

SUSTAINABILITY REPORT

2022

Power of Change

Coca-Cola Bottling Shqipëria - SUSTAINABILITY REPORT 2022



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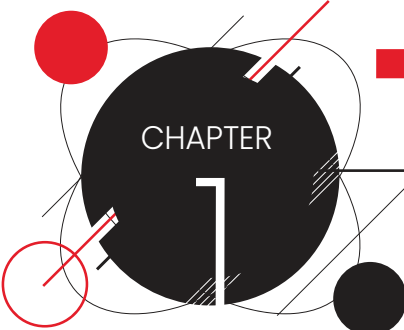


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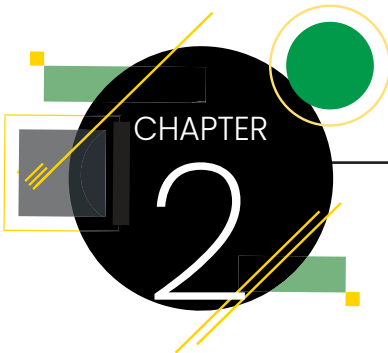
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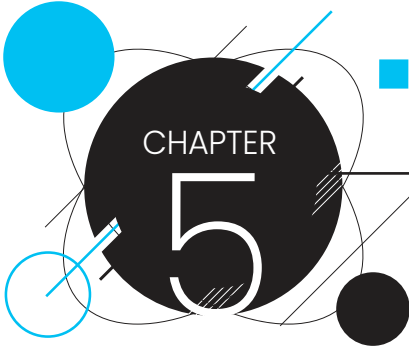
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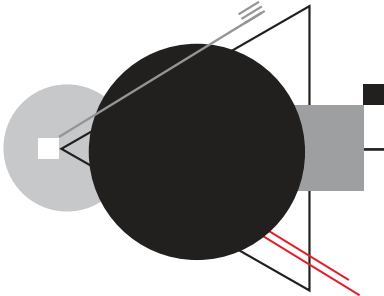
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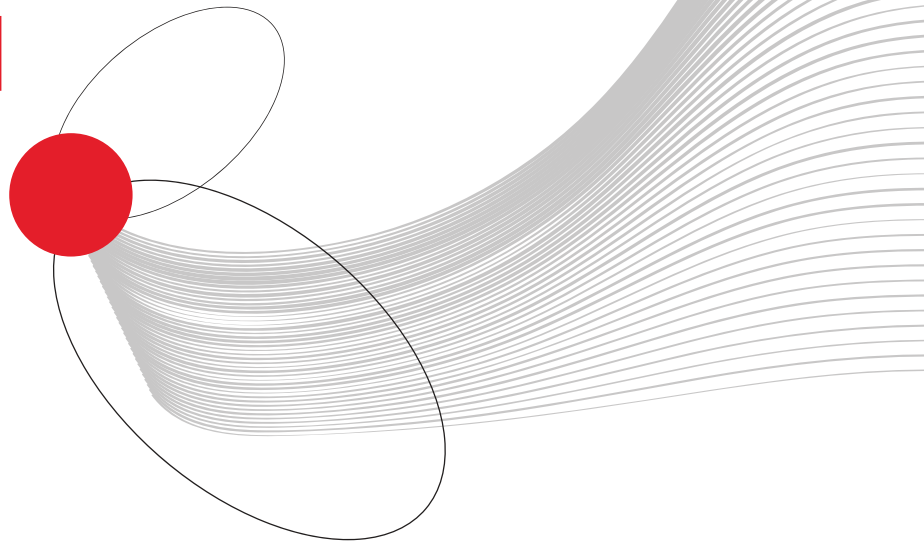


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LETTER FROM THE **CHAIRMAN**



Dear Stakeholders,

I am pleased to present and share the first **CCBS Sustainability Report**: an official document that attests to our company's solid commitment to **environmental sustainability** and **social responsibility**. And as we embark on this journey, we need to reflect on the past, the positive impact we have generated in this present, and the path ahead.

For us, **CCBS is more than an entrepreneurial activity**; it is a reality that is driving change with strength and energy. **Our green initiatives have gone beyond formal gestures**, beyond simple words and promises, becoming the foundation of our identity and **guiding our every action**. We are aware that the success of a company goes beyond its economic and financial performance: we want and **must leave a legacy of thriving ecosystems and communities**.

Over the years, we have **promoted actions** in favor of the environment through **pioneering projects**, which we hope have helped to set new standards within the Albanian market.

Our environmental initiatives, such as investments **in photovoltaics** - which cover 68% of our electricity needs - the use of 100% electric vehicles - used by the sales team in Tirana, Durrës and Kavaja - **the installation of fast charging stations in each city involved**, the planting of greenery and trees, demonstrate our commitment on a daily basis. With



this effort, we have **reduced our Scope 2 emission** carbon footprint by **516 tons CO₂** for only one year, but also optimized our processes to comply with strict international standards.

But this report represents more than a mere analysis; It marks a transformation towards a documented and proven approach to sustainability. We are proud to announce, in fact, that our commitment is no longer just a statement: it is now supported by official, detailed and verified reports.

This ethical and transparent approach is a commitment to our stakeholders, to **show that our actions align with our words**. As we move forward, our aspirations continue to grow. Our ambitious plans for future investments have been designed to stimulate innovation and further enhance our actions. These strategic initiatives will not only strengthen our business, but also drive positive change on a larger scale, through collaborations with partners, authorities, and communities.

Our **next goal** is to work on a road map that will allow us to have a clear path to become a **Net Zero emission reality by 2030**. We want to lay the foundations and put in place actions to achieve "Scope 1 and 2" emissions and furthermore, work for the "Scope 3" emissions. A very ambitious path that has seen us at work for several months and that will really mark an **epochal turning point**.

In this report you will find multiple data that attest to the value of the work done: **2979 hours of training provided in 2022**; a share of renewable energy that today accounts for more than 12,8% of our total consumption; An economic performance that clearly highlights the trust of our customers and that shows a sustainable working environment.

In these pages you will find as many stories, demonstrating how our people, our initiatives and our partnerships have come together synergistically **to move towards a single goal**.

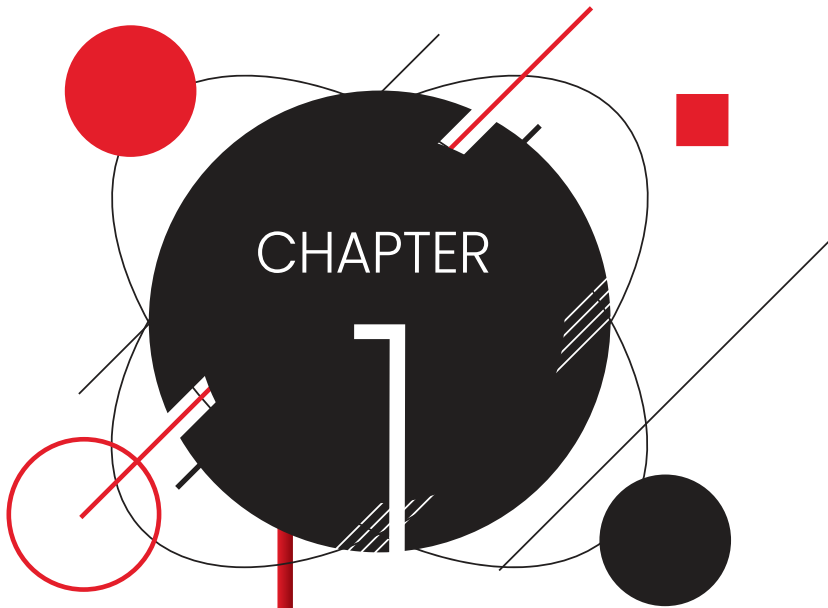
My thanks go to our dedicated team, The Coca-Cola Company, the stakeholders who support us, and the communities we serve. Together, we have the power to shape a resilient and sustainable future.

We are convinced that there will be many challenges ahead of us, but we are also confident that we have the right approach to overcome them, with the promise of sharing and celebrating our achievements with you in the future.

Kind regards

Luca Busi
CCBS President





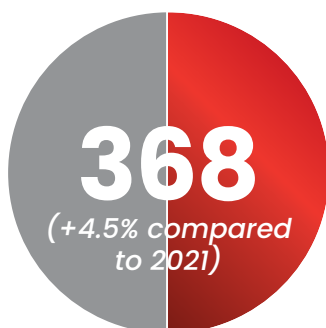
OUR GROUP

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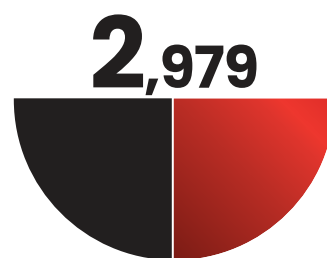
OUR 2022 IN NUMBERS



SALES REVENUE
compared to 2021



OUR EMPLOYEES
as of
31 December 2022



HOURS
Total hours of
training in 2022

~80%

(of the total suppliers)

LOCAL SUPPLIERS

66%

WASTE RECOVERED
in CCBS plant

+9%

ALBANIAN SUPPLIERS TURNOVER
compared to 2021

0,0005%

ENERGY INTENSITY INDEX
(on litters produced)

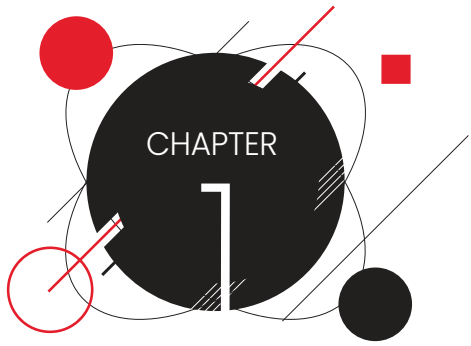
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TONS PET
Weight reduction
of PET package
(compared to 2021)

68%

of total consumption of electricity

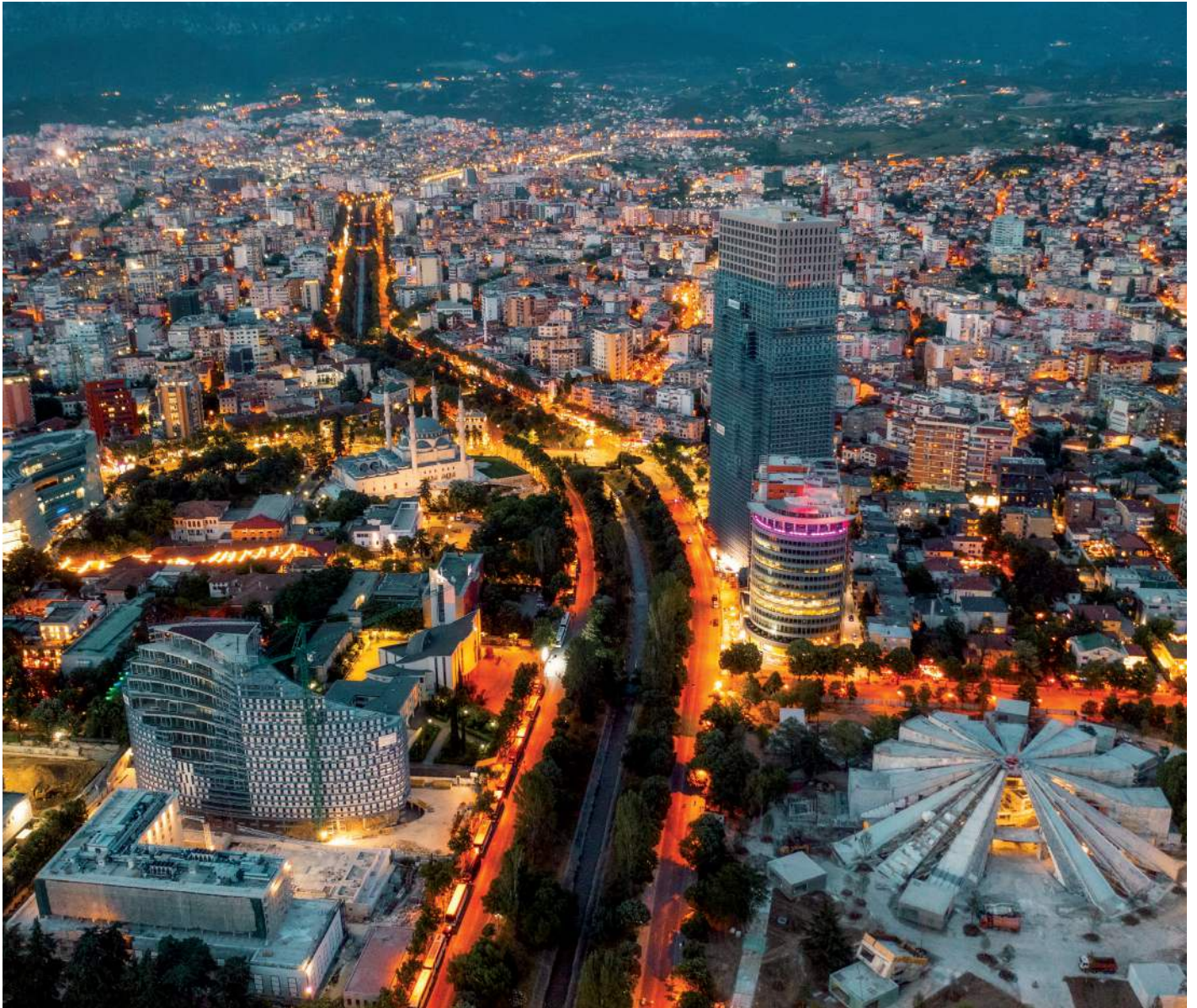
ELECTRICITY
produced from
Renewable Source



OUR GROUP

The journey of Coca-Cola Bottling Shqipëria Shpk (CCBS) reflects the opportunities that a global brand could bring, by adapting to the local context, with its unique set of values and dynamic way of life.





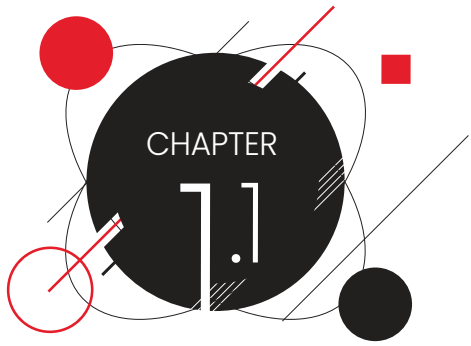
Its story **began in 1994** when the first Coca-Cola bottle rolled off the production line in Albania. With dedication and strategic networking, CCBS developed into a substantial organization boasting **over 350 employees**. The company's role extends beyond business, positioning itself as a key driver in the Albanian economy. CCBS's vital role within The Coca-Cola system is emphasized by its exclusive status as the official bottling partner in Albania.

As the **first international brand investment in Albania after communism** system fell, CCBS business activity has been a driving force for the Albanian economy and a dynamic presence in the country, **impacting** not only the **economy**, but also its **social and cultural evolution** in the last decades.

Built upon a foundation of responsibility, CCBS, whose main activity is the bottling and the distribution of carbonated soft drinks of The Coca-Cola Company

and distribution of other products, has enthusiastically undertaken a series of impactful **sustainability initiatives**.

CCBS is deeply committed on a variety of **different projects**, spanning from environmental initiatives (green logistics, renewables etc.) to more social ones, in particular related to **sport's positive impacts**. These kind of activities (which will be further detailed in this Sustainability Report) are just examples of the broader vision CCBS has on Sustainability, and are consistent with the constant effort the Company puts in managing its impacts in the best possible way. Overall, CCBS is committed to sustainable practices benefiting both the environment and society. With an unwavering commitment, CCBS **continues to champion sustainable practices** that wants to contribute to the path of Albania towards a **sustainable future**.



HISTORY, VALUES AND MISSION

CCBS's **establishment in 1994** forms the foundation of its operations, in a country where everything had to be built from the scratch, centered on the production, bottling, distribution and sales of Coca-Cola products **in Albania**, all executed through agreements with The Coca-Cola Company (TCCC) and The Coca-Cola Export Corporation (TCCEC). Situated in **Kashar, just 5 km from Tirana**, CCBS has grown to employ **368 individuals** as of December 2022, including seasonal workers.

Throughout its evolution, CCBS extended its portfolio to include **renowned brands** such as s Coca-Cola, Fanta, Sprite and Schweppes.

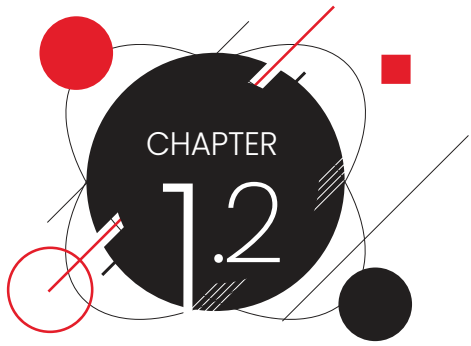


CCBS **mission** is to offer a **wide range of choices** to its customers, matching their need and taste for refreshing products, from the **classic** to the **more innovative** ones.

CCBS aims to bring joy and refreshment to people's lives while making a positive difference. CCBS is committed to satisfying consumers with excellent beverages and creating **emotional connections** through diverse product range.

Furthermore, CCBS is focus in achieving **reduction of emissions** and contributing to positive environmental impacts and being a driving force for a more **sustainable future**, supporting also The Coca-Cola Company global commitment such as **World Without Waste program** with long-term objectives.

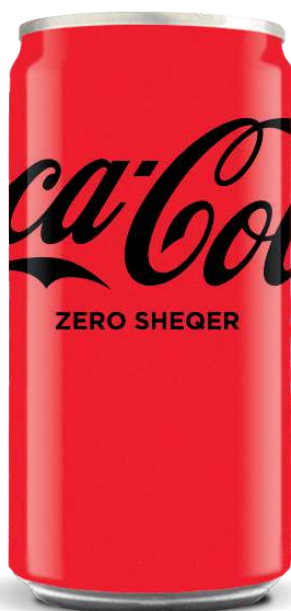




OUR **PRODUCTS**

*Within CCBS's product portfolio, a range of beverages is proudly showcased, tailored to accommodate a diverse array of **preferences and occasions**.*

*This carefully curated array of choices is a testament to CCBS commitment to meeting the exact standards of discerning consumers, and it further **solidifies market presence in the industry**.*

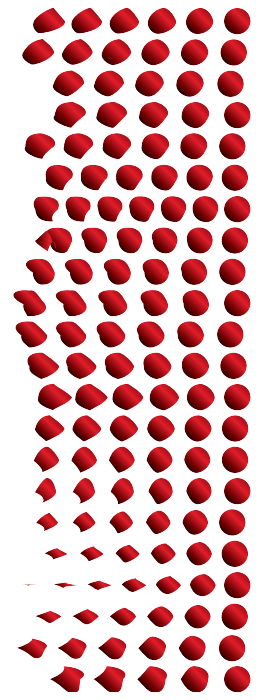


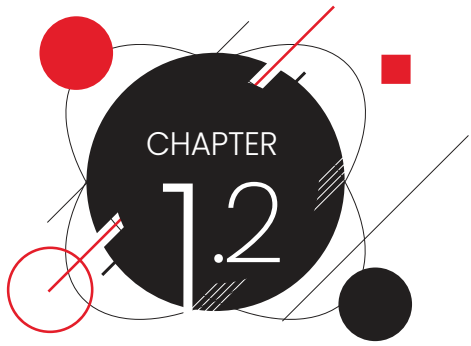
COCA COLA

Among the offerings, the enduring classic "**Coca-Cola Original Taste**" serves as a testament to the **authentic and iconic flavor** that has been appreciated by generations.

This signature product is accessible in **multiple formats**, including, 0.222L ALU CAN, 0.25LRGB, 0.33L ALU CAN, 0.45LrPET, 0.9LrPET, 1.5LPET, and 2LPET providing options **suitable for various needs**.

For those seeking **an option without compromising on taste**, CCBS presents "**Coca-Cola Zero Sugar**." Crafted to provide the same satisfying taste as the original, this variant offers a **sugar-free alternative**.





OUR PRODUCTS

CCBS takes great pride in offering a **diverse selection of beverage options** meticulously designed to cater to a wide spectrum of tastes and preferences.

FANTA

CCBS product range includes a variety of **Fanta flavors**, such as **Orange and Exotic** in 0.222L ALU CAN, 0.25L RGB, 0.33L ALU CAN, 0.45L rPET, 0.9L rPET, 1.5L PET, and 2L PET, as well as **Lemon Zero Sugar and Orange Zero Sugar** in 0.33L ALU CAN and 1.5L PET formats.



SPRITE

Furthermore, the product lineup prominently features **Sprite**, available in formats including 0.25L RGB, 0.33L ALU CAN, 0.45L rPET, 0.9L rPET, and 1.5L PET.

SCHWEPPES

In addition to this, CCBS proudly offer a selection of **Schweppes beverages**, comprising **Indian Tonic Water** in 0.15L ALU CAN, 0.33L ALU CAN, and 0.9L rPET, **Bitter Lemon** in 0.33L CAN and 0.9L rPET, and **Pink Mixer** in 0.33L ALU CAN.



CCBS's commitment to catering to a **wide range of preferences** extends beyond flavor. The product lineup comprises **carbonated drinks, non-carbonated options, and UFT water**, part of CCBS portfolio, reflecting a comprehensive approach to satisfying diverse tastes and lifestyles. It's understood that everyone's beverage choice is as unique as the moments they enjoy them in. **CCBS's products are designed to enhance every occasion.**

At the heart of CCBS's product strategy lies the intention to empower consumers to make choices that resonate with their individual preferences and values.

CCBS places a significant emphasis on **maintaining the quality of its products**, ensuring their safety surpasses the stipulated legal and regulatory safety requirements. The company acknowledges that any departure of its products and services from the established quality standards directly influences the responsible operation of the business. Such deviations have far-reaching consequences, impacting not only the level of customer satisfaction but also casting an effect on the **company's reputation and reliability**. This, in turn, has a considerable effect on CCBS's financial outcomes, underlining the

TEPELENE WATER

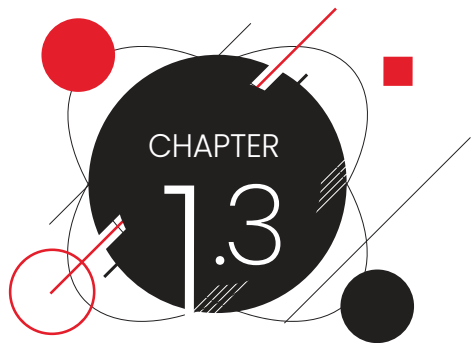
Tepelene Water is distinguished by an **ideal mineral** balance and is offered in various formats, including both **still and sparkling** options, in the format of: 0.25L, 0.33L, 0.5 L, 0.75L in RGB ; 0.33L, 0.5L, 0.75L, 1L, 1.5L, 2L in PET and **Vitamin Water** in the format of 0.33L PET in various tastes.



interconnectedness of **product quality, operational responsibility, customer satisfaction, reputation, and financial performance** within the company's overarching objectives.

CCBS has maintained a record with no reported incidents related to non-compliance concerning the health and safety impacts of products throughout both the years 2021 and 2022. No instances of incident reports or complaints concerning the quality of CCBS product, food safety standards, or services have been brought to CCBS's attention during this period.

CCBS keeps on working every day to ensure the quality and safety of its products and collaborates with all competent authorities to ensure that its production processes adhere to the **highest standards of food safety, quality control, safety, and environmental sustainability**. For that purpose, CCBS **has implemented ISO 22000:2018**, underscoring the company's commitment to top-tier food safety management systems and **ISO 9001-2015** quality management systems to guarantee that CCBS possesses efficient processes and a well-trained staff, ensuring the consistent delivery of high-quality products.



GOVERNANCE

STRUCTURE



The Board of Directors (BOD) is the highest governance body of the Company, composed of **five members**, led by **Chairman Luca Busi**. BOD is invested with full decision-making and operational powers concerning the **management CCBS** and may take all actions deemed advisable for the implementation and achievement of the corporate purpose, with the sole exception of those actions reserved by law and the Statute to the Shareholders' Assembly. It is noteworthy that the BOD does not have any subsidiary committees or commissions reporting to it.

The Management Board is composed of **one executive member**, the Chairman, and **three non-executive members**, with three designated as independent and **one as dependent**. This balanced composition ensures diverse perspectives. In terms of **gender diversity**, the Board consists of three men and one woman. The tenure of Board members is **five years**, promoting continuity and experience. The competences of the highest governance body and its committees are well-defined in the company's bylaw, emphasizing their decision-making and operational authority for effective management. While stakeholder representation and under-represented social groups are currently not integrated, CCBS remains committed to transparent and responsible governance practices. The composition of the Board reflects dedication to **maintaining integrity and strategic oversight**.



The process for the election of the Board of Directors' members is defined within the organization's by-law. Members of the BOD are nominated and elected by the shareholders at the **General Shareholders Meeting**. There is no established procedure for the nomination and selection of members, but the shareholders take into consideration **professional competence** such as the skills, experience, knowledge, and other professional commitments in the selection process and assessment of the suitability of members. This process ensures that **qualified and competent individuals** are chosen to contribute to the governance and decision-making of the company.

The active oversight of day-to-day operations falls under the purview of the Chairman of the BOD and the **Managing Director**, who also holds a position as a member of the BOD. The extent of their authority is determined by the **Shareholders Assembly**, underscoring the significance of their roles in leading and monitoring operational activities.

The highest governance body, BOD, comprising both the **Management and Supervisory Boards**, actively supervises the organization's impact management processes spanning economic, environmental, and social realms. Through monthly **Business Review sessions**, Senior Management presents comprehensive reports, fostering collaborative decision-making that aligns with local regulations, TCCC's standards and company business and sustainability objectives. **Stakeholder engagement is closely integrated**, and outcomes are communicated through internal communications, enhancing transparency and

employee alignment.

The BOD entrusts the authority to the **Senior Management team**, which assumes the responsibility for executing, overseeing, and achieving the established operational objectives. Reporting typically takes place on a **monthly basis**, unless exceptional circumstances or local regulatory mandates necessitate more frequent updates. Various teams directly provide their reports to the Chairman for the monthly briefing or on a more frequent basis as required.

BOD is responsible for examining and supervising the process of determining the material Sustainable Development topics, **validating the results**, which will also form the core structure of the Company's annual Sustainability Report. Although there is not a formal process related to the analysis and approval of the material aspects by the BOD, the BOD through participation of its member, **supervises and evaluates** them, monitoring their inclusion in the sustainability report. The report is shared with the BOD Members, so they can review and validate its content during a dedicated meeting.

To ensure the highest standards of integrity, the BOD is guided by the **HR Department Policy** to address any potential conflict of interest. This policy outlines procedures to address complaints, and if resolution between an employee and manager isn't possible, the matter is escalated to the BOD for resolution. This process reinforces the commitment to **transparency and ethical conduct**.



COMMUNICATION OF CRITICAL CONCERNS

Critical concerns reach the highest governance body through **Incident Management and Crisis Resolution (IMCR) Procedure**, and direct email correspondence with the General Manager and Management Board. This process is meticulously detailed in the **IMCR Procedure**, aligning with the Code of Business Conduct's emphasis on transparent information disclosure. The IMCR process is applied to address various critical matters, both internal and external, that hold potential impact for CCBS.

In managing nonconformities, the company follows a structured approach, identifying issues, analyzing root causes, and executing **strategic solutions**. Consistent reporting to higher governance levels ensures **transparency** and effective corrective action. This approach reflects a commitment to proactive improvement, tackling root causes, and an adaptable organizational culture that prioritizes **agile decision-making** and **operational enhancements**. **No critical concerns** were communicated to the highest governance body during the reporting period.



GOVERNANCE AND DECISION MAKING

The BOD is responsible for the **preparation of the annual report** detailing their and company's performance, encompassing the **financial performance** for the concluded fiscal year, as well as the significant occurrences that have influenced both people and environmental aspects. These evaluations are conducted collaboratively by the members of the Board of Directors.

Any deliberations or inquiries may arise during the **shareholders assembly**, during which the Board of Directors' report is presented their annual report on performance of the company, including the **economic-financial performance** for the year ended, alongside the Financial Statements and the Independent Audit Report. Shareholders assembly in their evaluation of board results, take also into consideration, independence, integrity, and relevant experience. The governance body possess a general **understanding of sustainability** and its relevance to CCBS's future. Their commitment to enhancing sustainability knowledge extends to regular meetings and collaborations with significant partners, reflecting a broader approach to knowledge **improvement in sustainability matters**.

CCBS maintains affiliation with esteemed membership organizations, including **Confindustria Albania, Chamber of Commerce and Industry, American Chamber of Commerce, Italian Chamber of Commerce** in Albania and **FIAA** (Foreign Investment Albanian Association).

Through its engagement with these authoritative associations, CCBS demonstrates a commitment to fostering strong relationships within both the local and international business communities. These collaborative affiliations underscore CCBS's dedication to actively participating in dynamic trade and industry dialogues, thereby contributing to an **ecosystem of mutual growth and advancement**.





POLICIES AND PRACTICES



Human Rights Policy

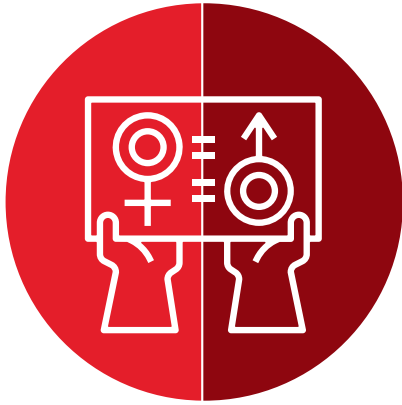
*Embracing the **principles of diversity, freedom inclusion**, the Company aligns with key international frameworks including the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, and the Guiding Principles on Business and Human Rights.*

The information sources for these policy communications are not publicly available but are shared to stakeholders with **internal documentation**, underscoring CCBS's commitment to **transparently uphold** and disseminate its policy framework.

The Integrated Policy is created in respect of TCCC requirements, **ISO Standard Certifications and Albanian law**. CCBS operates directs the journey and progress, guiding every aspect of business, describing what CCBS must achieve in order to attain sustainable and quality growth. CCBS's policies are approved by the **General Manager**. The Policies are communicated via email to every employee of CCBS, also the policies are stored in the **SharePoint "Integrated System"**, easily reachable for every employee of CCBS.

Maintaining a workplace that **prioritizes safety, health, and productivity**, CCBS proactively engages with employees to address potential risks and take **preventive and corrective measures** to mitigate accidents and health hazards. CCBS is equally dedicated to cultivating an environment that is free from violence, harassment, and disruptions due to both internal and external sources. Promoting **transparent communication** and **honest engagement** among all employees, CCBS adheres to labor laws and regulations during its business operations and ensures that employees are well-informed about its **Human Rights Policy** through internal communications.

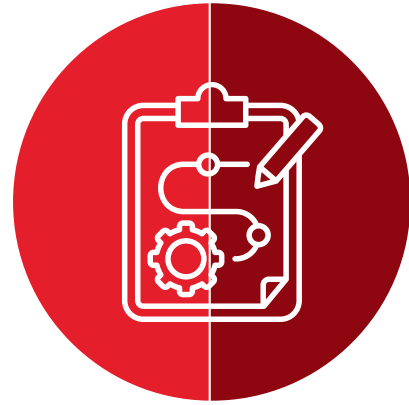




Code of Conduct Policy

The oversight of due diligence compliance is effectively managed through the accessible **Complaint procedure**, accessible to all CCBS employees. The Company cultivates a wholesome and supportive atmosphere, **champion gender equality**, and enhance holistic well-being.

CCBS is resolute in shielding employees who expose unethical behavior from retaliation, **providing crucial assistance**. Disruptive conduct hindering employee performance is unacceptable. CCBS commitment extends to safeguarding the confidentiality of employees' personal information, which is handled as stipulated by business requirements or legal mandates.



HR Department Policy

Drawing guidance from esteemed international frameworks, CCBS ensures regulatory compliance through a comprehensive **Complaint procedure** accessible to all its employees.

This commitment encompasses:

- Fostering a working environment founded on **trust, integrity, and transparency**.
- Treating each employee with **respect** and upholding their **dignity**, while maintaining zero tolerance for any form of harassment or mistreatment.
- **Refraining** from actions that impinge upon employees' rights and activities.
- **Cultivating** an environment of continuous improvement through skill-enhancing training initiatives and **extending career** advancement prospects based on merit. The primary criteria for promotions include professional aptitude, experience, and the demonstrable capacity to embody and apply CCBS principles.
- Ensuring adherence to **local labor laws** and contractual obligations regarding working hours, wages, overtime compensation, leave entitlements, vacations, and national holidays.
- Upholding the principle of **not employing minors** prior to their completion of compulsory education, as stipulated by local authorities.





CHAPTER
1.3.3

*Furthermore, CCBS is devoted to safeguarding the environment, fostering **diversity and inclusion**, promoting Freedom of Association and Collective Bargaining, cultivating a safe and healthy workplace, ensuring **workplace security**, preventing forced labor and human trafficking, eradicating child labor, establishing fair work hours, wages, and benefits, and providing a structured grievance procedure.*

The **General Manager** is responsible for reviewing and endorsing the policies, which are subsequently disseminated among the Top Management and the CCBS Team. Simultaneously, the corresponding procedures, modular controls, and operational instructions are revised to maintain alignment with the policy's directives. Yearly, a series of **training courses** or sessions is approved, focusing on varied topics while consistently aligning with the established Policy. After each training session, the trainer completes the **Training Effectiveness module**, evaluating the degree to which the training

was impactful and successful.

The procedures are designed to **ensure accessibility for all CCBS's stakeholders**. Likewise, stakeholders are facilitated in submitting complaints through prescribed procedures or by means of telephone or email via official contact channels. Subsequently, the complaints are directed to the appropriate team for the purpose of investigating the fundamental cause, conducting an analysis, and devising a corrective action strategy. The handling of complaints is upheld with confidentiality, and the progression of this process is reported to the highest governing authority as per the prescribed protocol. The complaint procedure regulates the **exercise of employees' right** to complain through the formulation of notices, requests, and proposals, in accordance with the provisions of the applicable law, the **Human Rights Policy of CCBS**, and the **Human Resources Policy**.

More specifically, **Complaints Management** and **Customer Satisfaction Procedure** aims to define the management of the relationship between the organization and consumers to oversee the handling of quality and food safety-related consumer complaints regarding products and packaging.

The ultimate goal is to improve product quality, enhance consumer satisfaction, and protect the trademark.

All procedures in CCBS are shared online via email and/or in the **Share Point "Integrated System."** The complaint procedure mechanisms facilitate easy access and completion for all employees. The complaint module is designed to record all necessary data for the overall assessment conducted by the HR Director to evaluate and **classify the complaint.** **Complaints are treated confidentially,** and the process is reported to the highest governance body, following the established procedure. In a dedicated area without cameras, a **closed box** is placed where individuals can submit complaints **anonymously.**

Complaints management and customer satisfaction have defined the channels through which customers and/or distributors can raise complaints related to product quality or service. The complaints are shared with the appropriate team to analyze the root cause and **implement a corrective action plan.** The process is confidential, and the highest governance body is informed in accordance with the established procedure.

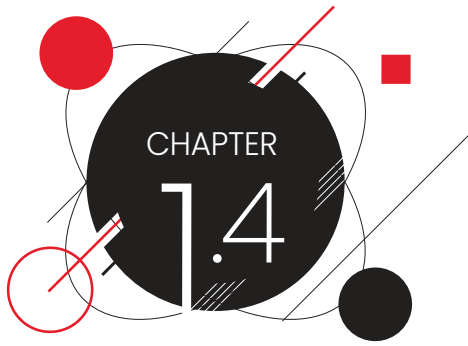
Not only does the Complaint Procedure for employees and customers entail corrective actions in case of verified indications, but other mechanisms and procedures of the system, such as the **Corrective and Preventive Actions procedure,** describe remediation processes and preventive actions that can be taken

when needed. The process of management of corrective and preventive actions is composed by the following **4 main steps, the Investigation** into the cause of the problem, **the implementation** of the identified corrective actions, **evaluation of the effectiveness** of corrective actions or prevention actions, and last **the evaluation of corrective actions** by the responsible authority as predicted by respective procedure.

The procedures are created to provide easy access for all CCBS employees. Complaints can also be easily submitted by other stakeholders following the respective procedure in place or via phone or email using our official contacts. From there, the complaint goes directly to the **responsible team for analysis** and corrective actions. CCBS employees receive communication through **official channels** regarding the complaint procedure.

CCBS has established an effective **Complaint Procedure** to address concerns promptly and uniformly. This procedure outlines roles, maintains committee independence, and employs an integrated system, making it accessible to employees through SharePoint. The **Human Resources Department** manages a **Complaints Register,** collaborating with department heads and a Special Committee when needed. The procedure emphasizes specific timeframes, confidentiality, and anonymous submissions, aligning





ETHICS

AND TRANSPARENCY

CCBS has the acknowledgement that adhering to **principles of integrity**, effective governance, and **ethical business practices**, is crucial in determining the ongoing viability of its business operations.

The Company is determined to **provide customers with value**, treating them fairly, maintaining integrity, and ensuring the provision of the intended services and products. The Company is unwavering in the commitment to adhere to all relevant competition laws across the spectrum of the operations, ensuring compliance with respect to interactions within internal and external stakeholders. CCBS persistently avoids any pursuit of advantages that may arise from illicit or unethical business strategies. It acknowledges the negative impacts of these strategies, which might bring poverty in transition economies, damage to the environment, abuse of human rights and abuse of democracy. **There are no incidents** as per reporting period related to corruption, anti-competitive-behavior, anti-trust, monopoly practices and of non-compliance concerning the health and safety impacts of products.

In the context of CCBS's commitment to ethical practices and corporate responsibility, **several key aspects** have emerged that exemplify dedication to maintaining an ethical and responsible business environment.



Firstly, over the past two years, the company has demonstrated a **strong adherence to regulations and ethical standards**, as evidenced by the absence of any sanctions or fines from authorities with respect to this topic. The internal whistleblowing system is structured in accordance with Albanian law, ensuring that potential issues are effectively addressed while **maintaining legal compliance**.

To ensure accountability and transparency, a specialized committee within CCBS's governance structure is responsible for reviewing potential warnings and reports, including those from anonymous sources. This committee comprises the HR Director and Finance Administrative Director, both of whom are designated points of reference for internal personnel seeking to report concerns. This underscores CCBS's commitment to **maintaining a responsive and ethical organizational culture**.

CCBS's commitment to **upholding ethical values** is further reinforced through the consistent review and update of the **Code of Conduct and Code of Ethics**. This meticulous process is overseen by dedicated team members who ensure that all relevant procedures and policies are harmonized into a cohesive document.

While comprehensive induction training at CCBS covers a broad spectrum of regulatory policies, including aspects related to **anti-corruption and**



ethics, the company is actively working to enhance training programs in these specific domains. The aim is to provide tailored training sessions that equip all employees with a deep understanding of corporate values and ethical expectations.

CCBS aligns with Albanian law by annually reporting to the **“High Inspectorate of Declaration and Control of Assets and Conflict of Interests,”** documenting whistleblowing cases, including potential corruption incidents. This safeguards whistleblowers and fosters transparency. The internal **“Regulation for the operation of the unit responsible for the handling of whistleblowing cases and the protection of whistleblowers”** has been ratified, in accordance with regulations. Notably, no whistleblowing cases were recorded in 2021 and 2022, underscoring CCBS’s ethical commitment and positive work environment. Reports are maintained by the HR department, reaffirming CCBS’s compliance and responsible conduct.

Furthermore, CCBS has seamlessly integrated the principles of the Code of Business Conduct into its operations. Its business success is driven by principled and ethical competition, avoiding unlawful or unethical strategies for advantages. Across operational jurisdictions, Management adheres to all relevant competition laws, governing interactions with

customers, distributors, and third parties.

Throughout both 2021 and 2022, CCBS has maintained a record of incident-free operations.

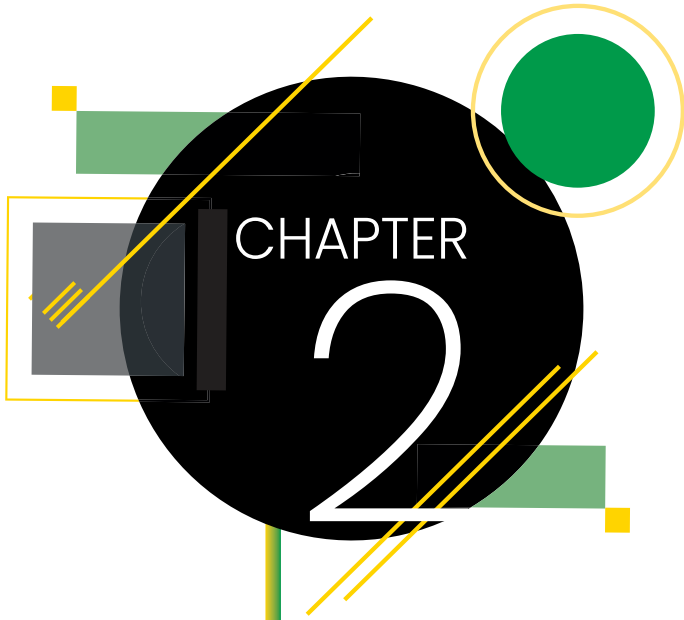
The company’s standard practice includes a process for new promotions, complemented by the publication of corresponding regulations.

CCBS demonstrates its commitment to compliance by providing a transparent overview of instances where fines were paid for non-compliance with laws and regulations. No significant instances of non-compliance were reported in the previous reporting period. During the reporting period, there were three instances of non-compliance for which the fine’s amounts were not material¹, considering the extremely low amount compared to the total amount of revenue.¹

It is noteworthy that the company **did not record any incidents** of non-compliance with regulations and voluntary codes concerning product and service information, labeling, or marketing communications during the reporting period. This underscores the organization’s commitment to ethical practices and rigorous adherence to legal and voluntary standards in its product and service information as well as marketing activities. This dedication to compliance continues to be a foundational element of the company’s sustainable business.

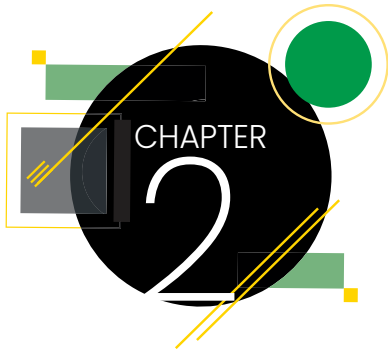
¹ The company’s materiality threshold for fines is set at any amount above 0.01% of Economic Value Generated.





OUR SUSTAINABILITY **VISION**

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OUR SUSTAINABILITY **VISION**

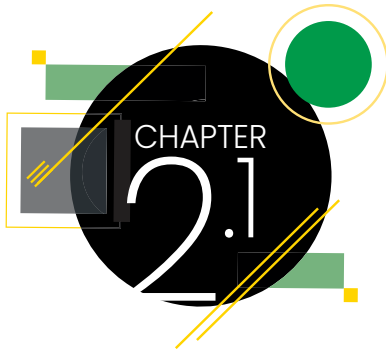
Sustainability constitutes an integral component of the economic and social development of CCBS. It serves as a guiding principle and an ultimate objective of the corporate towards the future.





The CCBS follows a clearly defined course with specific **goals and actions**, driven by a strong commitment to establish a **responsible business** model that takes into account environmental and social factors. Its efforts are directed towards company growth while ensuring **environmental sustainability**, which is an integral part of both economic and social progress.

CCBS is dedicated to ongoing and efficient enhancements of its **environmental management system** and is determined to identify, reduce, and prevent pollution stemming from its operations, products, and services. This commitment extends to the management and oversight of both internal and external fleets, with a focus on **eco-friendly solutions**, whether they be **technological**, **operational**, or **organizational** in nature.



OUR SUSTAINABILITY PATH



CCBS as the exclusive official bottling partner and a key player in the Coca-Cola system, has built a **robust network** and production chain and has earned a distinguished rank among the **top 50 best-performing enterprises in Albania** based on their profit.² Its emergence as a pioneer of **foreign investment** in the **post-communist era** marked a pivotal moment for Albania, initiating a transformative trajectory. **CCBS** has contributed through years into **Albanian economy** and community through investment and innovation.

CCBS has initiated its **sustainability journey**, by creating different initiatives that support the positive impact on society, economy and environment. However, in 2023 CCBS decide to take a more **strategic approach, develop strategy, calculate emissions**, and the publication of the **Sustainability Report** summarizing the activities undertaken throughout the year 2022. This strategic shift underscores CCBS's commitment to a **sustainable future and transparent reporting practices**, even without an enforcing law in place.

² Based on the evaluation of the top 200 companies based on their profit for 2021, published by Monitor in November 2022, where CCBS is listed at 31st place.



CCBS is fostering collaborations to contribute to a clean and **debris-free environment**, as it is aware that **long-term objectives** cannot be achieved alone. The collaboration of all the involved stakeholders is crucial if CCBS aims to prevent packaging from ending up in the environment as waste rather than being **collected and recycled**, thus extracting its full value. CCBS, in conjunction with industry associations, is willing to cooperate and engage in discussions with Albanian authorities and stakeholders on relevant topics for the whole industry.

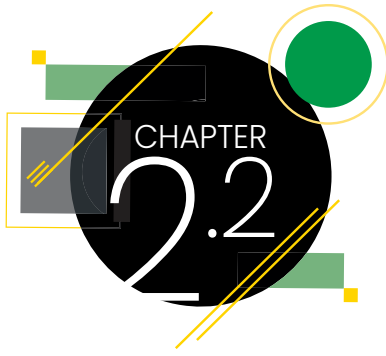
Additionally, the incorporation of **renewable energy** plays a pivotal role in CCBS's environmental management strategy. Consequently, in 2021, the company installed a **photovoltaic system** with the objective of annually reducing additional CO₂ emissions while covering 68% of the company's electricity consumption through natural sources. This proactive approach underscores CCBS's dedication to environmental protection and **sustainable practices**.

In terms of energy conservation, CCBS focuses on enhancing performance not only by cutting costs but also by curbing **greenhouse gas emissions**, thus significantly contributing to ecosystem preservation.

CCBS remains steadfast in its commitment to reducing carbon emissions through substantial investments.

As part of this commitment, CCBS initiated the **Green Mobility Project** in 2020, and now it has over 74 fully electric vehicles, not only to reduce CO₂ emissions but simultaneously **minimize noise pollution**.

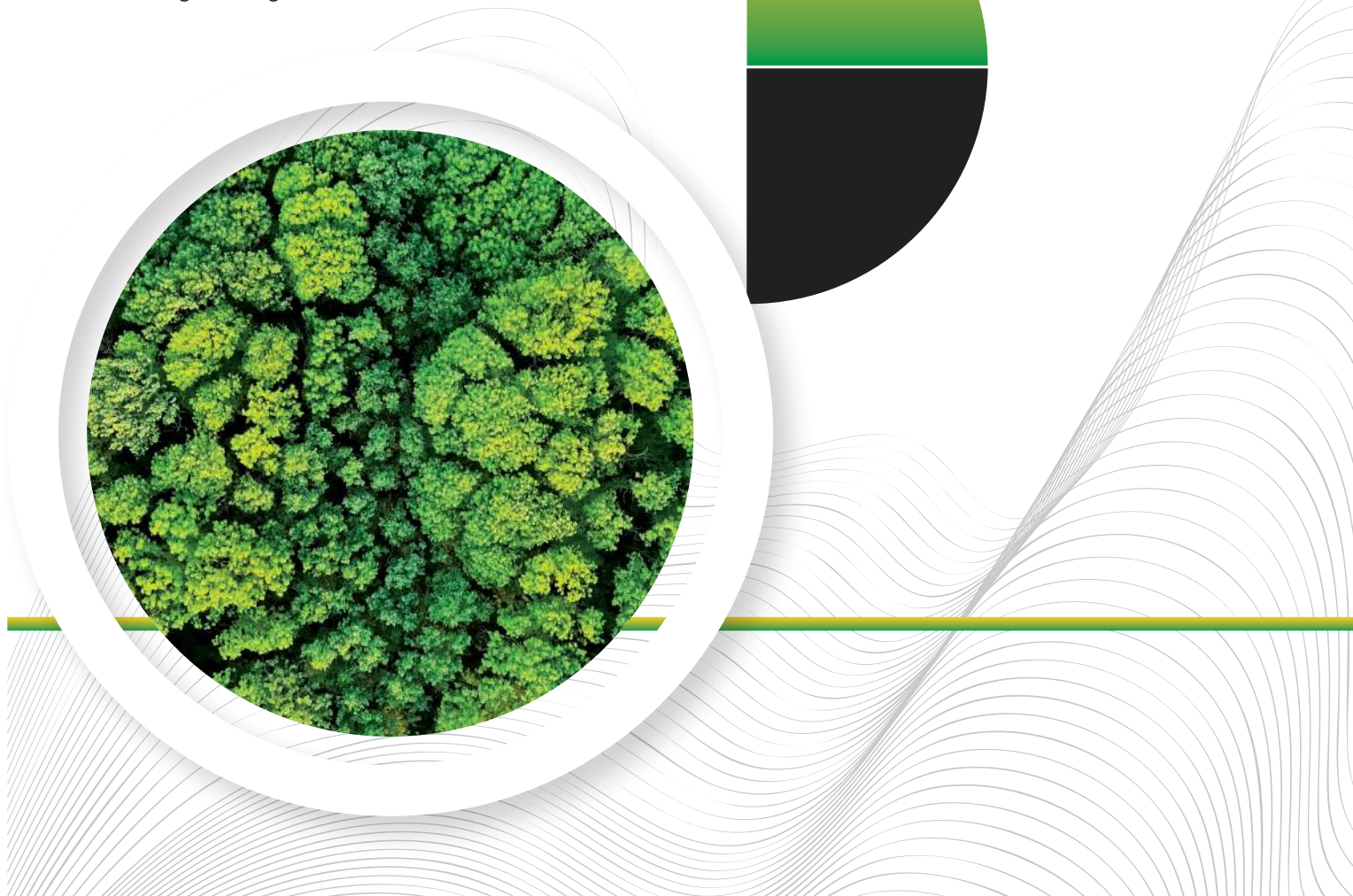




THE STAKEHOLDERS

Sustainability is a **priority** at a strategic level within the company. There is **CCBS's Board of Directors**, which discusses and plans sustainability development initiatives. Following strategic decisions made at the governance level, detailed planning and execution occur within individual departments. This approach underscores the integration of sustainability initiatives into the core functions of diverse departments, emphasizing a cohesive organizational commitment to sustainability efforts. Following the formulation of departmental plans, a structured communication process is initiated with its employees. It is imperative for employees to comprehend the **organization's sustainability objectives**, various initiatives, and their individual roles in attaining these goals.

Precise and transparent communication plays a pivotal role in fostering engagement and ensuring alignment with the organization's sustainability vision. Clearly defining the roles of each department in **sustainability efforts** is **essential**. Every team member comprehensively understands their specific contributions and responsibilities, thereby promoting a sense of ownership and accountability across the company.



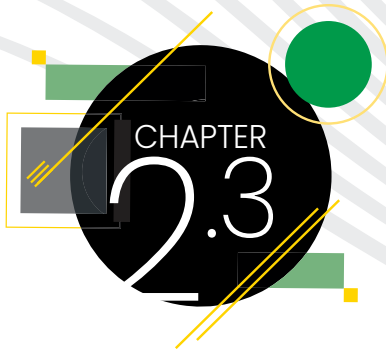


IDENTIFICATION OF **STAKEHOLDERS**

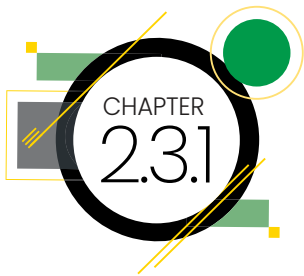
The company has identified its **stakeholders** by analysing all parties that company engages and impacts that are associated with those engagements, as well as best practices regarding stakeholder engagement. **Different engagement methods** are applied for every category of stakeholder group as listed below.

Stakeholder Group	Goals for involving the stakeholder group	How are stakeholders engaged
Shareholders	The objective of involving shareholders primarily revolves around making choices related to investments, implementing new frameworks, adopting novel operational approaches, and addressing all matters related to strategic business decisions that also includes sustainability.	Regular meetings and the development of comprehensive business plans and strategies.
Employees	Employees form the essential foundation of CCBS. Thus, they are included to contribute with their insights, offer market feedback, disseminate information to the market. Employee engagement also helps to foster positive work environment.	Employees are engaged through multiple channels such as trainings, company events and regular communication methods such as internal meetings, emails, internal communication, quarterly meetings, etc. For employees working in production, a printed form of communication is also used, for example, posters, leaflets and paper surveys. Some functions, for examples, sales department, also has dedicate communication platforms. Currently, CCBS is developing an intranet that should improve employee engagement even further.
Clients (B2B), distributors	CCBS engages with distributors and its business clients to ensure smooth business operation and as well as to prevent any risks that could negatively impact CCBS.	Direct communication channels such as face-to-face meetings, email communication.
Consumers	CCBS communication with its consumers is two-fold. Firstly, CBS engages with its consumers to communicate about its products – inform about new product launches, educate about various sustainability topics such as packaging or eating habits. At the same time, CCBS gathers feedback from consumers about various topics which are later incorporated into business decision making.	Press releases, social media, communication on TV and radio, special promotional campaigns, surveys, point of sales communications.

Stakeholder Group	Goals for involving the stakeholder group	How are stakeholders engaged
Local communities	Local communities are predominantly leveraged to bolster CCBS's efforts in making meaningful contributions to the country and enhance CCBS's reputation as a responsible corporate entity and also foster a harmonious and sustainable relationship between CCBS and the communities it serves.	Corporate website, regular face-to face communication, various events, social media, TV, radio and outdoor advertising. Additionally, CCBS has been organizing the "Plant Visit" project. This initiative allows individuals, particularly students, to explore the CCBS plant up close, gaining insights into the sustainability practises. for three years.
Investors and financing partners	The aim of involving investors and financial partners is to facilitate decision-making by means of thorough analyses and evaluations.	Regular meetings and development of documentation that is required by financing partners such as business plans.
Suppliers	Suppliers are engaged to ensure adherence to product and service standards.	Direct communication which also includes requirements and criteria for products and services that are being supplied, contractual agreements as well as face-to-face meetings.
Public authorities (government, local authorities)	The company actively collaborates with public authorities to help implement best international business practices to the country and foster a cross-border perspective as well as to address specific operational challenges.	CCBS proactively communicates with public authorities and aims at having a constant exchange of views with authorities on topics of common interest for the industry in the country. CCBS also directly engage (through meetings, emails, etc.) with chambers of commerce, consulting agencies, ministries.
Non-governmental organizations (NGOs)	CCBS collaborates with NGOs as part of its commitment to making contributions in social, economic, and environmental domains.	Individual meetings, email and phone communication.
Media	Media is harnessed to disseminate news to consumers and communicate CCBS's objectives, advertisements, and messages.	Press releases and website.



MATERIALITY ANALYSIS

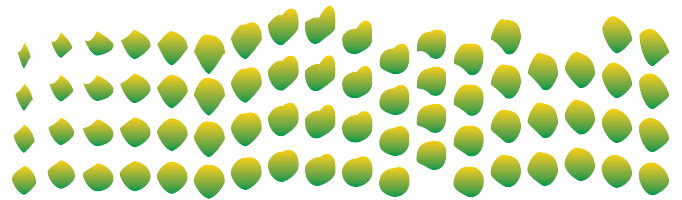


PROCESS OF THE ANALYSIS

Even though CCBS follows the **global sustainability** guidelines and initiatives of TCCC, it also conducted **materiality analysis** to identify the most material topics for CCBS. The materiality study was conducted in mid-2023 as a preparation step for putting together this **sustainability report** and setting **sustainability strategy**. Material topics were identified following the materiality principle and adhering to the principles governing **sustainability reporting quality**, as outlined in the Global Reporting Initiative (GRI). The materiality assessment was completed in 3 steps as described below.

ANALYSIS OF TOPICS MATERIAL FOR THE INDUSTRY

In order to identify its material topics, the company has conducted a context analysis, based on the food and beverage sector trends, and the methodology and guidelines of international frameworks, such as **Global Reporting Initiative** (GRI), which helped to pinpoint key subjects that hold importance based on scale, scope and irremediability, but also the relevance within the industry. By understanding these material topics, CCBS is better equipped to **align its strategies** and operations with industry trends and stakeholder expectations.

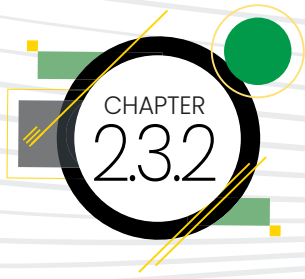


INTERNAL STAKEHOLDER SURVEY

Employees of CCBS were asked to evaluate the importance of various sustainability topics covering environment, social and governance areas.

WORKSHOPS AND SURVEY WITH THE MANAGEMENT TEAM, FINAL ANALYSIS OF THE RESULTS

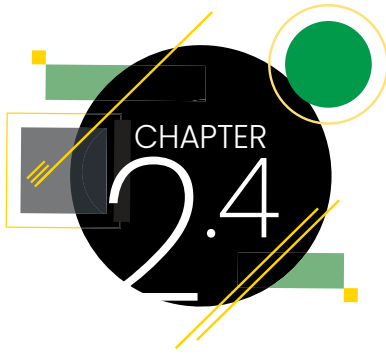
Information gathered through the above-mentioned steps was used to prioritize the most important sustainability areas to be addressed and managed. Each of the areas was analyzed further during the workshop with the management to evaluate positive and negative impact caused by CCBS's activities. After the workshop, the management team responded to the survey. Final analysis of the results was conducted during the second workshop with the **management team**. Material topics were categorized and grouped into strategic sustainability areas. These areas laid the foundation for **GRI** disclosures chosen for this report and will help to shape the sustainability strategy of CCBS.



EVALUATION OF IMPACTS

Strategic sustainability area	Impact	Type of impact
Responsible product and transparent communication	Product quality and safety	- Potential
	Responsible promotion of products and overall communication of the company	+ Actual
Fight to climate change	Energy management and renewable energy	- Actual
	Carbon footprint and climate change	- Actual
Direct environmental impacts	Waste management	- Actual
	Packaging (use of materials)	- Actual
	Water use	- Actual
	Consumption of resources and raw materials	- Actual
Health and Safety	Occupational health and safety	- Potential
Retention and human resources development	Remuneration and job creation	+ Actual
	Learning and development	+ Actual
	Labor relationship	+ Actual
Fair and inclusive workplace	Discrimination, violence and harassment in the workplace	- Potential
	Diversity and inclusionn	+ Potential
	Equal opportunity	- Potential
Generation and distribution of value	Economic performance and business continuity	+ Actual
Business integrity	Legal compliance and anti-corruption	- Potential
Responsible supply chain	Sustainable supply chain	- Potential
Customer education	Customer education (on recycling, customer awareness on the ESG impact, transparency through correct communication etc.)	+ Potential

Detailed descriptions of how company manages its negative actual and potential impacts, and creates positive impacts are described in the respective chapters of this report.



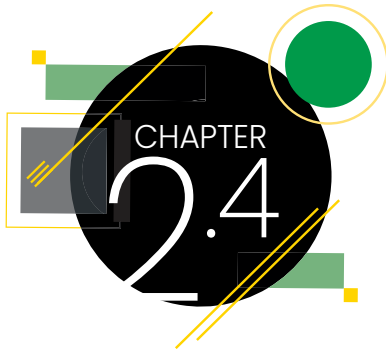
A GLOBAL COMMITMENT:

THE SUSTAINABILITY
DEVELOPMENT GOALS



SUSTAINABLE DEVELOPMENT GOALS





CHAPTER
2.4

A GLOBAL COMMITMENT:

THE SUSTAINABILITY DEVELOPMENT GOALS



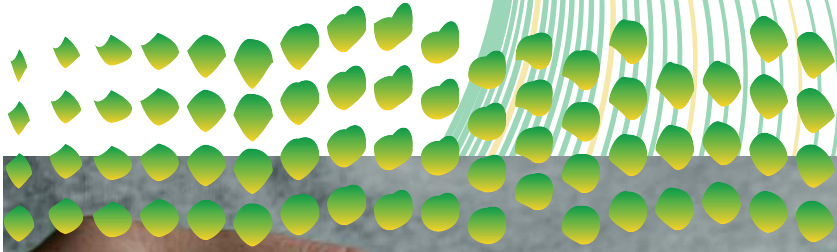
The Global Goals, officially termed the **Sustainable Development Goals** (SDGs), were embraced by the United Nations in 2015. They represent a worldwide initiative aim to address the world's most pressing challenges and **promote sustainable economic, social, and environmental development on a global scale.**

Central to this agenda are the 17 Sustainable Development Goals (SDGs) as a strategic framework for advancing toward **global sustainability**. CCBS, as part of The Coca-Cola system, is contributing to eight of these goals by orienting their vision and activities towards a sustainability path.



No	SDGs	THE CONTRIBUTION OF CCBS
	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> Nearly 2,979 hours of training in total for 2022
	<p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> The Compliance of Code of Conduct is mandatory and has a zero-tolerance principle toward discrimination CCBS has a Regulation of Functioning of the Responsible Unit, Treatment of Whistleblowing, Cases and Protection of Whistleblowers 0 cases of discrimination in 2022 and 2021
	<p>Ensuring availability and sustainable management of water and sanitation for all</p>	<ul style="list-style-type: none"> Every 5 years CCBS does a report “Source Vulnerability Study” and Water Management Plan. Preserving the aquifer, through water saving and wastewater treatment.
	<p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<ul style="list-style-type: none"> 68% of total consumption of electricity produced from Renewable Source An investment of nearly 1 million Euro (approx. 122 million ALL) in photovoltaic system that covers a surface of 10,680 m², with an aim of total reduction of CO₂ emissions.
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> ALL 5,313 million - value generated by CCBS in 2022 (+17% with respect to 2021) ALL 4,905 million - economic value distributed by CCBS in 2021 (+18% with respect to 2020) 368 employees at 31.12.21 (+4.5% vs. 31.12.21) 99.7% permanent contracts in 2022 52 employment contracts of <30 with respect to the total new 98 contracts of employment in 2022

No.	SDGs	THE CONTRIBUTION OF CCBS
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> • Green Mobility Project that allowed CCBS to equip its commercial force with full electric cars for a total of 74 vehicles, and to install charging columns in Tirana, Durres and Kavaja. • The usage of 100% electric vehicles in total, reduces CO each year in the air.
	<p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • UNI EN ISO 14001:2015 certification to guarantee an effective environmental management system • Alignment with “World Without Waste”, a strategy defined by the Coca-Cola Company • 100% recyclable PETs bottles and ALU cans • Publication of the Sustainability Report for the first time in 2022, prepared voluntarily and in line with an internationally recognized reporting standard
	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • The Compliance of Code of Conduct is mandatory and has a zero-tolerance principle toward discrimination • CCBS has a Regulation of Functioning of the Responsible Unit, Treatment of Whistleblowing, Cases and Protection of Whistleblowers • 0 cases of corruption and market abuse







ENVIRONMENT

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ENVIRONMENT

In its commitment to the environment, the company integrates key principles into its mission and vision.

The company's mission is to refresh the world, inspire moments of optimism and happiness, and create value.



The company aspires to establish itself as the **leading player in the industry**. At CCBS, the organization is committed to conducting their business operations in a manner that aligns with rigorous environmental standards, aiming to **reduce the overall impact** on the local environment. They adhere to all local laws, KORE requirements from TCCC, and ISO Standards, ensuring their operations meet the highest internal environmental standards. **The Environment Management System**, as an integral part of the Integrated System, is designed to guarantee compliance with legal and KORE requirements and UNI EN ISO 14001:2015 "Environment Management System,".

Environmental strategies and objectives are integral parts of **CCBS planning activities**, reinforcing dedication to responsible environmental management, in line with The Coca-Cola Company Environment policy. CCBS integrated policy and objectives are reviewed periodically (once per year) by Top Management to ensure alignment with the company's vision. CCBS data are monthly reported to KOSMOS System, TCCC.

At CCBS, the company identifies, assesses, and addresses environmental risks and emerging trends, constantly seeking innovative solutions to **enhance resource efficiency, reduce pollution, reduce emissions, and promote waste recycling**. The water



management practices focus on preserving the aquifer, maintaining the natural habitats, using water efficiently, and ensuring wastewater is fully treated at the Wastewater treatment plant in CCBS to support aquatic life. CCBS prioritizes energy efficiency and has implemented alternative renewable energy technologies such as photovoltaic panels to reduce their carbon footprint.

In packaging, CCBS supports the **World Without Waste (WWW)** program from TCCC, where recycling and innovation **transform the packaging** into valuable resources for the future. CCBS's invests on lightweight **reducing the weight of packaging, using recyclable materials** and **rPET** (recycled PET) for plastic bottles, and actively engaging with communities/NGOs to promote a **waste-free environment**.

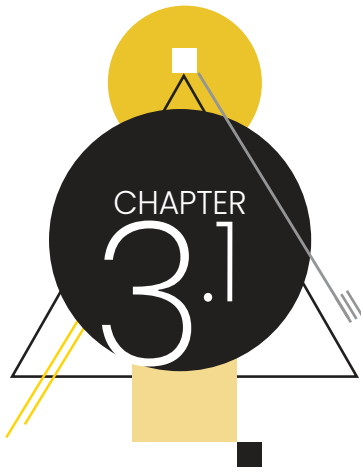
CCBS is committed to reduce **its environmental impact** through a closely integrated goal-setting process. Annually, the company commits to pursuing progressively ambitious environmental objectives, concentrating on vital parameters such as **water, energy, and waste**. These objectives undergo frequent discussions, monitoring, and analysis

are shared with The Coca-Cola Company to provide visibility on CCBS's path and efforts. On an annual basis, in harmony with the established objectives, the management conducts a comprehensive review to evaluate the environmental performance results attained by the end of the year. This review is designed to pinpoint any discrepancies or deviations from the established standards.

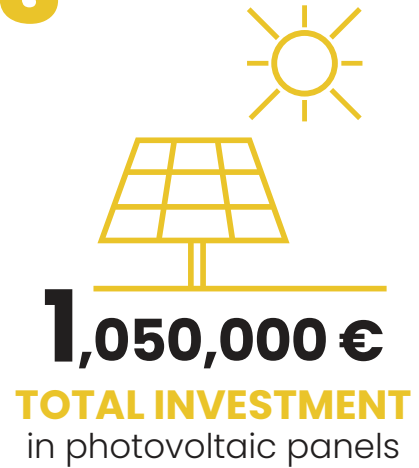
Employee engagement is essential at CCBS. CCBS provides clear roles and **responsibilities, training, and communication systems**, fostering a culture of continuous improvement and excellence. CCBS actively collaborates with interested parties, including governments, non-governmental organizations (NGOs), businesses, and local communities, to promote environmental stewardship, sustainable business practices, and the development of long-term solutions for **environmental challenges**.

CCBS collaborates with public and private entities to create a sustainable approach, where environmental stewardship and vibrant communities go hand in hand.

There have been no notes of environment violation registered with the **Inspection Authorities**.



ENERGY CONSUMPTION AND EMISSION IMPACTS



CCBS actively **reduces energy and emissions intensity**. CCBS's commitment to renewable energy is evident in implementation of **solar panels**, the replacement of desktop computers with **energy-efficient laptops** and usage of **electrical cars**.

SOME OF THE INVESTMENTS MADE RELATED TO ENERGY CONSUMPTION AND EMISSION IMPACTS:

SUSTAINABILITY PROJECTS OF COCA-COLA ALBANIA	PROJECT'S DESCRIPTION
Green Mobility	74 fully electric vehicles in Tirana, Durres and Kavaja. 6 recharging stations in Tirana, 2 new charging stations in Durres and 1 in Kavaja.
Photovoltaics	The use of Photovoltaic Energy Panels – Photovoltaics, with the aim of reducing additional CO ₂ emission, annually, and covering annual electricity consumption through using natural sources to protect environment from pollution. 10,680 m ² of surface are equipped with photovoltaic panels at CCBS premises, with a total investment of € 1,050,000 .
Mobility Work Concept (MWC)	In its unwavering commitment to environmental sustainability, CCBS has embarked on a transformative initiative that extends beyond a mere replacement of 35 desktop computers with energy-efficient laptops. The company has not only transitioned to laptops but has also implemented a sustainable purchase policy, ensuring that all future administrative staff members will utilize laptops exclusively. This holistic approach maximizes electricity efficiency, reduces the company's carbon footprint, and delivers significant cost savings. By replacing the desktop computers with laptops CCBS has contributed in decrease of electricity consumed and carbon emissions.

At CCBS, **energy sources are diverse and aligned with the commitment to sustainability:**

- Utilizing grid electricity serves various plant purposes.
- Electricity from the photovoltaic system is used for all plant purposes.
- Boilers works with Light Fuel Oil (Diesel) to produce heat.
- In cases of electricity interruptions, Line Generators and Office Generators are powered by Light Fuel Oil.

Policies prioritize continuous improvement through **efficient management practices** and **strategic investments**.

One of the main environmental objectives is to reduce total energy consumption while maintaining operational excellence.

TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES:

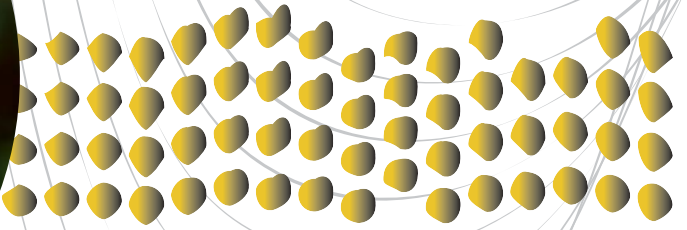
ENERGY CONSUMPTION WITHIN THE COMPANY						
Type of consumption	Unit of measurement	From 1 st January to 31 st December 2022		From 1 st January to 31 st December 2021		Trend in %
		Total	Total GJ	Total	Total GJ	
Energy carriers for heating/ production use		363,299	13,896	264,184	10,217	36%
diesel		363,299	13,896	264,184	10,217	36%
Fuel for industrial vehicles (only if owned)		2,591	99	2,514	86	3%
diesel		2,591	99	2,514	86	3

TOTAL ELECTRICITY PURCHASED FROM NON-RENEWABLE SOURCES AND SELF-GENERATED ELECTRICITY FROM RENEWABLE SOURCES:

Type of consumption	Unit of measurement	From 1 st January to 31 st December 2022	From 1 st January to 31 st December 2021	Trend
		Total	Total	
Electricity purchased from the grid		3,301	9,536	-65%
of which purchased from non-renewable sources ³	GJ	3,301	9,536	-65%
Self-generated electricity (from owned photovoltaic /wind powerplants etc.)		6,957	2,254	209%
of which self-produced and consumed	GJ	3,710	1,910	94%
of which self-produced and transferred to the grid ⁴	GJ	3,247	344	844%

³ The total amount of energy purchased from non-renewable sources does not include the energy supplied by the energy provider through the compensation scheme (please see the note number 2).

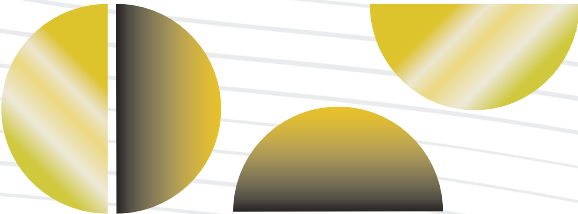
⁴ According to the on-site net metering agreement with the energy provider, the self-produced and transferred energy is used by the company through a compensation mechanism. In the light of this agreement the grid functions as a virtual energy storage, enabling the company to use the electricity produced on a later stage: the compensation is reflected in the invoices sent by the energy provider. Therefore, the energy transferred to the grid is considered as energy consumed by the company.



In the context of car fleet consumption and business use, notable sustainability achievements were recorded for the company in 2022.

Diesel consumption for all other vehicles, including vans and sales/company cars, **decreased by 11%** compared to the previous year. Gasoline usage **increased by 9%**, reflecting fleet expansion, while the adoption of LPG resulted in a **45% increase** in consumption. These figures underscore the company's commitment to enhancing resource efficiency and reducing its environmental footprint, aligning with its **environmental sustainability objectives**.

Unit of measurement		From 1 st January to 31 st December 2022	From 1 st January to 31 st December 2021	Trend
		Total GJ	Total GJ	
Diesel	GJ	1,002	1,127	-11%
Gasoline	GJ	6,893	6,342	9%
LPG	GJ	79	55	45%





0,0005 GJ/lbp

ENERGY INTENSITY

as per 2022

In 2022, there was a notable increase of 10% in the production of beverages compared to the previous year. However, there were contrasting trends in terms of emissions intensity: both **Location-based** and **Market-based** emission intensity experienced a decrease, indicating a **reduction in the carbon footprint** associated with beverage production.

Energy Intensity assesses the company's operational energy efficiency by quantifying the energy consumed per liter of beverage manufactured. The energy intensity level was consistent at 0.00046 GJ/lbp in both 2022 and 2021.

	UOM	2022	2021	Trend
Liters of beverage produced	lbp	57,216,664	52,021,482	10%
Energy intensity⁵	GJ/lbp	0.0005	0.0005	-11%
Emissive Intensity Scope 1 + Scope 2 - Location Based⁶	tCO ₂ /lbp ⁷	0.00004	0.00004	-6%
Emissive Intensity Scope 1 + Scope 2 - Market Based	tCO ₂ /lbp	0.00003	0.00004	-17%

⁵ The energy sources used for the calculation are all the sources reported for the GRI Standards 302-1.

⁶ The direct and indirect emissions (Scope 1 and Scope 2) used for the calculation are all the sources reported for the GRI Standards 305-1 and 305-2.

⁷ Direct emissions (Scope 1) are expressed in CO₂e while indirect emissions (Scope 2) are expressed in CO₂. However, CH₄ and N₂O have a negligible effect on greenhouse gas emissions.



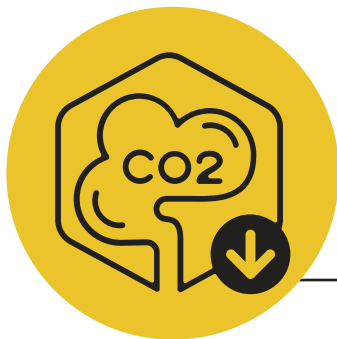
BELOW ARE PRESENTED THE TABLES WITH CHANGES FROM 2021 TO 2022 FOR REFRIGERANT GAS REFILLS, WHICH ARE IN LINE WITH THE INCREASE OF BUSINESS ACTIVITY:

Refrigerant gas refills	UOM	2022	2021	Trend
R-410a	kg	4	2	100%
Fugitive CO₂ (fugitive CO₂ in production processes)	UOM	2022	2021	
CO ₂	kg	151,000	110,000	37%

THE TABLE BELOW REPRESENTS THE SCOPE 1 EMISSIONS. THERE IS AN INCREASE COMPARED TO PRIOR YEAR WHICH IS IN LINE WITH THE INCREASE OF THE BUSINESS ACTIVITY:

SCOPE 1⁸				
Energy carriers for heating/production use	UOM	2022	2021	Trend
diesel	tCO ₂ e	1002	792	38%
Car fleet - business use	UOM	2022	2021	
diesel	tCO ₂ e	7	6	5%
Car fleet - mixed use	UOM	2022	2021	
diesel	tCO ₂ e	60	68	-11%
gasoline	tCO ₂ e	435	405	7%
methane	tCO ₂ e	5	3	45%
Refrigerant gas	UOM	2022	2021	
R-410a	tCO ₂ e	9,02	4,51	100%
Fugitive CO₂	UOM	2022	2021	
CO ₂	tCO ₂ e	151	110	37%
Total Scope 1	tCO₂e	1669	1326	28%

⁸ Direct emissions (Scope 1) are generated by the consumption of diesel for production use, petrol, diesel and methane in the car fleet, refrigerant gas refill and the fugitive CO₂. DEFRA Conversion factors for Company Reporting, 2022 and 2021 and "Sixth Assessment Report" have been used to calculate the direct emissions (Scope 1).



65%
REDUCTION
OF CO₂
EMISSIONS

516
Tons of
REDUCED CO₂



Under the Location Based approach, the company Scope 2 emissions in 2022 were 542 tCO₂, marking a 34% reduction from the 789 tCO₂ in 2021. While for Marked Based approach, there is a significant decrease of 65%.

This **notable decrease**, largely driven by the company's own generation of electricity, suggests potential efforts to enhance energy efficiency. This reduction can be attributed to significant enhancements in energy generation and efficiency.

Throughout 2022, the **Photovoltaic System** operated at full capacity, and the company rigorously monitored energy sales to the grid to ensure **transparency** and **accountability**. These endeavors underscore the company's commitment to sustainability and its continuous focus on improving energy efficiency.

The Scope 2 emissions data highlights the company's dedication to **reducing its carbon footprint** by addressing electricity consumption-related emissions.

The **implementation of photovoltaic panels** into its operations reflects CCBS's unwavering commitment to mitigating its environmental footprint and embracing sustainable practices.

As result of this business decision the company **has reduced the purchased electricity** from grid by 65% and replaced it with self-generated electricity by installed photovoltaics. Simultaneously, this renewable energy has contributed to a **reduction of CO₂ emissions by 65%**. This resulted in the avoidance of 516 tons of CO₂ emissions (based on market approach), equivalent to the amount absorbed by approximately 38,700 trees annually, forming a forest comparable in size to 48 football fields.

Additionally, by incorporating under the **"Green Mobility" initiative**, CCBS made a substantial investment in **acquiring 74 fully electric vehicles** deployed in key areas including Tirana, Durrës, and Kavaja. This initiative yields a commendable annual reduction of carbon dioxide emissions, exemplifying CCBS's dedication to reducing CO₂ emissions. For consolidating direct (Scope 1) and energy indirect (Scope 2) GHG emissions, the company has selected the operational control method.

SCOPE 2 - LOCATION BASED⁹

Electricity purchased from the grid	UOM	2022	2021	Trend in %
Electricity purchased from the grid	tCO ₂	542	818	-34%
Total Scope 2 - Location Based	tCO₂	542	818	-34%

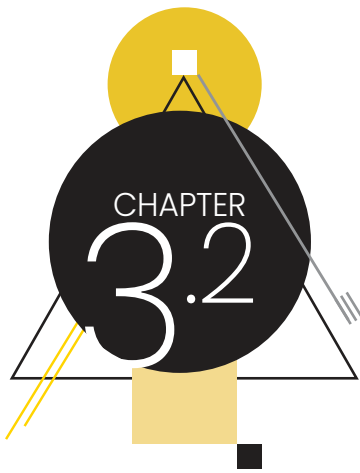
SCOPE 2 - MARKET BASED¹⁰

Electricity purchased from the grid	UOM	2022	2021	Trend in %
Electricity purchased from the grid (net of guarantee of origin certificates)	tCO ₂ e	273	789	-65%
Total Scope 2 - Market Based	tCO₂e	273	789	-65%



⁹ The "Location-based" approach involves the use of average emission factors relating to the specific national energy mix of electricity production. Terna, Confronti Internazionali, 2019 have been used to calculate the indirect emissions (Scope 2)

¹⁰ The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. Terna, Confronti Internazionali, 2019 have been used to calculate the indirect emissions (Scope 2).



RESPONSIBLE **WATER RESOURCE** MANAGEMENT

Water is a priority for CCBS because it is essential to life, beverages, and the community CCBS serves. It is also critical to public health, food security, biodiversity, and the climate.

The world is experiencing increased water insecurity, which is evident through water scarcity, with demands for safe, usable water exceeding supply in certain areas. By minimizing water usage, CCBS is making significant strides towards sustainable development, **preserving natural habitats**, preserving the Aquifer, and nurturing the well-being of the region where CCBS operates.

CCBS aligns with TCCC's environmental policy, focusing on **water preservation, aquifer preservation, risk reduction**, and **operational efficiency**. CCBS has the authorization from the Albanian government to withdraw water from three wells. In line with TCCC requirements the wells are evaluated and studied through the "Source Vulnerability Study" and Water Management Plan every five years. Raw Water quality and Treated water quality are monitored yearly by an external laboratory approved by TCCC. This analysis is shared with TCCC and OU Europe. Apart from these analyzes CCBS conducts periodically other tests and analyzes to be in line with TCCC requirement and Albanian law. Annually, in January, during the management review, new objectives and goals for

water usage and water efficiency are established for the upcoming year. The goal involved metrics for the volume of beverage produced in one month divided per water used, in order to find the water used to produce one liter beverage. **The aim is to achieve a consistent reduction in water consumption and water efficiency.**

In the data, groundwater withdrawal, primarily freshwater, increased by 6% from 190,721 megaliters in 2021 to 202,881 megaliters in 2022. This emphasizes the role of groundwater, particularly in water-stressed contexts, (according to the World Resources Institute methodology all areas linked to groundwater sources used by the company are included in 'water stressed' areas), and reflects a slight overall sustainable increase in water use.

The increase in water usage, it is attributed to a significant **10% increase** in beverage production in 2022 compared to the previous year. With a higher volume of beverage production, the overall demand for water naturally increased to support the manufacturing process. While **water-saving measures** may have been effective in reducing per-unit water consumption, the substantial increase in production volume resulted in a net rise in water usage. This underscores the importance of continually evaluating and adjusting sustainability efforts to align with production growth and maintain a balance between resource conservation and meeting production demands.



WATER WITHDRAWAL

Source of withdrawal (megaliters)	2022		2021		Trend in %
	All areas	Areas with water stress	All areas	Areas with water stress	
Surface water	-	-	-	-	-
Groundwater	202,881	202,881	190,721	190,721	6%
of which Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	202,881	202,881	190,721	190,721	6%
Produced water	-	-	-	-	-
Third-party water	-	-	-	-	-
Total water withdrawal	202,881	202,881	190,721	190,721	6%



The provided table below showcases water discharge data for various destination types in 2022 and 2021. The focus is on **“All areas”** and **“Areas with water stress”**. Water discharges are seen in “Surface water” and “Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)” for regions facing water stress.

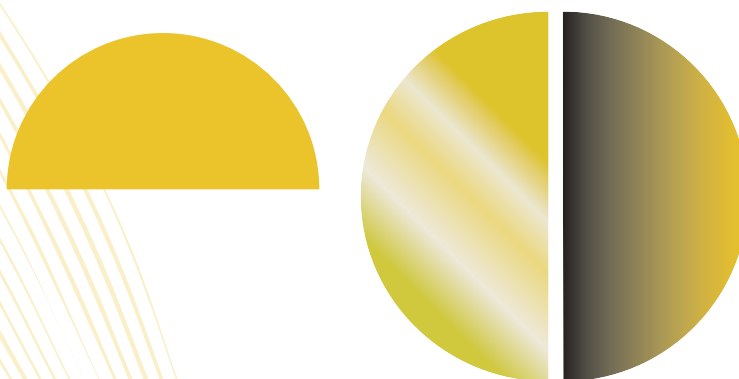
The wastewater generated from all the plant processes is treated to the advanced technology’s **Wastewater Treatment Plant** with secondary treatment, and after that the treated and cleaning water is returned to the nature in **“Surface water body”**. This allows to introduce highly purified water ainto the environment and consequently guarantee a wastewater discharge with no negative impact in environment.

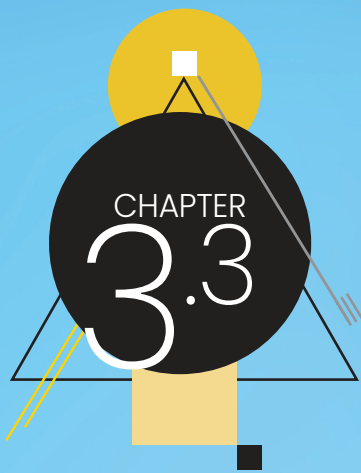
BETWEEN THESE YEARS, THE “TOTAL WATER DISCHARGED” REMAINED CONSTANT AT 27,329 MEGALITERS IN WATER-STRESSED AREAS, SHOWING A 1% DECREASE COMPARED TO 2021. THIS DATA GIVES INSIGHT INTO WATER DISCHARGE TRENDS:

WATER DISCHARGE					
Water discharge by type of destination (megalitres)	2022		2021		Trend in %
	All areas	Areas with water stress	All areas	Areas with water stress	
Surface water	-	27,329	-	27,710	-1%
of which Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	-	27,329	-	27,710	-1%
Total water discharged	-	27,329	-	27,710	-1%

In accordance with **Albanian legislation**, on the permitted rates of water/liquid discharges. CCBS conduces **regular analyzes of wastewater quality parameters after treatment**, that is discharged in the environment. These analyzes are conducted by an accredited laboratory and the report twice per year to **Environment National Agency (“AKM”)**. The

parameters that are monitored are PH, TSS, BOD and COD. From these reports for 2021 and 2022 there are **no incidents reported** to AKM. To be aligned with TCCC requirements, CCBS analyzes also additional parameters of the treated wastewater required by TCCC.





MATERIALS AND PACKAGING

The concept of sustainable packaging envisions a world devoid of waste, where packaging is regarded as a valuable resource for future use within a circular economy framework.

This vision is supported by recycling efforts and **innovative practices** that position packaging as a valuable asset for future applications.

However, it's worth noting that recycling presents challenges on a broader scale in the country. Subsequently, commitments were made to enhance packaging recyclability and collection, optimize the utilization of recycled content, and cultivate collaborations with various stakeholders to **promote a clean environment**.

One of the main steps that CCBS has taken in terms of environment sustainable development is

lightweighting of ALU cans and PET bottles in unit of production, which in total are significantly lower in comparison with CCBS production from 2020 to 2021 and 2022, giving a direct impact in terms of waste generation by **reducing CO₂ emissions**. Another contribution of packaging material is 100% recyclable material and rPETs usage in most sold formats of the CCBS's portfolio.



Sustainability Projects of Coca-Cola Albania	Project's Purpose
rPET	The new 100% rPET bottles started to be used during 2021 for all 0.45L & 0.9L formats of CCBS's product portfolio, investing in a total of 4,740,000 packages during 2021, confirming furthermore CCBS commitment to an increasingly sustainable economy. Coca-Cola in Albania also introduced the new dynamic Sprite product bottle, for some of its formats, departing from its historic green packaging in transparent recyclable & recycled PET, or a "Clear" bottle.
Light weighting	Leading the way in the beverage sector involves championing lightweight packaging, advocating container recycling, and making contributions to the broader waste management endeavor.



Tons PET

DECREASE OF PACKAGE USAGE

The table provides insights into the changes in the use of renewable and non-renewable materials in the company's operations.

In 2022, there was a notable 10% increase in the use of renewable materials compared to the previous year, demonstrating a commitment to sustainability.

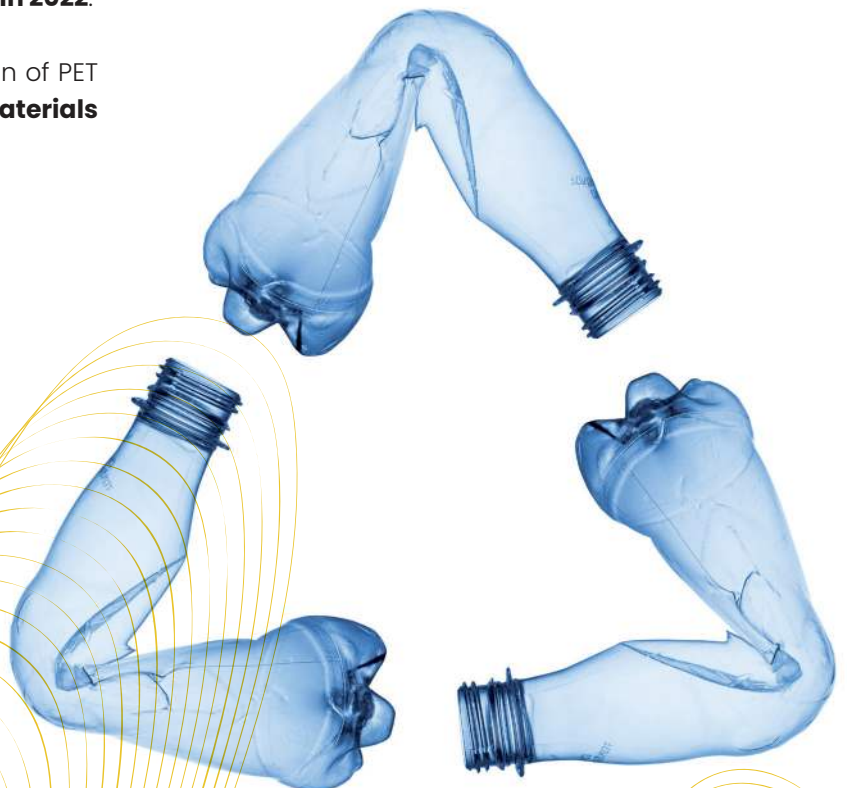
Additionally, through the business decision to implement a **lightweight initiative** since 2019, CCBS has successfully **reduced the weight of each PET bottles** for the format 1.5 Liters, PET bottles weight has gone **from 38.5 grams in 2021 to 37.4 grams in 2022.**

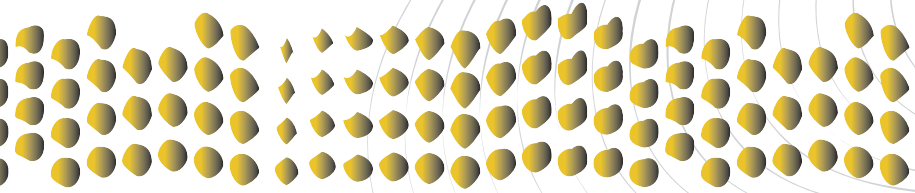
As a result, despite the increase in production of PET bottles products, **the usage of packaging materials has been decreased yearly by 9 tons PET.**

These results align with the company's efforts to reduce its environmental impact and **promote responsible sourcing of materials.**

Conversely, the use of non-renewable materials saw an **8%** increase in 2022, suggesting that while progress has been made in incorporating renewable materials, there is still room for improvement in reducing the reliance on **non-renewable resources.** The company understands that it is important to continue its efforts to minimize non-renewable material usage to further enhance its environmental sustainability efforts.

Overall, the company's focus on **increasing the use of renewable materials** is a positive step towards reducing its environmental footprint.





MATERIALS USED (TONS)	2022	2021	TREND IN %
PET (Resins/Preforms)	994	997	0%
of which non-renewable	994	997	0%
Glass (Bottles)	130	-	n/a
of which renewable	130	-	n/a
Aluminum (Cans + Lids)	762	632	21%
of which non-renewable	762	632	21%
LDPE (Stretch Film) + PE (Shrink Film)	207	185	12%
of which renewable	207	185	12%
Cardboard	197	436	-55%
of which renewable	197	436	-55%
CO₂ food	1,448	1,103	31%
of which renewable	1,448	1,103	31%
Sugar	5,823	5,385	8%
of which renewable	5,823	5,385	8%
Concentrate	419	385	9%
of which renewable	419	385	9%
Total	9,980	9,123	9%
of which renewable	8,017	7,309	10%
of which non-renewable	1,963	1,814	8%

The organization saw a **3% increase** in total materials used in 2022. Although there was a 41% reduction in the use of recycled materials for PET (Resins/Preforms) bottles, this is result of the fact that in 2021 CCBS has used both **rPET 50% and rPET 100%**, while during 2022 the company has used only rPET100% for formats 0.45L and 0.9L.

All the other types of materials which are not recycled materials, shown an increase of 5%. Overall, there's a need to enhance the use of recycled materials in CCBS operations to align with sustainability goals and **promote a circular economy**.

RECYCLED INPUT MATERIALS USED

MATERIALS USED (TONS)	2022	2021	TREND IN %
PET (Resins/Preforms)	994	997	0%
of which recycled	101	172	-41%
Other Materials	1,722	1,644	5%
of which recycled	-	-	-
Total	2,716	2,641	3%
of which recycled (%)	101	172	-41%



CCBS's goal is to prevent pollution and minimize the waste generated as a result of its operations. Reusable packing reduces the single use packing waste. CCBS uses returnable glass bottles for its products.

The increase in waste generation in 2022 is attributed to the increasing of production volume, to the removal of non-functioning equipment, used damaged umbrellas, and stored & unused cardboard.

Despite the higher waste quantity, the company remains focused on innovative waste management strategies and fostering a clean environment.

TOTAL WEIGHT OF WASTE GENERATED CCBS PLANT		
Type of waste (tons)	2022	2021
Plastic	33	11
of which recovered (R)	33	10.58
Wood	1	5
of which recovered (R)	1.48	5.39
Glass	-	1
of which recovered (R)		0.58
Paper/cardboard	38	16
of which recovered (R)	38	16.48
Metals	8	2
of which recovered (R)	7.60	2.11
Other	42	21
of which discharged (D)	41.5	21
of which recovered (R)	0.17	0
of which hazardous	0.17	0
Total waste generated	122	56.22
of which discharged (D)	42	21
of which recovered (R)	81	35
of which hazardous	0	0
% recovered waste on total waste	66%	63%
% hazardous waste on total waste	0%	0%

CCBS promotes the above initiatives, such as the use of **rPET materials, light weighting, Green Mobility** and investment in **photovoltaics** through its website, social media and any other communication

channels with the aim of **raising awareness and education** among customers about climate change and the actions needed to minimize the negative environmental impact.





CHAPTER

4

OUR PEOPLE

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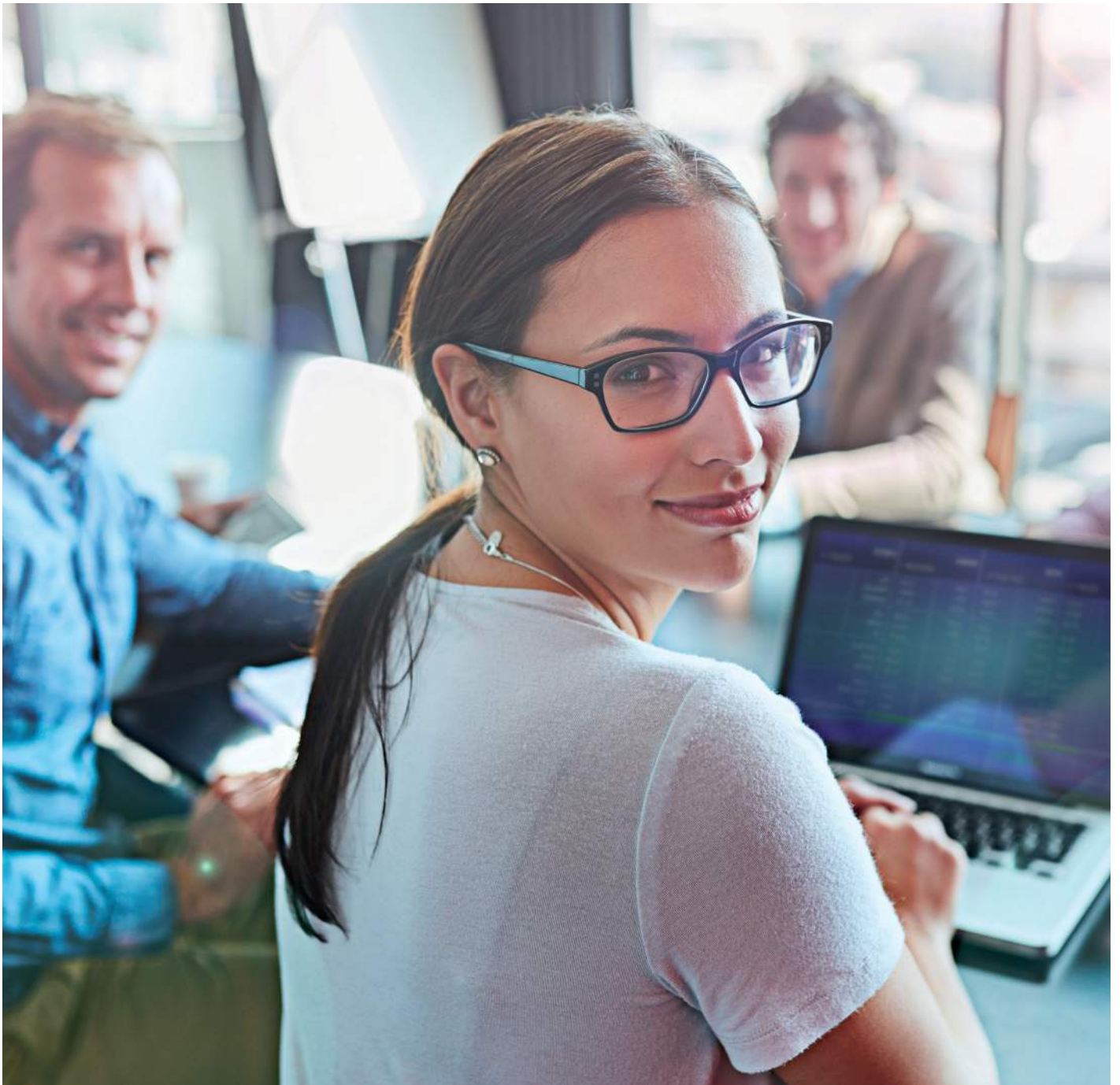
CHAPTER

4

OUR PEOPLE

In CCBS's journey towards sustainability, its people stand at the heart of the commitment. The company firmly believes that the strength of any organization lies within the individuals who contribute their skills, dedication, and passion to shared goals.





The understanding is that a **thriving and empowered workforce** is essential not only for success but also for the **positive impact** aimed to be created in the world. In this chapter, CCBS delves into the various initiatives, programs, and practices undertaken to ensure the **well-being, growth, and engagement of employees**. From fostering an inclusive work environment to nurturing professional development, the company embraces its responsibility to support and uplift people in every way.

As the journey is reflected upon, the commitment remains to nurture an environment where each person's potential is recognized and harnessed,

enabling all to thrive together and make a lasting difference.

The company values its workforce for driving sustainability and is committed to employee well-being. This investment enhances **performance, innovation, satisfaction, and competitiveness**. **Transparency** is assured through an overview of human capital management, workplace practices, and social responsibility, addressing stakeholders' concerns. CCBS focuses on well-being, talent attraction, and retention, showcasing the impact of a skilled workforce on business performance. These policies underscore the **holistic sustainability commitment**.



CCBS PEOPLE



As of 31 December 2022, confirming the company's steady growth in terms of workforce, **the total number of employees was 368, with an increase of 5% compared to 2021.**

The consistent increase in **both male and female employee** counts demonstrate an ongoing commitment to gender diversity.

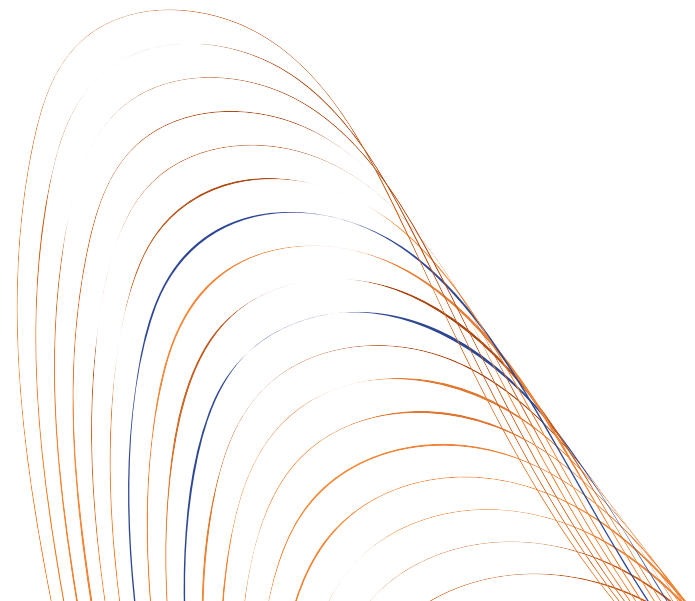
The company's efforts in fostering an **inclusive work environment** are yielding results.

TOTAL NUMBER OF EMPLOYEES BY GENDER AND BY REGION:

REGION	AS AT 31 ST DECEMBER 2022			AS AT 31 ST DECEMBER 2021		
	Male	Female	Total	Male	Female	Total
Albania	279	89	368	266	86	352



5%
increase of
**TOTAL NUMBER
OF EMPLOYEES**





CCBS endeavors to maintain a workforce primarily comprised of **permanent employees**, with a strong emphasis on **full-time positions**, whenever feasible. This approach not only **promotes stability** within the company but also ensures a consistent and secure source of long-term income for CCBS valued employees.

*There are 367 total permanent employees of **368 Total CCBS employees**.*

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND BY REGION, EXPRESSED IN HEADCOUNT (does not include external workers):

TYPE OF CONTRACT	AS AT 31 ST DECEMBER 2022			AS AT 31 ST DECEMBER 2021		
	Male	Female	Total	Male	Female	Total
Albania	279	89	368	266	86	352
Permanent	278	89	367	256	83	339
Temporary	1	-	1	10	3	13
Non-guaranteed hours	-	-	-	-	-	0
Albania - Full time / Part-Time	279	89	368	266	86	352
of which full-time	278	88	366	266	85	85
of which part-time	1	1	2	-	1	1
Total	279	89	368	266	86	352

There have been **significant fluctuations** in the number of employees and workers who are not employees during the reporting periods, with new positions being opened primarily in the sales force in 2022. HR conducts an annual comprehensive workforce forecast in the business plan (BP) for both temporary and permanent employees.

Therefore, when examining the data from 2021 and 2022, it's important to note that the **reduction in temporary staff** and **rise in permanent staff** was not a result of a strategic decision but rather a response to departmental requests and production needs. HR's process involves planning the headcount numbers in the BP for the upcoming year (specifically, September-December) and subsequently executing the hiring in the following year.

There is a single worker who, although not categorized as an employee, holds a service contract with CCBS. This individual functions as an external contractor, rendering services specifically to the Legal Department.

CCBS has established a comprehensive framework aligned with the **Labor Code**, emphasizing the formation of internal unions for each group within the company. Despite the absence of such internal unions at present, the company remains open to their establishment, with the aim of **facilitating the formation of collective agreements**. There are no employees covered by any collective bargaining.

*CCBS maintains a commitment to **non-discrimination**, ensuring age is not a factor in any form of bias or unequal treatment.*



The new hired employees are all located in Albania, below are presented by age group and gender:

NEW HIRES, BY AGE GROUP (numbers)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022				FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
New hires	52	41	5	98	36	27	3	66

NEW HIRES, BY AGE GROUP (percentage)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022				FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
New hires in %	53%	19%	8%	27%	56%	12%	5%	19%

NEW HIRES, BY GENDER (number)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022			FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			TREND
	Male	Female	Total	Male	Female	Total	
New hires	81	17	98	50	16	66	32

NEW HIRES, BY GENDER (percentage)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022			FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			TREND
	Male	Female	Total	Male	Female	Total	
New hires in %	29%	19%	27%	19%	19%	19%	48%



The termination of employees are all located in Albania, below are presented by age group and gender:

TERMINATIONS, BY AGE GROUP (number)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022				FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
Terminations	27	48	7	82	24	46	6	76

TERMINATIONS, BY AGE GROUP (percentage)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022				FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
Terminations in %	28%	23%	12%	22%	38%	20%	10%	22%

TERMINATIONS, BY GENDER (number)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022			FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			TREND
	Male	Female	Total	Male	Female	Total	
Terminations	69	13	82	64	12	76	8%

TERMINATIONS, BY GENDER (percentage)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022			FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			TREND
	Male	Female	Total	Male	Female	Total	
Terminations in %	25%	15%	22%	24%	14%	22%	3%

It is observed a **consistent trend** in the termination rate over the observed timeframe, both in terms of age groups and gender.



DIVERSITY AND EQUAL OPPORTUNITY

CCBS upholds **equal opportunity** and **embraces diversity** in its practices.

This commitment is evident through information presented in tables depicting employee categories and gender, employee categories and age, as well as gender and age distribution within the board of directors. Additionally, the company actively **promotes an environment free from age-based biases.**



EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER (percentage)

NUMBER OF PEOPLE	AS AT 31 ST DECEMBER 2022			AS AT 31 ST DECEMBER 2021		
	Male	Female	Total	Male	Female	Total
Executives	29%	71%	100%	29%	71%	100%
Managers	58%	42%	100%	56%	44%	100%
Employees	75%	25%	100%	76%	24%	100%
Workers	84%	16%	100%	82%	18%	100%
Total	76%	24%	100%	76%	24%	100%

EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP (percentage)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022				FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
Executives	0%	57%	43%	100%	0%	43%	57%	100%
Managers	11%	79%	11%	100%	0%	89%	11%	100%
Employees	33%	58%	9%	100%	22%	69%	9%	100%
Workers	16%	50%	34%	100%	10%	44%	45%	100%
Total	27%	57%	16%	100%	18%	64%	18%	100%

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER (percentage)

NUMBER OF PEOPLE	AS AT 31 ST DECEMBER 2022			AS AT 31 ST DECEMBER 2021		
	Male	Female	Total	Male	Female	Total
Board Members	80%	20%	100%	80%	20%	100%

COMPOSITION OF THE BOARD OF DIRECTORS BY AGE GROUP (percentage)

NUMBER OF PEOPLE	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022				FROM 1 ST JANUARY TO 31 ST DECEMBER 2021			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Board Members	0%	40%	60%	100%	0%	40%	60%	100%



DIVERSITY AND EQUAL OPPORTUNITY



*During the period spanning 2021 to 2022, CCBS has demonstrated a **commendable record of non-discrimination**, with no reported instances of discriminatory issues.*

Human Rights Policy encompasses vital pillars such as **Diversity and Inclusion**, as well as principles of freedom of access and collective bargaining. Aligned with globally recognized standards, CCBS is in line with the **Universal Declaration of Human Rights**, the **International Labor Organization's Declaration on Fundamental Principles and Rights at Work**, the **UN Global Compact**, and the **Guiding Principles on Business and Human Rights**.

In accordance with the Labor Code, CCBS adheres to specific minimum notice periods for indefinite employment contracts. During the **probation period**, which spans **three months**, a minimum notice period of 5 working days is observed. Subsequently, for

employment relationships lasting up to six months, a notice period of two weeks is applicable. If the employment relationship extends from six months to two years, the notice period is one month. For those with employment relationships spanning from two years to five years, a notice period of two months is mandated. In cases where the employment relationship exceeds five years, a notice period of three months is required. These notice periods are integral to CCBS's commitment to following labor regulations and ensuring fair employment practices.

At CCBS, due diligence mechanisms are proactively employed to identify and prevent potential adverse **human rights** impacts on employees resulting from business activities. This commitment underscores dedication to cultivating an environment valuing and safeguarding the rights and well-being of all employees, aligning with the overarching vision of a just and inclusive workplace.





CHAPTER
4.3

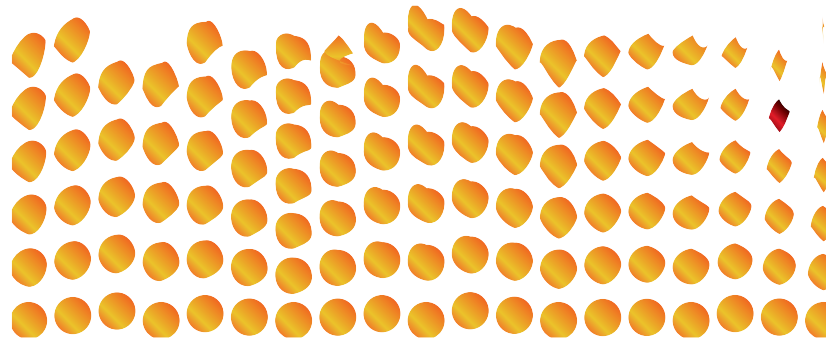
DEVELOPMENT AND WELL-BEING OF OUR EMPLOYEES



CCBS is committed to fostering a thriving workplace where the **growth, satisfaction, and holistic well-being of its employees** take center stage. CCBS empowers its workforce through fostering professional development, placing a priority on health and safety, and nurturing an environment of **inclusivity and diversity**.

CCBS focuses on a **balanced approach**, offering both mandatory and non-mandatory training to foster holistic development and safety for their workforce. Their **Orientation Training and Health & Safety courses** create a solid foundation for all employees, while non-mandatory programs like **Annual Technical Electrical Training and First Aid Certification** drive continuous growth and skill diversification. Notably, participants receive **certificates** upon completing any training, underscoring their commitment to a **dynamic workplace**.





HOURS OF TRAINING BY OCCUPATIONAL CATEGORY AND GENDER

HOURS OF TRAINING

FROM 1ST JANUARY TO 31ST DECEMBER 2022

	N. Hours Male	Total male employees as at 31 st December	N. hours per capita Male	N. Hours Female	Total female employees as at 31 st December	N. hours per capita Female	N. Hours Total	Total employees as at 31 st December	N. hours per capita
Executives	6	2	3.0	6	5	1.2	12	7	1.7
Managers	127	11	11.5	55	8	6.9	182	19	9.6
Employees	2,210	190	11.6	350	62	5.6	2,560	252	10.2
Workers	190	76	2.5	35	14	2.5	225	90	2.5
Total	2,533	279	9.1	446	89	5.0	2,979	368	8

HOURS OF TRAINING

FROM 1ST JANUARY TO 31ST DECEMBER 2021

	N. Hours Male	Total male employees as at 31 st December	N. hours per capita Male	N. Hours Female	Total female employees as at 31 st December	N. hours per capita Female	N. Hours Total	Total employees as at 31 st December	N. hours per capita
Executives	3	2	1.5	175	5	35.0	178	7	25.4
Managers	575	10	57.5	57	8	7.1	632	18	35.1
Employees	2,092	191	11.0	280	59	4.7	2,372	250	9.5
Workers	162	63	2.6	32	14	2.3	194	77	2.5
Total	2,832	266	10.6	544	86	6.3	3,376	352	9.6



DEVELOPMENT AND WELL-BEING OF OUR EMPLOYEES

After the removal of **Covid protocols** came into place, the company registered a **notable improvement** with regards to classroom-based trainings compared to 2021, positively impacting training dynamics and **enhancing workforce knowledge and capacities**

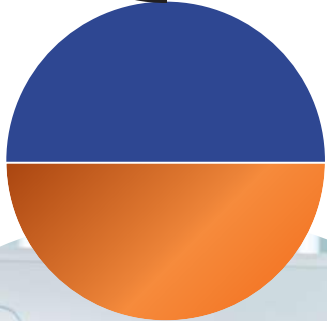
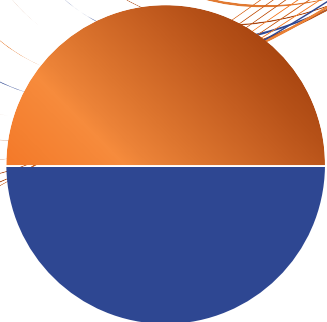
In 2022, a total of **2,979 training hours** were provided, marking a 12% decrease from 2021's 3,349 hours. **Induction, Environment/Quality/Safety, and Specific Classroom and Field Training** saw notable changes. Overall, this report highlights shifts in training emphasis between the two years.

HOURS OF TRAINING BY TRAINING AREAS

TRAINING AREA	FROM 1 ST JANUARY TO 31 ST DECEMBER 2022	FROM 1 ST JANUARY TO 31 ST DECEMBER 2021
Induction	155	66
Environment/Quality/Safety	527	478
Specific classroom and field training	1,148	150
Other	1,149	2,682
Total	2,979	3,376

In the year 2022, a noteworthy trend emerged with a substantial increase in employee participation in **in-house training programs** compared to the previous year. It is worth noting that this surge occurred despite a reduction in the allocated training budget for 2022 in contrast to 2021. This unique dynamic can be attributed to **strategic organizational changes** implemented in the preceding year.

These changes prompted a reevaluation of their planned training initiatives, leading to the rescheduling of certain programs for the upcoming year. The careful recalibration of training needs has not only **optimized resource** allocation but has also generated an environment where employees actively engage with and benefit from their in-house training offerings.



2.979
TOTAL HOURS
OF TRAINING
in 2022



REMUNERATION



Compensation for **Board of Directors** (BOD) members is determined by the **Shareholders assembly**, without consultants being involved, following the same protocol for both the Chairman and Managing Director. **Senior Executives** receive payments in accordance with their individualized employment agreements.

For BOD members, compensation is established based on the **number of meetings attended**, whereas the remuneration for the Chairman and Managing Director consists of a **fixed annual salary**. In the case of Senior Executives, their compensation structure comprises a fixed monthly wage complemented by variable performance-based pay on an annual basis.

Except for the above-mentioned remunerations, there are no other compensations to highest governance body and senior executives.

This framework aligns with the provisions set forth in the **Labor Code**, applicable exclusively to senior executives and not encompassing BOD members. Notably, the remuneration for BOD members is not contingent on performance, whereas the compensation structure for senior executives encompasses a variable component linked to

performance. Performance is evaluated against **Key Performance Indicators** (KPIs) predetermined within the respective domains, encompassing economic, environmental, and personnel-related aspects.

The remuneration process includes the employee's total compensation, which typically includes their **basic salary** along with additional components such as **bonuses, overtime pay, benefit payments**, and **adjustments** based on years of service, as well as accounting for items like food allowances as declared to the Tax Office.





The table below represents the **comparison of basic salary and total remuneration** between women and men in various job categories for the years 2022 and 2021. Deviations in the ratios are influenced by factors such as **job roles, experience, and performance metrics**, which impact salary variations. The categories of Managers and Employees exhibit relatively close ratios between men and women. Notably, women make significant contributions at the

CCBS leadership level, comprising 71% of executives and 42% of managers. When comparing 2022 to 2021, improvements are evident in some categories. CCBS is committed to addressing any existing disparities that may arise due to various factors. CCBS dedication is to **ensure equal opportunities** and compensation for all employees, irrespective of gender, aligning with efforts to create a fair and inclusive workplace.

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

BASIC SALARY PER EMPLOYEE CATEGORY	2022	2021
Executives	0,39	0,90 ¹¹
Managers	1,23	1,20
Employees	1,66	1,61
Workers	0,88	0,88

REMUNERATION PER EMPLOYEE CATEGORY	2022	2021
Executives	0,32	0,65
Managers	1,02	0,95
Employees	0,94	0,91
Workers	0,92	0,88

¹¹ For executive members, there is a significant change compared to 2021. This variance has resulted from the fact that in 2021, one executive member was partially paid by the parent company and not directly through CCBS. This amount was reinvoiced to the parent company, but for presentation purposes, it is not reflected in the basic salary or other remuneration amounts of 2021.



HEALTH AND SAFETY



MANAGEMENT APPROACH AND IMPACTS ON SUSTAINABLE DEVELOPMENT AND HUMAN RIGHTS

CCBS acknowledges its duty to continuously enhance **Health & Safety conditions** within its work areas. The company works vigorously to achieve **high standards of health and safety** by engaging teams to build an interdependent safety culture through trainings, workshops, and coaching sessions. Additionally, it upholds the rights of its employees and those of independent contractors working on its premises to conduct their tasks without being subjected to potential risks leading to injury or occupational illness. The company has in place **communication channels** where CCBS employees and contractors can report by name or anonymously any safety regulation issue which is filled with the name of the employee.

Furthermore, the **Health and Safety Team** regularly organizes training sessions and awareness programs aimed at **educating employees** on the significance of reporting hazards and the effective utilization of reporting mechanisms. Employees are briefed on the potential risks associated with their specific work tasks.

For 2022 and 2021 the company is proud to report **zero occupational incidents of work-related injuries and fatalities** in 682,689 hours worked in 2022 and 656,415 hours worked in 2021 for employees and workers who are not employees but whose work

and/or workplace is controlled by CCBS, 11 cases of near miss* incident (2021, 0 cases).

The **Health and Safety System** aims to prevent workplace injuries, and in the event of **any incident**, provides compensation and support for both direct and in-direct workers. The decision to implement the system is driven by both Albanian legal requirements and recognized **risk management and management systems standards**. More specifically, to meet the legal requirements, the company has taken required actions to ensure safe working environment, assess and control workplace hazards, and ensure that employees receive appropriate training and **protective equipment** and a risk assessment before any activities. Company has implemented a **Health and Safety Management System** that adheres to the **technical standard UNI EN ISO 45001:2018**. By adopting this system, the company has been able to establish a standardized Occupational Health and Safety Management System (OHSMS) in line with international norms, featuring a fundamental component structure essential for effective enterprise management.

The above CCBS's occupational health and safety management systems encompass all activities, workplaces, and workers within the organization.

* For the company near misses' incidents are considered potential accidents that were averted, preventing injuries or fatalities from occurring.



HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

In CCBS, the work-related hazards carrying a high-consequence risk include **Work in Confined Spaces, Hot Work, Operating Forklifts, Work at Heights, and Energy Control**. The identification of these hazards resulted from a comprehensive process involving near-miss reports, risk assessments, safety audits, and employee feedback. These **proactive measures** enable us to recognize potential hazards and high-risk activities.

During the reporting period, there have been **no high-consequence injuries** attributed to or caused by any of the listed hazards, underscoring the effectiveness of our safety protocols. Regular risk assessments and hazard identification are conducted to identify potential high-consequence hazards. Employees receive **comprehensive training** on how **to eliminate the risk**. Emergency response plans are in place to ensure swift and effective action in case of any incident or injury





HEALTH AND SAFETY



PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH

CCBS has in place **routine and non-routine inspections** but also **safety audits** which are conducted by **H&S Team** for the identification of potential hazards. For every hazard and risk identified, the company applies the **hierarchy of controls** to eliminate or minimize them.

The results of these steps are assessed through various metrics, including the frequency of incidents, near-misses, and safety compliance.

Feedback from employees, safety committees, and external audits are also considered crucial elements. Any identified shortcomings or areas for improvement are addressed through corrective and preventive actions (CAP).





OCCUPATIONAL HEALTH SERVICES

Through medical assessments, the **CCBS Doctor** can detect early signs of **work-related illnesses**, allowing for prompt intervention. **Ergonomic evaluations** optimize workstations and tasks, minimizing musculoskeletal disorders and enhancing **worker comfort**. Health risk communication educates the workforce about potential job-related health risks and equips them with **preventive knowledge**, personal protective equipment (PPE), and safe practices. Beyond risk management, these services also promote overall well-being, conducting **health campaigns**, offering **nutritional guidance**, **encouraging fitness**, and providing **mental health support**.

The company has established structured processes to engage workers in the development, implementation, and evaluation of the program, ensuring that their insights and concerns are considered in decision-making. Worker representative **participates in safety committees or elected representatives** serves as a direct link between employees and company's management.

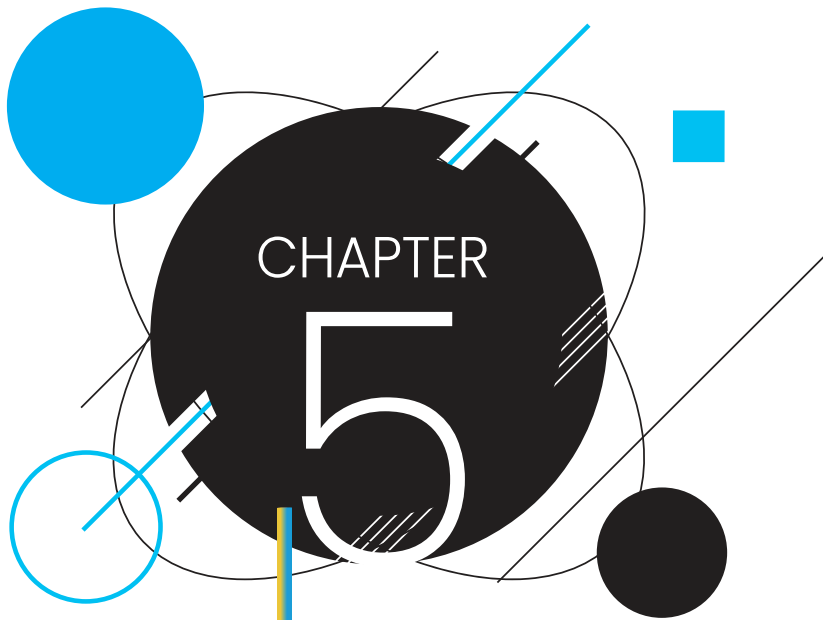
Occupational health and safety training is considered by the company a crucial aspect of ensuring a safe and healthy work environment for employees. The **type of training** provided to workers may vary depending on the specific job roles, and

potential hazards involved. Trainings are provided to all workers, with **regular refresher courses** to reinforce the knowledge and address any new hazards that may arise.

CCBS promotes workers' well-being by facilitating access to different non-occupational medical and **healthcare services**. Additionally, the company offers programs on-site made by the company doctor providing incentives for participation.

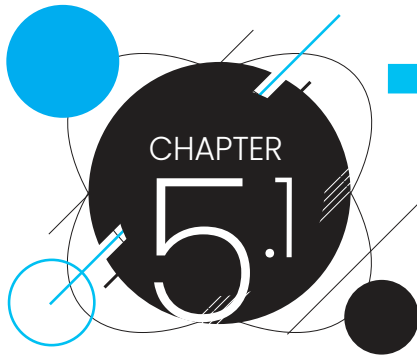
The company also ensures adherence to health and safety requirements by conducting **regular monitoring and audits**. Instances of non-compliance are swiftly addressed through corrective actions and support. Furthermore, CCBS maintains a robust incident response system that facilitates incident reporting and investigation. Lessons learned from these incidents are shared with stakeholders, facilitating the prevention of recurrences, and fostering a culture of continuous improvement in occupational health and safety.





VALUE CREATION

5.1	CCBS impact on the Albanian territory	90
5.2	Economic performance of CCBS	92
5.3	The commitment towards the local community	94
5.4	Responsible supply chain management	100



CCBS IMPACT ON **THE ALBANIAN TERRITORY**



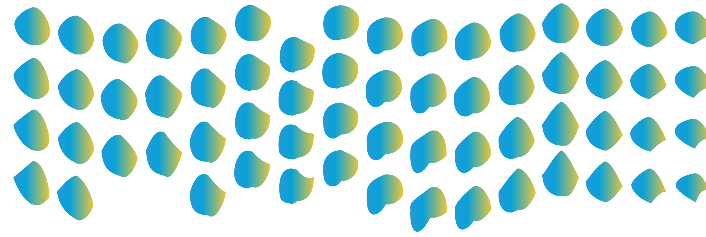
*For three decades, CCBS has been contributing in **generating value for the country**, promoting enduring, inclusive, and sustainable economic development, while concurrently facilitating robust and gainful **employment opportunities**.*

CCBS has long served in **manufacturing, bottling, and distribution of beverages** under The Coca-Cola Company's brand in Albania. Over time, it has evolved into a key player within the Albanian production landscape.

The establishment and continued operation of CCBS in Albania present a distinctive opportunity for regional development. This opportunity manifests through the generation of **wealth**, the **reinforcement of the local economy**, and the **substantial contribution to employment generation**.



CCBS has undertaken a comprehensive assessment encompassing the evaluation of its direct and indirect **impacts on the economy**. Through this analysis, CCBS has discerned the broader effects of its activities on the local economy. It directly **impacts** the economy and local community through various ways.



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

VALUE DISTRIBUTION				
Categories	2022	2022	2021	2021
	In amount ALL	In %	In amount ALL	In %
ECONOMIC VALUE GENERATED	5,303,656,740	100%	4,525,734,773	100%
DISTRIBUTED ECONOMIC VALUE	4,975,303,394	94%	4,215,892,432	93%
Suppliers	3,542,420,939	67%	2,992,555,983	66%
Staff	535,801,807	10%	457,467,158	10%
Lenders	6,711,953	0%	7,784,259	0%
Shareholders	658,396,554	12%	558,865,407	12%
Public administration	231,396,791	4%	199,219,625	4%
Community	575,350	0%	-	0%
ECONOMIC VALUE RETAINED	328,353,346	6%	309,842,343	7%

Firstly, CCBS generates and distributes economic value directly through its procurement of **goods, services, and capital**, along with the salaries disbursed to its dedicated workforce.

99.7% of the employees are Albanian and 10% of the economic value of CCBS is distributed to the staff through salaries.

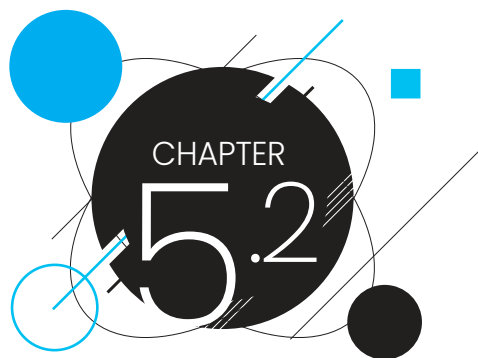
The salaries disbursed to local families yield an induced contribution as these households channel their earnings back into the local economy by purchasing goods and services.

Moreover, the purchase of goods and services from local suppliers **creates an indirect contribution by stimulating activity throughout the supply chain: CCBS distributes 67% of its value generated to its 553 suppliers.**

The 4% of the economic value goes to the public administration as a contribution of local taxes and earning tax, contributing to the government expenditures, which increases the aggregated demand of the **economy**.

Finally, the CCBS as part of the System of The Coca-Cola Company, **is committed to contribute to local community**. CCBS contributes with an amount of 575,350 ALL through donations and sponsorships, which adds up to the amount TCCC donates alongside CCBS, corresponding to 6,267,863 ALL.





ECONOMIC PERFORMANCE OF CCBS

*CCBS places a strong emphasis on maintaining a **solid financial foundation** as a fundamental pillar supporting their ability to thrive and adapt in rapidly **evolving landscapes**.*

This commitment is underscored by diligent oversight of their economic and financial assets, enabling the creation of sustainable value for a diverse spectrum of stakeholders over the long term.

Since the second half of 2021, there has been a **sharp hike in energy prices in the EU** and worldwide. The price of fuels has further risen as a consequence of the **conflict in Ukraine**, which has also led to

concerns related to the security of energy supply in the EU.

The conflict had an **immediate impact on fuel price** increase in Albania as well, starting by beginning of March 2022, followed by increased transportation costs and longer lead-time for all kind of materials and spare parts. Prices of raw materials were increased significantly in the following months.

The company managed the impact of higher raw materials costs and the supply of the raw materials supporting production and sales. As from March 2022 the management estimated the cost increase which was managed through price list increase communicated in March and applied as from beginning of April.

NET SALES REVENUES WERE +20.2% VS LY DRIVEN MAINLY BY:

- CSD sales volume increase +8.4%
- CSD single serve mix growth vs LY +4ppt
- CSD NSR/uc increased by 8.5% vs LY, from mix of sales and price list increase.

TOTAL COST OF SALES WAS +26.6% VS LY AND COGS/UC WAS +16.5% VS LY. THE MAIN DRIVERS OF SUCH INCREASE WERE:

- Cost of raw materials/uc +17.8% vs LY
- Other Production Variable costs/uc +28.5% vs LY. Total cost was +39.2% vs LY, impacted significantly by gasoline pricing that reached +60% vs LY price.
- Plant Maintenance cost + 73% vs LY
- Personnel costs +19.8% vs LY

Operative commercial costs were + 3.9% vs LY, due to personnel cost increase by 11.8% vs LY
General and administrative expenses were reduced by -14.3% vs LY. Main contributor in savings vs LY was the consulting services -48% vs.LY



The 28% rise in **raw material** acquisition costs is attributed to elevated sales volumes, which saw a 20% increase compared to the previous year, as well as the upward trajectory in raw material prices that commenced in the final quarter of 2021.

Furthermore, there has been a 17% rise in employee expenses compared to the previous year. This increase can be attributed to two primary factors: a 4.5% growth in the workforce and **salary increase**.

In 2021, the minimum entry-level salary mandated by Albanian law stood at 32,000 ALL. In comparison, CCBS offered an entry-level salary slightly higher at 3%. Moving forward to 2022, the minimum entry-level salary regulated by Albanian law increased to 34,000 ALL, while CCBS raised its entry-level salary significantly by 26%. Additionally CCBS has made significant strides in empowering women, with 80% of management positions held by female employees at Coca-Cola Bottling Shqipëria.

The company has a net profit of 822,995,692 ALL as per December 2022, which is distributed 80% to its shareholders and 20% to the reserve group.

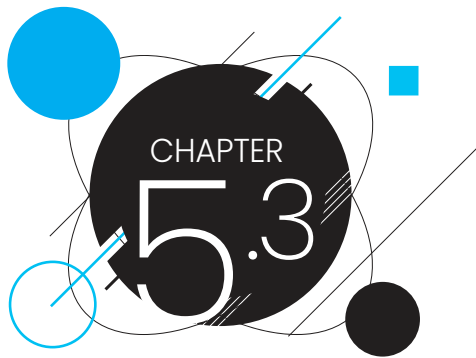
AN OVERVIEW OF ALBANIAN MARKET

In the year **2022**, Albania's economic landscape witnessed a period of moderate growth, primarily propelled by several key sectors, notably tourism, energy, and construction. Specifically, the Gross Domestic Product (GDP) for that year registered

a growth rate of 4.8%. However, it's important to note that this expansion represented a **significant deceleration** when compared to the preceding year, during which Albania's GDP had achieved a robust 8.9% growth. One noteworthy aspect of Albania's economic performance in 2022 was the marked increase in inflation. The inflation rate, which measures the rise in consumer prices, surged from a relatively modest 2% in 2021 to a more substantial 6.7% in 2022. This increase in inflationary pressures underscored the challenges faced by consumers and businesses alike in managing rising costs.

On the **employment front**, there were positive developments. Employment rates demonstrated improvement and efforts to transition more economic activities into formal sectors continued to be a priority, with the aim of creating productive and stable employment opportunities for the workforce. In terms of unemployment, Albania experienced a slight reduction in the unemployment rate from 11.5% in 2021 to 10.8% in 2022. While this decline was modest, it indicated a marginal improvement in the overall labor market conditions, offering some optimism regarding job prospects for the population.

Overall, **Albania's economic performance** in 2022 showcased **signs of resilience** and the potential for further development. However, it was also marked by challenges, particularly in managing inflation and addressing issues related to informal employment. The pursuit of **sustainable growth** and economic stability remained at the forefront of the country's economic agenda.



THE COMMITMENT TOWARDS **THE LOCAL COMMUNITY**

*CCBS has the acknowledge that it is crucial for businesses to **work closely with the local community**, since this cooperation contributed both to the community, and to the companies succeeding in the market.*

CCBS understands that its actions can have a **big impact on the society**, whether **directly** or **indirectly**. CCBS places a lot of importance on recognizing and addressing the various needs and expectations of the community. They actively contribute to the overall **development of the community** in many aspects, including the **economy, social life, culture, and civic activities**. Furthermore, CCBS dedication to corporate social responsibility extends to community engagement.

The **Finance Department** plays a **pivotal role in calculating the value of donations based on invoices**, while collaboration with the **Administrative Director** determines the **allocation of charitable contributions or donations**. It's important to highlight that some donations are also directly contributed by TCCC itself, emphasizing the collective commitment to making a **positive impact** within the communities.

The Coca-Cola network in Albania generates **employment opportunities** for local communities and provides resources that are distributed among the three key sectors of the Albanian economy: **households, suppliers, and the government**.

In 2019, CCBS in Albania contributed **3.267 million ALL**, equivalent to 0.19% of the nation's Gross Domestic Product (GDP).

¹² Reference to the report SDA Bocconi School of Management. Socio- Economic Impact of Coca-Cola in Albania. Tirana : Coca-Cola Bottling Shqipëria, 2020.

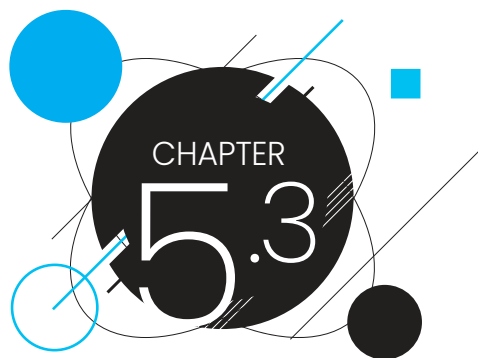
The **total value of resources** distributed by beverage companies amounted to **11 billion ALL**. Notably, CCBS secured a leading position within this group in Albania, accounting for 35% of the overall turnover.

Furthermore, in the year 2019, CCBS's operations provided employment to a combined workforce of **2,800 individuals**, encompassing both direct and indirect employees. This workforce represented 21% of the entire workforce in the beverage sectors and 0.5% of total employees in Albania. A total of 21,313 individuals were directly and indirectly reliant on employment opportunities generated by CCBS business model.¹²

CCBS exerts its influence on the **local economy** through multiple channels, each contributing to a web of economic activity that extends beyond its immediate operations. CCBS's economic impact radiates through these interconnected pathways, amplifying its role as a cornerstone of economic vitality within the region. Built upon a foundation of responsibility, CCBS has enthusiastically undertaken a series of impactful sustainability initiatives. **These endeavors serve as symbols of CCBS's steadfast dedication to preserving the environment and promoting societal well-being.**







THE COMMITMENT TOWARDS **THE LOCAL COMMUNITY**

COMMUNITY SERVICES

*CCBS firmly believes in **supporting and being close to people**, especially when economic conditions are challenging. They have made a strong commitment to work closely with local organizations to provide **necessary help to the communities nearby**.*

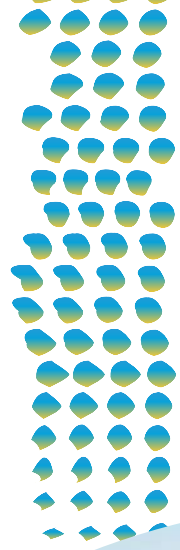
This commitment shows that CCBS is dedicated to being a **responsible corporate**, deeply rooted in the local community, with a strong determination to make a positive impact on both the social and economic aspects of the community.

CCBS through the collaboration with The Coca-Cola Company has contributed to local services through different activities such as **FIFA World Cup™ Trophy**

Tour by Coca-Cola in 2022. The welcoming event in Albania took place at the **Center for Openness and Dialogue (COD)** in Tirana, with the presence of the **Prime Minister of Albania**, Mr. Edi Rama. Young footballers, both with and without special intellectual needs, selected by the Albanian Football Federation (FSHF) and Special Olympics Albania had the chance to play football in the garden at short distance from the FIFA World Cup™ Trophy, guided by Gilberto Silva and the Albanian football legend Lorik Cana.

An **exhibition about the history of Albanian football** was also organized in the venue, thanks to the collaboration with FSHF. The arrival of the FIFA World Cup™ Trophy Tour by Coca-Cola in Albania was an opportunity to **promote inclusion through sport**. For this reason, this also marked the beginning of the development of a social responsibility project with FSHF supported by Coca-Cola.





Furthermore, within the ambit of the **“Green Project,”** CCBS undertook a commendable endeavor to **plant 60 trees near Tirana’s Artificial Lake.** This afforestation initiative enhances the overall environmental quality by fostering increased greenery and biodiversity in the region. The first **“Arboretum” project** in Albania to contribute in the further understanding of biodiversity in Albanian territory, since the lake serves as a miniature of different varieties of Albanian plants typologies.





CCBS has significantly impacted the local community through its strategic sponsorship of the **Tirana European Youth Capital program**.

As a strategic partner, CCBS played a key role in the inauguration of **three murals, symbolizing messages about young people's ability** to contribute to the creative economy, enhance their skills, and embrace community living with environmental values. These murals, strategically placed in busy alleys, not only visually enliven the city but also convey positive and hopeful messages for the future. The collaboration reflects CCBS's dedication to **supporting activities that empower young people**, create value, and contribute to the social-economic development of Albania, aligning with CCBS's mission in the country.

CCBS actively contributes to the **Green Albania initiative**, aligning with the country's focus on sustainable development and the transition to a green economy. In collaboration with the National Youth Congress and the Municipality of Tirana as part of the **"Tirana European Capital of Youth 2022"** program, CCBS emphasizes, environmental protection, green policies, and sustainable development. The company is recognized as both an investor setting an example and a strategic partner for the initiative. A video-documentary titled "Green Albania" was produced, featuring conversations with key figures such as the Mayor of Tirana, President of CCBS, and the Minister of Tourism and Environment.



This initiative underscores the importance of cross-sectoral collaborations and strategies in advancing green policies in Albania. The promotional and informational campaign signifies the beginning of a strengthened cooperation among civil society organizations, the business community, and young people as pivotal actors in promoting sustainable practices in the country.

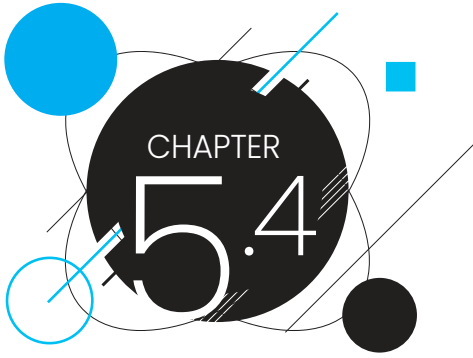
Additionally, CCBS in collaboration with **Special Olympics** has supported the participation of the Albanian representative in the Special Athletes International Championship. In a remarkable initiative, **a young man with Down syndrome, proudly represented Albania at the World Championship of Swimming for People with Down Syndrome in Albufeira**, Portugal. Facilitated by the National Youth Congress and the Municipality of Tirana under the banner of the **“Tirana, European Youth Capital 2022”** initiative, in collaboration with Coca-Cola Bottling Shqipëria (CCBS).

Special Athlete’s participation underscores CCBS’s unwavering commitment to inclusivity and **support for individuals with diverse abilities**. This impactful engagement will be prominently featured in CCBS’s Sustainability Report, showcasing the company’s dedication to fostering positive social impact and championing diversity through meaningful partnerships.

Additionally, through being strategic sponsor of the Tirana European Youth Capital program, where special attention was paid to **environmental protection, green policies, sustainable development and awareness initiatives** for empowered and motivated young people to be more responsible for the environment. CCBS’s strategic collaborations with educational institutions as part of the **“Plant Visit” program** highlight company’s dedication to nurturing environmental consciousness and social impacts.

CCBS’s multifaceted environmental initiatives, spanning over a decade, reflect its proactive approach to environmental responsibility and sustainability, with a focus on energy, water conservation and sustainable material usage. These efforts collectively contribute to CCBS’s broader goal of reducing its environmental impact and promoting an eco-friendlier future. The projects collectively embody CCBS’s enduring commitment to sustainable practices that positively impact both the environment and society. **CCBS continues to champion sustainable practices that resonate throughout Albania.**





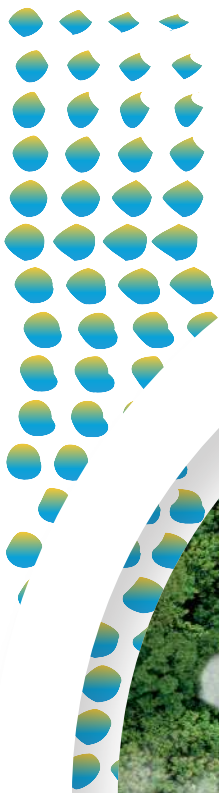
RESPONSIBLE **SUPPLY CHAIN** MANAGEMENT

SUPPLY CHAIN

CCBS is aware that the **supply chain's role** in business sustainability is **crucial**.

The supply chain plays a central role in shaping various dimensions that directly impact the business's operations and overall footprint. It influences **resource efficiency, environmental impact, risk mitigation, reputation, compliance, and long-term viability**. The company established collaboration with a total of **553 suppliers** in 2022, and its supply chain management process helps CCBS to enhance **resilience and reputation**.

By optimizing the sourcing, utilization, and distribution of materials, **the company aims to foster innovation, cost efficiency, and compliance with evolving global best practices**. In the fiscal year 2022, CCBS successfully onboarded 91 new suppliers into its network. Out of the 91 newly integrated suppliers, 2% of suppliers underwent a comprehensive assessment that focused explicitly on environmental performance and criteria. This strategic approach aligns with the objective of fostering a supply chain that is not only commercially robust, but also environmentally conscious. CCBS aims to prioritize environmental and social criteria in the overall assessment of the suppliers in the upcoming years to align with **environmental, social, and economic goals** and ensuring business success in a changing world.



LOCAL SUPPLIERS

CCBS prioritizes the selection of **local suppliers**¹³ whenever feasible. This strategic preference is driven by the commitment to fostering a strong connection with the **local community**¹⁴ and contributing to its **economic prosperity**. The emphasis on local suppliers is a deliberate effort to support regional businesses, stimulate employment opportunities, and boost the economic well-being of the communities where the company operates. From a total of 553 suppliers in 2022, **almost 80% consists of local companies**, meanwhile 20% are suppliers located beyond the borders of Albania.

Even though there is a significant difference in the number of local and outside suppliers, the Company spends¹⁵ the highest amount on the products and materials brought abroad due to specific standards and requirements set by TCCC. Nevertheless, CCBS places a **priority on local suppliers** whenever feasible, with the goal of narrowing the disparity between expenditures made domestically and those made abroad.

Geographical area where the supplier is located	2022			2021		
	N. of suppliers per Area	Value of total annual expenditure per area in ALL	In %	N. of suppliers per Area	Value of total annual expenditure per area in ALL	In %
Albania	440	1,342,716,073	34.4%	373	1,231,634,085	38.9%
Europe	110	2,555,868,347	65.4%	94	1,925,297,820	60.9%
Outside Europe	3	9,301,900	0.2%	1	5,188,229	0.2%
Total	553	3,907,886,320	100%	468	3,162,120,134	100%

In the fiscal year 2022, there is an **increase in suppliers** and the highest expenditure remains in the Raw Materials. This Business Unit not only registered the largest volume of expenditure but also marked a **substantial increase of 24%** in comparison to the preceding year. This growth in expenditure is mainly directed towards materials and services associated

with raw materials procurement and usage. Furthermore, the year 2022 witnessed an escalation in both quantities and costs of select materials, such as cardboard, foil, and pallets. This increase underscores the **dynamic nature of the Company's** operational requirements and its corresponding financial implications.

¹³ Local suppliers refer to all Albanian Suppliers.

¹⁴ Significant locations of operations are considered the Headquarters, plant premise and main distribution sites in Albania.

¹⁵ For the purposes of this report, total expenditure was used.

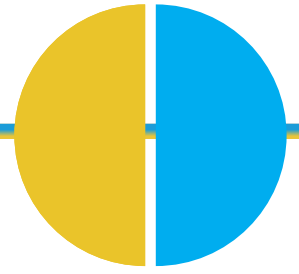


Moreover, in 2022, the expenses under Consumption category were diverse, where there is included an addition of 8,648,332 allocated for food allowances and personnel vouchers.

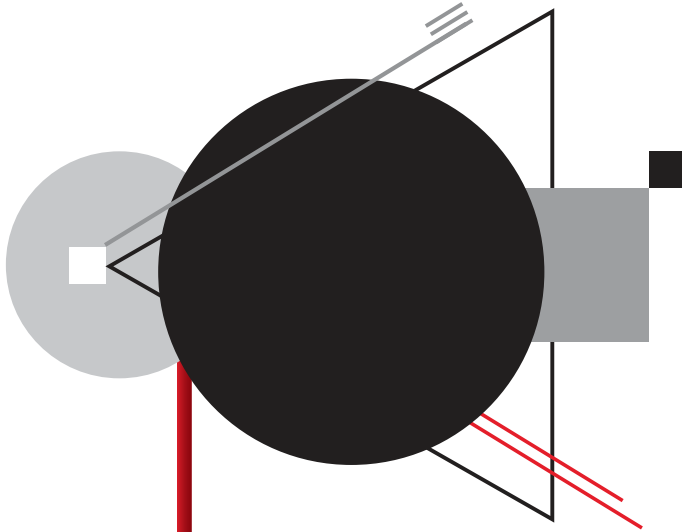
There was a noticeable increase in the Fixed Assets and Spare parts purchases, which is supported by various factors, including **strategic investments** made in the same year and prepayments for machineries ordered and under development. Collectively, these financial dynamics reflect the intricate interplay of **expenditure patterns across Business Units, the noteworthy evolution of material costs, and the deliberate financial planning.**

In the process of selecting suppliers for direct materials, such as raw materials, primary and secondary packaging, CCBS, as the authorized bottler of TCCC, assesses suppliers who have previously undergone a rigorous selection and authorization procedure by the **Cross Enterprise Procurement Group.**

This process pertains to the supplier's nature, **production facility, and specific business unit's production methods.** Suppliers must successfully pass a series of steps established by the Company, involving a meticulous evaluation of compliance with applicable regulations and adherence to the qualitative and safety standards set forth by the Group.







APPENDIX

Environmental data	106
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APPENDIX

Environmental data

ENERGY CONSUMPTION WITHIN THE COMPANY					
Type of consumption	Unit of measurement	From 1st January to 31st December 2022		From 1st January to 31st December 2022	
		Total	Total GJ	Total	Total GJ
Non-renewable fuels			21,870		17,741
Diesel	l	363,299	13,896	264,184	10,217
Diesel for automotive ⁹	l	26,243	1,002	29,525	1,127
Gasoline for automotive	l	201,247	6,893	184,566	6,342
LPG for automotive	l	3,028	79	2,093	55
Purchased electricity			3,301		9,536
Of which from non-renewables sources	kWh	916,940	3,301	2,649,020	9,536
Of which from non-renewables sources	kWh	-	-	-	-
Self-generated electricity (from owned photovoltaic/ wind power plants etc.)			6,957		2,254
of which self-produced and consumed	kWh	1,030,489	3,710	530,530	1,910
of which self-produced and transferred/sold on the grid	kWh	901,884	3,247	95,567	344
Total energy consumption	GJ		28,881		29,187
Renewable energy	GJ		3,710		1,910
Non-renewable energy	GJ		25,171		27,278
% Renewable energy on the total	%		12.8		6.5

ENERGY CONSUMPTION WITHIN THE COMPANY (VEHICLES OWNED BY THE COMPANY USED ONLY FOR BUSINESS PURPOSE)

business Use	Unit of measurement	From 1 st January to 31 st December 2022		From 1 st January to 31 st December 2021	
		Total	Total GJ	Total	Total GJ
Diesel		2,591	89	2,514	86
Gasoline		-	-	-	-
LPG		-	-	-	-

CAR FLEET CONSUMPTION (LEASED VEHICLES USED FOR BUSINESS AND PERSONAL PURPOSE)

Mixed Use	Unit of measurement	From 1 st January to 31 st December 2022		From 1 st January to 31 st December 2021	
		Total	Total GJ	Total	Total GJ
Diesel		23,652	903	27,011	1,031
Gasoline		201,247	6,893	184,566	6,342
LPG		3,028	79	2,093	55

In the calculation of Scope 1 has been taken into account CO₂e, that includes the following greenhouse gases: CO₂, N₂O and CH₄. Biogenic CO₂ is not reported as is not applicable, the emission factors used for the calculation can be found in the section Appendix (Table 4 and Table 5).

The 2021 has been chosen as a base year in order to have a comparison in the Sustainability Report. Also, for the environmental data has been used the same consolidation approach used for all the other data in the present Report.

Conversion factors

ENERGY CONSUMPTION CONVERSION FACTORS

Source unit	Conversion unit	2022	2021	Source
1 Kwh	GJ	0,004	0,004	DEFRA 2022 and DEFRA 2021
1 Sm3 of natural gas for heating/production	GJ	0,040	0,040	DEFRA 2022 and DEFRA 2021
1 l of heating/production diesel fuel	GJ	0,038	0,039	DEFRA 2022 and DEFRA 2021
1 l of LPG for heating/production	GJ	0,026	0,026	DEFRA 2022 and DEFRA 2021
1 l of diesel fuel for industrial vehicles	GJ	0,038	0,038	DEFRA 2022 and DEFRA 2021
1 l of gasoline for industrial vehicles	GJ	0,034	0,034	DEFRA 2022 and DEFRA 2021
1 l of LPG for industrial vehicles	GJ	0,026	0,026	DEFRA 2022 and DEFRA 2021

CAR FLEET CONVERSION FACTORS

Source unit	Conversion unit	2022	2021	Source
1 l diesel fuel - car fleet	GJ	0,038	0,038	DEFRA 2022 and DEFRA 2021
1 l gasoline - car fleet	GJ	0,034	0,034	DEFRA 2022 and DEFRA 2021
1 l LPG - car fleet	GJ	0,026	0,026	DEFRA 2022 and DEFRA 2021
1 kg of methane - car fleet	GJ	0,0501	0,0499	DEFRA 2022 and DEFRA 2021

Emission factors

ENERGY CONSUMPTION EMISSION FACTORS

Source unit	Conversion unit	2022	2021	Source
Location Based - 1 Kwh	tCO ₂	0,0003	0,0003	Terna 2019
Market Based - 1 Kwh	tCO ₂	0,0003	0,0003	Terna 2019
1 l of diesel	tCO ₂ e	0,0028	0,0028	DEFRA 2022 and DEFRA 2021
1 Sm ³ of natural gas for heating/production	tCO ₂ e	0,0020	0,0020	DEFRA 2022 and DEFRA 2021
1 l of automotive diesel fuel	tCO ₂ e	0,0026	0,0026	DEFRA 2022 and DEFRA 2021
1 l of automotive gasoline	tCO ₂ e	0,0022	0,0022	DEFRA 2022 and DEFRA 2021
1 l of automotive LPG	tCO ₂ e	0,0016	0,0016	DEFRA 2022 and DEFRA 2021
1 kg of car methane	tCO ₂ e	0,0025	0,0025	DEFRA 2022 and DEFRA 2021

EMISSIONS FACTORS (REFRIGERANT GAS)

Source unit	Conversion unit	2022	2021	Source
R-410a	tCO ₂ e	2,2555	2,2555	AR6
CO ₂	tCO ₂ e	0,0010	0,0010	DEFRA 2022 and DEFRA 2021

WATER CONSUMPTION

Trend

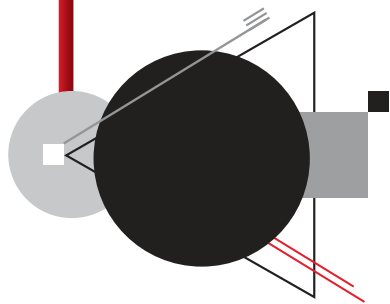
		2022		2021		2022-2021	
		All areas	Areas with water stress	All areas	All areas	Areas with water stress	All areas
Water consumption	ML	175,552	175,552\	163,011	163,011	8%	8%
If the water in storage has been identified as having a significant water-related impact, the organization is required to report change in water storage.	ML	-	-	-	-	n/a	n/a

Human resource data

Ratios of standard entry level wage by gender compared to local minimum wage.

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

	2022		2021	
	men	women	men	women
Ratio	1.3	1.3	1	1



METHODOLOGICAL NOTE

The report is prepared on a **voluntary annual basis**, representing **the first Sustainability Report of Coca-Cola Bottling Shqipëria**. This report shows the commitment that the company has undertaken towards the **path of transparency** and continuous improvement, which it has always tried to follow. There are no other subsidiaries included in this sustainability report.

The Coca-Cola Bottling Shqipëria Sustainability Report **relates to the financial year 2022**, from January 1 till December 31. The Sustainability Report is fully aligned with the reporting period of the information presented in financial statements. Since this is the first sustainability report prepared by CCBS, there is no information restated.

The content reported was defined according to the materiality principle and the periodic updating of the materiality analysis, which allowed to identify the relevant aspects, so-called “materials”, for the Company and its stakeholders. For further details on the analysis, please refer to the **“Materiality Analysis”** paragraph of this document.

The Sustainability Report was prepared in accordance with the **“Global Reporting Initiative Sustainability Reporting Standards”** defined by the GRI, according to the **“in accordance”** option. The reporting perimeter refers to Coca-Cola Bottling Shqipëria, with registered office at Rruga Kombëtare Tiranë-Durrës, km 5, Kashar, Tirana, and includes the Tirana headquarter and production plant.

In order to allow the evaluation of performance trends over time, the Sustainability Report offers a comparison with the data for the previous year. In order to guarantee the integrity of the document and to give a correct representation of the performances, **the use of estimates has been limited as much as possible**, and if presents, they are appropriately reported and based on the best available methodologies.

Deloitte assisted us in the preparation of the Sustainability Report according to Global Reporting Initiatives “GRI”. The procedures performed by Deloitte did not constitute either an audit or a review made in accordance with International Standards (“ISA”) on Auditing or International Standards on Review Engagements (ISRS). CCBS acknowledges the significance of **external validation** for its annual Sustainable Report, with the objective of promoting transparency and bolstering the credibility of the data and information contained within. For this purpose, the management of CCBS has engaged EY as independent assurer, to conduct a limited assurance engagement according to the criteria indicated by the ISAE 3000 (Revised) Standard by **“Ernst & Young Certified Auditors Albania Branch”**, in accordance with the procedures indicated in the “Independent Auditor’s Report” included in this document. The Report was approved by the Board of Directors of the company on 27.11.2023 and published on 18.12.2023 in on the company’s website of Coca-Cola Bottling Shqipëria.

For additional information regarding this document and its contents, please refer to the following contact:

Linda Dervishaj,

Public Affairs, Communications and Sustainability Director,

email: ldervishaj@cocacola.al - info@cocacola.al



MATERIAL TOPICS PERIMETER

More detailed description of the impacts is presented in the Annex.

Material topics	Impacts	Type of impacts	Impact description	GRI Standards reconciliation	CCBS's involvement
Responsible product and transparent communication	Product quality and safety	Negative potential	If CCBS does not have appropriate procedures in place, it will face a risk of not meeting the product quality and safety requirements that would negatively impact its consumers and damage CCBS's reputation.	GRI 416: Customer health and safety (2016)	Caused by the company
	Responsible promotion of products and overall communication of the company	Positive actual	Positive impacts on customers and end consumers through complete and transparent communication and correct labelling of products	GRI 417: Marketing and Labeling (2016)	Caused by the company
Fight to climate change	Energy management and renewable energy	Negative actual	Use of electricity and fuels with consequent negative impacts on the environment and reduction of energy stocks	GRI 302: Energy (2016)	Caused by the Company and directly related through its business relationships
	Carbon footprint and climate change	Negative actual	Contribution to climate change through the generation of direct and indirect energy emissions related to the activities carried out in the Company plant	GRI 305: Emissions (2016)	

Material topics	Impacts	Type of impacts	Impact description	GRI Standards reconciliation	CCBS's involvement
Direct environmental impacts	Waste management	Negative actual	Negative impacts related to the produced by the company	GRI 306: Waste (2020)	Caused by the company
	Packaging (use of materials)	Negative actual	Negative impacts caused by the inefficient use of the resources related to packaging	GRI 301: Materials (2016)	Caused by the company
	Water use	Negative actual	Negative impact related to the depletion of water resources	GRI 303: Water and effluents (2018)	Caused by the company
	Consumption of resources and raw materials	Negative actual	Use of natural resources and raw materials in the production process resulting in negative impacts related to increased waste and reduced natural stocks	GRI 301: Materials (2016)	Caused by the company
Health and Safety	Occupational health and safety	Negative potential	Negative impact on the employees health caused by poor management of health and safety topics	GRI 403: Occupational health and safety (2018)	Caused by the company
Retention and human resources development	Remuneration and job creation	Positive actual	Positive impacts related to the development of employees, competitive remuneration policies, and overall motivation.	GRI 202: Market presence (2016) GRI 401: Employment (2016)	Caused by the company

Material topics	Impacts	Type of impacts	Impact description	GRI Standards reconciliation	CCBS's involvement
Retention and human resources development	Learning and development	Positive actual	Improving worker skills through training and professional development activities, including those linked to personalized growth and assessment goals	GRI 404: Training and education (2016)	Caused by the company
	Labor relationship	Positive actual	Positive impact related to encouraging diversity and inclusion, especially when hiring people from vulnerable groups	GRI 402: Labor/ Management Relations (2016)	Caused by the company
Fair and inclusive workplace	Discrimination, violence and harassment in the workplace	Negative potential	Negative impact caused incidents of discrimination, violence and harassment in the workplace	GRI 406: Non-discrimination (2016)	Caused by the Company
	Diversity and inclusion	Positive potential	Positive impact that can strengthen the relationship with employees and impact local communities by encouraging diversity and inclusion.	GRI 405: Diversity and Equal Opportunity (2016)	Caused by the company
	Equal opportunity	Negative potential	Negative impacts caused by a poor equal opportunities management that could affect the employee satisfaction and motivation.		Caused by the company

Material topics	Impacts	Type of impacts	Impact description	GRI Standards reconciliation	CCBS's involvement
Generation and distribution of value	Economic performance and business continuity	Positive actual	Generation of economic value and balanced distribution to stakeholders with the aim of creating value in the short, medium and long term for all those with whom the Company deals	GRI 201: Economic performance (2016)	Caused by the company
Business integrity	Legal compliance and anti-corruption	Negative potential	Negative impacts on people and on economic systems generated by unethical business conduct	GRI 205: Anti-corruption (2016) GRI 206: Anti-competitive Behavior (2016)	Caused by the company
Responsible supply chain	Sustainable supply chain	Negative potential	Negative impacts related to the procurement of goods and services from suppliers, in particular to the impacts that they generate on environmental and social aspects	GRI 204: Procurement Practices (2016) GRI 308: Supplier Environmental Assessment (2016) GRI 414: Supplier Social Assessment (2016)	Caused by the Company
Customer education	Customer education (on recycling, healthy habits, etc.)	Positive potential	Positive impacts following the education of customers on wide range of sustainability topics	N/A	Caused by the company

GRI CONTENT INDEX

Statement of Use

Coca-Cola Bottling Shqipëria has reported in accordance with GRI Standards for the period 1 January 2022 till 31 December 2022

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

GRI STANDARDS	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
General information GRI 2 - Information General - 2021 version	2-1 Organizational details	11-12
	2-2 Entities included in the organisation's sustainability reporting	110
	2-3 Reporting period, frequency and contact point	110
	2-4 Review of information	110
	2-5 External assurance	110
	2-6 Activities, value chain and other business relationships	100-103
	2-7 Employees	70-71
	2-8 Workers who are not employees	71-72
	2-9 Governance structure and composition	18-19
	2-10 Nomination and selection of the highest governance body	18-19
	2-11 Chair of the highest governance body	18-19
	2-12 Role of the highest governance body in overseeing the management of impacts	18-19
	2-13 Delegation of responsibility for managing impacts	18-19

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
				✓
				✓
				✓
				✓
				✓
<p>c) describe the composition of the highest governance body and its committees by:</p> <p>iv. number of other significant positions and commitments held by each member, and the nature of the commitments;</p> <p>vi. under-represented social groups;</p> <p>viii. stakeholder representation.</p>	<p>Information unavailable / Incomplete.</p>	<p>CCBS does not currently track other significant positions BoD members might hold, and as mentioned in the respective chapter of the report, stakeholder representation and under represented social groups are currently not integrated in CCBS's governing by laws. The company is currently assessing the collection of information related to the disclosure and will disclose them in the next report.</p>		
				✓

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
General information GRI 2 - Information General - 2021 version	2-14 Role of the highest governance body in sustainability reporting	18-19
	2-15 Conflicts of interest	18-19
	2-16 Communication of critical issues	20
	2-17 Collective knowledge of the highest governance body	20
	2-18 Evaluation of the performance of the highest governance body	20
	2-19 Remuneration policies	82-83
	2-20 Process to determine remuneration	82-83

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
<p>a) describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;</p> <p>b) report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:</p> <ul style="list-style-type: none"> i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances. 	<p>Information unavailable / Incomplete.</p>	<p>Data required by the indicator GRI 2-15 a) and b) is not currently available since the relative internal policy is currently under development. CCBS is committed to include this information from the next Sustainability Reports.</p>		
				✓
<p>b) report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable</p>	<p>Confidentiality constraints</p>	<p>The company considers the information confidential and cannot report it publicly.</p>		

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
General information GRI 2 - Information General - 2021 version	2-21 Annual total compensation ratio	<p>a) Ratio between the total annual remuneration of the person receiving the highest remuneration and the median annual total remuneration of all employees (excluding the before mentioned person): 39.8.</p> <p>For point a), the overall remuneration corresponds to the fixed remuneration on an accrual basis (as established by contractual agreements) and the variable remuneration in cash made up of what was actually paid in the reporting year.</p> <p>In 2022, the individual who received the highest salary coincides with the figure of the General Manager.</p> <p>Ratio of the percentage increase in annual total compensation for the company's highest paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest paid individual) is 4.49.</p>
	2-22 Statement on sustainable development strategy	4-5
	2-23 Policy commitments	22-25
	2-24 Embedding policy commitments	24-25
	2-25 Processes to remediate negative impacts	24-25
	2-26 Mechanisms for seeking advice and raising concerns	24-25
	2-27 Compliance with laws and regulations	26-27
	2-28 Membership associations	20

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
				✓

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
GRI 3 – Material topics – 2021 version	2-29 Approach to stakeholder engagement	34-37
	2-30 Collective bargaining agreements	72
MATERIAL TOPICS		
GRI 3 – Material topics – 2021 version	3-1 Process to determine material topics	38-39
	3-2 List of material topics	38-39
RESPONSIBLE PRODUCT AND TRANSPARENT COMMUNICATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	17
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	17, 27
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	-
	417-2 Incidents of non-compliance concerning product and service information and labeling	27
	417-3 Incidents of non-compliance concerning marketing communications	27

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report.		
				✓
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report.		

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
FIGHT TO CLIMATE CHANGE		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49
GRI 302: Energy 2016	302-1 Energy consumption within the organization	50-52, 106-109
	302-2 Energy consumption outside of the organization	-
	302-3 Energy intensity	52-53
	302-4 Reduction of energy consumption	-
	302-5 Reductions in energy requirements of products and services	-

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report.		
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all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
FIGHT TO CLIMATE CHANGE		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	53-55, 106-109 For the calculation have been used the consumption input data multiplied by the related emission factors given by DEFRA Conversion factors for Company Reporting, 2022 and 2021. The emission factors can be found in the Appendix section Table 5.
	305-2 Energy indirect (Scope 2) GHG emissions	56-57, 106-109 For the calculation has been used the consumption input data multiplied by the related emission factors given by Terna Confronti Internazionali 2019.
	305-3 Other indirect (Scope 3) GHG emissions	-
	305-4 GHG emissions intensity	53-55
	305-5 Reduction of GHG emissions	-

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
				✓
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
FIGHT TO CLIMATE CHANGE		
GRI 305: Emissions 2016	305-6 Emissions of ozone depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant	-
DIRECT ENVIRONMENTAL IMPACTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49, 58
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	61-65
	306-2 Management of significant waste related impacts	65
	306-3 Waste generated	65
	306-4 Waste diverted from disposal	-

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
DIRECT ENVIRONMENTAL IMPACTS		
GRI 306: Waste 2020	306-5 Waste directed to disposal	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	61-63
	301-2 Recycled input materials used	64
	301-3 Reclaimed products and their packaging materials	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	58-60
	303-2 Management of water discharge related impacts	58-60
	303-3 Water withdrawal	58-59
	303-4 Water discharge	60
	303-5 Water consumption	109, There is no changes in water storage since the storage is not significant
HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	84

REQUIREMENTS OMITTED	REASON	EXPLANATION	N. OF REF. GRI INDUSTRY	EXTERNAL ASSURANCE
all requirements	Information unavailable/incomplete	The company considers that the information is not complete, in the light of the Standard requirement. CCBS is currently assessing the collection of the related information and will disclose them in the next report		
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GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
HEALTH AND SAFETY		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	84
	403-2 Hazard identification, risk assessment, and incident investigation	85-86
	403-3 Occupational health services	87
	403-4 Worker participation, consultation, and communication on occupational health and safety	87
	403-5 Worker training on occupational	87
	403-6 Promotion of worker health	87
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86-87
	403-8 Workers covered by an occupational health and safety management system	-
	403-9 Work-related injuries	84
	403-10 Work-related ill health	-

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GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
RETENTION AND HUMAN RESOURCES DEVELOPMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	68-69
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	93
	202-2 Proportion of senior management hired from the local community	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	72-73
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
	401-3 Parental leave	-

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GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
RETENTION AND HUMAN RESOURCES DEVELOPMENT		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	78-81
	404-2 Programs for upgrading employee skills and transition assistance programs	-
	404-3 Percentage of employees receiving regular performance and career development reviews	-
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	76
FAIR AND INCLUSIVE WORKPLACE		
GRI 3: Material Topics 2021	3-3 Management of material topics	76
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	74-75
	405-2 Ratio of basic salary and remuneration of women to men	83

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GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
GENERATION AND DISTRIBUTION OF VALUE		
GRI 3: Material Topics 2021	3-3 Management of material topics	90
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	91
	201-2 Financial implications and other risks and opportunities due to climate change	-
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	94-99

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GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
GENERATION AND DISTRIBUTION OF VALUE		
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	-
BUSINESS INTEGRITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	26
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	-
	205-2 Communication and training about anti-corruption policies and	-
	205-3 Confirmed incidents of corruption and actions taken	26-27
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	26

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GRI CONTENT INDEX

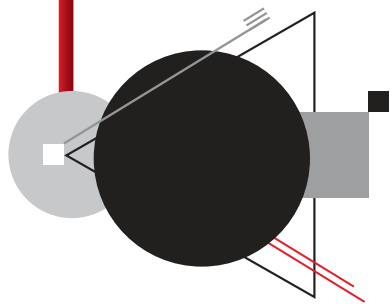
GRI STANDARDS	DISCLOSURE	LOCATION
RESPONSIBLE SUPPLY CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	100
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	101-102
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<p>CCBS does not currently have a structured process of evaluating environmental criteria suppliers according to environmental criteria, although the suppliers considered strategic are periodically subjected to strict criteria of evaluation by TCCC. CCBS is however considering integrating its evaluation checklist with these criteria. For this reason, in 2022 and 2021 no evaluations have been carried out for new suppliers on the basis of environment criteria, and as result the percentage of new suppliers that were screened using environmental criteria is 0%</p>
	308-2 Negative environmental impacts in the supply chain and actions taken	

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GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE	LOCATION
RESPONSIBLE SUPPLY CHAIN		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<p>CCBS does not currently have a structured process of evaluating social criteria suppliers according to social criteria, although the suppliers considered strategic are periodically subjected to strict criteria of evaluation by TCCC. CCBS is however considering integrating its evaluation checklist with these criteria. For this reason, in 2022 and 2021 no evaluations have been carried out for new suppliers on the basis of social criteria, and as result the percentage of new suppliers that were screened using social criteria is 0%.</p>
	414-2 Negative social impacts in the supply chain and actions taken	-
CUSTOMER EDUCATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	22-23, 26, 38-39, 65

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LIST OF ABBREVIATION

ACIES - Aziende Commerciali Industriali e Servizi S.r.l.

BOD - Board of Directors

CAP - Corrective and Preventive actions

CCBS - Coca-Cola Bottling Shqipëria Shpk

CCTM - Coca Cola Trade Mark

CO₂ - Carbon Dioxide

ESG - Environmental, Social, and Governance

FIAA - Foreign Investment Albanian Association

FS - Financial statements

GHG - Greenhouse Gas

GMP - Green mobility project

GRI - Global Reporting Initiative

IMCR - Incident Management and Crisis Resolution

ISHTI - Inspektorati Shtetëror Teknik dhe Industrial (Technical and Industrial State Inspectorate)

OHSMS - Occupational Health and Safety Management System

PPE - Personal Protective Equipment

rPET - PET from recycled/renewable sources

TCCEC - The Coca-Cola Export Corporation

KORE - The Coca-Cola Operating Requirements

BP - Business Plan



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Independent practitioner's assurance report

To the management of Coca-Cola Bottling Shqipëria sh.p.k.

Scope

We have been engaged by Coca-Cola Bottling Shqipëria sh.p.k. (hereafter "CCBS" or "the Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the disclosures listed below (the "Subject Matter") contained in the Company's 2022 Sustainability Report (the "Report"). The Disclosures listed below are covering the period from January 1, 2022 to December 31, 2022:

1. GRI 2-1 Organizational details
2. GRI 2-2 Entities included in the organization's sustainability reporting
3. GRI 2-3 Reporting period, frequency and contact point
4. GRI 2-4 Restatements of Information
5. GRI 2-5 External Assurance
6. GRI 2-10 Nomination and selection of the highest governance body
7. GRI 2-19 Remuneration policies
8. GRI 2-27 Compliance with laws and regulations
9. GRI 205-3 Confirmed incidents of corruption and actions taken
10. GRI 305-1 Direct (Scope 1 emissions) GHG emissions
11. GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
12. GRI 3-3 Management of material topics, for the topics Responsible product and transparent communications, Fight to climate change and Business integrity
13. Statement of use included in the GRI content index

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by CCBS

In preparing the Subject Matter, the Company applied the 2021 version of the GRI standards.

CCBS responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Performing interviews with certain CCBS managers to understand the current status of sustainability activities and processes for the reporting period.
2. Interviewing specialists responsible for managing, collecting and reviewing sustainability data reported for internal and public reporting purposes, linked to the GRI disclosures under the scope of our assurance engagement.
3. Checking the Report for the appropriate transposition and presentation of the sustainability data linked to the GRI disclosures under the scope of our assurance engagement.
4. Reading information or explanations to substantiate key data, statements and assertions regarding the GRI disclosures under the scope of our assurance engagement.
5. Seeking Company's management representation on key assertions.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of CCBS and is not intended to be and should not be used by anyone other than CCBS.

Tirana, 12 December 2023

For and behalf of
Ernst & Young Certified Auditors-
Albania Branch


Mario Vangjeli

