

## Public Policy Engagement

### Our Approach to influencing Public Policy

Public policy discussions take many forms, advocacy being one

Advocacy is a way for organisations – including NGOs and companies – to ensure that their views are heard, or at least considered by policy makers. At Coca-Cola HBC, we table our advocacy efforts mainly through trade associations, which represent companies, organisations, causes and industries. We may also engage in limited direct advocacy through paid agencies in circumstances where trade associations are either not active, or cannot meet our requirements.

We consider it our duty and our responsibility, to make our views clear to those who have the potential to impact the laws, regulations and policies that can influence our global business.

Our public policy engagements in the 28 markets in which we operate, are governed by our [Code of Business Conduct](#) and the [Anti-Bribery and Compliance handbook](#).

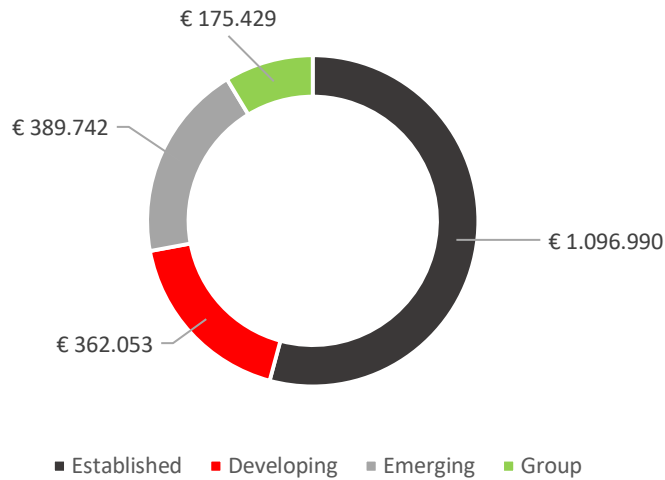
The scope of our advocacy is wide, but we concentrate on the following areas:

- **Product-specific policies, such as taxes, restrictions or regulations:** We contribute substantially to the local and (inter)national economy through jobs, investments, taxes and community activities. As such, we actively oppose discriminatory taxes or policies that single out certain products.
- **Environmental policy:** We continuously strive to maximise energy efficiency and minimise the impact of our manufacturing and distribution infrastructure, as well as actively participate in policy discussions that have the potential to impact these areas. We support public policies that deal in a balanced way with water quality, carbon emissions, packaging, agriculture and ingredients, as well as other environmental policies and/or actions that are directly, or indirectly relevant to our business.
- **Health & Nutrition:** We are committed to use our brands and marketing platforms to help shape consumer choice and encourage active, healthy lifestyles. We are consistent in our approach that singling out specific industries or products is not addressing the complex challenge of obesity. Our focus is on providing health-conscious options across our portfolio of sparkling and still beverages and emphasising low or no-sugar choices to our consumers, offering smaller packages and reformulating our beverages to include fewer calories. We support the fight against childhood obesity by not directly advertising to children younger than 12 and are taking steps to remove sugar-sweetened drinks from secondary schools.

## 2019 advocacy spend

In 2019, we spent a total of €2,024,214 on advocacy efforts as a Group, corresponding to 0.03% of our annual Net Sales Revenue (NSR).

### 2019 Advocacy spend per segment



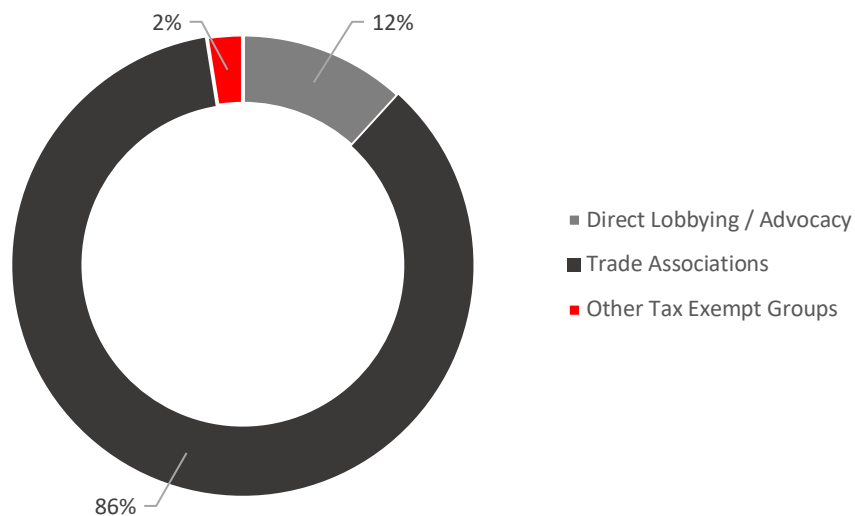
The Coca-Cola HBC Group operates in 28 countries, divided into three distinct segments for reporting purposes:

**Established markets:** Austria, Cyprus, Greece, Italy, Northern Ireland, the Republic of Ireland and Switzerland.

**Developing markets:** Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

**Emerging markets:** Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Moldova, Montenegro, Nigeria, North Macedonia, Romania, the Russian Federation, Serbia and Ukraine.

### 2019 Advocacy spend per type



## Trade Associations

In 2019, advocacy through trade associations, accounted for 86% of our total efforts. The Coca-Cola System is a member of various trade associations such as Business, Food & Drink, Soft Drinks, Packaging, Chambers of Commerce, Bottled Water associations and others.

Each association has a role to play in our business, depending on the challenges we face:

Type	Purpose / Types of businesses represented	Examples
<b>Business</b>	<ul style="list-style-type: none"> <li>Voice of a collective industry - represent a large general body of businesses (may also have as members other associations).</li> <li>May be used to advocate for issues that affect a wide variety of industries (e.g. VAT taxation changes)</li> </ul>	Chamber of Commerce AmCham Confederation of Industrialists Branded Goods association Advertisers Association
<b>Food &amp; Drink</b>	<ul style="list-style-type: none"> <li>Advocates for food &amp; drink related issues, such as sugar taxes, issues which affect all food and drink industry</li> <li>Has wider reach, beyond the soft drink industry - includes for example confectionary, bakers, food producers among others</li> </ul>	Food & Drink Federation in Poland AIIPA in Italy
<b>Soft Drink (Beverage)</b>	<ul style="list-style-type: none"> <li>Represents only the soft drink industry and advocates for its specific issues</li> <li>In 2018, a unified approach in reducing added sugars in soft drinks was a key topic</li> </ul>	IBEC in Ireland BSDA in Bulgaria ASOBIBE in Italy UNESDA at Group level
<b>Packaging</b>	<ul style="list-style-type: none"> <li>Advocates on packaging related issues, such as packaging recovery methods and packaging taxation, among others</li> <li>Typically represents packaging producers, fillers/packers and importers</li> <li>The Single Use Plastics Directive and the EU plastics Strategy were key topics in 2018</li> </ul>	CICPEN in Czech Republic SLICPEN in Slovakia SEPEN in Serbia ARAM in Romania EUROOPEN at Group Level
<b>Other</b>	<ul style="list-style-type: none"> <li>Any other types of associations not included in the above, which deal with specific matters or represent sub-industries</li> </ul>	Mineral waters association Spirits association Juices association

## National Political Organisations, State or local political campaigns, candidates or committees

In 2019, we did not engage in any financial and/or in-kind contribution to any political campaign.

During the year, following a public call for sponsorships launched by the Romanian Ministry for Foreign Affairs, our Romanian operations supported through both monetary and in-kind contribution the Romanian Presidency of the Council of the European Union. The sponsorship took place in accordance with the Official Guide regarding the

selection and contracting the sponsorships for preparing and exercising the mandate of the Romanian Presidency of the EU Council.

## 2019 focus areas

Topic/ Issue	Advocacy mainly through	EURO
Responsible behaviour in schools, reducing added sugars in soft drinks, providing clear nutritional information	UNESDA	€154,302
Circular Economy Package (Packaging and Packaging Waste Directive Supplementary legislation) Single Use Plastics Directive	EUROPEN Food-Drinks Europe	€21,217 (EUROPEN)

## Top 3 contributions to trade associations in 2019

The top 3 contributions to trade associations was mainly in Italy, which is also a significant volume contributor for the Group:

Country	Trade association	EURO
Italy	ASSOBIBE	€272,700
Italy	ASSOLOMBARDA	€139,717
Italy	Confindustria System (Region: Veneto, Abbruzzo, Basilicata, Campagna & Sardegna)	€95,423

## Direct Advocacy

Depending on the issue and the overall conditions, we may engage in direct advocacy through paid agencies. This would usually happen for specific communications purposes, for items where we either do not have a specific trade association to address the issue, or when the existing trade association does not have the capability or resources to advocate effectively. In 2019 we spend €238,344 on direct advocacy in specific countries. This represents c. 12% of our total public policy influence expenditure and 0.003% of our NSR.