



Sustainability | Leadership | Innovation



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**2016 WINNER  
LARGE BUSINESS**

## LESSONS IN DRIVING BUSINESS SUSTAINABILITY

### COCA-COLA HELLENIC BOTTLING COMPANY

The story of how Coca-Cola Hellenic Bottling Company became the winner in the large business category of these awards is, in essence, a simple one. The finance function took a clear view, set its sights on specific processes which would get it to its objectives, and then pursued them with clarity and determination. Having won the award, Gerhard Seidl, Group Supply Chain Finance Director, summed up the company's thinking and how it had achieved its success. 'Look around,' he said, 'learn from others, talk to others, and then really do what you believe is right for your organisation. Keep it practical, simple, and go step by step.'

Better informed decision making is now possible by requiring people to think about and prioritise investment, leading to reduced environmental impacts and improved social outcomes. 'Our project,' said Seidl, 'tried to embed sustainability factors into our capital expenditure appraisal process. First we assembled a cross-functional team of internal and external experts. And then we studied the Accounting for Sustainability guide on capital appraisal process.'

The company began to require all 28 countries it operates in to incorporate environmental and social impacts in their business plans with water and carbon being monetised. 'The finance function,' in Seidl's words, 'really brought together all of the different departments to build a simple model that the whole field could apply.' The finance function set up and led cross-functional teams of experts to create the methodology.

**For the first time we were able to monetise these impacts in the carbon and water area and it allowed us to make more sensible and informed decisions.**

**Finance was a cross-functional integrator.**

The company is a leading bottler of The Coca-Cola Company brands. Water is a major resource and energy a major input. While cost savings are a key consideration, the company believes the greatest benefit from monetising its broader impact will come from the mid to long-term strategic impact of being more efficient in natural resource and energy use, while maintaining their licence to operate and stakeholder trust. To change the capital expenditure evaluation process, a new methodology was developed to incorporate environmental and social impacts with factors such as water and carbon being monetised.

People thought about and prioritised investment. 'The key challenge,' said Seidl, 'was that carbon reduction can easily become very technical and we tried to bring this across to a finance audience.'



Coca-Cola Hellenic combined heat and power plants are a major environmental investment to reduce CO2 emissions and to improve energy efficiency

**We assembled a cross-functional team of internal and external experts.**

'The benefits of the process,' said Seidl, 'were that for the first time we were able to monetise these impacts in the carbon area and it allowed us to make more sensible and informed decisions and better support the efforts in that area.'

The 'before' and 'after' figures bear this out. Under the old system, the 2016 water savings capital expenditure projects would have had a financial payback of 5.3 years. Under the new system, a financial payback of 0.5 years was expected. 'As finance,' said Seidl, 'we control capital expenditure and we really worked on the process so that investment in sustainability can be processed very fast and efficiently.' And it was collaboration which worked. 'The importance is to combine the sustainability assessment with the traditional finance assessment and then, together, that allows us to get a holistic view on our overall capital expenditure strategy in the sustainability area.'

**It teaches you a lot of lessons about collaborative working and collaborative thinking.**

As for the lessons learned, Seidl is clear: 'It is important to keep such processes practical, grow step by step, don't become theoretical and also link well across the business. And, of course, continually improve these processes further.'

#### WHAT THE JUDGES SAID

The Coca-Cola Hellenic Bottling Company team brought to life the vital role that the finance team can play to embed sustainability into everyday decision making. It was able to develop an approach that systematically integrated environmental and social factors into capital expenditure across the diverse geographies, changing decisions as a result.



The company is a leading bottler of The Coca-Cola Company brands and this project has created a new methodology to monetise the true impact of water and carbon saving initiatives