



# Economic and Social Impact Assessment 2022 - 2023

Coca-Cola Hellenic Bottling Company  
Armenia CJSC

November 2024

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# ABBREVIATIONS

<b>AMD</b>	Armenian Dram
<b>Capex</b>	Capital Expenditure
<b>Coca-Cola HBC</b>	Coca-Cola Hellenic Bottling Company
<b>CSD</b>	Carbonated Soft Drink
<b>FSSC 22000</b>	Food Safety System Certification 22000
<b>GFSI</b>	Global Food Safety Initiative
<b>gr</b>	Grams
<b>GVA</b>	Gross Value Added
<b>ISO 14001</b>	International Organization for Standardization 14001 (environmental management system)
<b>ISO 45001</b>	International Organization for Standardization 45001 (occupational health and safety management system)
<b>ISO 9001</b>	International Organization for Standardization 9001 (quality management system)
<b>ISSD</b>	Innovative Solutions for Sustainable Development
<b>kg</b>	Kilogram
<b>NGO</b>	Non-Governmental Organization
<b>OH&amp;S</b>	Occupational Health and Safety
<b>RA</b>	Republic of Armenia
<b>VAT</b>	Value-Added Tax

# GLOSSARY OF TERMS

<b>GVA</b>	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.
<b>GDP</b>	GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific period.
<b>Direct impacts</b>	First-round effects generated through the business activity and output of a company/industry/sector.
<b>Indirect impacts</b>	Second-round effects generated through the activity and output supported by a company/industry/sector supply chain.
<b>Induced impacts</b>	Multiplier effects generated as a result of company/ industry / sector direct employees and those employees in the supply chain spending their company / industry / sector related wages.
<b>Type-I multipliers</b>	Type-I multipliers capture direct and indirect effects.
<b>Type-II multiplier</b>	Type-II multipliers capture direct, indirect and induced impacts.



# MESSAGE FROM THE COUNTRY MANAGER

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**ARTHUR SAHAKYAN**

Country Manager  
Coca-Cola HBC Armenia

Dear Reader,

The past two years at Coca-Cola HBC Armenia (2022-2023) have been characterized by resilience, innovation, and an unwavering commitment to sustainability. As Zoran Bogdanovich, CEO of Coca-Cola HBC Group, aptly stated, "We faced significant challenges, but with heart and mind, we united as One Team and became stronger."

Before we look ahead, I would like to take a moment to pause, reflect, and celebrate the successes we have achieved as a business. In an ever-evolving landscape, our ability to adapt and thrive has been essential in navigating the complexities of today's business environment.

We have made substantial progress in alignment with our Growth Story and our mission to meet the growing needs of consumers. Notably, we expanded our 24/7 portfolio with the strategic addition of premium spirits, which complements our existing range of sparkling soft drinks and non-carbonated beverages.

The company's commitment to technology, innovation, and strategic partnerships has led to significant investments that enhance our tailored capabilities. With an intensified focus on digital transformation and system integrations, these initiatives will position us to remain competitive and agile as we move forward.

Our sustainability performance in 2023 has been recognized externally, achieving leading scores from major ESG benchmarks, including being named the world's most sustainable beverage company by the 2023 Dow Jones Sustainability Indices. Additionally, we were honored to be included in 'A List' from CDP for our exemplary practices in climate and water security.

The Corporate Social Responsibility agenda, which prioritizes sustainable waste management practices and youth empowerment initiatives, has equipped thousands of young individuals with essential skills for their future. This commitment strengthens our focus on environmental stewardship, societal development and community well-being.

Looking ahead, we will continue to focus on our purpose and culture, which are fundamental to our success. We remain committed to our strategic priorities, consistently performing as one team and caring for one another and the communities we serve.

Together, we are dedicated to creating a brighter and more sustainable future for our colleagues, partners, customers, and consumers, guided by our core values and driven by our passion for excellence. Thank you for being an integral part of our journey toward sustainability.



01

# SIPPING THROUGH THE FACTS:

A QUICK LOOK AT  
COCA-COLA HBC ARMENIA



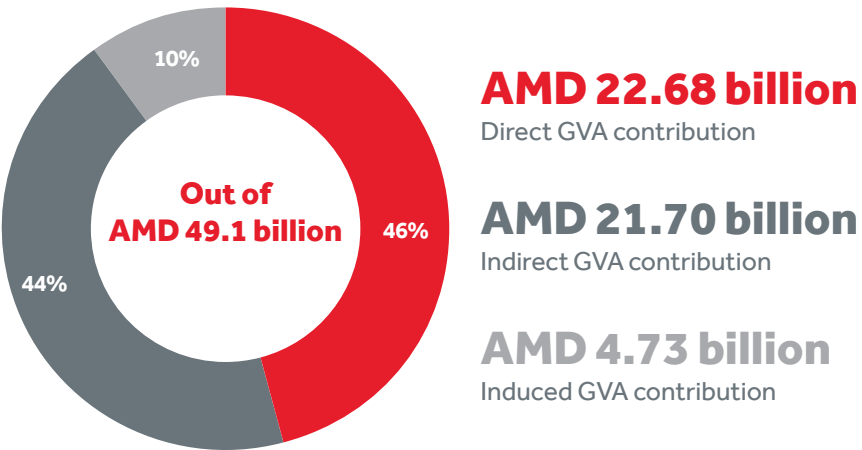
Revenue generated during 2022-2023<sup>1</sup>



Total GVA contribution<sup>1,3</sup>



Structure of total GVA contribution, over the period of 2022 – 2023<sup>1,3</sup>

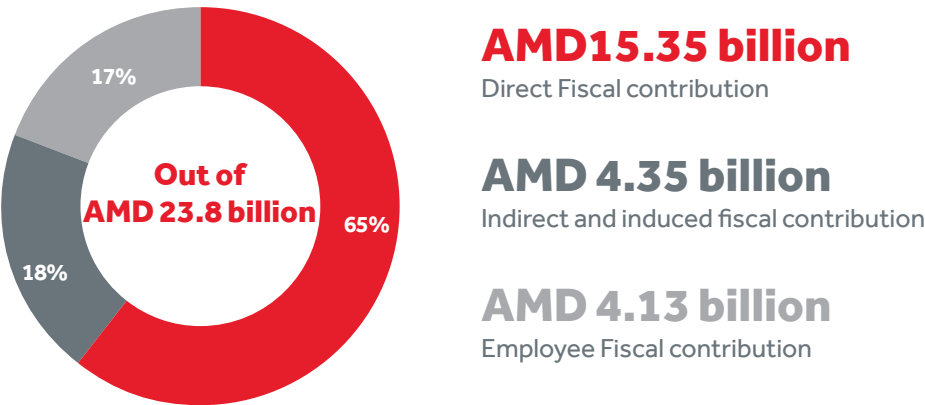


Total Fiscal contribution<sup>1,3</sup>

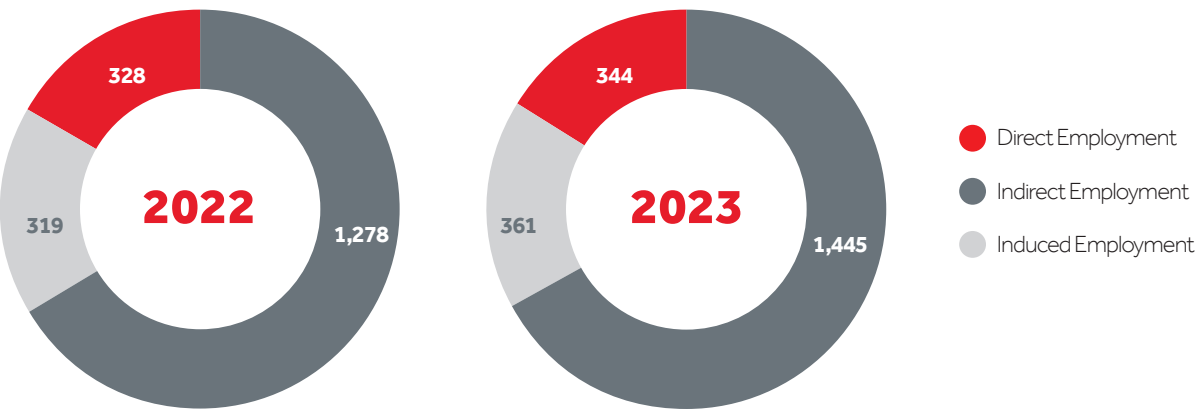


<sup>1</sup>Information provided by Coca-Cola HBC Armenia  
<sup>3</sup>KPMG Calculations

Structure of Total Payments to the State Budget 2022-2023<sup>1,3</sup>



Total employment contribution<sup>1,3</sup>



Investments in 2022-2023<sup>1</sup>



Proportion of total supplier spending (by value) with local suppliers<sup>1</sup>



Social Contribution<sup>1</sup>





02

# COMPANY OVERVIEW



# Bridging Continents: Coca-Cola HBC Armenia in the Global Beverage Network

Coca-Cola Hellenic Bottling Company Armenia CJSC ("Coca-Cola HBC Armenia", "the Company" or "our Company"), is part of Coca-Cola HBC Ukraine, Armenia and Moldova BU, operating as part of Coca-Cola HBC, which is the official bottling partner of The Coca-Cola Company.

The Coca-Cola Company is responsible for producing and supplying concentrates, bases, and syrups, owning the brands,

and leading consumer brand marketing efforts. Coca-Cola HBC Group utilizes these concentrates and syrups to create, package, promote, and distribute the final branded beverages to its trading partners and consumers. With operations spanning **29 countries** across **three continents**, Coca-Cola HBC has access to a potential consumer base of **740 million people** and has a diverse portfolio of **136 brands**.

For about **27 years**, Coca-Cola HBC Armenia has been producing a variety of sparkling and still beverages and water within Armenia. Coca-Cola HBC Armenia brings **11 brands** to the Armenian market, serving over **3 million** consumers and maintaining relationships with about **13,500 customers**. In 2022 Coca-Cola HBC Armenia's revenue stood at **AMD 32.7 billion** and experienced a 7% increase by 2023, reaching **AMD 35.0 billion**<sup>1</sup>.

In 2022, the revenue from the non-alcoholic beverage sector reached AMD 52.7<sup>2</sup> billion in Armenia, with the increase to AMD 60.3<sup>2</sup> billion in 2023. The market share of Coca-Cola HBC Armenia in the non-alcoholic beverage industry was 62% in 2022 adjusted to 58% in 2023.

## Guiding Principles: The Values Shaping Success

Our **values** are the foundation of our distinctiveness. They drive, inspire, and motivate us, aiding in the achievement of our objectives:



**Customer First**

We are always customer-centric. We believe in the power of listening to understand, always acting to exceed our customers' expectations.



**We Over I**

We love smart people, but we believe the power of a team can achieve what an individual can only dream of.



**Deliver Sustainably**

We are built to last and believe in achieving sustainable results, creating and sharing value for our people, environment, shareholders and the communities we serve.



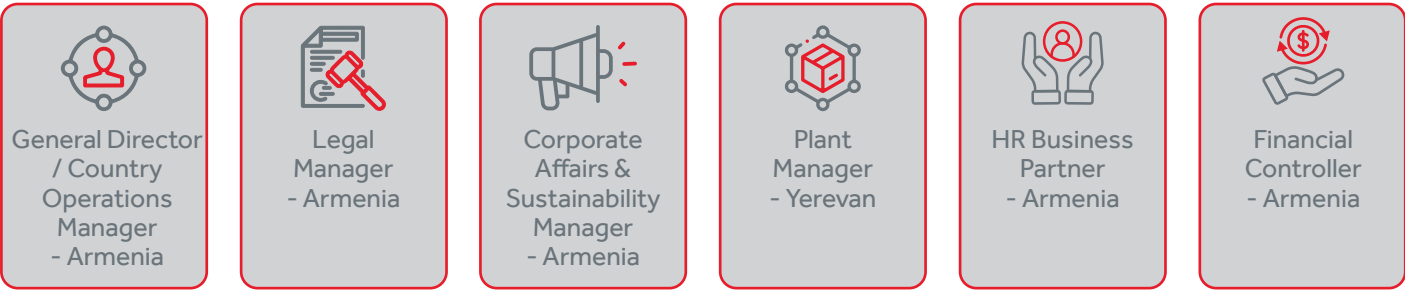
**Make It Simple**

We nurture curiosity and agility, and we believe that complexity can be reduced by having the discipline and courage to focus on what matters most.

<sup>2</sup>Open-source intelligence

# Pillars of Leadership: Exploring the Governance Structure

The senior management staff consists of six members:



## Navigating Integrity: The Essence of Coca-Cola HBC Armenia's Code of Business Conduct

The Code of Business Conduct is a crucial policy that mandates all employees to adhere to the highest standards of business conduct. It serves as the foundation for ensuring compliance throughout the Company, enabling managers to foster an ethical culture and respond effectively to concerns. Employees are encouraged to seek guidance, ensure

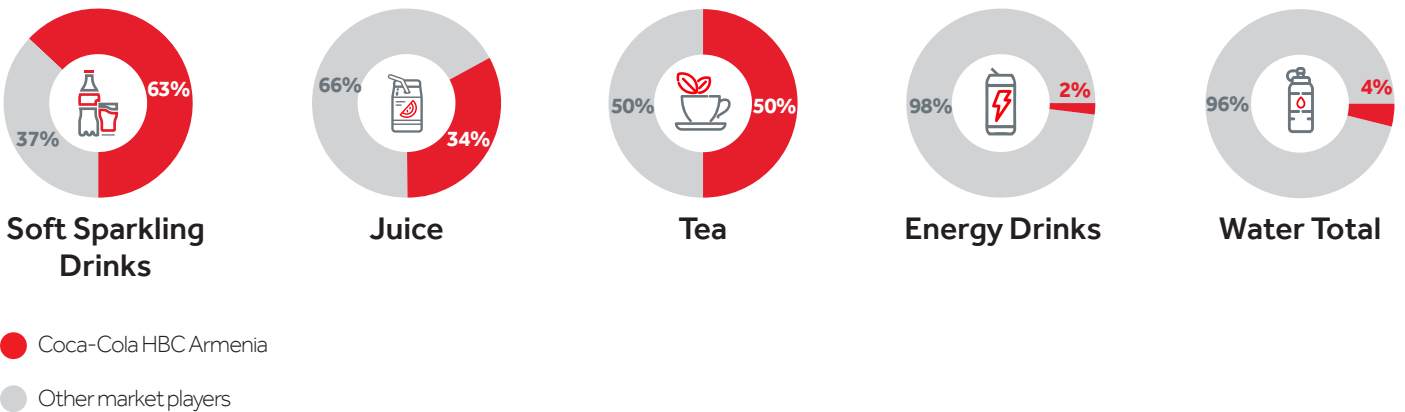
necessary approvals for decisions, and speak up, reducing the risk of guideline violations. The Company also actively engages in community matters, emphasizing its commitment to integrity. Effective communication of the Code ensures a fair, efficient workplace and a skilled, respectful workforce.

## Upholding Integrity: Coca-Cola HBC Armenia's Firm Stance Against Corruption

Coca-Cola HBC Armenia is unwavering in its commitment to zero tolerance for corruption, embodying fairness, openness, and honesty in all dealings with suppliers, customers, and governments. The Company acknowledges the risks of bribery in business and enforces a strict code of integrity, respect, and transparency to mitigate these risks. Coca-Cola HBC Armenia's Anti-Bribery Policy is a cornerstone of its

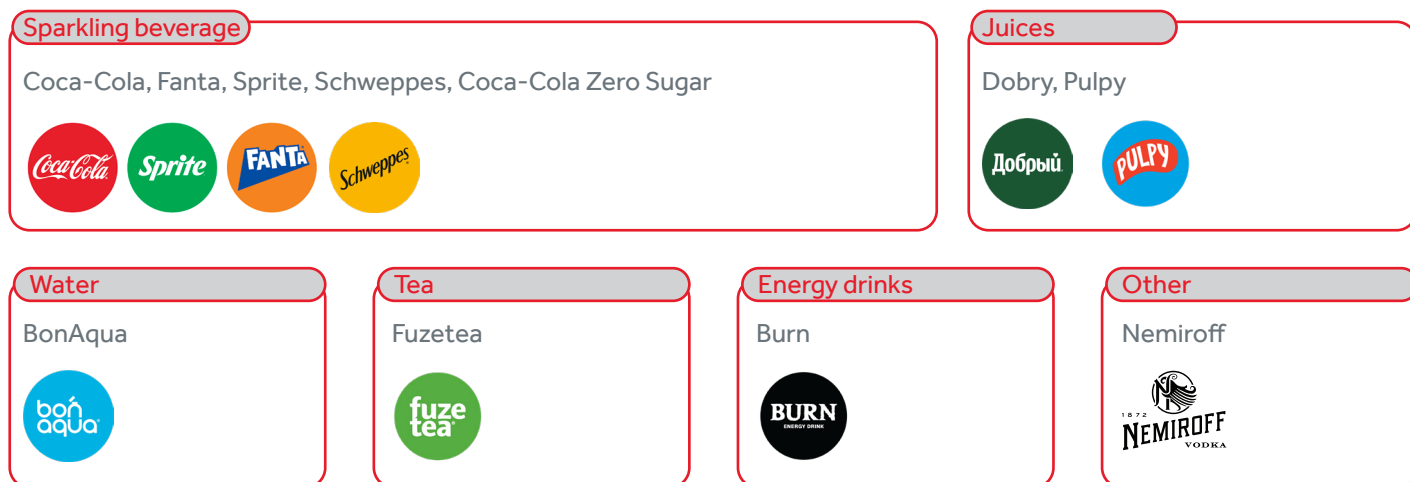
ethical framework, demanding complete adherence from employees at all levels and dealing with violations with the utmost seriousness. This policy not only equips employees with the knowledge and tools to combat bribery and corruption but also guides them on where to seek further information, highlighting the Company's commitment to ethical behavior in the business world.

## Leading the Market: Coca-Cola HBC Armenia's Stake in the Armenian Beverage Industry<sup>1</sup>



## Tasting Diversity: A Glimpse into Coca-Cola HBC Armenia's Diverse Portfolio

During the period of 2022 – 2023, Coca-Cola HBC Armenia produced, imported, and distributed the following products categorized by:



## Uniting for Impact: The Power of Membership in Associations



American Chamber of Commerce in Armenia  
– Board of Directors, President



European Business Association  
– Board of Directors, Board Member



Armenian-British Business Chamber  
– Board of Directors, 1st Vice President



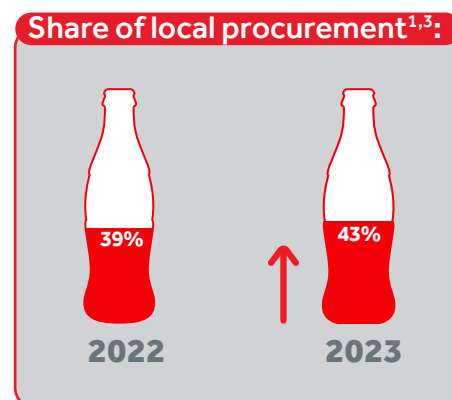
Mantashyants Entrepreneurs Union  
– Board of Directors, Board Member

## Quality and Food Safety at the Core: Elevating Standards Through Supply Chain Excellence

Coca-Cola HBC Armenia has embedded a culture that prioritizes quality and food safety as a fundamental value throughout the organization, emphasizing a zero-tolerance policy for failing to meet standards. The Company has introduced a maturity continuum measurement to elevate its quality and food safety culture to a higher level. This commitment to quality also extends to its suppliers. Coca-Cola HBC Armenia requires from suppliers of raw materials and packaging materials to be certified in ISO 9001 (quality systems), FSSC 22000 (food safety), ISO 14001 (environment), and ISO 45001 (health and safety).

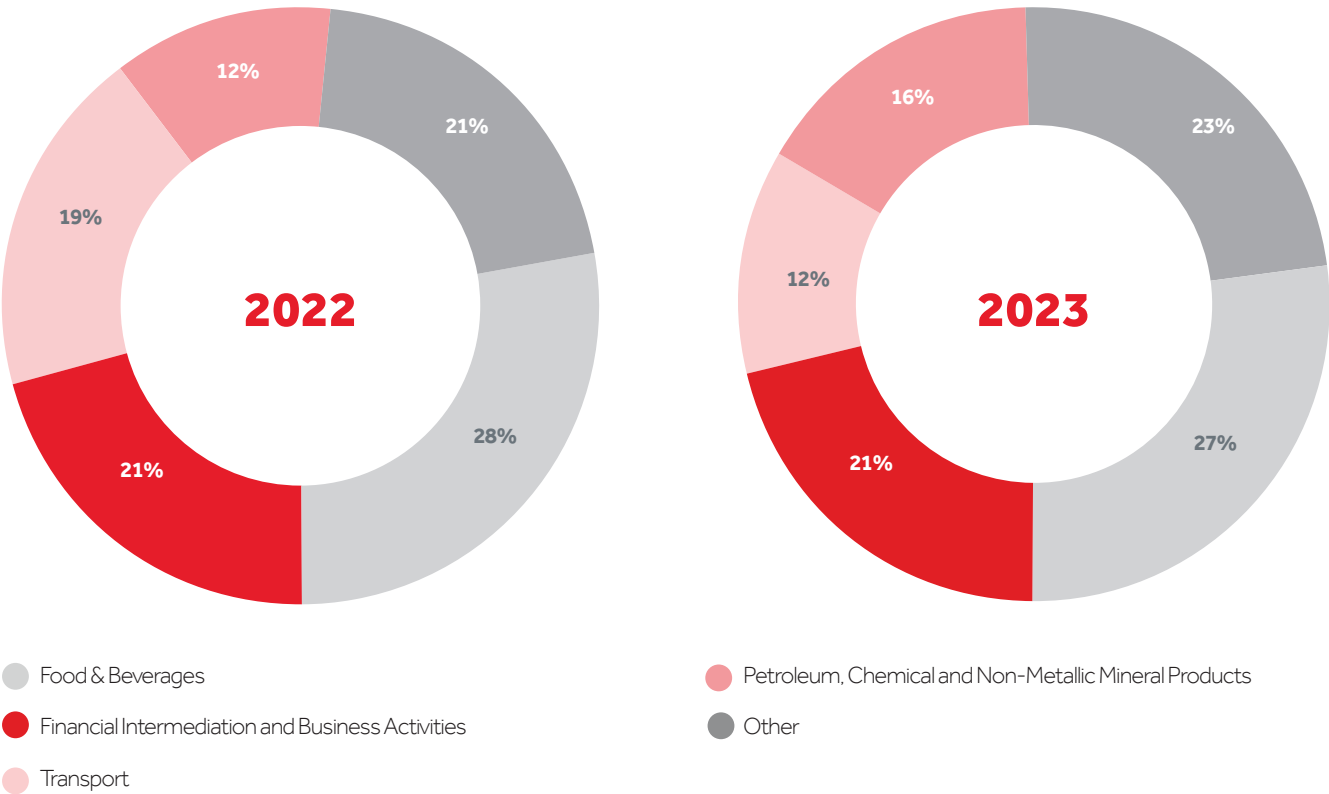
To minimize product quality issues, Coca-Cola HBC has implemented rigorous processes. In the event that issues arise, the Company is equipped with robust systems and processes for swift and effective resolution, ensuring that customer and consumer confidence in their products remains high.

During 2022-2023 Coca-Cola HBC Armenia increased the proportion of its total supplier spending (by value) with local suppliers, which had a positive impact on its total GVA through the multiplier effect.

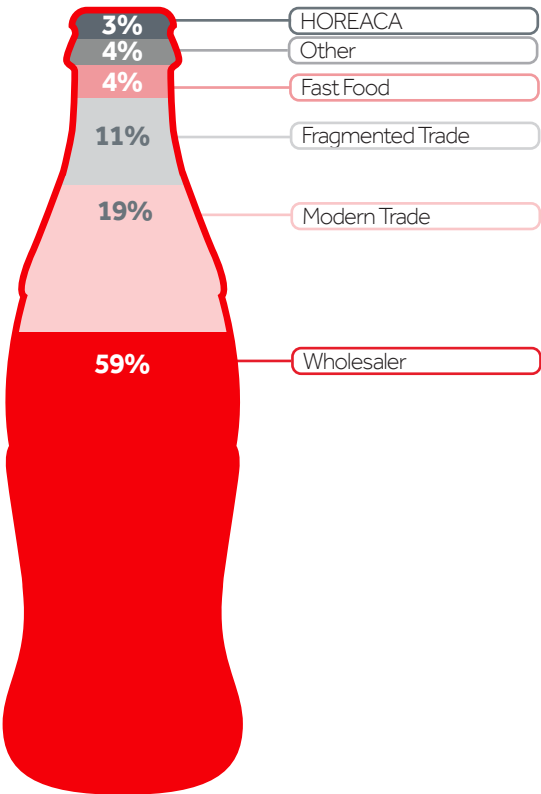




Main categories of procurement from local suppliers, in 2022 and 2023<sup>1,3</sup>



Served Markets by Revenue in 2022-2023<sup>1,3</sup>





03

OUR  
PEOPLE





We aim to be the top choice for the best talent, offering a workplace where employees feel understood, valued, and inspired to achieve their utmost potential. Coca-Cola HBC

Armenia is dedicated to nurturing its talent pool, providing opportunities across various functions, levels, geographies, educational and professional backgrounds.

2022

328 employees<sup>1,4</sup>

Women represent 22%<sup>1</sup> of all employees.

Yerevan housed 62%<sup>1</sup> of the workers, while the other 38%<sup>1</sup> worked in the Regions.

2023

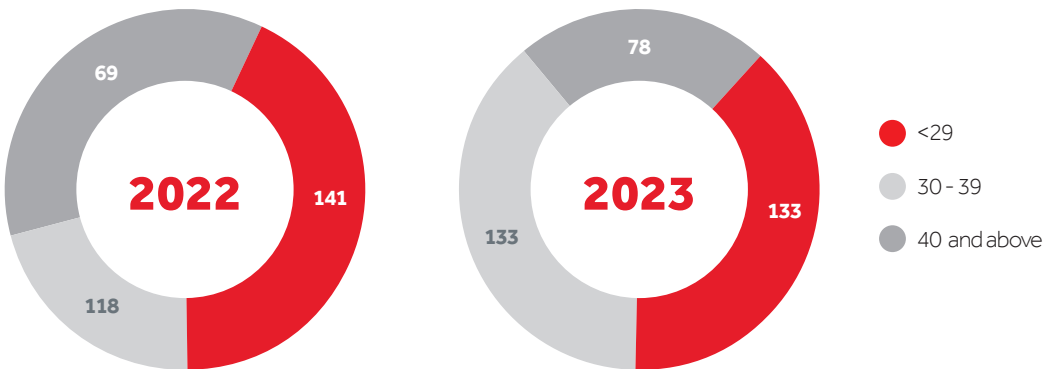
344 employees<sup>1,4</sup>

Women represent 23%<sup>1</sup> of all employees.

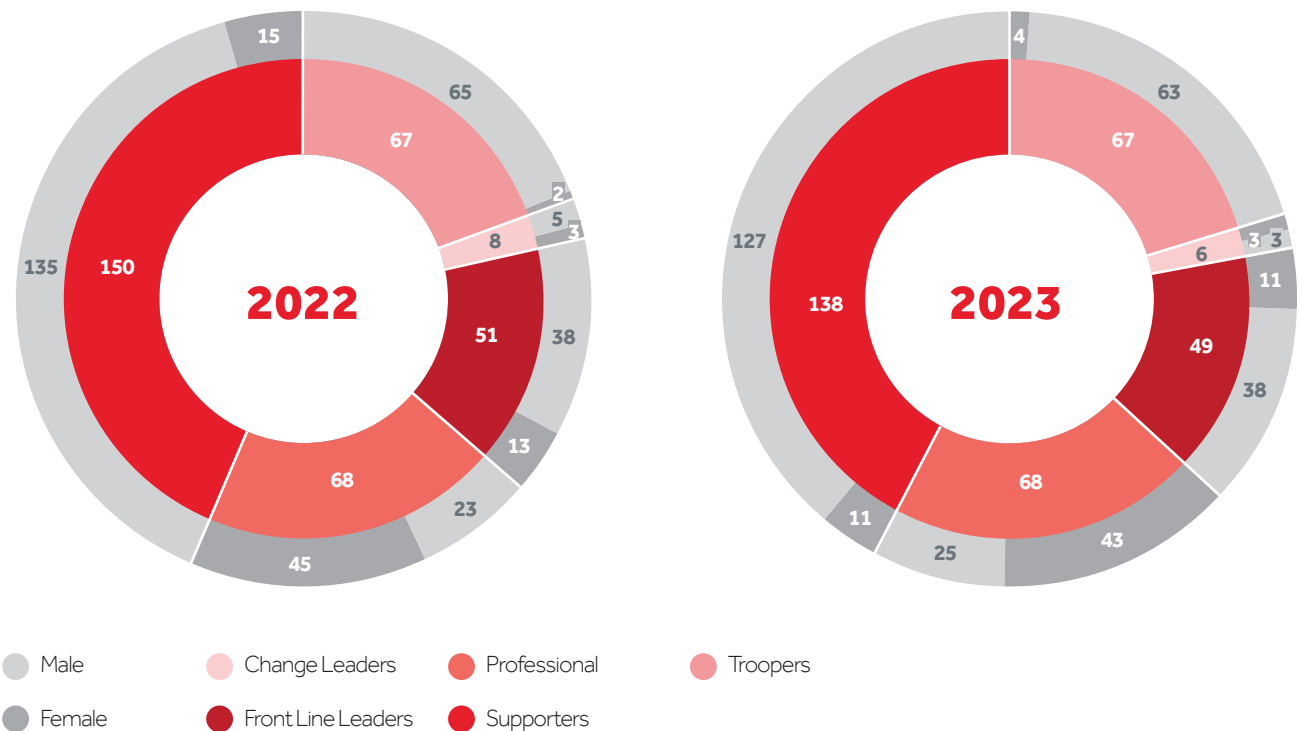
Yerevan housed 60%<sup>1</sup> of the workers, while the other 40%<sup>1</sup> worked in the Regions.

5%<sup>1</sup> increase in the number of employees

Employee age distribution, 2022 and 2023<sup>1</sup>:

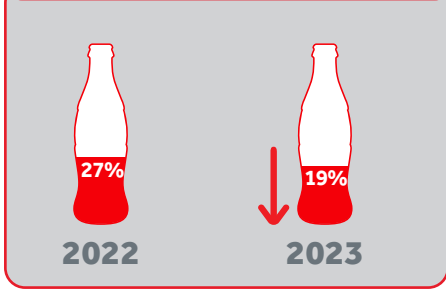


Employees by gender and management level, 2022 and 2023<sup>1</sup> :



<sup>4</sup>The number of employees is presented in the head count as at the end of the period.

### Employee turnover rate<sup>1</sup>:



### Changes in number of employees<sup>1</sup>, 2022

Category		Number of new employees	Rate	Terminated employees	Rate
By Age	20-29	54	62.8%	38	43.2%
	30-39	6	7.0%	40	45.5%
	40 and above	26	30.2%	10	11.4%
By Gender	Female	16	18.6%	14	15.9%
	Male	70	81.4%	74	84.1%
By Region	Yerevan	42	48.8%	49	55.7%
	Region	44	51.2%	39	44.3%
By Management Level	Front Line Leaders	3	3.5%	14	15.9%
	Professional	23	26.7%	21	23.9%
	Supporters	35	40.7%	35	39.8%
	Troopers	25	29.1%	18	20.5%
Total		86	26.2%	88	26.8%

### Changes in number of employees<sup>1</sup>, 2023

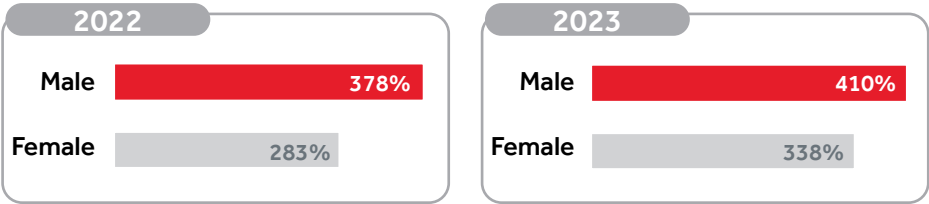
Category		Number of new employees	Rate	Terminated employees	Rate
By Age	20-29	44	54.3%	29	45.3%
	30-39	29	35.8%	28	43.8%
	40 and above	8	9.9%	7	10.9%
By Gender	Female	21	25.9%	15	23.4%
	Male	60	74.1%	49	76.6%
By Region	Yerevan	45	55.6%	37	57.8%
	Region	36	44.4%	36	42.2%
By Management Level	Change Leaders	2	2.5%	0	0.0%
	Front Line Leaders	1	1.2%	5	7.8%
	Not assigned	1	1.2%	1	1.6%
	Professional	21	25.9%	16	25.0%
	Supporters	39	48.1%	22	34.4%
	Troopers	17	21.0%	20	31.3%
Total		81	23.5%	64	18.6%

Coca-Cola HBC Armenia enhances its workplace culture by offering employees a suite of non-financial benefits:



Our Company is committed to offering competitive compensation packages to its entry-level employees, significantly surpassing the local minimum wage standards. This approach not only demonstrates the Company's dedication to fair pay but also reflects its investment in attracting and retaining top talent by ensuring a rewarding work environment right from the start of an individual's career journey.

The Ratio of the standard entry level salary in the Coca-Cola HBC Armenia to the minimum local salary (per gender)<sup>1</sup>:



Unlocking Potential: The Power of Learning and Development in Shaping Careers

Being one of the top employers in the country, CCHBCA emphasizes its commitment to creating the industry's top teams through significant investment in its people. The Company provides a dynamic and challenging work environment ripe with opportunities for growth, encouraging employees to excel and embark on unique and exciting career

paths. With a focus on personalized development programs accessible to all, Coca-Cola HBC Armenia empowers its employees to take control of their career trajectories. Leadership plays a pivotal role, acting as coaches to support each individual's career journey.

Information about the trainings



Additionally, our Company offered training on Company Policies & Guidelines to guarantee comprehension and adherence to our standards among all employees. In 2023, our Company placed a strong emphasis on the

health and safety of its workforce by implementing several programs and initiatives. We organized two Health & Safety Weeks, initiated the HOP (Human and Organizational Performance) program, observed World Food Safety

Day, and carried out an emergency drill tailored for war scenarios on World Safety Day. These efforts reached 100% of our employees.

## Prioritizing Well-Being: The Essential Role of Occupational Health and Safety

Coca-Cola HBC Armenia is dedicated to fostering a culture of occupational health and safety (OH&S) by implementing effective standards and practices tailored to the specific risks and opportunities of its business activities. The Company's mission is to ensure a safe workplace for all employees, contractors, visitors, and those under its supervision, with the goal of achieving zero accidents across all operations and sites. Our OH&S policy is approved by General Manager and shared with all the Company employees.

Our Company is ISO 45001 standard certified and annually holds audits confirming compliance and continual improvement of the system.

**2.44<sup>1</sup>**

accident per million kilometers in 2023

**2.48<sup>1</sup>**

accident per million kilometers, Company target set

**No**

severe injuries among employees and contractors

**Additionally, the Company places a high emphasis on enhancing employee skills in OH&S by offering training programs tailored to each position.**





04

# COMMUNITY WELL-BEING AND SOCIAL CONTRIBUTION



The corporate social responsibility strategy of Coca-Cola HBC Armenia is centered around three main pillars:

## Environmental sustainability

Promoting sustainable waste management practices is a crucial aspect of the corporate social responsibility efforts of Coca-Cola HBC Armenia.

### Fostering sustainable waste management

Starting from 2022-2023, our Company has initiated projects focused on fostering proper waste management towards the establishment of a circular economy and, extended an invitation to its partners to join the cause. Our collaboration began with the "Yerevan Mall" shopping center and later extended to "Tumanyan Shaurma" fast-food chain, "Karas Group" LLC, "ArtLunch" company, "Foodetory," and "Yerevan Park."

Coca-Cola HBC Armenia's strategy of engaging a broader network of organizations aims to bolster the culture of waste collection and recycling within the Republic of Armenia. The inception of this program marks a significant stride towards

cultivating a societal norm of waste sorting, alongside educating the public and enhancing their awareness about waste management.

Support for this project comes from the NGO "ISSD Innovative Solutions for Sustainable Development of Communities," which plays a pivotal role in the deployment of sorting bins and the subsequent collection and processing of the segregated waste. To date, the initiative has successfully installed over 68 sorting bins across various locations, enabling the community to efficiently separate paper and plastic.

### Educational initiative on packaging at Yerevan public schools

The project focused on improving waste management in Armenia by encouraging local actions to develop a culture of waste collection and recycling. A key component of this initiative is the emphasis on educating schoolchildren about environmental protection and sustainability, a strategy deemed crucial for altering public behaviors and ensuring

the efficient operation of waste management systems, particularly within the Yerevan community. This project operates under a memorandum of understanding between Coca-Cola HBC Armenia, the ISSD Innovative Solutions for Sustainable Development of Communities NGO, and the Mayor of Yerevan.

Over the two-year period, the project has achieved the following cumulative results:



A total of **100 schools** have been incorporated into the program



**500 sorting bins** have been deployed as part of the initiative



A combined total of **5,004 pupils** have directly been engaged in environmental education courses facilitated by the project.



The initiative has successfully collected **4,835 kg** of plastic and **8,331 kg** of paper waste



Over **42,000 students** and teachers have indirectly benefited from the project



**70 teachers** trained within ToT sessions on environmental protection and sustainability



These outcomes underscore the project's significant impact on promoting environmental sustainability and waste management education among the younger generation

in Armenia, contributing to behavior change among public and to the broader goal of cultivating a responsible waste management and recycling culture within the community.

To measure the success of the Waste Sorting Initiative in Yerevan's public schools, focus group was organized with eight representatives, including directors and project coordinators from six participating schools. They highlighted the initiative's vital role in cultivating a culture of waste sorting among students. Furthermore, the participants advocated

for the project's extension through deeper involvement in future projects and improved collaboration and knowledge sharing with other schools. The collaboration could lead to the formulation and execution of a comprehensive waste management plan for public schools.

Insights and suggestions from the stakeholders:

- The progression of waste sorting culture in schools started from a baseline where children had virtually no understanding of the process, moved forward with trainings provided by Coca-Cola HBCA that equipped them with the needed knowledge. Despite early instances of incorrect bin usage, like throwing full cola bottles into plastic recycling, the initiative eventually led to a more refined and proper application of the sorting bins.
- Following the training sessions with the children, there's a clear necessity for additional hands-on and inspiring activities to help them understand the importance of waste sorting and to motivate them to participate. Specifically, organizing trips to companies involved in plastic and paper recycling and the production of related goods would greatly enhance the initiative. Activities like crafting decorations from waste materials and organizing waste collection around Yerevan Lake are

- already taking place in schools. Yet, bringing in more professional companies to participate would significantly increase the effectiveness of these initiatives.
- Participants estimated the project's importance as 100%, while its implementation and efficiency are presently evaluated at 60-70%. This figure could potentially be elevated to 100% with consistent involvement with children and the wider society.
- It would be beneficial to enhance both the frequency and reach of the training sessions.
- Increasing the quantity of sorting bins available in schools is advisable.
- Conducting training sessions for teachers would also be advantageous.
- Introducing more creatively designed sorting bins could encourage children to use them more.

## Community Well-being

Over the course of 2022 and 2023, the "Coca-Cola Christmas Caravan" initiative, under the slogan "The world needs more Santas" embarked on its annual journey to spread festive mood and share refreshments across all the regions of Armenia. The all familiar branded trucks represent a festive fleet of magical vehicles created in 1995 for a seasonal Coca-Cola campaign nearly three decades ago. Now, in communities around the world, caravans of real-life Coca-Cola Christmas trucks spread holiday cheer and refreshment

throughout the month of December. This initiative, made its first stop at the H. Tumanyan Puppet Theater, where children enjoyed a special Christmas performance and interactive games with Santa Claus and the Snow Maiden, receiving gifts from the "Coca-Cola Christmas Caravan."

Throughout the 2022-2023 festive seasons, the "Coca-Cola Christmas Caravan" reached a total of 3,300 children from various charitable organizations across Armenia, including

the Gyumri "Parentless Armenian Children's Assistance" (SOAR), "New Generation" humanitarian NGO branches in Gyumri and Vanadzor, "SOS Children's Villages" Armenian charity foundation in Kotayk, and "Youth for Change" NGO in Gegharkunik, as well as from "Orran" charitable NGO, "SOS Children's Villages", "Children of Armenia" (COAF) charitable foundation, "Armenian Caritas", "New Generation" and "AYO" charitable NGOs.

# Youth Empowerment

Coca-Cola HBC Armenia is dedicated to enhancing educational opportunities for the youth, especially those residing in the regions. The Company plays a significant role in advancing education by backing a range of innovative learning initiatives. Through these efforts, Coca-Cola HBC Armenia offers young individuals a chance to explore, nurture, and fulfill their potential. The training programs are offered free of

charge and can be accessed through the Company's owned website [youthtraining.am](https://youthtraining.am).

As part of efforts to develop young people in Armenia, a series of leadership talks and webinars were conducted by Coca-Cola HBC Armenia management team and business industry representatives.

**In 2022 - 2023, the initiative successfully trained a total of 13,776 participants who successfully completed trainings on "Life and Business Skills".**

To evaluate the effectiveness of the Youth Empowered program, focus group discussion was facilitated with participants in Yerevan, totaling 10 individuals. The feedback

from these focus groups revealed that the program was successful, with most participants reporting satisfaction with the skills and knowledge acquired.

## The primary reasons for participating in the program include:



- Observations and recommendations from the stakeholders:**
- The mentors' remarks were highly motivational.
  - The quizzes were thoughtfully arranged.
  - Having comprehensive training materials for reference would be beneficial, allowing them to revisit and recall the extensively covered topics during the training sessions.
  - The effectiveness of the courses will improve if they are conducted in small, topic-specific groups tailored to the needs of each audience.
  - The trainings could be conducted in a more engaging and interactive way.
  - Ensuring the ongoing nature of the trainings is crucial.
  - Holding two-day and three-day training sessions would enhance efficiency, given the intensive nature of the trainings.
  - Conducting similar trainings in the regions is crucial to provide students there with the opportunity to acquire important knowledge and soft skills.

05

# ECONOMIC IMPACT



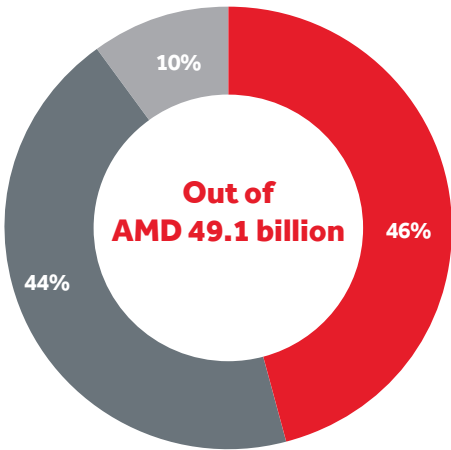
# GVA Contribution<sup>1,3,5</sup>

Based on the estimates, the Company's total GVA contribution to the Armenian economy over the period 2022 – 2023 was AMD 49.1 billion, including indirect and induced impacts.

0.30%

This accounted for 0.30 %<sup>2,3</sup> of the total GVA generated in Armenia over the mentioned period.

## Structure of total GVA contribution, over the period of 2022 – 2023

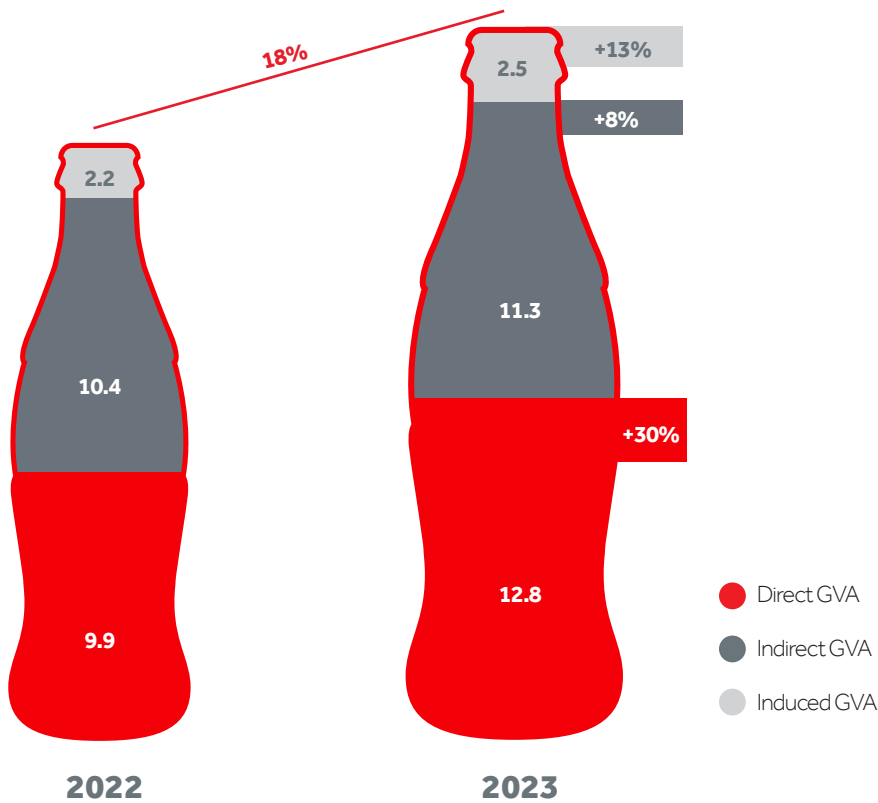


**AMD 22.68 billion**  
Direct GVA generated through own activities.

**AMD 21.70 billion**  
Indirect GVA generated through its spending with Armenian Tier 1 (direct) suppliers and the activity in the wider supply chain.

**AMD 4.73 billion**  
Induced GVA generated by the Company resulting from spending of wages in Armenia by individuals employed directly and indirectly as a result of Coca-Cola HBC Armenia's operations.

## GVA structure and growth in 2022 and 2023, in billion AMD



<sup>5</sup>Indirect and induced impacts are assessed based on an input-output modeling approach. Our analysis is based on the specific structure of the Coca-Cola HBC Armenia supply chain and uses Armenia-specific input-output and the Tier-I and Tier-II multipliers derived from the table. The methodology used for the calculations is detailed in the Social, Economic, and Environmental Impact Assessment reports from August 2022 and December 2018. <https://am.coca-colahellenic.com/hy/a-more-sustainable-future>

# +AMD 1.2

During 2022 - 2023, for every AMD of direct GVA generated by Coca-Cola HBC Armenia, an **additional AMD1.2 of indirect and induced GVA** was generated in the Armenian economy.



# 72%

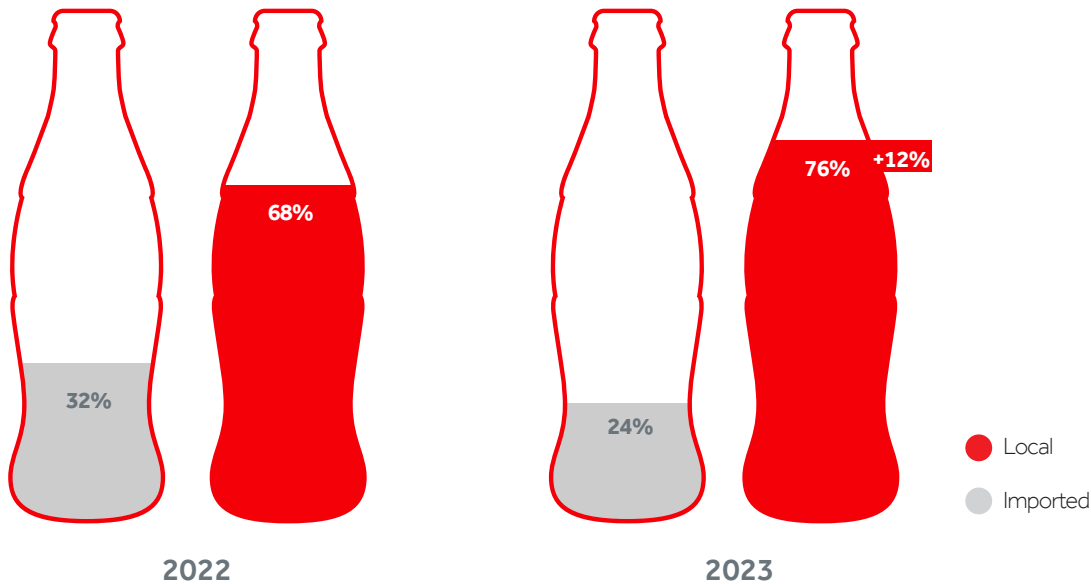
Coca-Cola HBC Armenia's revenue is generated from the sales of **produced** and imported goods. During 2022-2023 the share of revenue from sales of **produced goods was around 72%<sup>1</sup>**, while the revenue from the **imported goods was 28%<sup>1</sup>**.



# 28%

In 2023, the proportion of income generated from manufactured products rose by 8 percentage points over the previous year, achieving **76%<sup>1</sup>**.

## Revenue structure in 2022 and 2023<sup>1,3</sup>



The indirect contribution of the Company to the country GVA is generated by local suppliers from which Coca-Cola HBC Armenia directly procures goods and services, and by the local distributors and retailers who are selling products of the Company. During 2022 - 2023, 41%<sup>1</sup> of the procurement of the Coca-Cola HBC Armenia was organized internally in the Armenian economy. In 2022 the local procurement share comprised 39%<sup>1</sup>, while in 2023 it was 43%<sup>1</sup>.

As a result of direct cooperation of Coca-Cola HBC Armenia with the local suppliers and trade partners, a total of **AMD 17.8 billion** Tier-1 indirect GVA was generated. Through the wider supply chain **AMD 3.9 billion** indirect GVA was generated.

We analyzed the direct, indirect and induced GVA contribution of Coca-Cola HBC Armenia per sector; details are presented in the charts below. Based on the financial information provided by Coca-Cola HBC Armenia, the main drivers of the GVA in 2022 and 2023 were the following sectors:



### Food and Beverages

Mainly due to local procurement of products for production purposes



### Financial intermediation and business activities

Primarily due to use of marketing and administration related services



### Wholesale Trade

Due to the impact generated through distribution of the Company products

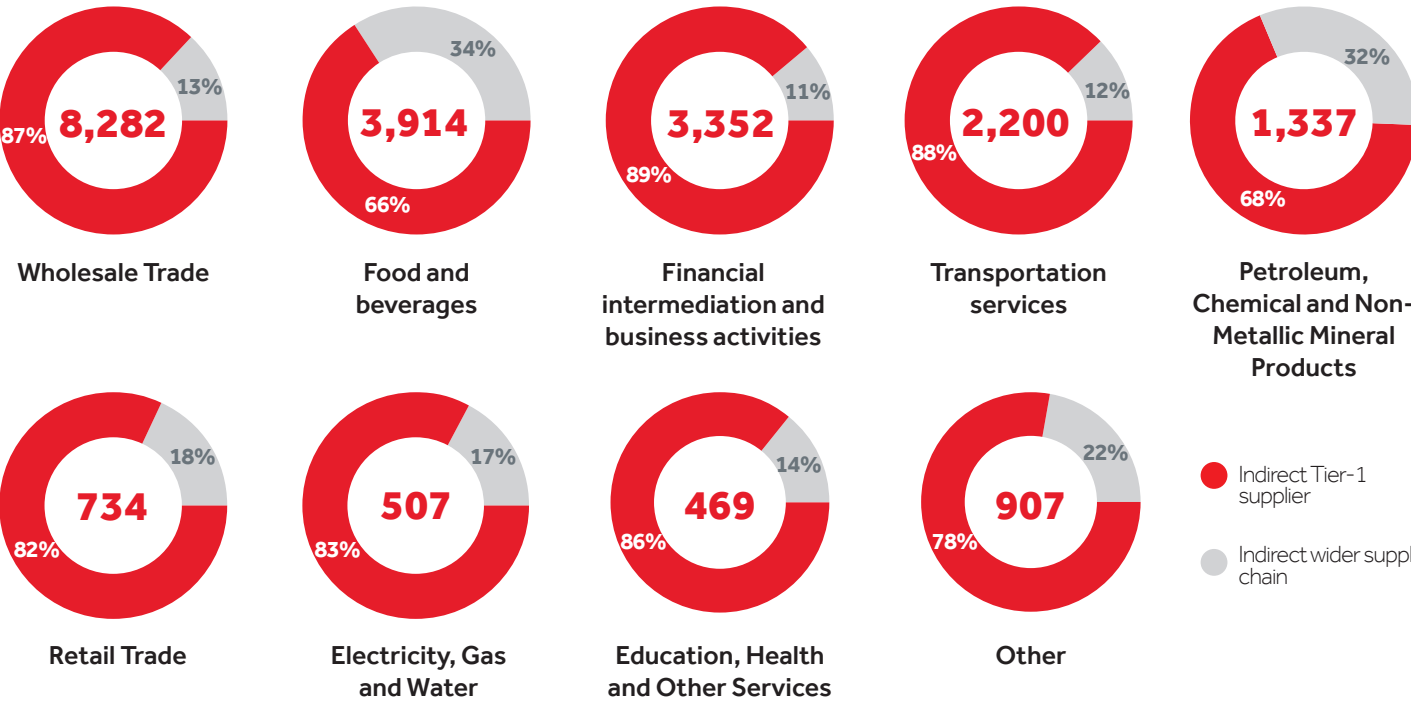


### Transportation services

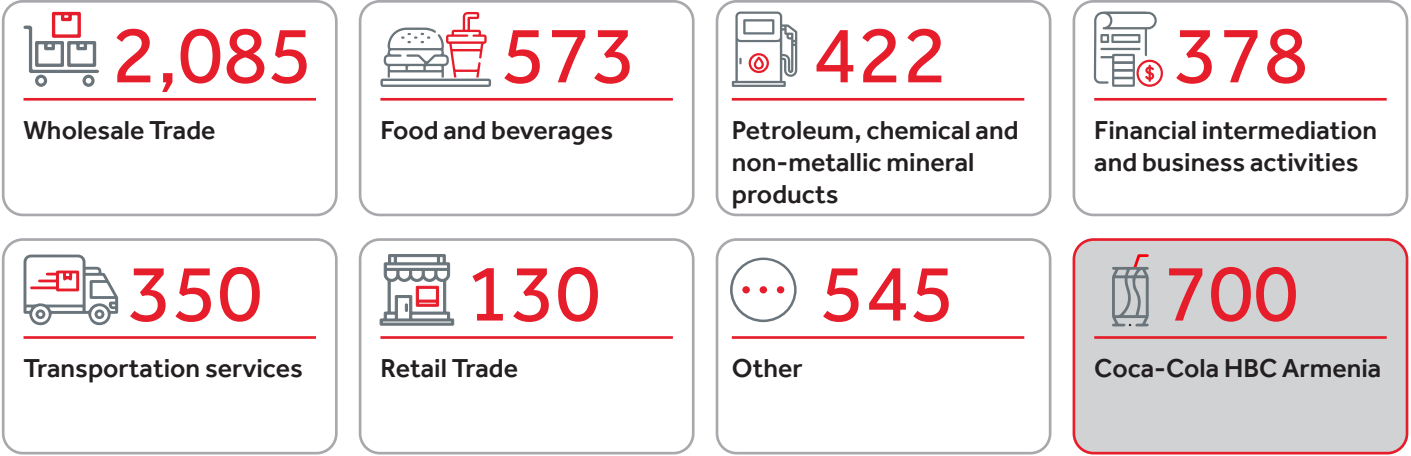
As a result of the delivery of the products



Indirect GVA contribution of Coca-Cola HBC Armenia per sector in 2022 -2023, in million AMD<sup>1,3</sup>



Induced GVA contribution of Coca-Cola HBC Armenia per sector over the period 2022 - 2023, In million<sup>1,3</sup>



Employment Contribution<sup>1,3,5</sup>

Jobs created<sup>1,3</sup>

Based on the estimates,

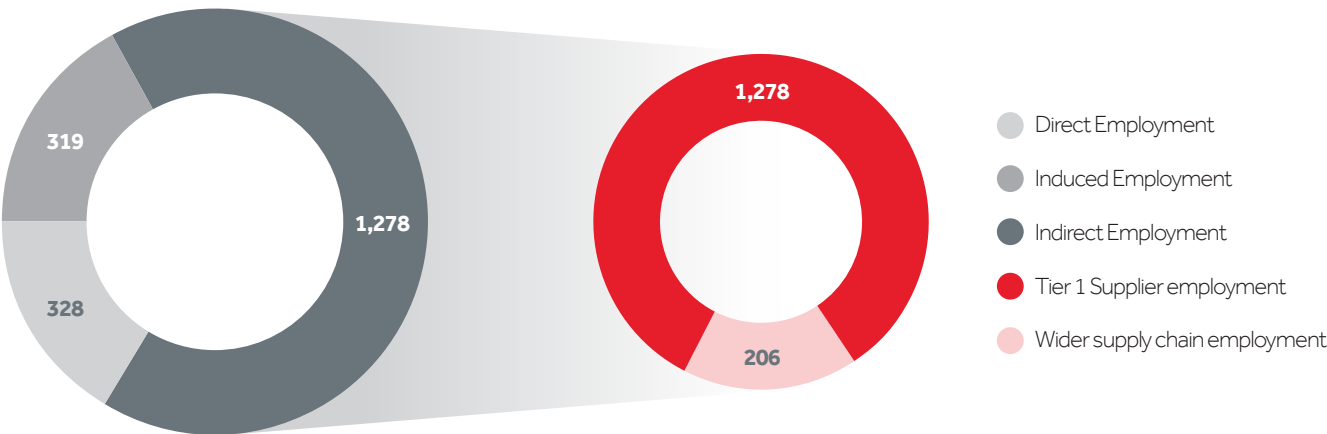
**1,925** In 2022 Coca-Cola HBC Armenia generated 1,925 jobs, representing **0.17%** of the total employed population in Armenia.

**2,150** In 2023 Coca-Cola HBC Armenia generated 2,150 jobs, comprising **0.18%** of the total employed population in Armenia.

Breakdown of the employment contribution of Coca-Cola HBC Armenia<sup>1,3</sup>

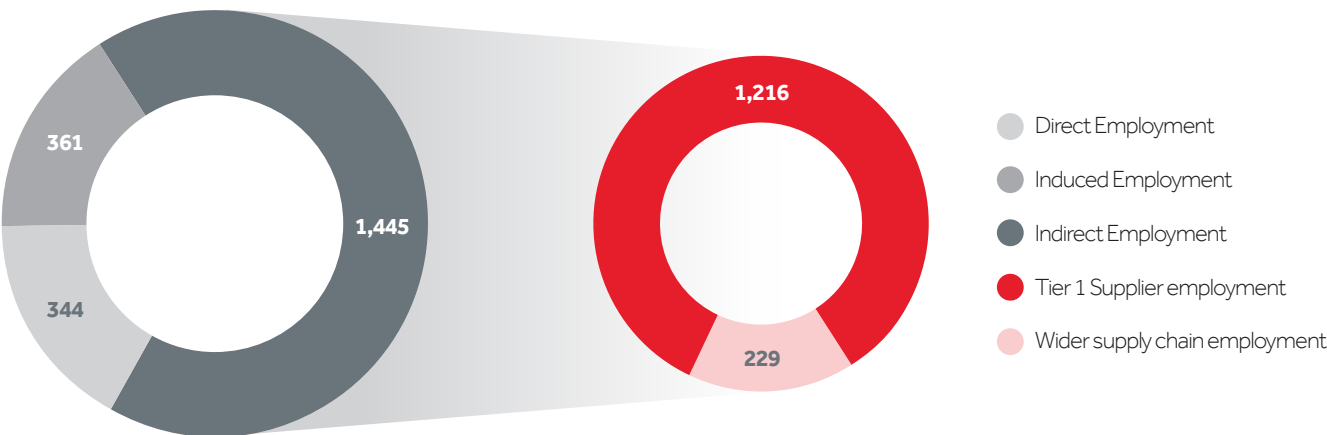
Out of 1,925 jobs:

Employment Contribution (Direct, Indirect, Induced), 2022



Out of 2,150 jobs:

Employment Contribution (Direct, Indirect, Induced), 2023



# +4.9

For each direct job created by Coca-Cola HBC Armenia, additional 4.9<sup>1,3</sup> jobs (both indirect and induced) were generated in the Armenian economy in 2022.

# +5.2

For each direct job created by Coca-Cola HBC Armenia, additional 5.2<sup>1,3</sup> jobs (both indirect and induced) were generated in the Armenian economy in 2023.

## Breakdown of the employment contribution of Coca-Cola HBC Armenia

The employment contribution of Coca-Cola HBC Armenia per sector is illustrated in the charts below. Based on the financial information provided by Coca-Cola HBC Armenia, the main drivers of the Company's employment contribution during 2022 were within the following sectors:



### Wholesale Trade

due to the impact generated through distribution of the Company products



### Food and Beverages

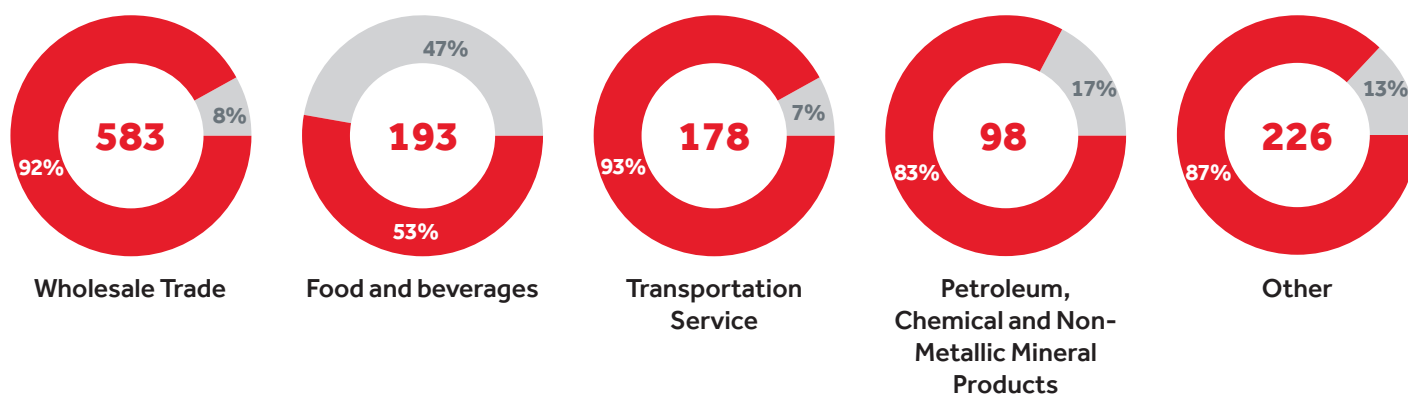
mainly due to local procurement of products for production purposes



### Transportation services

as a result of delivery operations

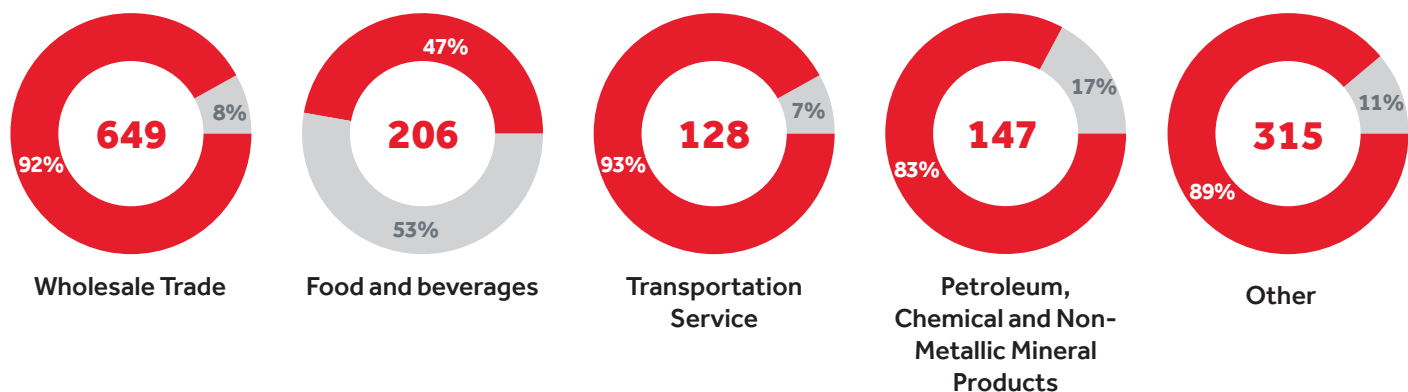
## Indirect employment contributions of Coca-Cola HBC Armenia per sector in 2022



● Indirect Tier-1 supplier

● Indirect wider supply chain

## Indirect employment contributions of Coca-Cola HBC Armenia per sector in 2023

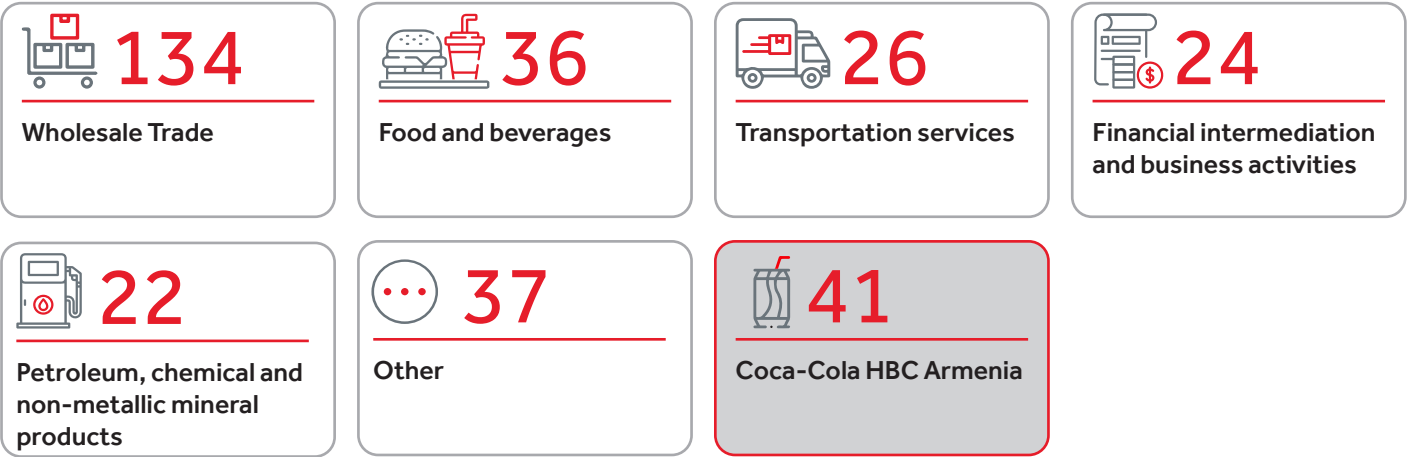


● Indirect Tier-1 supplier

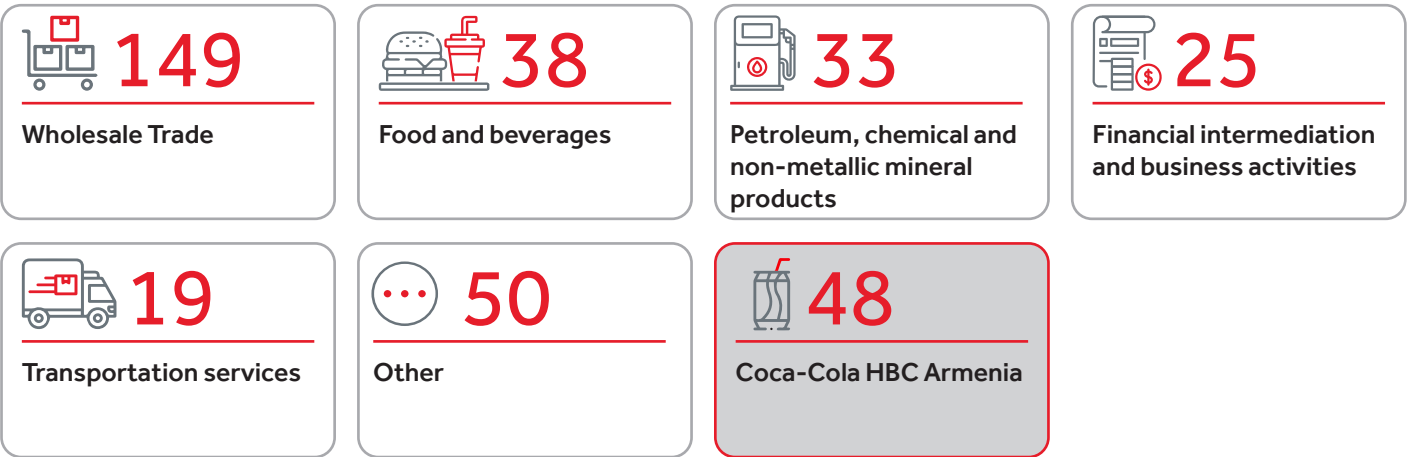
● Indirect wider supply chain



Induced employment contribution of Coca-Cola HBC Armenia per sector in 2022



Induced employment contribution of Coca-Cola HBC Armenia per sector in 2023



Fiscal Contribution<sup>1,3,5</sup>

Payments to the state budget

Coca-Cola HBC Armenia, being a significant importer, producer, and employer in Armenia, substantially contributes to the nation’s public finances. The Company was listed among the top 30 taxpayers in Armenia for both 2022 and 2023, as per a report by the Armenian Tax Service detailing

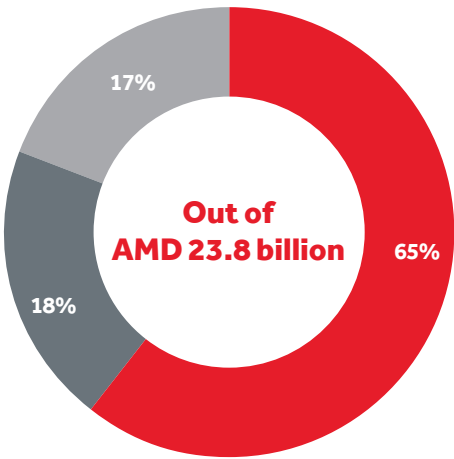
the 1,000 largest taxpayers. Its financial contributions are made through several forms of taxes, including profit tax, income tax on behalf of its employees, and other taxes collected for the government, such as the value-added tax (VAT).

**AMD 23.8 billion**

Based on the estimates over the period 2022 - 2023 Coca-Cola HBC Armenia’s total fiscal contribution to the state budget was AMD23.8 billion.

This accounted for 0.57% of the total tax revenue of RA over the mentioned period.

Structure of Total Payments to the State Budget<sup>1,3</sup>



**AMD15.35 billion**

Direct fiscal contribution<sup>6</sup>

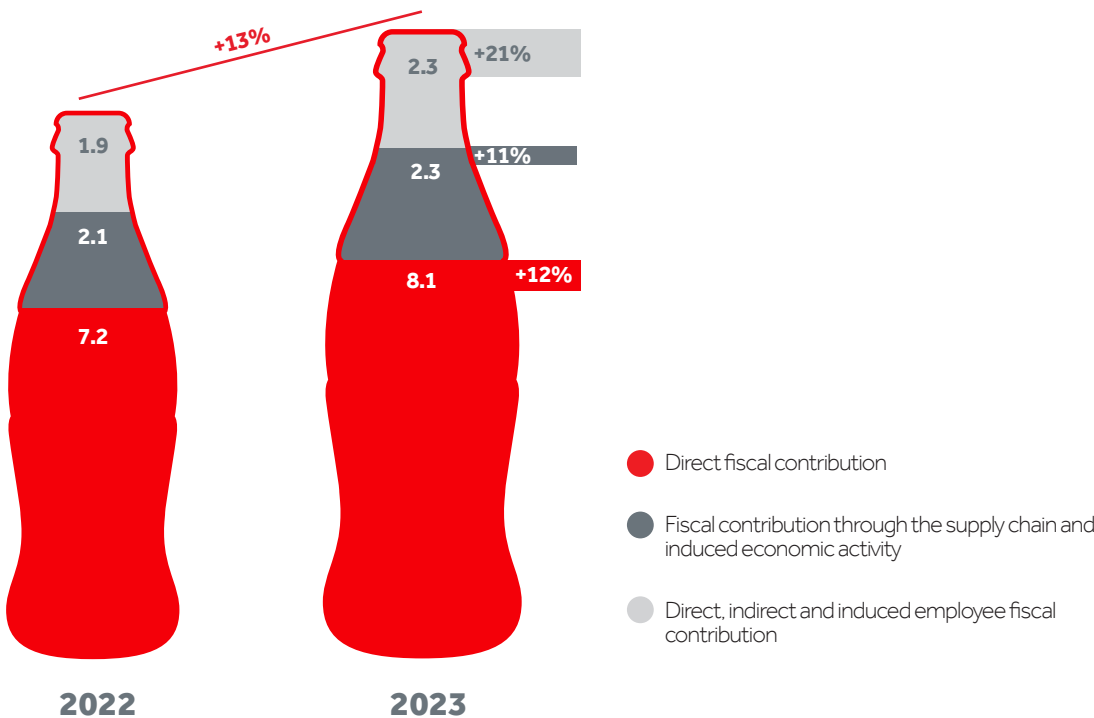
**AMD 4.35 billion**

Fiscal contribution through the supply chain and induced economic activity

**AMD 4.13 billion**

Direct, indirect and induced employee fiscal contribution

Fiscal contribution structure and growth in 2022 and 2023, in billion AMD<sup>1,3</sup>

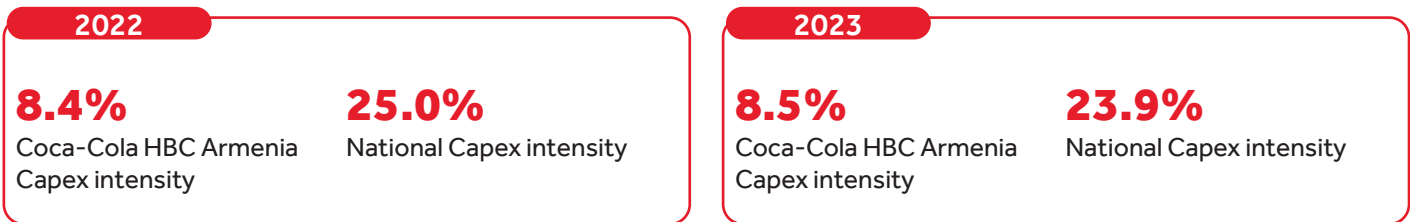


Investments<sup>1,3,5</sup>

This section represents Coca-Cola HBC Armenia's capital expenditure ('Capex') in 2022 and 2023.

Capex is the spending made by a company to acquire or upgrade infrastructure. Investment activity is an important determinant of any economic contribution, given that it is recognized as being an important driver of economic growth.

Investments in 2022-2023<sup>1</sup>



<sup>6</sup>Direct fiscal contributions exclude personal income tax and social security payments to prevent double counting, since these are accounted for in the employee fiscal contribution.

06

# SURVEY RESULTS



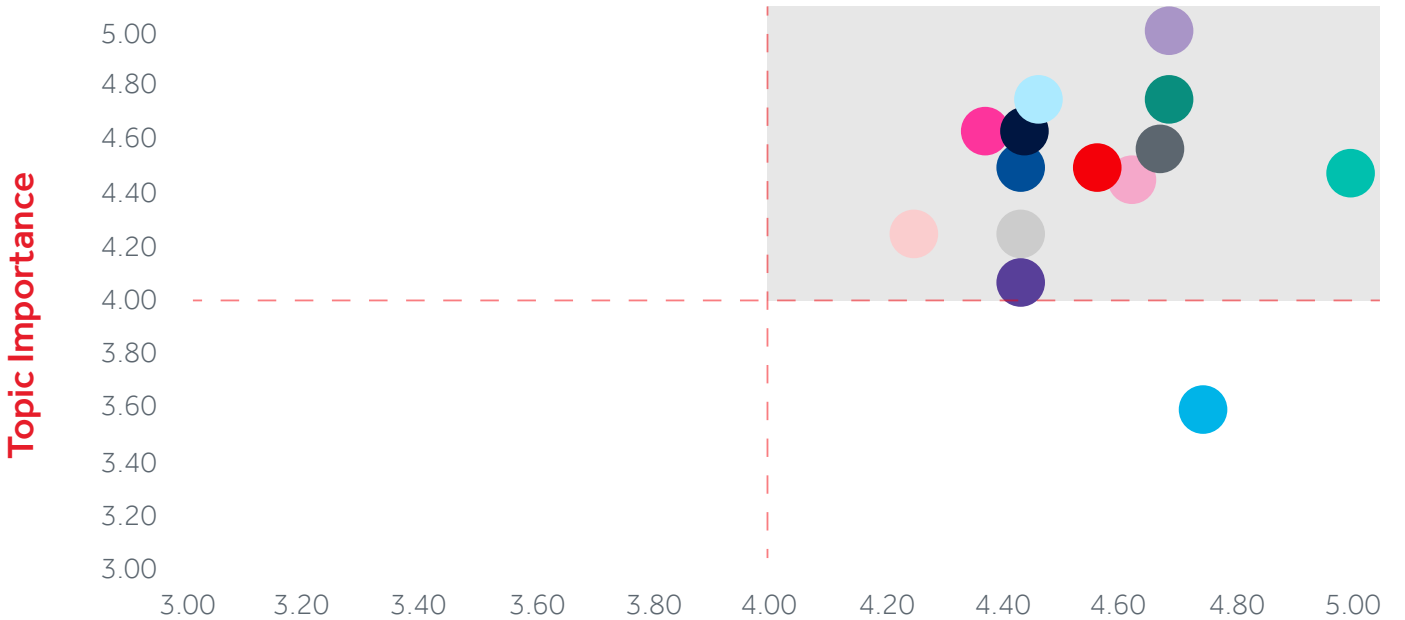
# Survey Results

To enhance engagement with stakeholders and align with their expectations, Coca-Cola HBC Armenia carried out a survey featuring 14 questions. This survey aimed to collect opinions from stakeholders to pinpoint opportunities for enhancing how the Company interacts with them. The findings from this survey will guide the development of upcoming engagement tactics, ensuring the Company fulfills the requirements and anticipates the expectations of

its stakeholders. The survey aimed to collect participants' views on the Company's influence across social, environmental, and economic aspects. For each of the 14 questions, participants were also invited to rate the importance of each issue from their perspective. A group of sixteen stakeholders, covering eight diverse stakeholder categories, participated in the survey.

The resulting matrix below shows the participants' perspective on the 14 areas in question:

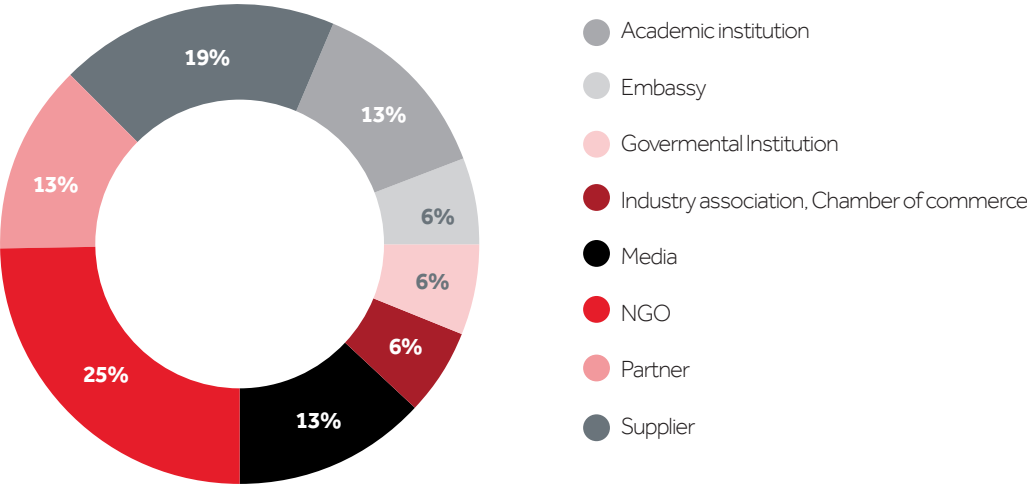
According to the survey results and as illustrated in the chart, most of the scores fall within the upper-right section, reflecting the Company's strong impact.



## Coca-Cola HBCA impact

- Corporate governance, business ethics & anti-corruption
  - Women's economic empowerment/gender balance
  - Direct and indirect economic impacts
  - Human rights, diversity and equal opportunity
  - Health and safety, quality of products
  - Product quality
  - Corporate citizenship, investments and involvement of local communities
- Packaging, recycling and waste management
  - Well-being, development and engagement of employees
  - Occupational health and safety
  - Water stewardship
  - Climate change, emissions, energy use and efficiency
  - Sustainable sourcing and supply chain management
  - Responsible marketing

## Stakeholder Survey Participation By Type



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