

Digitalisation across Coca-Cola HBC

Enhancing connections and accelerating growth through data and digitalisation

Investments in data and digital capabilities have consistently been prioritised across the Group because we know they are creating real opportunities for our business. We are benefiting from more targeted sales strategies, access to e-commerce channel growth, improved demand forecasting and even improved understanding of what is needed to increase employee retention.

Investing in digital commerce

We have been investing in and developing a suite of digital commerce platforms and solutions to serve the growing numbers of consumers and customers choosing to shop online, a trend that has picked up substantially since the start of the pandemic. Throughout 2021, we continued to refine our digital commerce strategy, and invested capital and management attention in this area to capture the significant growth opportunity.

When customers order online, it streamlines processes, freeing up our business developers to help our customers develop their growth opportunities in the beverage category. It also has the potential to open our portfolio to large numbers of smaller outlets which may not have been economic for business developers to serve.

Route to customer

Our business-to-business Customer Portal has been transformed from an order-taking system to an engagement-driven, digital experience for business owners who want to maximise growth efficiently. After introducing our customer portal to 22 of our markets in 2020, we increased engagement through 2021, increasing the number of customers reached through our platform. This investment has helped us achieve rapid growth in online ordering, with the Customer Portal's share of total orders quadrupling in 2021 to 8%.

We have also been investing behind several other business-to-business opportunities to better serve our customers, creating platforms where we can really leverage our existing physical route to market. WABI2B, for example, is a one-stop-shop for traditional trade and hotels, restaurants and cafés to buy products from us or from other consumer products groups. In 2021 we launched WABI2B in Nigeria and Russia.



Route to consumer

While beverages are an attractive product for consumers to buy online given their bulk, the category is still relatively early in this transition, particularly when compared to other consumer categories. This creates a significant longer-term opportunity to capture growth in this channel. We are partnering with e-retailers and our existing brick-and-click customers to increase our digital shelf space and visibility as well as direct shopper engagement.

The emergence of food delivery platforms has created a new growth opportunity. These platforms, which deliver restaurant or take-away food directly to consumers' homes, grew rapidly during the pandemic and allowed the hotel, restaurant and café channel to continue to operate even when they were not able to open their doors. We have been working to increase the presence of our products on these platforms and to increase the rate at which consumers purchase one of our beverages in combination with their meal.

Coca-Cola HBC has operated in the direct-to-consumer channel in Switzerland, one of our larger markets, for many years with Qwell. While the channel is still a small part of our business, we continue to learn a lot which is allowing us to understand what drives success and identify potential good ideas.

8%

Percentage of transactions through Customer Portal, our main B2B platform

87%

Revenue growth from e-retail in 2021

Understanding our opportunities better with data

Big data and advanced analytics are already creating real value across a range of use cases and have the potential to do much more as we continue to develop this critical capability. We use data and analytics to identify and capture value-creation opportunities, particularly for top-line acceleration and cost optimisation, and to improve our service and operations across all functions.

We are now able to analyse data at a granular level, allowing us to make decisions and implement focused initiatives that generate incremental value in targeted areas of the business. Our data capabilities are even being used to gain insights to support the performance and retention of new business developers.

In 2021, we achieved our aim to expand our use of big data, advanced analytics and artificial intelligence across our largest markets.



State-of-the-art manufacturing and logistics

To optimise our supply chain and finance functions, we have invested in a range of technologies.

In our manufacturing plants, we have improved efficiency by investing in new, automated production lines. These reduce idle time, thus expanding our capacity while reducing costs. In 2021, we introduced a new digital manufacturing platform with a monitoring system in seven markets. This has given us better insight into energy consumption and expanded our use of predictive maintenance, reducing costs

and equipment downtime. In our warehouses, we have introduced augmented reality headsets to speed order packing and reduce error rates.

Digital transformation in our supply chain is also improving productivity and reducing costs. In 2021, we implemented an SAP e-procurement solution in many of our markets, with further roll-out planned for 2022.

Our successful implementation of SAP's newest enterprise application suite, S/4HANA, in 2021 is simplifying processes and increasing productivity across our commercial, supply chain and finance functions. This technology provides a solid foundation for future technological tools by increasing our ability to extract and use data.

A connected culture

As thousands of our people began working remotely for the first time in 2020, we accelerated our investment in new digital tools for learning and connection.

Our online Sales Academy, launched in 2020 and rolled out across our markets in 2021, offers development tools for all layers of our sales force.

It provides a great onboarding experience for new business developers as well as in-depth training in specific product categories and channels, including premium spirits and hotels, restaurants and cafés.

Throughout the onboarding process, new business developers are guided by our new ONBOARD app. We have also introduced an app for continuous performance conversations, embedding continuous feedback throughout our business.

While the COVID-19 pandemic reduced opportunities to meet in person, new digital tools keep our people connected and engaged. At our virtual leadership conference in 2021, participants shared personal stories and inspiration. Digital channels are also helping to drive the visibility and attractiveness of our employer brand. Over 550 of our employees post regularly on social media channels, and we encourage social media conversations around our products and specific events.

