Employee Engagement and Wellbeing
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Focusing on the total employee experience

THE ISSUE

The success of any business depends on its ability to attract and retain talented, healthy, happy and engaged people, working in an inclusive environment. Improvement in well-being results in better workplace performance, including enhanced financial performance, labour productivity and output quality.

WHAT ENGAGEMENT AND WELLBEING MEAN AT CCHBC

At the core of achieving our business strategy is the engagement of our employees. We recognise, though, that engagement alone is not enough. We need our people to be sustainably engaged. This is why CCHBC is committed to continuing its focus on the model of sustainable engagement developed by our independent partners, Willis Towers Watson (WTW), as below.

THREE AREAS OF ENGAGEMENT

Engaged

Think

- Rational Engagement
  - Employees have a rational understanding of organization’s strategic goals and values and share these beliefs.

Enabled

Feel

- Emotional Engagement
  - Employees tell with pride, that they work for their company and recommend the company as a good place to work.

Energized

Act

- Motivational Engagement
  - Employees are really motivated and willing to invest discretionary effort in helping the organization succeed, going above and beyond.

What makes Engagement sustainable?

- Employees can sustain their engagement if they encounter an enabling and socially supportive work environment (energized).

Employee Engagement and Wellbeing
**OUR APPROACH AND PROGRESS SO FAR**

For the past four years, we have conducted a comprehensive annual survey of our employees, working with WTW. By listening to their views on a range of aspects of their jobs and our company, we have improved our engagement levels, year on year, for the past four consecutive years. In 2016, we exceeded the High Performing Norm (those companies with high engagement scores and positive financial results for three consecutive years) by two percentage points and we led the Coke System in employee engagement as well as significantly exceeded the industry and FTSE100 norms.

To guide our business units and functions, each year, we set strategic priorities that target focus areas identified by our survey. Aligned with those strategic priorities and targeting areas for improvement in each group, action plans are developed at business unit, country and functional level. As well as geography and function, these plans are segmented by key employee groups, including key people, Management Trainees and our Field Sales staff to ensure we meet the different needs of our employees.

Our Sustainable Engagement Index score increased to 88% in 2016 from 87% in the prior year, with the participation of 96% of our people. At the same time, our score was:

- 7 percentage points above the FTSE 100 Index,
- 7 percentage points above the Fast Moving Consumer Goods industry norm,
- 4 percentage points above the Coke System Index and
- 3 percentage points above the Coke bottlers’ Index.

**THE ROLE OF EMPLOYEE WELLBEING**

CCHBC’s strategy is to create a culture of wellbeing that exemplifies our Values, and enhances engagement and productivity, and our reputation. At CCHBC, wellbeing is about feeling good and living safely and healthily, and our commitment is to have 100% of our employees have access to a health and wellbeing programme.

Our programs come under our ‘Be Well’ umbrella. The purpose of Be Well is to raise awareness and give a consistent strong identity to what we are doing within this important framework.

In 2016, we continued to build on our Employee Wellbeing Framework — adopted in 2014 — which focuses on four main elements of wellbeing: Physical, Emotional, Financial and Social (below).

**GROUP-LEVEL INITIATIVES**

As well as a host of country-level initiatives, we have taken action at a Group level to enhance wellbeing across CCHBC. In 2016, we created a Wellbeing toolkit for countries. The toolkit shares our holistic Wellbeing strategy and framework and provides support for creating and communicating employee well-being programmes.

**THE COCA-COLA HBC WELL-BEING FRAMEWORK**

**Physical:**

**Be Balanced**

We’re inviting our people to Be Balanced and introduce new habits and routines into their lives so they can overcome any obstacle.

**Emotional:**

**Be Happy**

Emotional well-being is about feeling happy and relaxed, being equipped to deal with anything life throws your way.

**Social:**

**Be Together**

Social well-being is about being together with family and friends, feeling connected to your colleagues and giving back to the community.

**Financial:**

**Be Prosperous**

Financial well-being is about security for the future and making sure that each of us is prepared for what lies ahead.

**THE ENERGY PROJECT**

In June 2017, we launched a pilot in Region 1 (Austria, Czech and Slovakia, Hungary, Italy and Switzerland Business Units) to help leaders understand the behaviours that affect their, and their team’s, energy. The aim was for leaders to value their energy and to role model behaviours for their teams that helped their team members stay energized.

**We partnered with The Energy Project to share simple but effective strategies to renew and improve energy levels.** The working session in June highlighted the importance of ‘micro experiments’ to help test ways that teams can become more energized, positive and focused. To build on the workshop, the Regional leadership team and each country’s leadership team started to define their personal and team commitments throughout July and August. Monthly follow-up calls with the leadership teams ensure continued focus on those commitments and a one-day Energy Renewal session is planned for Q4 2017.

The energy initiative covered more than one pillar of our wellbeing framework. Group and country-level initiatives focused on specific pillars are outlined below.

**EMOTIONAL WELLBEING**

Stress management: research suggests managers have a critical role to play in managing work-related stress. We, therefore, developed a guide to help managers recognize, prevent and manage stress in themselves and their teams. To support roll out and use of the guide, training is being provided to HRBPs in a ‘train the trainer’ approach on helping managers manage stress.

Our Global Employee Recognition Platform will be relaunched with the intention to address our retention strategy for individuals and teams by recognizing behaviours that reinforce our values, driving results through a high-performance mindset, which is an integral part of CCHBC’s DNA, and supporting growth through entrepreneurship and innovation.

**SOCIAL WELLBEING**

To maximize the impact of Family Days on engagement, we created a toolkit with a common CCHBC visual identity, messaging and the theme of charitable contributions to our communities. In addition, we developed a CCHBC intranet platform to share the Family Days across our countries.

To reinforce the social wellbeing of our employees, CCHBC provides dependent’s support through an umbrella approach for dependent care benefits targeting child and elderly care for all countries that
Employee Engagement and Wellbeing

includes three strategic pillars, each with a number of initiatives: time off for child or other dependent care, subsidies for school supplies or after-school activities, or nursing care. Countries provide one or more benefits under the pillars that best fit their local employees' needs and cultural differences.

PHYSICAL WELLBEING

To drive focus on health and preventative care, we have also established an umbrella approach for health care benefits for all countries covering three strategic pillars, each with a number of initiatives: private medical insurance and health checks, targeted health programs and paid sick leave. Options include free or subsidized private medical insurance, health checks, vaccinations, or on-site doctor visits. As with dependent care, countries provide one or more benefits under the pillars that best fit their local employees' needs and cultural differences.

COUNTRY-LEVEL INITIATIVES

Our countries have undertaken a wide range of initiatives around wellbeing. Regarding physical wellbeing, these include employee medical and health insurance benefits; vaccination programmes, cancer screening and other preventative health measures; on-site sports and gym facilities, as well as subsidized gym memberships, and nutrition information. To help employees financially, as well as benefits such as pensions and savings scheme and life insurance, measures have included financial planning and literacy and a variety of partner discount programmes. Countries have also covered emotional wellbeing through onsite counselling, relaxation techniques, and energy balance programs; and social wellbeing with Family Days, Christmas events, employee bonding days and team building events.

My daughter is getting transformed into a butterfly at the face painting for kids. It is Family Day in the production plant Edelstal and, as each year, we are part of it. Weeks before, my children get super excited and look forward to this special day. My husband loves to join us as well and so it became a mandatory date for all of us. It is a lovely sunny day with plenty activities. One of the highlights is the plant tour, which perfectly shows the changes of Edelstal into a mega plant. Especially the automated warehouse with the laser guided vehicles is outstanding and emphasizes the innovativeness of our production plant... It is nice to get to know my colleague’s families. We have good conversations and a great time.

Julie Wernie, Commercial Trainee, Austria
BUSINESS MODEL

Our business model is at the heart of everything we do. It supports our growth and defines the activities we engage in, the relationships we depend on and the outputs and outcomes we aim to achieve in order to create value for all of our stakeholders in the short, medium and long term.

**Value added by**

**Working with partners**
Our partnership with The Coca-Cola Company gives us exclusive rights to manufacture, sell and distribute their branded products in our territory. They also produce and supply our Company with the concentrate, or syrup, that is the main ingredient for our beverages.

**Marketing**

**Field activation – The Coca-Cola Company**

**Serving customers effectively**
We manage customer relationships as well as promotions and displays at the point of sale. Our customers rely on us to have a full range of quality products on the shelves every day, so that they can satisfy consumers’ refreshment needs. In order to give our customers the best possible service, we segment each market and serve each customer based on size and need, taking into account prevalent market conditions.

**Serving consumers and communities**
We offer a range of beverages to satisfy evolving consumer preferences. By providing products that meet consumer needs and operating a responsible, sustainable business, we create value for the communities where we operate.

**Value created**
By running a profitable, sustainable, responsible business, we create value which is subsequently both retained by our business, making it stronger, and shared with all of our stakeholders.

**Employees**
Direct employment
31,083

**Customers**
Net profit
€344m

**Shareholders**
Met or exceeded customers’ expectations
94.8%

**Suppliers**
Supplier spend
€3,138m

**Communities**
Total taxes
€281m

**Our purposes**

Bring togetherness, spread happiness and inspire a better future motivates our employees to make a meaningful contribution to business and society.

**Our mission**
We seek to refresh our consumers, partner with our customers, reward our stakeholders and enrich the lives of the people in our local communities.

**Our vision**
To become the undisputed leader in every market in which we compete.

**Innovations about the company**
Coca-Cola HBC is ranked food, beverage and tobacco industries’ leader in the Dow Jones Sustainability World and Europe indices. It is also included in the FTSE4Good Index and has a AAA rating on its ESG performance by MSCI.

Coca-Cola HBC has a premium listing on the London Stock Exchange (LSE: CCH) and its shares are listed on the Athens Exchange (ATHEX: EEE).

**Business model**

**Overview**

Our knowledge-based assets include our brands and brands we license, as well as proprietary technology, standards, licences and processes.

**Human**
We work continually to develop the competencies, capabilities and talent of our people, a critically important asset.

**Natural**
Water, energy and other natural resources are important inputs to our value creation processes, and we seek to use them efficiently.

**Social and relationship**
Social and relationship capital includes our reputation and our ability to earn and maintain the trust of key stakeholders.

**Financial**
We seek to use all funds efficiently, whether obtained through financing or generated from operations or investments.

**Intellectual**
Our value is derived from our knowledge and intellectual property, which is embedded in our brands and brands we license, proprietary technology, standards, licences and processes.

**Manufactured**
We carefully manage our stock of manufactured capital, including equipment and buildings, held to produce and distribute our products.

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