United Nations

GLOSSARY

GVA	GVA measures the contribution to the economy of an individual producer, industry, sector or activity, net of intermediate consumption (for example, goods and services used in the production process). It is a measure of the economic value of goods and services produced.
GDP	GDP is the monetary value of all finished goods and services produced within a country's borders in a specific period.
Direct impacts	First-round effects generated through the business activity and output of a company/industry/sector.
Indirect impacts	Second-round effects generated through the activity and output supported by a company/industry/sector supply chain.
Induced impacts	Multiplier effects generated as a result of a company/ industry/ sector's direct employees and those employees in the supply chain spending company/ industry/ sector related wages.
Type-I multipliers	Type-I multipliers capture direct and indirect effects.
Type-II multiplier	Type-II multipliers capture direct, indirect, and induced impacts.

MESSAGE FROM THE COUNTRY MANAGER

We are delighted to share with you our annual sustainability report, which summarises Coca-Cola HBC Moldova's performance for 2021, and also covers the COVID-19 pandemic.

Sustainable development goals are a cornerstone of our company's activities. And, as we move into the future, we understand the growing importance of having a transparent dialogue with stakeholders during these unprecedented and turbulent times.

Our results for 2021 are presented in this report. The report has been prepared by KPMG, and is based on information provided by Coca-Cola HBC Moldova as well as an extensive market analysis.

Coca-Cola HBC Moldova's mission is to create a broad portfolio of high-quality beverages that meet customers' needs, in order to fully satisfy each customer and to develop our team. As part of this mission, Coca-Cola HBC Moldova is constantly working to eliminate environmental negative impacts and to improve communities and the socio-economic situation in the Republic of Moldova.



SERGEY HOVELYAN

**Country Manager
Coca-Cola HBC Moldova**

We seek to develop innovative and sustainable solutions by leveraging our unique capabilities. In the Republic of Moldova, the company’s activities continue to adhere to global sustainability goals and commitments, which were updated in 2020. Our strategy is to meet the many and varied needs of our consumers through a wide choice of beverages. To this end, Coca-Cola HBC Moldova is proactively introducing new beverage flavours and expanding its product portfolio, for example by increasing the number of sugar-free drinks. The health and well-being of our consumers are paramount, therefore, all materials and ingredients used in production comply with both international and local quality standards, allowing us to guarantee an appropriate level of quality and safety.

Uniting behind a shared goal, Coca-Cola HBC Moldova is dedicated to achieving clear strategic social and environmental priorities in order to create a better tomorrow. By adopting the World Without Waste strategy, we support and develop a range of projects, including in the area of responsible packaging management. Also, we remain committed to inclusive economic growth goals and make significant investments in young people and women by empowering them through skills development.

Details about material aspects and the results of our work and accomplishments in 2021 are presented in this report.

At the same time, I would like to state our desire to report annually on the sustainability performance of Coca-Cola HBC Moldova.





RESPONSE TO COVID-19

The Covid-19 pandemic had a significant impact on Coca-Cola HBC Moldova, and led to the temporary closure of the HoReCa industry as a whole. In addition, the crisis demonstrated that many companies were not fully prepared to deal with orders and payments in such a situation.

However, Coca-Cola HBC Moldova was able to rapidly overcome the initial shock and stuck by its commitments from the very beginning. During the pandemic, the Company fully supported its customers and partners, and oversaw a business transition to an online format by harnessing experience and know-how from other countries.

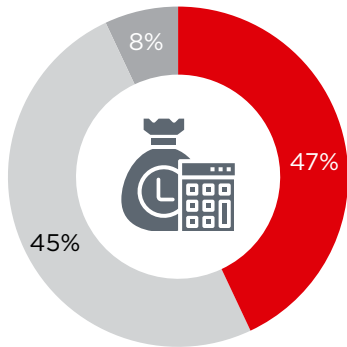
To avert future crises, the Company has put in place rapid response systems that will boost management's capacity in similar situations. And, despite all the negative impacts brought about by Covid-19, long-term projects are for the time being only postponed.

The Company remains fully committed to investing in human health and safety and environmental protection.

KEY INDICATORS 2021

ECONOMIC CONTRIBUTION

GVA Contribution



211.1

Coca-Cola HBC's total contribution to the Moldovan economy, which made up 0.1% of GDP in 2021, million MDL

99.0

Direct GVA generated through own activities, million MDL

95.8

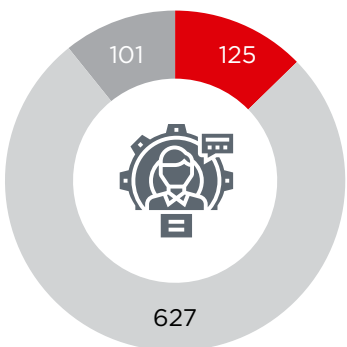
Indirect GVA generated through spending with Moldovan Tier-1 (direct) suppliers and activity in the wider supply chain, million MDL

16.2

GVA generated by the Company from wages spent in Moldova by individuals employed directly or indirectly in Coca-Cola HBC Moldova operations, million MDL

In 2021, for every **MDL 1** of direct GVA generated by Coca-Cola HBC Moldova, an additional **MDL 1.13** in indirect and induced GVA was generated in the Moldovan economy.

Employment contribution



853 jobs

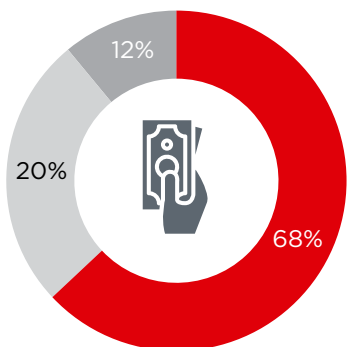
in the Moldovan national economy are supported by Coca-Cola HBC, or 0.1% of the country's workforce.



5.8 jobs

for each direct job created by Coca-Cola HBC Moldova, an additional **5.8 jobs** (both indirect and induced) were created in the country in 2021.

Fiscal contribution



115.2

Coca-Cola HBC Moldova's total 2021 fiscal contribution to the national budget, million MDL. This corresponded to 0.15% of the total tax revenue of Moldova over the same period.

77.9

Direct fiscal contribution, million MDL

23.3

Fiscal contributions through the supply chain and induced economic activity paid to the government through a network of business partners and subsequent economic activity, million MDL

13.9

Fiscal contributions to the government generated through direct, indirect, and induced employees' earnings-related income tax, million MDL

Total investments



Investments made by Coca-Cola HBC Moldova in 2021, which was around 3% of the total revenue generated for the year.



The share of Coca-Cola HBC Moldova's investments in total business investments in the country.

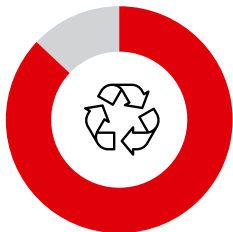


of the Company's procurement is conducted from the local Moldovan market.



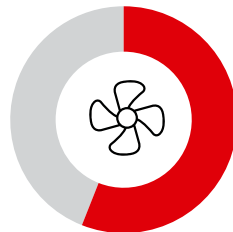
of the Company's revenue was generated through imports and 23% from products purchased locally.

ENVIRONMENTAL IMPACT



87%

of the waste generated by Coca-Cola HBC Moldova was recycled and recovered



56%

of the Company's coolers are CO₂ friendly



35.4 million MDL

in eco taxes paid by Coca-Cola HBC Moldova in 2021



In 2021 the Company recorded no violations of environmental regulations

CARING FOR PEOPLE



2,215 training hours

for Coca-Cola HBC Moldova staff in 2021



97%

Sustainable Employee Engagement Index according to the annual assessment conducted by MyVoice

SOCIAL CONTRIBUTION



1.2 million MDL

Spent by Coca-Cola HBC Moldova on charitable donations and social projects in the following areas:

- Women and Youth Empowerment
- CSR
- Waste management and waste education

COCA-COLA HELLENIC
BOTTLING COMPANY
MOLDOVA



INTRODUCTION

Coca-Cola HBC is one of the largest bottlers for The Coca-Cola Company, both in Europe and globally. Following its incorporation in 2000 through a merger between the Coca-Cola-based beverage production company in London and the Greek bottling company Hellenic, Coca-Cola HBC has substantially extended its multidimensional presence to 29 countries, serving a population of around 600 million consumers¹.

The Coca-Cola HBC group operates in the following markets:



Emerging: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Moldova, Montenegro, Nigeria, North Macedonia, Romania, Russia, Serbia, and Ukraine.

Developing: Croatia, The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Polonia, Slovakia, and Slovenia.

Established: Austria, Cyprus, Greece, Italy, and Ireland.

To help realise the Company's strategy and achieve its corporate goals, the project Growth Story 2025 was created in 2019. The five pillars of growth comprise²:



- leverage a unique 24/7 portfolio
- win in the marketplace by utilising a customer-centric sales approach
- fuel growth through competitiveness and investment
- cultivate people's potential
- earn a license to operate by enriching communities, caring for the environment, and ensuring that actions are conducted in a sustainable and ethical manner

Coca-Cola in the Republic of Moldova, a member of Coca-Cola Hellenic, began its history in 1994 through the establishment of ICS Coca-Cola Imbuteliere Chisinau SRL ("Coca-Cola HBC Moldova" or "The Company") by CC Beverage Holdings II B.V.. Coca-Cola's entry into the Moldovan market began with the storage and marketing of a smaller portfolio of a few soft beverages.

1. Information and statements provided by the Coca-Cola HBC Moldova

2. [coca-colahellenic.com](https://www.coca-colahellenic.com)

PRODUCTS

Coca-Cola HBC Moldova strives to have one of the strongest, broadest, and most flexible portfolios in the beverage industry. The Coca-Cola company first entered the Moldovan market with a smaller portfolio of soft beverages: Coca-Cola, Fanta, and Sprite. A little over 27 years later, Coca-Cola HBC Moldova has significantly expanded its portfolio. Today it offers a broad portfolio of products with a variety of flavours that is tailored to consumers in the Republic of Moldova, also using eco-friendly packaging solutions aimed towards achieving greater sustainability.

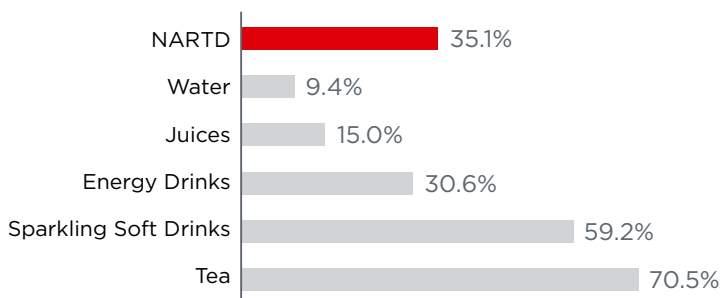
The year 2016 saw the transformation of Coca-Cola HBC Moldova from a manufacturer into a soft drinks distributor operating under the trademark The Coca-Cola Company and importing products from factories in Romania and Ukraine. In addition, in 2017 the Company added industry-leading alcoholic products from Group Campari and Edrington to its portfolio of distributed products. In 2018 three brands from the Purcari wine producer's portfolio (Purcari, Bostavan, and Bardar) were added to Coca-Cola HBC Moldova's distribution business in the Republic of Moldova. In 2021 the Company also added Nemiroff brand products to its premium spirits portfolio, for distribution within the country.

Coca-Cola HBC Moldova has a portfolio of:

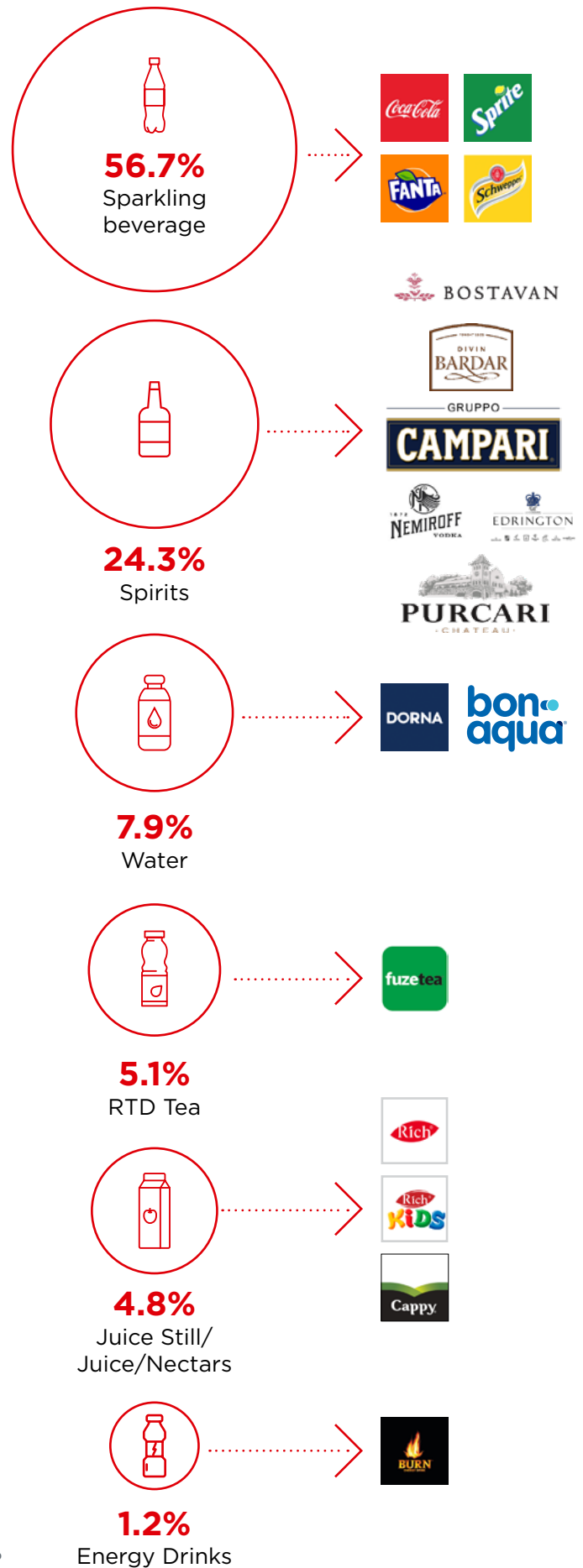
291 products

- 122 core products
- 169 spirits

Coca-Cola HBC Moldova's market share in the Moldovan market by sales terms in different market subsectors:

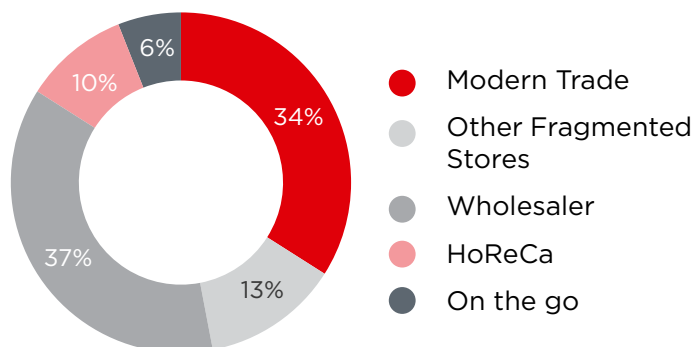


The sales product portfolio structure of Coca-Cola HBC Moldova in revenue terms, 2021



In 2021 Coca-Cola HBC Moldova sold products on the domestic market using various channels. Wholesalers were the largest sales channel, accounting for 37% of total sales during the reporting period. Modern Trade is second (34.3% of the sales channel distribution) and includes outlets such as supermarkets, hypermarkets, and minimarkets. Fragmented trade, including small local and convenient stores, was the third largest segment (12.5% of the sales channel distribution), while the HoReCa segment accounted for 10.2%.

Information on served markets



PRODUCT QUALITY AND SECURITY

In accordance with the Quality and Food Safety Policy, Coca-Cola HBC Moldova pays special attention to fostering a company culture where quality is a core value across the entire organisation. The Company requires that standards are rigorously and consistently met and deploys a maturity continuum measurement to move the quality and food safety-focused culture to the next level. All Coca-Cola Hellenic operations commit to continuous improvement, which is measured, evaluated, and validated for effectiveness through both internal and external audits.

The Company has processes and systems in place to minimise any quality issues that may arise. This helps to rectify issues quickly and efficiently, thus ensuring that customers and consumers retain confidence in our products. Coca-Cola HBC Moldova has developed a system for dealing with complaints from customers and consumers. The process involves investigating the nature of the complaint, then categorising and prioritising it and coming up with an appropriate course of action. After resolving the complaint, preventive actions are taken to prevent similar complaints from arising in the future.

This approach also extends to suppliers. The Company requires Tier-1 suppliers to be certified under the following standards: ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety management). Ingredient and packaging suppliers should also be certified under FSSC 22000 (food safety) as well as the Global Food Safety Initiative (GFSI).

SUPPLY CHAIN

The supply chain plays a central role in the business of the Company, and environmental impacts and sustainability issues are carefully assessed and considered throughout the value chain.

Being part of the global supply chain of Coca-Cola Hellenic Group, it is paramount that the end-to-end business processes of Coca-Cola HBC Moldova do not contribute directly or indirectly to human rights abuses.

The Company uses its influence internally to ensure that employees fully understand the commitment to human rights, as well as their own rights and responsibilities, for which the Supplier Guiding Principles Policy was adopted for use in operations with direct suppliers. These principles are based on the belief that good corporate citizenship is essential to long-term business success and should be reflected in relationships and actions in the marketplace, the workplace, the environment, and communities as a whole.

Coca-Cola HBC Moldova strives to build relationships with suppliers that share similar

values and conduct business in an ethical manner.

In accordance with the Supplier Guiding Principles Policy, the Company expects its suppliers to:

- adopt fair employment practices
- provide a safe workplace with a minimal risk of accidents, injury, and exposure to health risks
- not employ anyone under the legal working age or condone physical or other unlawful abuse or harassment, or the use of forced or other compulsory labour in any operations
- compensate employees fairly and competitively relative to industry benchmarks
- recognise third parties in good faith and not to retaliate against employees for their lawful participation in labour organisation activities
- conduct business in ways that protect and preserve the environment

Procurement Sectors



CORPORATE GOVERNANCE

Corporate governance plays a key role in promoting sustainable economic development. The organisational structure of Coca-Cola HBC Moldova is horizontal, which facilitates a more rapid and effective communication model. The Company's governance also benefits from its matrix structure, which expedites higher flexibility in interactions between departments.

The efficiency of the Company's corporate governance is evidenced by an absence of significant fines and non-monetary sanctions imposed during the reporting period for violating social and economic laws and regulations.

The main governing body in Coca-Cola HBC Moldova, charged with clearly defined responsibilities for ensuring growth and sustainable development, is the Senior Management Team (SMT). This consists of six members (two women and four men) and includes all directors from each operational department and the Country Manager of Coca-Cola HBC Moldova.

The key responsibilities of Coca-Cola HBC Moldova SMT are to analyse and execute, on an annual basis, the business plans for each department by making risk assessments and impacts on economic, environmental, social, and occupational health and safety issues.

The six members of SMT are also charged with other responsibilities, such as assigning performance indicators to each specific department that reflect economic, social, and environmental impacts and, in close collaboration with the finance department, ensuring sustainable economic growth.

As a part of its development strategy, Coca-Cola HBC Moldova incorporates into

its organisational culture the 10 Principles of the UN Global Compact, which cover a range of areas, including human rights, social standards, the environment, and anti-corruption. The SMT continuously works with local communities and public institutions in order to better address issues as they arise. The team is also responsible for creating a safe and inclusive working environment, supporting team development, and boosting employees' skills through various vocational training courses and events. Particular attention is paid to any potential, perceived, or real conflicts of interest. It is an integral part of the Company's **Code of Business Conduct** that all employees voice any ethical concerns they might have and make corresponding reports, without fear of retaliation.

Appropriate policies and procedures have been elaborated and implemented to prevent and eliminate conflicts of interest, for example through business conduct and professional ethics training courses for employees.

All these efforts translate into long-term benefits for stakeholders and other concerned parties. Coca-Cola HBC Moldova works according to the **Code of Business Conduct and the Anti-Bribery Policy** – mandatory guidance on ethical matters that plays an important role within multifaceted operations. Under the policy, open communication is deemed to be a cornerstone of trust. It is the Company's belief that ethical standards and the anti-bribery policy are not just about "ticking boxes". In interactions with consumers, customers, suppliers, authorities, and other stakeholders, these values must always be upheld, and operations must be conducted in strict compliance with the policy.



Coca-Cola HBC Group was ranked number one in Europe for the eighth consecutive year and one of the top three global and European beverage companies for the tenth consecutive year, according to the 2021 Dow Jones Sustainability Index, which again declared Coca-Cola HBC Cola as the most sustainable beverage company in Europe.



In the "Trademark of the Year 2020" competition, organized by the Chamber of Commerce and Industry of the Republic of Moldova, the State Agency for Intellectual Property, and National Anticorruption Center, the Company was awarded the grand prizes in 2 nominations:

- Socially responsible company
- Implementing integrity standards in the private sector



Coca-Cola HBC Moldova ranked in the TOP 10 for the Top Employer competition in the Republic of Moldova, organized based on Employer Brand Perception Survey conducted in partnership with European Business Association (EBA).

COMBATTING CORRUPTION

The Group's Anti-Bribery and Compliance policy encompasses a set of rules that apply equally to all employees, suppliers, distributors, agents, consultants, and subcontractors acting on behalf of the Company. The Company has also elaborated internal anti-corruption policies in accordance with the Code of Business Conduct, which contain internal requirements and procedures aimed at ensuring compliance with applicable laws, rules, and regulations.

The Code of Business Conduct gives practical guidance on individual responsibilities and various aspects of

business ethics. To find out more about the Code of Business Conduct, click on the QR Code below:



DATA PROTECTION


To avoid business disruptions and protect against online threats, Coca-Cola HBC Moldova has created a Data Protection policy, which addresses IT security and confidentiality issues and complies with both EU legislation and national regulations. Also, Coca-Cola HBC Moldova has aligned its rules and procedures with European

and national legislation on governing the protection of personal data, and is registered as a personal data operator (registration number 0002319) at the National Centre for Personal Data Protection of the Republic of Moldova (CNPDCP - RM). No data losses or leakages were identified in 2021.

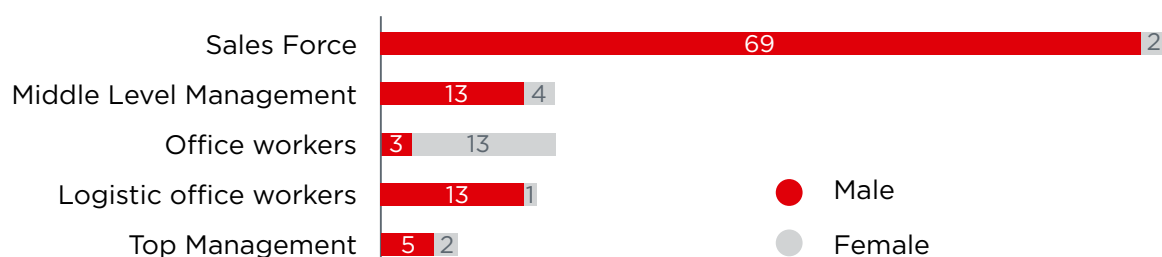
CARING FOR PEOPLE

At the end of 2021 Coca-Cola HBC Moldova had a total of 125 employees, of which only three were employed under temporary contracts. 85.6% of staff were located at the Chisinau office, while the remaining 14.4% worked in regional offices. These figures exclude the 99 contractor employees that were outsourced for various operations by Coca-Cola HBC Moldova in 2021, including merchandising and Customer Care Centre staff.

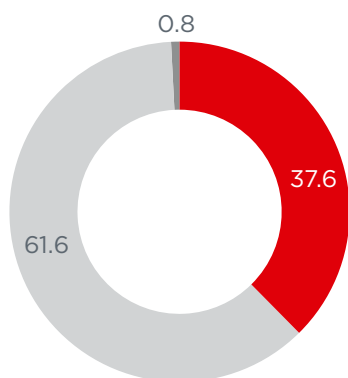
 **82.4%**
of all employees are men

 **25%**
of managerial positions are filled by women

By employee and gender category

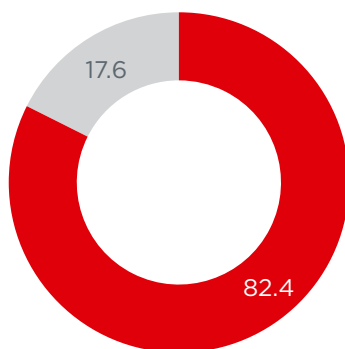


By age



- <30 (47)
- 30-50 (77)
- >50 (1)

By gender



- Male
- Female



new employees hired, 2021



employees left the Company, 2021



turnover rate, 2021

Changes in headcount, 2021

Category	New employees	Entry rate	Exiting employees	Turnover rate	
By age	<30	22	79%	13	50.0%
	30-50	6	21%	13	50.0%
	>50	0	0%	0	0.0%
By gender	Male	26	93%	25	96.2%
	Female	2	7%	1	3.8%
By region	Chisinau office	22	79%	18	69.2%
	Balti office	3	11%	5	19.2%
	Comrat office	3	11%	3	11.5%
By employee category	Mid-level management	0	0%	3	11.5%
	Sales force	22	79%	19	73.1%
	Office workers	2	7%	2	7.7%
	Logistic office workers	4	14%	2	7.7%
	Top management	0	0%	0	0.0%
By employment contract	Permanent	26	93%	26	100.0%
	Temporary	2	7%	0	0.0%

TRAINING AND DEVELOPMENT

In accordance with the Company's internal procedures, during the onboarding of new employees corporate policies are communicated and online training courses are regularly conducted to provide necessary updates.

The business environment is dynamic; therefore, it is important that the Company be flexible, can adapt quickly, and facilitates the rapid development of employees.

The Company has elaborated its own learning method, which comprises:



70%

on-the-job learning



20%

learning from peers



10%

specialised training courses

At Coca-Cola HBC Moldova various training programmes address the requirements of different employee categories:



Sales agents



Professionals/experts



Team leaders



Department managers

All development programmes have been specially created by the Talent Development and Skills Development departments (Logistics and Sales), and contain specific curricula that align with the Company's strategy and current skills development needs across a number of areas. In 2021 all employee categories completed training courses (**2,215 hours** in total), with an average of **14.5 hours** per employee.

EMPLOYEE BENEFITS



0.18 million
MDL

The average salary paid at Coca-Cola HBC Moldova is around twice the national average³.

Coca-Cola HBC Moldova's employees receive additional medical insurance from the Company, which includes medical services provided by private institutions. Each year the Company extends the range of institutions and services included in the coverage and seeks to continuously improve the scope of medical benefits provided to employees. The lowest annual cost for insurance per employee is MDL 2,200 and the lowest coverage is MDL 20,000.

In addition, in 2021 Coca-Cola HBC Moldova signed a collaboration agreement with a medical lab, which provides 10% discounts on all medical services not covered under insurance packages.

As well as medical insurance, the Company provides the following compensation benefits, social packages, and programmes:

- sick leave and maternity leave
- monetary contributions to pensions
- Christmas bonuses (50% of basic monthly salary)
- daily meal vouchers and transport services to help alleviate daily expenses
- mobile phones and corporate uniforms
- various events to help our people relax and socialise with colleagues

³. National average net wages for the Republic of Moldova were taken from the National Bureau of Statistics database

- Monthly products from the Company's portfolio and, for parties and special occasions, the Company pays for all items.
- Mementoes and cash gifts for employees celebrating anniversaries at the Company (from their fifth year, as part of the recognition programme).
- A number of other certificates and prizes.
- Annual evaluations and a merit-based salary rises.

MY VOICE ENGAGEMENT SURVEY

Coca-Cola HBC Moldova continuously monitors the satisfaction level of employees.



97.6%

of employees participated in the survey, with a Sustainable Employee Engagement index of 97 out of 100 in 2021

The purpose of the My Voice engagement survey is to give Coca-Cola HBC Moldova's people a chance to share their views about the Company's strengths and opportunities for further development.

Questions in the 2021 survey cover a range of topics, including the efficiency of operations, how well customers are served, how happy the working environment is, and how employees connect and relate to the Company's leadership.

HUMAN RIGHTS, DIVERSITY, AND EQUAL OPPORTUNITIES

Coca-Cola HBC Moldova conducts its activities in compliance with Coca-Cola HBC's Inclusion and Diversity Policy. The purpose of this policy is to ensure that workplaces are free from discrimination or harassment on the basis of race, sex, colour, national or social origin, religion, age, disability, sexual orientation, political opinion, or any other status protected by applicable law. Furthermore, the only basis for recruiting, hiring, placing, training, compensating, and promoting people at the Company should be their qualification level, performance, skills, and level of experience.

Note: The salary level for one male employee in top management was not provided and hence is not included in the calculations.

Ratio of basic salary and remuneration of women to men by employee category, 2021



111.6%

Top management



99.2%

Office workers



137.3%

Mid-level management



86.6%

Logistics office workers



84.3%

Sales force

Coca-Cola HBC Moldova seeks to ensure that equal basic salaries and remuneration levels are paid.

The average percentage ratio of basic salary and remuneration of women to men is 103%, while the average percentage salary increase ratio is 14.2% for women and 13.2% for men.

Salary rises, %



9.7%

Top management



13.2%

Office workers



14.1%

Mid-level management



10.9%

Logistics office workers



14.2%

Sales force



13.4%

Total

CONTRIBUTION TO ECONOMIC DEVELOPMENT



ECONOMIC OUTPUT IN TERMS OF GROSS VALUE ADDED (GVA)

The core measure of economic activity generated by the Company is its overall contribution to Moldova in terms of GVA (gross value added).

GVA is a measure of the economic value of the goods and services produced at an individual company, industry or sector level, net of intermediate consumption (e.g. goods and services used in the production process). It estimates the difference between the value of goods and services produced and the cost of inputs, such as unprocessed materials, that are used to create those goods and services. A nation's gross domestic product (GDP) includes the sum of the GVA of all economic agents in the economy.

Coca-Cola HBC Moldova's GVA contribution is assessed in three main areas:

Direct: first-round effects, where the demand for Coca-Cola HBC Moldova products generates business activity/output.

Indirect: second-round effects through activities and output, supported by the Coca-Cola HBC Moldova supply chain as a result of its procurement⁴ of inputs of goods and services for its own operations.

Indirect effect of the Tier-I is the value added created by local companies from which Coca-Cola HBC Moldova directly procures goods and services and by retailers selling Coca-Cola HBC Moldova products. This is wages, taxes and income earned by Coca-Cola HBC Moldova direct suppliers, distributors and retailers.

Indirect effects of the Tier-II are generated because Coca-Cola HBC Moldova local suppliers and retailers in their turn procure goods and services further in the supply chain to support their activities, suppliers of the suppliers also buy goods and services and the cycle continues through the whole economy. The initial expenditures of Coca-Cola HBC Moldova and retailers' income generate additional demand for goods and services in the economy, to which economic agents respond by increasing production thus generating value added.

Induced: multiplier effects which arise in the Moldovan economy as a result of Coca-Cola direct employees and those employees in Coca-Cola HBC Moldova's local supply chain spending their Coca-Cola-related wages in Moldova. This spending generates additional economic activity for those businesses from which these employees buy goods and services and these businesses' own wider supply chains.

Direct GVA impacts are measured using the production approach to calculation. Indirect and induced impacts are assessed based on an input-output modelling approach⁵. Our analysis is based on the specific structure of the Coca-Cola HBC Moldova supply chain and uses Moldova-specific input-output table (the structure of input-output table, particularly the sectors, final demand, and primary inputs classifications, are presented in Appendix 2) and the Tier-I and Tier-II multipliers derived from the table. This table shows, in matrix form, the interlinkages between sectors of the economy in terms of the value of goods and services (inputs) that are required to produce each unit of the output in given sectors of the economy.

4. Any expenditure outside Moldova is considered a "leakage". The economic multipliers used in our analysis only account for spending within Moldova.

5. This approach was developed by the economist Wassily Leontief. Leontief, W. 1986. 'Input-output economics'. Oxford University Press.

EMPLOYMENT CONTRIBUTION

Employment is one of the important channels through which Coca-Cola HBC Moldova contributes to the economy. Employment is reported in full-time equivalent (FTE) terms.

Employment impacts are also assessed in direct, indirect, and induced terms:

Direct: individuals that Coca-Cola HBC Moldova employs directly.

Indirect: employment supported as a result of economic activity generated through Coca-Cola HBC Moldova's supply and distribution chains.

Induced: employment supported via additional economic activity generated in Moldova from direct and indirect employees spending Coca-Cola HBC Moldova-related wages in Moldova.

Indirect and induced employment impacts are assessed in a similar way to GVA contributions (an input-output modelling approach is used).

INVESTMENT

Investment activity is an important determiner of economic contribution, and is recognised as being an important driver of economic growth.

Coca-Cola HBC Moldova's level of investment is captured through:

- its own capital expenditure (Capex) in FY 2021
- its Capex intensity

Capex intensity estimates the ratio of a company's Capex to the direct GVA it generates. This is compared to the national average Capex intensity using the national Gross Fixed Capital Formation* level, as a proportion of national GVA.

FISCAL CONTRIBUTION

Total fiscal contributions generated by Coca-Cola HBC Moldova comprise:

Direct fiscal contributions: fiscal contributions directly made by Coca-Cola HBC Moldova, which is the total amount remitted by Coca-Cola HBC Moldova annually to the national budget.

Fiscal contributions via the supply chain and induced economic activity: fiscal contributions through the supply chain and induced economic activity, which estimates:

- fiscal contributions generated via the Coca-Cola HBC Moldova supply and distribution chain
- fiscal contributions generated via the wider supply chain

Employee fiscal contributions: employee fiscal contributions estimate total fiscal contributions generated from Coca-Cola HBC Moldova's direct employees, as well as contributions made by indirect and induced employees in the wider economy.

Gross fixed capital formation (GFCF), also called "investment", is defined as the acquisition of produced assets (including purchases of second-hand assets), including the production of such assets by producers for their own use, minus disposals

SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS

To assess social and environmental contributions we:

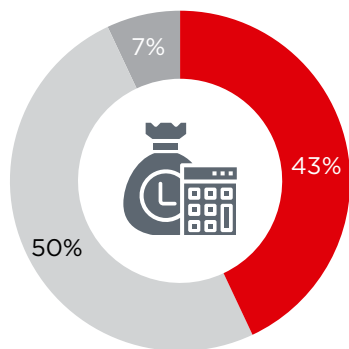
- conducted desk research
- analysed data provided by Coca-Cola HBC Moldova (KPMG has not verified these data)

A quantitative impact assessment was not performed, as it was not part of the scope of the study. Our analysis was based on the aforesaid sources, with no full impact assessment quantifying specific impacts. The areas and specific case studies under review were agreed with Coca-Cola HBC Moldova.

ECONOMIC IMPACTS IN GVA TERMS

Total GVA Contribution **211.1**

The total contribution of Coca-Cola HBC to the Moldovan economy, which made up 0.1% of GDP in 2021, million MDL



99.0

Direct GVA generated through own activities, million MDL

95.8

Indirect GVA generated through spending with Moldovan Tier-1 (direct) suppliers and activity in the wider supply chain, million MDL

16.2

Induced GVA generated from individuals employed directly or indirectly in Coca-Cola HBC Moldova's operations spending their wages in Moldova, million MDL

Coca-Cola HBC Moldova's revenue is generated from sales of imported goods and locally purchased goods

76%

share of revenue from sales of imports

24%

revenue from locally purchased goods

1.13 MDL

of indirect and induced GVA was generated in the Moldovan economy for every MDL 1 of direct GVA generated by Coca-Cola HBC Moldova

A significant contribution to Moldovan GVA comes from the local suppliers that Coca-Cola HBC Moldova directly procures goods and services from, and by local distributors and retailers that sell the Company's products. In 2021, **50.5%** of Coca-Cola HBC Moldova's procurement was organised internally in the Moldovan economy. Coca-Cola HBC Moldova's local suppliers and trade partners contributed **MDL 60.2 million** to GVA.

We analysed the direct, indirect, and induced GVA contribution of Coca-Cola HBC Moldova per sector; for details see the charts below. Based on the financial information provided by Coca-Cola HBC Moldova, the main drivers behind GVA in 2021 were the following sectors:



Food and Beverages

mainly due to local product procurement, for resale purposes



Transportation services

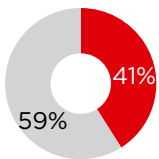
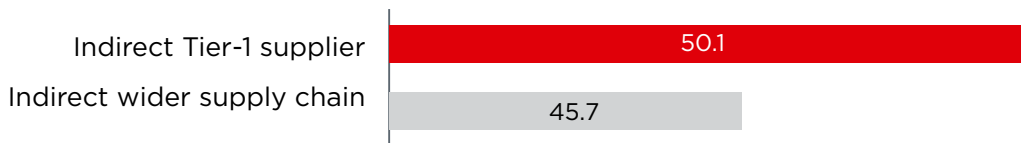
via product deliveries



Professional services (Consulting, advertising, HR services)

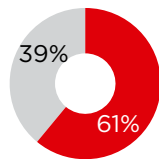
primarily due to the use of marketing and packaging-related services

Indirect GVA contribution of Coca-Cola HBC Moldova by sector, 2021, MDL million



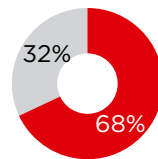
53.4

Food and beverages



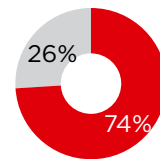
17.1

Transport services



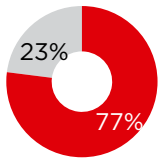
12.0

Consulting, advertising and HR services



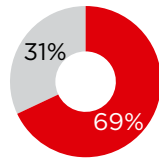
8.1

Wholesale and Retail Trade



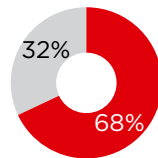
3.9

Other sectors



1.0

Printing and Publishing Services



0.4

Other manufacturing

- Indirect Tier-1 supplier
- Indirect wider supply chain

Indirect Tier-I effect generated:



43.4%

in the food and beverages production sector



20.7%

in transport services



16.2%

in professional services



11.9%

in wholesale and retail trade

Indirect effect of Tier-II wider supply chain GVA generated:



69.3%

in the food and beverages production sector



14.8%

in transport services



8.3%

in professional services



4.7%

in wholesale and retail trade

Induced GVA contribution of Coca-Cola HBC Moldova by sectors, 2021, MDL million



5.8

Food and beverages



2.6

Consulting, advertising, and HR services



2.7

Transport services



1.0

Wholesale and retail trade



0.1

Other manufacturing



0.2

Printing and publishing services



0.6

Other sectors

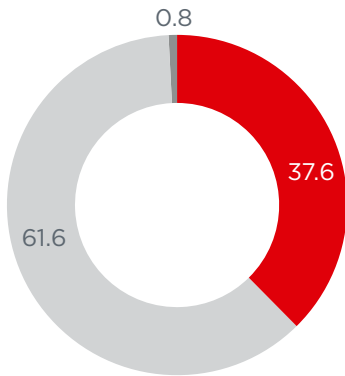


3.3

Coca-Cola HBC Moldova

EMPLOYMENT CONTRIBUTION

Coca-Cola staff structure



125

Coca-Cola employees at end of 2021

- less than 30
- 30-50 years of age
- >50 and above



17.6%

female employees of Coca-Cola HBC Moldova



28.6%

female top management of the Company

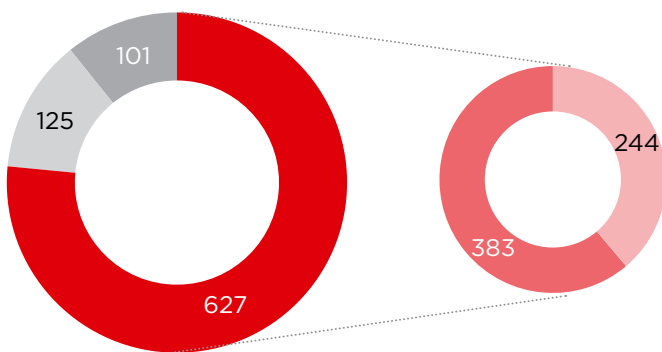
WAGES

Coca-Cola HBC Moldova pays a high level of remuneration. In 2021, the average monthly compensation paid by Coca-Cola HBC Moldova was around **twice higher** than the average monthly compensation in the Moldovan wholesale and retail trade industry.

JOBS CREATED

We estimate that through its activities in FY 2021 Coca-Cola HBC Moldova generated **853** jobs, which made up **0.10%** of the total number of people employed in Moldova in 2021.

Employment contribution of Coca-Cola HBC Moldova, 2021, FTE



For each direct job created by Coca-Cola HBC Moldova, an additional 5.8 jobs (both indirect and induced) were created in Moldova in 2021.

- Direct employment
- (induced) Employment
- (indirect) Employment Tier-1
- (indirect) Employment Tier 2

We also analysed the employment contribution of Coca-Cola HBC Moldova per sector – see the chart below. Based on the financial information provided by Coca-Cola HBC Moldova, the main drivers behind the employment contribution increase in 2021 were the following sectors:



Food and beverages

mainly due to local product procurements, for resale purposes



Transport services

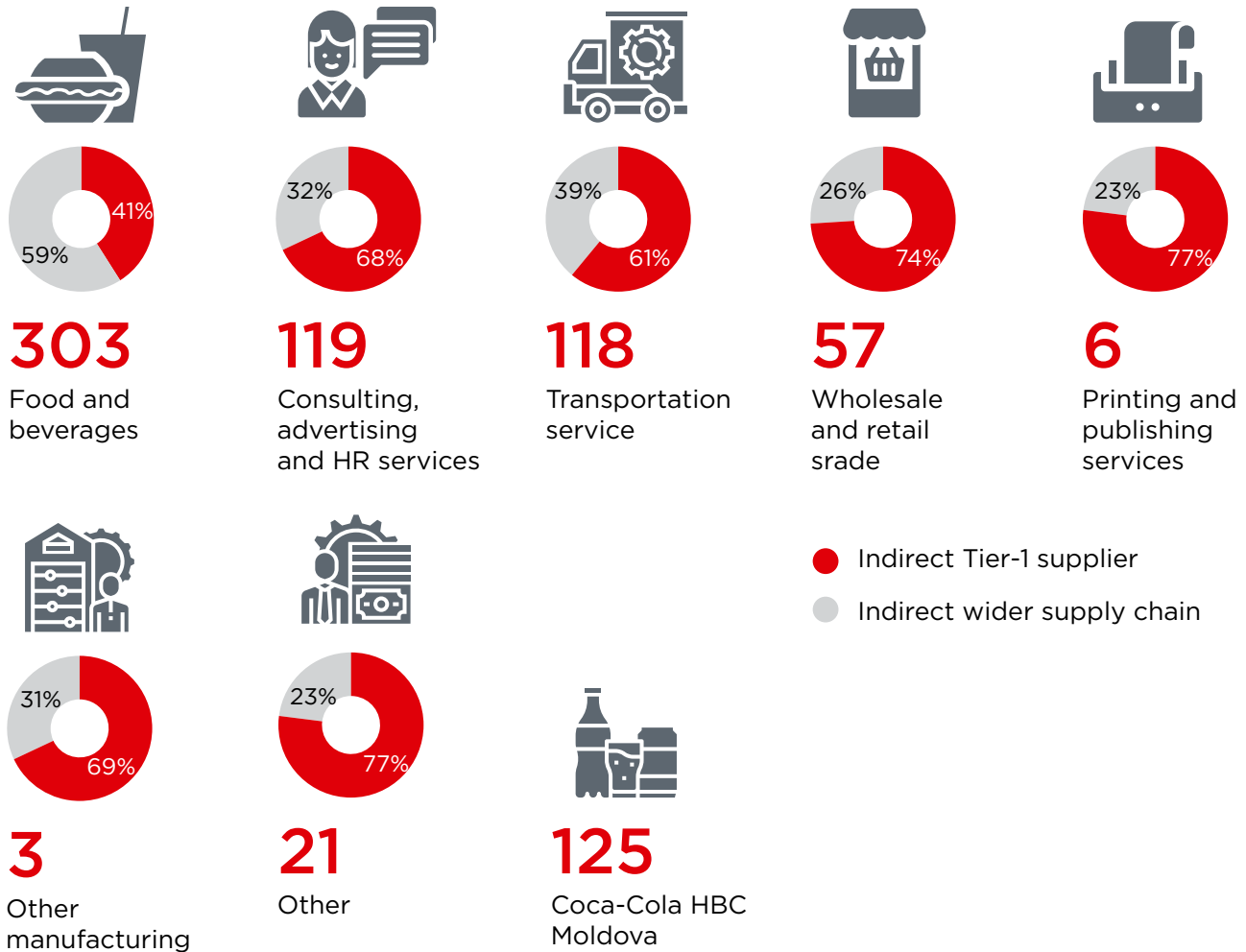
mainly from product deliveries



Professional services
(Consulting, advertising and HR services)

chiefly from marketing and packaging-related services

Direct and indirect employment contributions of Coca-Cola HBC Moldova in Moldova by sector, 2021, FTE



Induced employment contributions of Coca-Cola HBC Moldova by sector, 2021, FTE



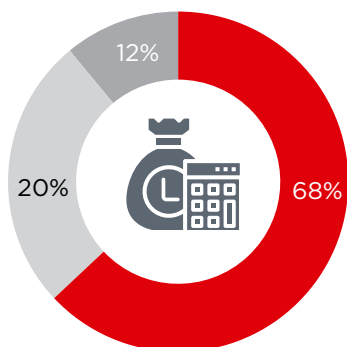
FISCAL CONTRIBUTIONS

Coca-Cola HBC Moldova contributes to Moldovan public finances through a range of taxes: profit tax, income tax paid on behalf of employees, and taxes collected on behalf of the government, such as VAT.

Payments to national budget

115.2

Coca-Cola HBC's total fiscal Payments to national budget in 2021, million MDL, or 0.15% of total tax revenue in Moldova during the period



77.9

Direct fiscal contribution, million MDL

23.3

Fiscal contributions via the supply chain and induced economic activity remitted to the government through a network of business partners and subsequent economic activity, million MDL

13.9

Fiscal contributions to the government generated via direct, indirect, and induced employees' earnings-related income tax, million MDL

INVESTMENTS

This section covers Coca-Cola HBC Moldova's capital expenditure (Capex) in 2021.

Capex is the spending made by a company to acquire or upgrade infrastructure. Investment activity is an integral part of any economic contribution, and is recognised as being an important driver of economic growth.

In Capex terms, Coca-Cola HBC Moldova made a total investment of **MDL 18.4 million in 2021**, equivalent to 2.9% of its revenue. Coca-Cola HBC Moldova's investments made up **0.34%** of the country's total capital formation.

Coca-Cola HBC Moldova's Capex intensity was **11.3%** below the national average.

18.5%

Coca-Cola HBC Moldova's Capex intensity

29.8%

National Capex intensity level

The 2020 gross fixed capital formation for Moldova was used, since 2021 data were unavailable

Social contributions, 2021



1.2 million MDL

spent by Coca-Cola HBC Moldova on charitable donations and social projects

COMMUNITY INVESTMENT



INTRODUCTION

Under Coca Cola HBC Moldova's Environmental policy, the Company commits to conducting all its business activities responsibly, with due regard for environmental impacts and sustainability. The environment is everybody's responsibility, and all employees are accountable for environmental performance.

Coca Cola HBC Moldova seeks to achieve a steady improvement in meeting its environmental obligations, while at the same time working to minimise any negative impacts on the local and global environment as the Company grows its business.

To reach these targets, Coca Cola HBC Moldova has defined the Mission Sustainability Commitments, which are to be achieved by 2025.

MISSION SUSTAINABILITY - 2025 COMMITMENTS

Reduced emissions:



30%

reduction in the direct carbon emissions ratio



50%

of the Company's refrigerators in customer outlets will be energy efficient



50%

of total energy used in plants will come from renewable and clean sources



100%

of total electricity used in plants in the EU and Switzerland will come from renewable and clean sources

Water reduction and stewardship:



20%

reduction in water used in plants located in water risk areas



100%

water security in water-risk areas; helps ensure the availability of water for all the Company's communities in water risk areas

World without waste:



of consumer packaging will be recyclable



of total PET production is from recycled PET and/or PET from renewable materials



equivalent of primary packaging needs to be collected



of the source of key agricultural ingredients will be adhere to sustainable agricultural principles

Nutrition:



reduction in calories per 100ml of sparkling soft drinks

People and communities:



target zero fatalities and a reduction in the accident rate

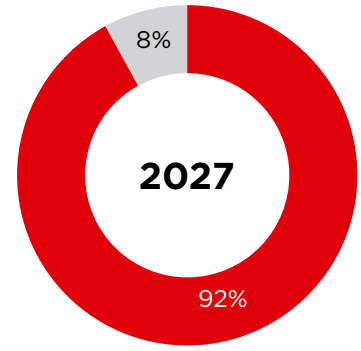
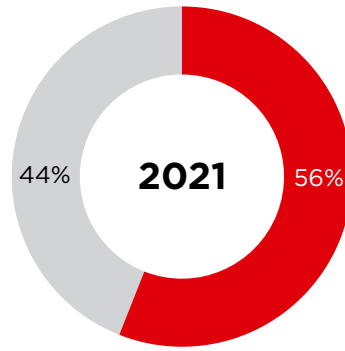
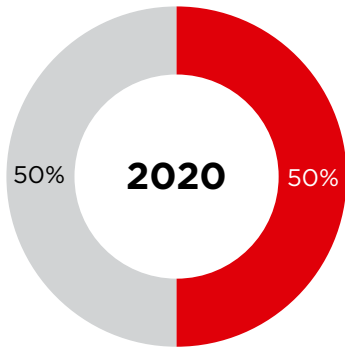


of managerial positions to be held by women

ACHIEVING CORPORATE GOALS

Reduced emissions

A significant volume of greenhouse gas emissions generated by Coca-Cola HBC Moldova's operations comes from the the transport fleet's fuel consumption, raw materials (packaging), and cooling equipment. The Company is committed to reducing its carbon footprint and is constantly working to reduce both direct and indirect emissions.



- % CO2 Friendly Coolers
- % of Regular Coolers

In 2021 the goal of having 56% of coolers CO2 friendly was achieved. Yearly progress in this area is expected, and the aim is to have more than 90% of coolers CO2 friendly by 2027.

With revenue increasing at Coca-Cola HBC Moldova, the Company strives to make its energy consumption as sustainable and efficient as possible.

Energy intensity ratio

Year	Electricity consumption	Gas consumption	Electricity consumption to total revenue ratio	Gas consumption to total revenue ratio	Total energy consumption to total revenue ratio
	total cost	total cost			
2020	396,078	65,583	0.08%	0.01%	0.09%
2021	454,711	96,595	0.07%	0.02%	0.09%

World without waste

 **87%**
of generated waste, both hazardous and non-hazardous, was recycled or recovered in 2021

 **100%**
of hazardous waste was recycled

2021 PROJECTS

Youth and women empowerment project

As part of the Youth and Women Empowerment project, Coca-Cola HBC Moldova seeks to help young people realise a sustainable socio-economic future and to set and achieve ecological goals within communities. As a result of the project, 24 ideas have been developed in areas that are crucial for community wellbeing, including eco-socio-economic sustainable development, which impacts **Ecology, Gender Equality and Women Empowerment, Social Innovation, and Civil Society** issues. The project's activities have been implemented in collaboration with local authorities, education institutions, and local businesses. Public Association Junior Achievement Moldova was the body that administered the initiative.

The target group comprised young, active students (aged 15-20) interested in socio-economic and ecological issues who were determined to obtain knowledge and experience that can transform their local communities (mostly in rural areas).

Project impact:

- ① Around 500 project participants became actively involved in building and strengthening a culture of entrepreneurship and environmental management in their respective communities. After mastering basic and sustainable conservation practices during the event, the young people engaged various members from their communities to take part in eco-entrepreneurship educational activities.
- ① The ideas developed by the participants also addressed important gender-related issues, such as gender economic inequality, women's leadership, and combating gender stereotypes. The projects will lead to an overall improvement in gender awareness and contribute to the empowerment of girls at a local level.

- Strengthening civil society within communities, by creating a network of social interaction among project participants that fosters similar initiatives in this area. Young people, as a result of the project, will become ambassadors for their communities and inspire community members to get involved and achieve great things.
- Nine winning teams received awards, and their ideas will be used to develop and improve their communities.
- The project has 10,000 indirect beneficiaries (students, local communities, teachers, etc.).

The project encompassed:



- 56 partner educational institutions
- over 660 participants (500 students; 25 mentors/trainers; 15 volunteers; 5 moderators; 15 organisers and a technical team, 30 guests and media; 70 schools; teachers)
- gender equality vis-à-vis the number of participants (57% girls/45% boys)
- a rural/urban balance of participants (60% rural areas, 40% urban areas)
- participants from both banks of the Dniester River
- participants are drawn from low-income areas, ethnicities, or have special needs
- age group: 15-20

Project activities included:

- **June 2021** – selection of educational institutions from rural areas as partners
- **June 2021** – elaborating the agenda, activity questionnaires
- Partnership days on community engagement/15 units offline organised over **September-November 2021**
- **September 2021** – competition announced, selection of work topics/problems which should be resolved, facilitators, teams of volunteers/consultants, the jury
- 2 events organised over **October-November 2021** in an online format, as part of the Innovative Critical Thinking Approach on Community Involvement Camp
- **June-December 2021** – Development of digital materials for economic and entrepreneurial courses.



Comments from participants about their project achievements:

- *I had the opportunity to interact with people who make a real contribution to the community.*
- *It wasn't the same as school, I had to collaborate in a different way.*
- *One exercise forced me to get out of my comfort zone and to think differently.*
- *I met colleagues from other regions and we agreed on a viable short-term solution.*
- *It was the first time that I gave a public presentation and made a case for something.*
- *I got to use a wide range of IT tools.*
- *I had the opportunity to work in a team, with colleagues from all backgrounds and ages.*

Introducing integrated waste management systems in 10 schools

As part of the Eco School project, 10 schools created a waste collection system, and the students got the chance to learn how to apply a functioning waste management model and work out how to sort waste correctly. In addition, the complementary educational activities organised during the project did a great job to raise awareness about waste.

The project covers the following topics:

- climate change/circular economy
- waste management/selective collection
- planting and looking after trees
- nature and biodiversity
- water protection
- energy efficiency
- healthy lifestyles

Project goals:

- Be a catalyst for the teaching of ecology.
- Allow teachers to use ready-made lesson plans that cover major environmental topics.
- Give teachers an opportunity to use an interactive teaching style, with a particular focus on critical thinking, making discoveries, and problem-solving.
- Help shape generations of children and adults that care about nature and who recognise that through their actions they can make the world a better place.

Within the project, teachers and students performed seven tasks:

- set up ECO Patrol groups
- create an ECO Code
- environmental analysis / action plans
- give lessons on the environment
- inform the community about planting and sanitation activities, and get them involved
- selective waste collection
- participate in the Art of the Earth contest and organise a recycling festival

Educational institutions participating:

- Zaicana Gymnasium, Zaicana village, Criuleni district.
- L.T. Mihail Stratulat, Boscana commune, Criuleni district.
- Cosernisa Gymnasium, Cosernisa village, Criuleni district.
- Oniscani Gymnasium, Oniscani village, Criuleni district.
- Slobozia-Dusca Gymnasium, Slobozia-Dusca village, Criuleni district.
- L.T. Boris Dînga, Criuleni district.
- Mihai Eminescu Gymnasium, Jevreni village.
- L.T. Alexander the Good, Sîngera commune.
- Gymnasium no. 67, Revaca village, Sîngera commune.
- Gymnasium no. 68 inside. Dobrogea, Sîngera commune.

Project results



- 5 trainings organised for teachers and students
- 40 open classes held on environmental issues and waste management
- 10 clean-ups organised
- 10 tree plantings organised (part of practical environmental lessons)
- Earth Art schools contest held
- Eco Code schools contest held
- Recycling Fest (part of practical environmental lessons)

3,687

active
participants

7,980

direct beneficiaries
(students, teachers,
their families)

>27,000

indirect beneficiaries

Separate collection of packaging waste in 9 localities in Moldova

Coca-Cola HBC Moldova, along with other companies in the industry, launched a pilot project for the separate collection of packaging waste, through the Association of Packaging Manufacturers and Importers of Moldova (APIAM).

In November 2021 APIAM, in partnership with the authorised recycler Salubris Grup, launched a pilot project for the separate collection of packaging waste, with the aim of promoting the European principle of Extended Producer Liability (REP).

The project was launched in nine localities in the Criuleni district, and covered around 56,000 households, schools, budgetary institutions, and private companies.

The localities selected to pilot the project were: Oniscani, Cruglic, Boscana, Porumbeni, Dubssarii Vechi villages, Drssliceni commune, Criuleni town in Criuleni district, and Cricova town and Ciorescu commune in the Chisinau municipality.

The chief aim of the project is for residents to be offered free refuse containers where they can store packaging waste: glass, plastic, polyethylene, metal, paper, cardboard, etc. The contents of the containers are sorted and processed by an authorised operator.

Further aims included raising consumer awareness about separate waste collection and environmental issues and nurturing civic responsibility in the localities involved in the pilot project.

Project goals:

- ⦿ Increase the volume of recycled waste and reduce the amount of waste disposed in landfills.
- ⦿ Allow the separate collection and sorting of packaging waste (plastic, cardboard, glass, metal).
- ⦿ Implement a classic EPR model where a collective system plays a key role in waste management.
- ⦿ Raise consumer awareness over separate waste collection, environmental issues, and the need to take responsibility.
- ⦿ Expand the capacities of the business environment by providing financial support and logistical assistance, and continue to implement separate waste collection activities in the future.

Project results



6

companies initiated a pilot project to provide 25% separate waste collection and its further recycling in five years



56,000

households, schools, government institutions, and businesses covered



99

tons collected, sorted and recovered in 6 months



9

communities covered



130

dumpsters for separate waste sorting installed

STAKEHOLDER ENGAGEMENT

Survey

The methodology used to identify the material topics to be covered in the Sustainability Report is aligned with GRI Standards.

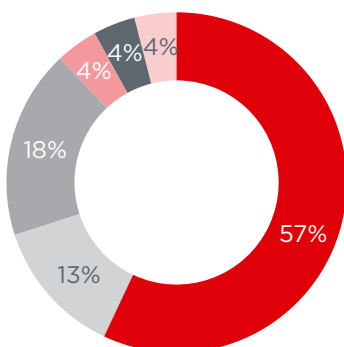
The goal of stakeholder engagement is to recognise the reasonable expectations and interests of stakeholders and to ascertain their informational needs. Thus, a 15-question stakeholder survey was conducted, which contained questions about participants' perceptions of the social, environmental, and economic impacts of the Company. In addition, for each question, stakeholders were asked to indicate to what extent they feel that each area is significant. 23 stakeholders representing six stakeholder groups participated in the survey.

The survey also provided an opportunity for stakeholders to raise additional concerns and to make suggestions on how they think the Company's performance could be improved.

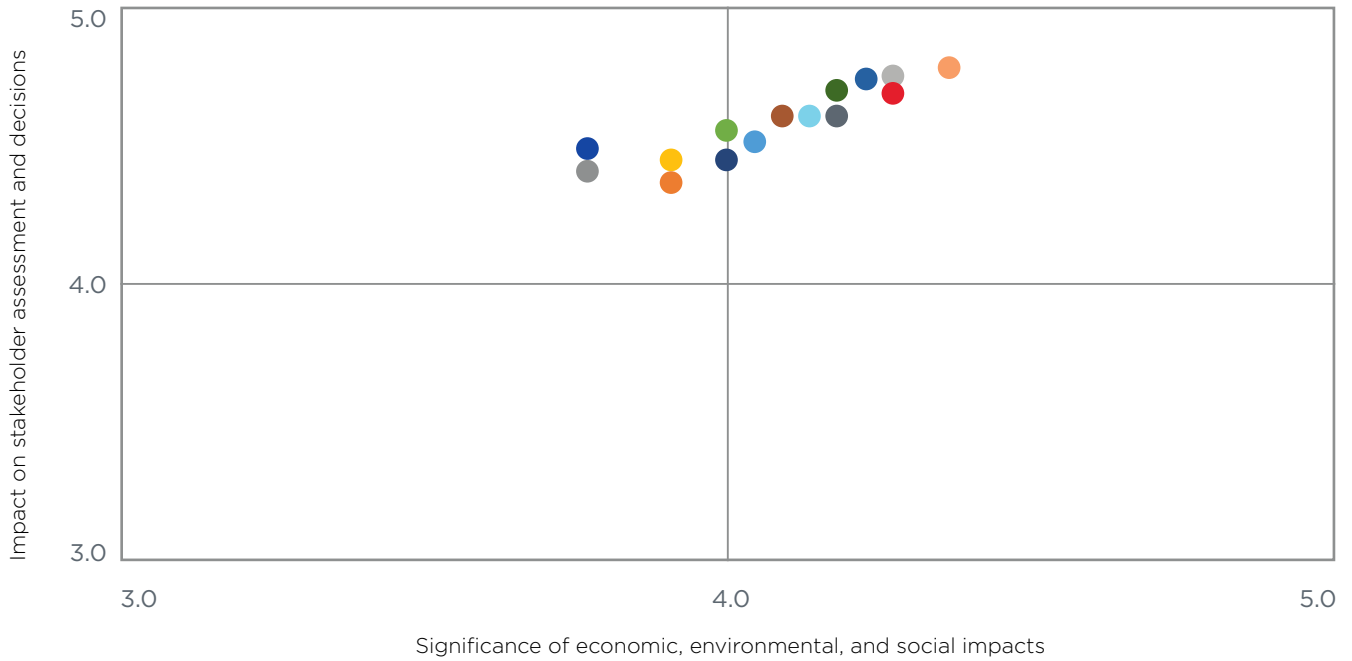
Overall, the participants indicated that they were satisfied with Coca-Cola HBC Moldova's activities; however, they recommended that the Company introduce a wider range of social and environmental initiatives, especially ones that target younger members of the community.

They also expressed a desire to be better informed about the programmes and events that the Company organises or participates in.

Stakeholder participation by type



- Company employees
- Consumers
- NGOs
- Retail
- Regulatory bodies
- Distributors



- Climate change, emissions, energy use and efficiency
- Packaging, recycling, and waste management
- Water stewardship
- Sustainable sourcing and supply chain management
- Corporate governance, business ethics and anti-corruption
- Responsible marketing
- Corporate citizenship, investment, and engaging local communities
- Human rights, diversity, and equal opportunities
- Well-being, the development and employee engagement
- Product quality
- Health and safety, product quality
- Direct and indirect economic impacts
- Women's economic empowerment/gender balance
- Occupational health and safety
- Dealing with COVID-19

AFFILIATIONS



Association of Moldovan
Packaging Manufacturers
and Importers (APIAM)



European Business
Association (EBA)



American Chamber of
Commerce in Moldova
(AmCham)



Chamber of Commerce
and Industry of the
Republic of Moldova

APPENDICES

Appendix 1

Methodology

Economic contribution in GVA terms

The production approach was used for the direct GVA calculation:

Direct GVA = Sales (Revenue earned from goods sold, excluding other non-operating income) - change in inventory - Purchased goods and services (supplier spending)

To estimate indirect contributions, Coca-Cola HBC Moldova supplier spending data was analysed. Spending outside Moldova is considered “leakage” and was not included in the calculations. Each item of supplier spending was categorised according to Eora table sectors (see Appendix 2), which are aligned with NACE (Nomenclature des Activités Économiques dans la Communauté Européenne) codes.

Indirect GVA = Tier-1 Supplier GVA + wider supply chain GVA, where

Tier-1 Supplier GVA = \sum_i^n Spending with suppliers in sector i x average GVA as a proportion of output for sector i , where

n : number of sectors

Wider supply chain GVA = \sum_i^n Tier-1 supplier GVA for suppliers in sector i x (Type-I GVA multiplier for sector $i-1$), where

n : number of sectors

Induced GVA = \sum_i^n Tier-1 supplier GVA for suppliers in sector i x (Type-II GVA multiplier for sector $i-1$ - Type-I GVA multiplier for sector i) + induced payroll GVA), where

n : number of sectors

Induced payroll GVA = Direct payroll GVA x (sector specific Type-II GVA multiplier - sector specific Type-I GVA multiplier), where

Direct payroll GVA = Coca-Cola HBC Moldova payroll costs x sector average GVA as a proportion of output.

Type-I and Type-II GVA multipliers were calculated according to the Leontief input-output modelling approach, based on input-output tables. The input-output table was taken from the National Bureau of Statistics of the Republic of Moldova (NBSRM). To calculate Type-I and Type-II employment multipliers, the ratio of the number of employees / total output per each sector was calculated. The number of employees per sector was taken from the NBSRM.

Employment contribution

Direct employment data in FTE terms were provided by Coca-Cola HBC Moldova.

Indirect employment = Tier-1 supplier employment + wider supply chain employment, where

$$\text{Tier-1 supplier employment} = \sum_i^n \frac{\text{Tier-1 supplier GVA for suppliers in sector } i}{\text{sector average GVA per employee for sector } i}$$

n: number of sectors

Wider supply chain employment

\sum_i^n Tier-1 supplier employment for suppliers in sector i x (Type-I employment multiplier for sector i - 1), where

n: number of sectors

Induced employment = \sum_i^n Tier-1 supplier employment for suppliers in sector i x (Type-II employment multiplier for sector i - Type-I employment multiplier for sector i) + induced payroll employment, where

n: number of sectors

Induced payroll employment = Direct payroll employment x (sector specific Type-II employment multiplier - sector specific Type-I employment multiplier)

Direct payroll employment = Direct Payroll GVA / sector average GVA per employee

Type-I and Type-II employment multipliers were calculated according to the Leontief input-output modelling approach, based on NBSRM input-output tables.

Fiscal contribution

The **direct fiscal contribution** was calculated based on data provided by Coca-Cola HBC Moldova.

Fiscal contribution through the supply chain and induced economic activity = Tier-1 supplier fiscal contribution + induced economic activity fiscal contribution, where

Tier-1 supplier fiscal contribution = indirect GVA x national average tax as % of GDP

Induced economic activity fiscal contribution = induced GVA x national average tax as % of GDP

Employee fiscal contribution = direct employee contribution + indirect employee contribution + induced employee contribution, where

Indirect employee contribution = indirect employees x country average wage x income tax rate

Induced employee contribution = induced employees x country average wage x income tax rate

Investment

Total investment data, based on which the Capex intensity ratio was calculated, were provided by Coca-Cola HBC Moldova.

Coca-Cola HBC Moldova Capex intensity = CCHBC HBC Moldova Capex / CCHBC HBC Moldova Direct GVA

APPENDIX 2

Sector, final demand, and primary input classifications in input-output table

Sector classifications (Eora 26):

Section A: Agriculture, hunting, and forestry.

Section B: Fishing.

Section C: Mining and quarrying.

Section D (Excluding Divisions 15, 22, 36): Manufacturing.

Section D (Division 15): Manufacturing of food products and beverages.

Section D (Division 22): Publishing, printing, and reproduction of recorded media.

Section D (Division 36): Manufacturing of furniture; manufacturing not classified elsewhere.

Section E: Electricity, gas, and water supply. Section F: Construction.

Section G: Wholesale and retail trade; repair of motor vehicles, motorcycles, and personal and household goods.

Section H: Hotels and restaurants.

Section I (Excluding Division 64): Transport, storage, and communications.

Section I (Division 64): Post and telecommunications.

Section J: Financial intermediation.

Section K (Division 70): Real estate activities.

Section K (Division 71): Rent of machinery and equipment (without an operator) and personal and household goods.

Section K (Division 72): Computer and related activities

Section K (Division 73): Research and development

Section K (Division 74): Other business activities.

Section L: Public administration and defence; compulsory social security.

Section M: Education.

Section N: Health and social work.

Section O (Division 90): Sewage and refuse disposal, sanitation, and similar activities.

Section O (Division 91): Activities of membership organisations not classified elsewhere.

Section O (Division 92): Recreational, cultural, and sporting activities.

Section O (Division 93): Other service activities.

Section P: Activities of private households as employers and undifferentiated production activities of private households.

Final demand classifications:

1. Household final consumption.
2. Non-profit institutions serving households.
3. Final government consumption.
4. Gross fixed capital formation.
5. Changes in inventories.
6. Exports.

Primary input classifications:

1. Compensation of employees.
2. Taxes on production.
3. Production subsidies.
4. Gross operating surplus and gross mixed income household final consumption.
5. Non-profit institutions serving households.
6. Final government consumption.
7. Gross fixed capital formation.
8. Changes in inventories.
9. Exports.

APPENDIX 3

Survey questionnaire/main questions (to be rated from 1 to 5)

1. Climate change, emissions, energy use, and efficiency

Climate change is a serious threat to the business of the Company and the communities it serves. The Company believes that industry has a key role to play in finding sustainable solutions to today's climate challenges. Through innovation and investment, the Company aims to turn climate risks into new opportunities for sustainable business development.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

2. Packaging, recycling, and waste management

Packaging is a key element of the business, and a vital product component. Coca-Cola HBC Moldova is committed to continually improving its environmental performance in the area of packaging and packaging waste.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

3. Water stewardship

Safe, good quality, and accessible water in sufficient quantities is a prerequisite for human health, sustainable ecosystems, community support, and economic growth. In addition, water plays a central role in the manufacturing process and is necessary in order to grow the agricultural ingredients for the Company's products.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

4. Sustainable sourcing and supply chain management

The sourcing of raw materials is a fundamental part of the Company's economic, operational, and environmental impacts along the supply chain. As an integral part of the business model, the performance of suppliers directly affects the sustainability performance and commitments of the Company, and encompasses a wide range of economic, environmental, and social impacts.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

5. Corporate governance, business ethics & anti-corruption

The Company adheres to a strict code of integrity, respect, and transparency. This touches on all aspects of corporate governance: from a stance of zero-tolerance towards breaches of the code of business conduct and anti-bribery policies to the implementation of leading corporate governance practices.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

6. Responsible marketing

Effective brand marketing is one of the most important business activities of the Company. A responsible approach to marketing impacts the way the Company engages in direct commercial activity and the way it advertises.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

7. Corporate citizenship, investment, and engaging local communities

The Company has obligations towards society in terms of ensuring higher standards of living for the communities of which it is a part. The focus of strategic community investment is youth development, community wellbeing, and environment protection.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

8. Human rights, diversity, and equal opportunities

Human rights and diversity are cornerstones of good corporate citizenship and a healthy bottom line. Therefore, it is imperative that the Company creates a working environment that promotes diversity and inclusion, and ensures that human rights are fully recognised and respected along the entire value chain.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

9. Well-being, development, and employee engagement

The well-being and development of people have a material impact on consumer satisfaction and, as a result, on the Company's financial performance. Upholding a safe working environment and ensuring and enhancing employee well-being are at the core of the Company's corporate culture.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

10. Product quality

The success of the business and community trust depend on product quality and an integrated approach that satisfy customers and consumers' expectations in all aspects. An integrated approach encompasses the production of the highest quality beverages, as well as safety, taste and design, and intangible aspects such as brand value.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

11. Health and safety, product quality

Health and well-being are paramount for consumers. The Company understands the importance of a balanced diet and is committed to helping consumers make more responsible choices about the products they consume.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

12. Direct and indirect economic impacts

The Coca-Cola Hellenic Bottling Company has been operating in Moldova for over 25 years and the company makes a positive socio-economic contribution to and improves the quality of life in the communities where it is present.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova's activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

13. Women’s economic empowerment/gender balance

There is overwhelming evidence that achieving equality and empowering women has broad ripple effects that benefit society. As pillars of their communities, women invest a sizable portion of their income in the health and education of their children and in local economies, which in turn has a positive economic impact. Women around the world are pillars of the Company’s business system.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova’s activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

14. Occupational health and safety

Coca-Cola Hellenic Bottling Company Moldova’s long-term success depends on the safety of its employees, partners, visitors, and the public. The Company is committed to developing and applying effective occupational health and safety (OH&S) systems, standards, and practices that mitigate risks associated with its business activities. The Company delivers its OH&S programme through a structured implementation of Occupational Health and Safety Assessment Series standard OHSAS 18001.

The OH&S programme aims to provide and maintain a healthy and safe working environment and to minimise risks to employees, contractors, visitors, and others that may be affected by the Company’s activities, while at the same time fulfilling consumer and customer expectations regarding high-quality and safe products.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova’s activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

15. Dealing with COVID-19

The COVID-19 pandemic presented a serious and unexpected challenge that required an immediate response and adaptation. In 2021 the Company worked with its partners to address the urgent needs of communities and to implement measures to reduce the harmful effects of the pandemic.

Question 1. How significant were the economic, social, and environmental impacts of Coca-Cola Hellenic Bottling Company Moldova’s activities in this area in 2021?

Question 2. How important was this topic for you, as a stakeholder of the Coca-Cola Hellenic Bottling Company Moldova, in 2021?

Additional Questions

1. Please list any sustainability topics that the Company should address more rigorously within its business activities.
2. Please list any other issues that have a substantial impact on sustainable development and are important to you as our Company stakeholder.
3. Please list any suggestions for improving our stakeholder engagement approach.
4. Which stakeholder group do you belong to?

ABOUT THIS REPORT

The 2021 Coca-Cola HBC Moldova Sustainability Report describes in detail the Company's Corporate Social Responsibility Strategy and the actions performed to achieve its strategic goals. The sustainability performance assessment and reporting were conducted by focusing on Coca-Cola HBC Moldova's impacts on economic, social, and environmental factors on the Moldovan market.

The report is prepared with the participation of KPMG Moldova, in accordance with the requirements of Global Reporting Initiative (GRI) standards.

KPMG does not provide any assurance on the appropriateness or accuracy of sources of information relied upon and KPMG does not accept any responsibility for the underlying data used in this report. The information contained herein is of a general nature and is not intended to address the circumstances of any individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the situation.

Any party other than Coca-Cola HBC Moldova that obtains access to this report or a copy of it and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG does not accept or assume any responsibility to any readers other than Coca-Cola HBC Moldova in respect of its work for Coca-Cola HBC Moldova, this report, or any judgements, conclusions, opinions, findings, or recommendations that KPMG may have formed or made. KPMG does not assume any responsibility and will not accept any liability in respect of this report to any party other than Coca-Cola HBC Moldova.

The opinions and conclusions expressed in this document are those of KPMG and do not necessarily align with those of Coca-Cola HBC Moldova.

CONTACT INFORMATION

COCA-COLA HBC Moldova

42 Industrială street,

Chișinău - MD-2037,

The Republic of Moldova

