



# Building a sustainable tomorrow **our journey in 2012**

**Corporate Responsibility &  
Sustainability Report**  
2012/2013

*Coca-Cola Enterprises*

# About this Report



CCE's Corporate Responsibility and Sustainability Report 2012/2013 is comprised of a series of 24 factsheets.

## ABOUT THIS REPORT

This is Coca-Cola Enterprises' (CCE's) eighth annual Corporate Responsibility and Sustainability (CRS) Report. It replaces CCE's 2011/2012 CRS Report as the company's most recent CRS disclosure and contains a full year of data from January 1, 2012 to December 31, 2012 for our business operations covering eight Western European territories: Great Britain, France and Monaco, Belgium, Luxembourg, the Netherlands, Norway and Sweden and our offices in the United States. It also includes some illustrative case studies and business activities from 2013.

For news on CCE's sustainability initiatives and further resources, see our website [www.cokecce.com](http://www.cokecce.com).

## REPORTING BOUNDARIES AND STANDARDS

Unless otherwise indicated, the environmental and workplace data in this report covers all operations owned or controlled (production, sales/distribution, combination sales/production facilities, administrative offices and fleet) by Coca-Cola Enterprises. Our workplace, community and carbon data includes our administrative offices in the United States.

Our carbon footprint is calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol and we use an operational consolidation approach to determine organizational boundaries. For example, our carbon and energy data includes only the distribution impacts of beverages that we distribute but do not produce, such as Ocean Spray products.

Data is consolidated from a number of sources, including our manufacturing facilities, fuel use information, estimated cold drinks equipment energy use, and analyzed centrally. Our baseline year is 2007 and our emissions are independent of any greenhouse gas trades.



Under the Protocol, we measure our emissions in three 'scopes':

**Scope 1:** the fuel we use for manufacturing, our own fleet of trucks, vans and cars and our process and fugitive emissions;

**Scope 2:** the electricity we use at all our sites;

**Scope 3:** the electricity used by our coolers and vending machines at our customers' premises, our business travel by rail and air and the fuel used by our third party distributors.

Further details of our emissions by scope can be found on Factsheet 9.

The water use data in this report refers to production facilities, where we have the greatest water use. All financial data in this report is in US dollars, unless otherwise stated.

This report has been verified by Two Tomorrows (see Factsheet 24) and is aligned with the Global Reporting Initiative (GRI) G3 Guidelines, self-assessed at level B+. The report also serves as our Communication on Progress (COP) for the United Nations Global Compact and the Water Stewardship Factsheet 15 serves as our COP-Water, part of our endorsement of the UNGC CEO Water Mandate.

**MATERIALITY**

Coca-Cola products are made by over 300 bottling companies worldwide on behalf of The Coca-Cola Company, which creates and markets brands and trademarks and manufactures syrups and concentrates. Coca-Cola Enterprises (CCE) is one of the licensed, independent bottling companies which purchases these items and produces and packages beverages to sell and distribute to retail and wholesale customers. Our relationship with The Coca-Cola Company influences the way we work, our spheres of responsibility and how we determine our material issues.

CCE developed a sustainability plan in 2011 – 'Deliver for today; inspire for tomorrow'. Guided by a wide range of stakeholders, this plan outlines commitments and targets in seven areas deemed to be of the greatest materiality in our territories: Energy and Climate Change, Sustainable Packaging and Recycling, Water Stewardship, Product Portfolio, Active Healthy Living, Community and Workplace. We measure progress against these targets by a set of Key Performance Indicators (KPIs) derived from pre-existing metrics where possible. We continue to develop these KPIs and ways to measure against them over time. Each of the 24 factsheets in this report focuses on an aspect of our commitments and a full data review of progress against our sustainability plan is on Factsheet 23.

**MATERIAL INFORMATION – WHERE TO FIND IT**

CCE's CRS programs are communicated in a variety of publications:

**This report:** provides an overview of CCE's progress against our commitments in 2012 and our ambitions for the future. It includes information on our business, our governance and management of CRS, our stakeholders and the work we are doing in each focus area.

**ONLINE**

**www.cokecce.com**

Our corporate website has a CRS section which includes further detail on some of our initiatives, our CRS commitments and targets, a full GRI Index and indices showing our compliance with the United Nations Global Compact and its CEO Water Mandate, progress updates, details of awards and events, our governance structure and corporate CRS policies.

**Country reports:** Each of CCE's territories produces a Coca-Cola system report in conjunction with The Coca-Cola Company, giving local examples of how CCE's CRS commitments are being brought to life in our communities. These reports can be found online at each of the following websites:

**Great Britain:**  
[www.cokecce.co.uk](http://www.cokecce.co.uk)

**France:**  
[www.coca-cola-rse.fr](http://www.coca-cola-rse.fr)

**Belgium and Luxembourg:**  
[www.cocacolabelgium.be](http://www.cocacolabelgium.be)

**The Netherlands:**  
[www.coca-colanederland.nl](http://www.coca-colanederland.nl)

**Norway:**  
[www.cceansvar.no](http://www.cceansvar.no)

**Sweden:**  
[www.cceansvar.se](http://www.cceansvar.se)

**The Coca-Cola Company:** provides many sources of Coca-Cola system sustainability information. In particular, its website, [www.thecoca-colacompany.com](http://www.thecoca-colacompany.com), contains corporate codes and policies which inform CCE's own approach to CRS. Its 2011/2012 Sustainability Report, [www.coca-colacompany.com/sustainabilityreport](http://www.coca-colacompany.com/sustainabilityreport), contains a summary of the global Coca-Cola system sustainability work.

For further information please contact [crs@cokecce.com](mailto:crs@cokecce.com).

**A Strong Partnership**

*Coca-Cola Enterprises*

*The Coca-Cola Company*



# CEO Statement and Highlights



John Brock (right) and Hubert Patricot (left) plant a tree at our Dongen Plant in the Netherlands during CCE's CRS in Action week in October 2012.

## INTERVIEW WITH JOHN BROCK AND HUBERT PATRICOT

**Q. CCE launched its sustainability plan in September 2011. What progress have you made against your commitments and targets in 2012?**

**A. John Brock:** 2012 has been a year of excellent progress for Corporate Responsibility and Sustainability – what we call CRS – at CCE. We have delivered an absolute reduction in our operational carbon emissions, and we are on track to meet our 2020 target seven years ahead of schedule (see Factsheet 9). We have also improved our water efficiency and were the first company to be awarded the Carbon Trust Standard for Water in 2012. Our facilities in Great Britain and France continue to be the most water-efficient Coca-Cola plants in the world.

**A. Hubert Patricot:** We have also inspired for tomorrow. CCE played a key role in creating the greenest Olympic Games in history in London. We used low-carbon biogas trucks, encouraged consumers to recycle and offered unique opportunities for representatives from our communities to take part. Our recycling activities were seen by over 11 million consumers and we ensured that all the bottles collected in the recycling bins at the Olympic Games were reprocessed at our recycling joint venture, 'Continuum' and back on the shelves in six weeks – in time for the Paralympic Games.

**Q. What will you focus on in 2013 and beyond?**

**A. John Brock:** Our category faces challenging times within a tough economic

environment. Across Western Europe, the issue of obesity is critical and we want to be part of the solution. We are working to educate our consumers on our ingredients and the calories in our products, and together with The Coca-Cola Company, we launched an advertising campaign in early 2013 to encourage people to lead active, balanced lives. We are also introducing reformulated, lower calorie, versions of some of our products – such as Sprite – using the zero-calorie, natural sweetener, stevia, and new packaging options and sizes to help people manage their calorie intake.

**A. Hubert Patricot:** We want to deliver changes beyond our own business – in wider society – and are focused on finding solutions to the issues we all face, from obesity to climate change. We don't have all the answers so collaborating with others is key. We need to find new ways of working with our suppliers, NGOs, customers, community groups and others, such as the UN Global Compact and its CEO Water Mandate, to drive the thought leadership which will be necessary on this journey.

**A. John Brock:** Innovation is also fundamental. Having identified low recycling rates as a problem in Great Britain and France, in 2012, we launched our first innovation partnership to address the issues around recycling in the home and understand what prevents consumers from recycling. Working with the University of Exeter in Great Britain and France, we want to discover how we can encourage people to recycle more often. We will continue this

work in 2013 to find innovative solutions and drive value beyond the economic contribution we already make in our countries of operation.

**Q. What benefits are you seeing from your CRS activities?**

**A. John Brock:** These are challenging times but our commitment to CRS has never been stronger because of the benefits it brings, including operational cost savings, excellent customer service and employee engagement. The recognition we have received from a range of external organisations has encouraged us to do more and to go further. For the first time ever, CCE was included on the Carbon Disclosure Project's Leadership Index and we were listed for the fourth year running as the #1 Food and Beverage company in Newsweek's Green Rankings. We are proud to be leading our industry in CRS and look forward to continuing our journey with you.

**John Brock**  
Chairman and CEO  
Coca-Cola Enterprises, Inc. (CCE)

**Hubert Patricot**  
Executive Vice President  
and President, European Group  
Coca-Cola Enterprises, Inc. (CCE)

**DELIVER FOR TODAY | INSPIRE FOR TOMORROW**

**Our sustainability vision**

We will deliver for today, growing a low-carbon, zero-waste business, and inspire and lead change for a more sustainable tomorrow.

**Our strategic priorities**

**Deliver for today**

On our commitments and targets



**Lead the industry**

In Energy and Climate Change and Sustainable Packaging and Recycling

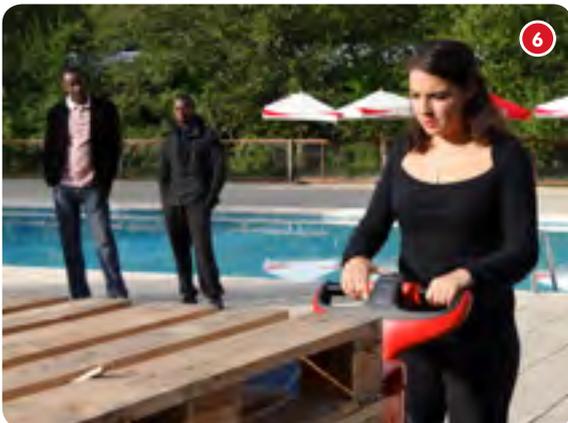


**Innovate for the future**

Opportunities for innovation, collaboration and partnership



1. An HFC-free cooler in place.
2. Environment Minister, Lord Taylor of Holbeach, opens Continuum, our joint venture with ECOPlastics.
3. Our employees were able to take part in the London 2012 Olympic Torch Relay.
4. Bottle washer machine, Clamart, France.
5. We are rolling out Sprite with stevia in Great Britain in 2013.
6. Employee Safety Day, Paris.



**KEY 2012 ACHIEVEMENTS**

- Ranked first in the food and beverage industry in Newsweek's 2012 Green Rankings, for the fourth consecutive year.
- RobecoSAM Bronze Class and Sector Mover: Achieved score within the top 15 percent of the industry in the Dow Jones Sustainability Index.
- Ranked on the Carbon Disclosure Project Leadership Index for the first time.

**ENERGY AND CLIMATE CHANGE**

- Reduced our operational carbon footprint by 6 percent since 2011.
- Worked with suppliers to ensure that, by January 2013, 100 percent of new coolers purchased will be HFC-free.

**SUSTAINABLE PACKAGING AND RECYCLING**

- Achieved 25 percent recycled plastic in our plastic packaging across our markets by the end of 2012.
- Launched Continuum, our joint venture with ECOPlastics and reprocessed more than 15 million plastic bottles recycled at the Olympic Games in time for the Paralympic Games.
- Announced a second recycling joint venture – Infineo – with Appe in France.
- 32 million people saw our recycling messages during the year.

**WATER STEWARDSHIP**

- Achieved our lowest ever water use ratio – the amount of water we use to make one liter of product – of 1.4 liters water/liter product.
- Launched our first replenishment project with WWF-UK in Great Britain, focused on improving water quality in the rivers Nar and Cray.

**PRODUCT PORTFOLIO**

- Introduced Sprite reformulated with stevia in France, containing 30 percent fewer calories. This will be rolled out in Great Britain in 2013.

**COMMUNITY AND ACTIVE HEALTHY LIVING**

- Invested \$3.9m in our community and active healthy living programs across our territories.

**WORKPLACE**

- Developed a new diversity strategy and implemented an employee assistance program.



We operate 17 manufacturing plants in 8 countries across Western Europe.

## WHERE WE OPERATE

Serving 170 million people across eight countries in Western Europe, Coca-Cola Enterprises (CCE) is one of the world's largest independent bottlers of Coca-Cola beverages. We operate in Great Britain, France, Monaco, Belgium, Luxembourg, the Netherlands, Norway and Sweden.



## OUR BUSINESS

In 2012, we sold approximately 12 billion bottles and cans (approximately 600 million physical cases) across our territories and generated approximately \$8.1 billion in revenues and \$928 million of operating income.

We are a public company incorporated and headquartered in the United States and publicly traded on the New York Stock Exchange and the NYSE Euronext in Paris under the symbol CCE.

## OUR PRODUCTS

Coca-Cola Enterprises (CCE) manufactures and distributes some of the most popular beverage brands in the world.

The foundation of our business is the world's most popular non-alcoholic ready-to-drink brand portfolio, which includes the world's most recognized brand, Coca-Cola, alongside Diet Coke, Coca-Cola light, Coke Zero, Fanta and Sprite, as well as a growing range of water, juices and juice drinks, sports drinks, energy drinks and ready-to-drink teas.

One of our strategic business priorities is to be number one or a strong number two in each of these categories. The Coca-Cola Company is our primary strategic partner. While beverages owned by The Coca-Cola Company and its affiliates represent more than 90 percent of our volume, we distribute several brands for other franchise partners, such as Capri Sun and Ocean Spray.

Coca-Cola Enterprises Key Statistics 2012

Territory	Employees <sup>1</sup>	Manufacturing sites	Carbon footprint ('000s metric tonnes CO <sub>2</sub> e)	Water use ratio (liters to make 1 liter product)
Belgium & Luxembourg	2,500	3	89	1.64
France <sup>2</sup>	2,900	5	109	1.27
Great Britain	4,450	6	383 <sup>3</sup>	1.3
Netherlands	800	1	102	1.4
Norway	1,350	1	22	2.1 <sup>4</sup>
Sweden	850	1	16	1.85
USA	150	0	5	n/a
<b>TOTAL</b>	<b>13,000</b>	<b>17</b>	<b>726</b>	<b>1.4</b>

1. Rounded to nearest 50 employees.  
 2. Including Monaco.  
 3. Great Britain is our largest market and has carbon-intense electricity.  
 4. Norway's water use ratio is higher because we have, until June 2013, used water to wash our refillable plastic bottles.

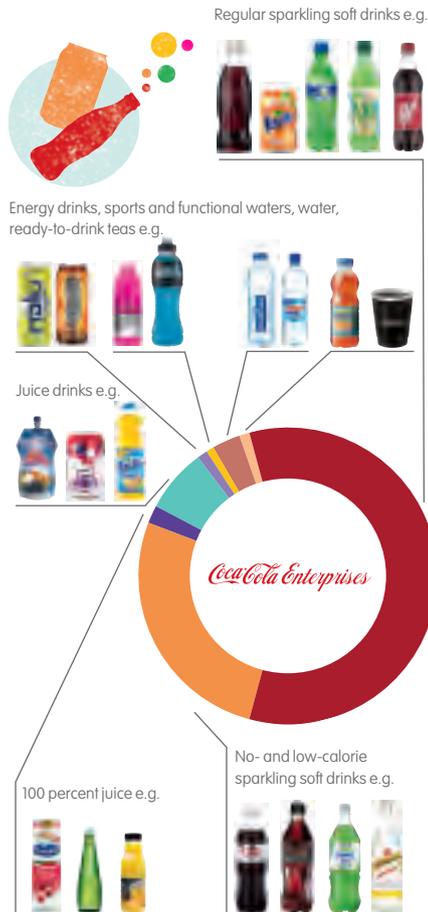
## OUR MANUFACTURING AND DISTRIBUTION PROCESS

Our business has environmental and social impacts across the life cycle of our products, from the sourcing and use of raw materials and ingredients, to the manufacturing of our products, to their disposal.

The goals we have set in our sustainability plan focus on reducing our impacts at each stage of our value chain and making a positive difference to the communities in which we operate. We have focused for several years on measuring and reducing our operational impacts and the impacts we can control, such as emissions from our cold drinks equipment. We are now working to innovate, collaborate and partner with suppliers and customers to identify ways to reduce impacts across our value chain.

### OUR PRODUCT PORTFOLIO AS SOLD BY VOLUME

Key			
Regular sparkling soft drinks	58%	Energy drinks	2%
No- and low-calorie sparkling soft drinks	27%	Sports and functional waters	1%
100 percent juice	2%	Water	3%
Juice drinks	7%	Ready-to-drink teas and other	1%



### OUR MANUFACTURING AND DISTRIBUTION PROCESS

Value chain process	Percentage emissions (estimated) <sup>1</sup>	Factsheet number
<b>Our supply chain</b>		
<p><b>Ingredients:</b> More than ninety percent of our products are made from concentrates supplied by our brand owners. The rest are finished products that we distribute. We purchase sugar directly; our low-calorie sweeteners are already contained in the concentrates we buy. We also purchase juices, mineral waters and carbon dioxide to make our products and are working with our suppliers to reduce the carbon and water impacts of these raw materials.</p> <p><b>Packaging:</b> Our packaging materials – aluminum, steel, PET plastic (virgin, recycled and plant-based), corrugated cardboard and shrink wrap – come from a range of approved suppliers. We are working with these suppliers and innovating within our own business to reduce the impacts of the packaging materials we put onto the marketplace.</p>	17%	6 Suppliers and Sustainability
<p><b>Manufacturing:</b> We use water and energy (gas and electricity) in our manufacturing sites to produce our beverages. We are focused on increasing our operational efficiencies and minimizing our waste. As an employer of approximately 13,000 people, we provide jobs and pay taxes in the countries and communities in which we operate.</p> <p><b>Distribution:</b> The distribution of our products uses fuel, so we are looking for new, low-carbon ways to get our products to market. We are investigating new low-carbon fuels, ways to optimize our distribution network and working with third-party hauliers to reduce our impacts.</p> <p><b>Cooling and selling our products:</b> Refrigerating our products uses energy, so we are increasing the efficiency of our coolers on our customers' premises.</p>	48%	13 Sustainable Packaging
<b>Our business</b>		
<p><b>Manufacturing</b></p> <p><b>Distribution</b></p> <p><b>Refrigeration</b></p>	8%	10 Energy and Renewable Energy
	7%	15 Water Stewardship
	20%	21 and 22 Workplace
		11 Distribution
		12 Cold Drinks Equipment
<b>The marketplace</b>		
<p><b>Product Portfolio:</b> Our wide range of products reflects the changing needs and demands of our consumers across our territories. We market our products in a responsible way through on pack labeling as well as other media.</p> <p><b>Recycling:</b> Our empty packaging becomes waste unless it is collected for recycling, so we are working to increase recycling rates across our territories, which in turn will help us to generate more material which we can turn into new bottles.</p> <p><b>Community and Active Healthy Living:</b> Coca-Cola is a local product, made by local people and we have strong links with our communities. We aim to make a positive difference wherever we manufacture and sell our products and to engage our communities in active healthy living programs.</p>	Included in packaging <sup>2</sup>	17 Product Portfolio
		18 Responsible Marketing
		14 Recycling
		20 Community
		19 Active Healthy Living

1. We have modelled emissions for ingredients and packaging using industry average conversion factors linked to our own procurement data for each raw material. This value chain footprint has not been audited by third party independent verifiers.  
2. As a result of packaging carbon footprint methodologies.



Employees from CCE joined WWF-UK to visit the River Nar in Norfolk where we have launched together a water replenishment partnership.

**INTRODUCTION**

Our sustainability plan is based on input from a wide range of stakeholders. This plan sets stretching, value chain-based goals which address some of the bigger issues that society as a whole faces. We know we cannot meet these goals alone and as a result, continuing engagement and partnership with thought leaders, NGOs, suppliers, customers and many others is fundamental to our progress and to innovate for the future.

**OUR STRATEGY**

We have mapped our stakeholders into key groups and continually review this landscape to ensure we understand their views and are able to communicate effectively and respond to their concerns on issues of interest.

**CASE STUDY**



**Working with Ardagh Group**

CCE launched a new heat exchange pilot program with Ardagh Group in the Netherlands. Ardagh's plant is located next to CCE's Dongen facility. Residue heat from Ardagh's glass ovens will be captured and used to supply heat-driven processes in our Dongen manufacturing operations. This venture could provide 30 percent of the total energy required by our Dongen plant and save up to 3,000 tonnes of carbon a year.



**2012 KEY STAKEHOLDER ENGAGEMENT AND DIALOGUE**

Stakeholder	Frequency of engagement	Key issues of interest	CCE response
Academics and networks	Ongoing membership of stakeholder networks	Sustainability leadership; best practice sharing	Active participation and sharing of ideas
Investors, shareowners and analysts	Annual engagement with indices and ratings agencies via profiles and questionnaires	Various	Improved disclosure around supply chain impacts and water
Media and Social Media	Ongoing communication, requests for feedback on CCE activities	Sustainability reporting, various	Evolved, factsheet-based 2013 sustainability reporting approach
Suppliers	Ongoing CRS engagement as part of supplier management Annual supplier award and summit on CRS issues	Carbon, environmental, social, labor and supplier standards	Educational CRS events for suppliers planned for 2013
Customers	Ongoing business-related engagement; Annual customer satisfaction surveys	Customer service, innovation, logistics, sustainability, recycling	Joint CRS-related business plans with some key customers
Employees	Ongoing; various two-way communication channels in place Annual 'CRS in Action week' Bi-annual employee engagement survey	2011 survey top 3 drivers of engagement: CCE Leadership, CRS and Learning and Development	Improved leadership training and launch of CCE Academy to provide function-based training programs
NGOs and thought leaders	Ongoing dialogue on specific issues; Annual 'Collaboration Forum' event	Health and well-being, recycling and waste, innovation	'Innovate for the Future' recycling project shaped with Collaboration Forum feedback
Communities	Ongoing engagement; Annual CRS in Action week of community-based activities at CCE sites	Environmental, employment, support for local concerns	Strong ongoing program of community giving, supporting local needs. Local input to water protection plans.

**Top 2**  
Our most recent (2011) employee engagement survey showed that CRS was one of the top 2 drivers of engagement.

**\$3.7bn**  
spent with over 14,000 suppliers in 2012<sup>1</sup>.

We received the Bronze Class and Sector Mover awards in the RobecoSAM yearbook, on account of our high scores in the Dow Jones Sustainability Index questionnaire.

**>1m**  
customers, from small independent retailers to large international chains.

**KEY 2012 PARTNERSHIPS**



**Academics and sustainability networks**

We work closely with the academic community to help us remain well-informed on thought leadership in sustainability. In particular, we have collaborated with Ashridge Business School and challenged their MBA students to develop innovative zero carbon distribution concepts. We joined the European School of Management and Technology's Sustainability Roundtable in 2012, and participate in SustainAbility's Engaging Stakeholder's network of peer companies. We are also a member of the EU Corporate Leaders Group on Climate Change indicating our support for the EU to move to a low-carbon economy.



**Investors, shareowners and analysts**

We completed our seventh submission to the Carbon Disclosure project and are a member of the CDP Leadership Index. We also made our first submission to the CDP Water and our fourth application to the Dow Jones Sustainability Index. We continue to be a member of the FTSE4Good Index and were named the number one beverage company for environmental, social and governance performance by Goldman Sachs. CRS forms a regular part of each presentation we make to financial analysts.



**Media and social media**

Our new website – www.cokecce.com – now provides all the details of our sustainability plan and is helping us to support and enhance our use of social media to connect with stakeholders. Joe Franses, CCE's Sustainability Director, communicates our sustainability progress via @joefranses on Twitter. We want to be transparent and open in our communications so we launched our recycling innovation project (see Factsheet 7) via a virtual panel discussion, broadcast online to engage with a wide stakeholder audience in real time.



**Suppliers**

In 2012, we spent \$3.7 billion with over 14,000 suppliers. Our suppliers are important stakeholders for us as we focus on meeting our value chain sustainability commitments. We held our third Supplier Sustainability Summit for our top 60 suppliers to investigate new ways to work together to encourage innovation, collaboration and partnerships across our value chain. We also received the results of our 2012 Carbon Challenge in which we asked 130 of our critical suppliers to provide us with the data for their carbon emissions attributable to their supply to CCE. We have evaluated their responses and segmented our suppliers based on carbon impact and performance. We are now working with these different categories of suppliers in different ways to encourage emissions reduction. For further information see Factsheet 6.

*Coca-Cola Enterprises*

**Communities**

We have strong relationships with the communities in which our bottling facilities are located and our operations provide jobs for 13,000 people across our territories. We have a wide range of community programs, and hold an annual 'CRS in Action Week' of outreach and events. We are working to involve our communities in our decision making; for example, our next iterations of our Source Water Protection Plans will all seek community input.



**Employees**

Our employees are fundamental to achieving our sustainability goals and we aim to deliver an ongoing program of CRS communications to ensure that they know what we are aiming towards and how they can play a part. We hold a bi-annual employee engagement survey and results in 2011 showed that CRS was one of the top 2 drivers of employee engagement. We held our fifth 'CRS in Action Week', engaging in community and environmentally focused activities from sporting challenges to clean-up events across all our countries (see Factsheet 20). We are planning another week of action in 2013. In addition, we launched 'Be Part of It' – an educational program which helps our employees to understand more about our products and their ingredients so that they can answer questions from friends, family or customers about Coca-Cola.

**Customers**

We have over one million customers, ranging from small independent retailers to large international chains. Our strategic business priority is to be their most valued supplier so we are constantly examining and improving our distribution methods, our customer service processes and our internal operating systems to ensure we are meeting their needs. We set annual targets for customer satisfaction and measure our performance using surveys such as those by the Advantage Group, which assess suppliers on factors including category development, customer service, innovation and logistics. In 2012, we were rated the leading consumer goods company in Great Britain, the Netherlands, and France, and the number two supplier in Belgium.

**Non-governmental organizations**

We are a signatory to the UN Global Compact and its CEO Water Mandate. We have also entered into a water replenishment partnership with the World Wildlife Fund and we maintain a wide range of relationships with national NGOs such as those involved in active healthy living and packaging recovery (see Factsheets 19 and 14).



1. Excluding concentrate spend.



CCE's  
CRS Board  
Committee

From left to right: Andrea Saia, Curt Welling, Phoebe Wood, Cal Darden (Chairman), John Brock, Laura Brightwell and Véronique Morali.

## INTRODUCTION

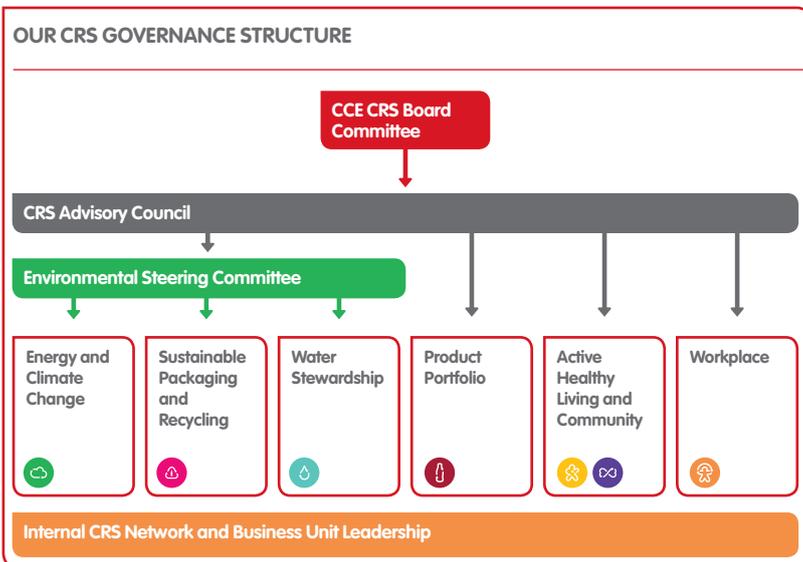
CCE's vision is to be the best beverage sales and customer service company. Our Operating Framework is our roadmap to long-term, profitable growth and Corporate Responsibility and Sustainability (CRS) is a key component of this framework.

We're committed to doing business responsibly. As a result, we strive to maintain CRS leadership in the food and beverage industry and to embed CRS into our everyday decision-making processes.

## OUR STRATEGY

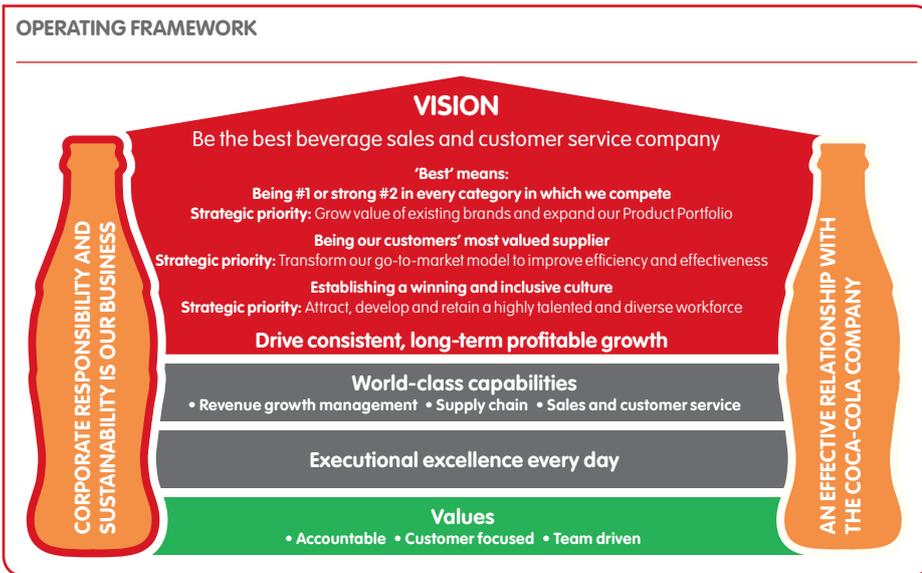
Our strategy is guided by the CRS Committee of the Board of Directors, which meets five times a year to review progress against our sustainability plan targets and to discuss emerging CRS issues. The Committee is chaired by Cal Darden, former Senior Vice President, US Operations, United Parcel Service, Inc.

Our CRS Advisory Council is a cross-functional body of senior managers who chair steering groups for each CRS focus area, including a new steering group on Sustainable Agriculture, which we will add in 2013. The CRS Advisory Council meets five times a year to review progress, discuss challenges and identify the future direction and priorities for CRS at CCE. Reporting to the CRS Board Committee, the Council is chaired by Laura Brightwell, Senior Vice President of Public Affairs and Communications. Supporting our CRS Advisory Council is a network of CRS managers and an Environmental Stewardship team that manages quality, environment, safety and health across our operations. Members of this team also participate in the Global Coca-Cola Environment and Safety Council.



## RISK MANAGEMENT AND BUSINESS PLANNING

Social and environmental risks are designated as strategic business risks and are assessed annually as part of our standard enterprise risk management processes. They are two of the 43 risks in our risk model and cover issues relating to global environmental challenges such as climate change, water scarcity, waste, pollution and



global health and wellbeing trends. Select other risks in the model include health and safety, the cost and availability of raw materials, procurement and supplier management, ethics and compliance, governance, reputation, and business interruption. The top 18 risks from the register are allocated to specific board committees and the members of the Executive Leadership Team (ELT) responsible for those committees. As the ELT member responsible for CRS, Laura Brightwell is accountable for social and

environmental risks which are reviewed annually by the CRS Committee. Risks that could materially affect our business and financial results are disclosed in the Form 10-K in our company's Annual Report and in quarterly financial reporting. In addition, the development process for any major project, product or new investment takes account of its impact on our CRS commitments and CRS is built into the business plan of each business unit. We report progress against our sustainability plan annually.

**ETHICS AND COMPLIANCE**

At CCE, our culture of ethical behavior is guided by the RIGHT Way model of ethical values – our actions, decisions and behavior must always demonstrate respect, integrity, good judgment, honesty and trust. Our global Code of Business Conduct is based on these values and outlines the behavior we expect of every employee. It identifies 12 guiding principles, such as promoting health and safety in the workplace, complying with anti-corruption laws and upholding our environmental commitments. The Code is one of the ways we comply with the ten universal principles of the UN Global Compact which CCE signed in 2007. It is published on our website and intranet and we inform all new employees of the Code during their induction.

The Code also forms the cornerstone of our Ethics and Compliance program and ensures we comply with the US Foreign Corrupt Practices Act and the UK Bribery Act. To expand on the Code and our existing Anti-Corruption Policy, in 2012 we introduced a more detailed Gifts, Hospitality and Entertainment Policy that provides our people with a clear framework around corporate entertainment. The policy includes an easy-to-understand checklist and value limits for gifts and hospitality. We also developed additional training around corporate entertainment, including specific training delivered to all CCE people attending the London Olympics. Our Compliance Risk Assessment Methodology forms the basis for providing any additional training as part of our three-year Ethics and Compliance training curriculum.

For our Code of Business Conduct to be effective, employees must feel confident in raising concerns or questions without fear of retaliation. In 2012, we reviewed and enhanced our Ethics and Compliance hotline for reporting suspected breaches of the Code. We introduced a single telephone number for all European countries, and launched a new awareness-raising campaign across our business to remind people of their options if they have a concern around our Code. Employees are encouraged to speak to their manager, to their Human Resources contact or to call or email the Ethics and Compliance office directly. All reported incidents are investigated and all activity is reported to the Audit Committee of the Board of Directors. Serious breaches are discussed by 'The RIGHT Call' Committee, a cross-functional group of senior leaders. In 2012, we developed similar committees in each geographical business unit to allow a closer relationship with those employees most involved in any potential concern.



**"A key part of my role at CCE is to drive integrity and support people in making the right decisions. CCE's Code of Business Conduct (COBC) is the cornerstone of our ethics program. Our Code helps us to ensure that all our actions, decisions and behaviors are based on Respect, Integrity, Good judgment, Honesty and Trust – working the RIGHT way.**

**One of my main responsibilities was to deliver 'The RIGHT Way training' which is a core part of The CCE Academy. This 30-minute online training session provides an overview of CCE's Code of Business Conduct guiding principles and related policies, with interactive real-life situational examples. The aim of the RIGHT Way training is to make our people more aware of their role in protecting our Company, reputation and brands, and how we can contribute to a stronger ethical culture. For CCE, 'Doing the REAL thing the RIGHT Way' is the only way to work, regardless of our position and responsibilities."**

Maaïke Burger, Associate Director, Ethics and Compliance



1. Includes Monaco.

# Suppliers and Sustainability

The majority of the sugar we use in our drinks comes from sugar beet. By 2020 we want all the sugar we use to be sustainable and are working towards establishing a set of sustainable criteria.

## INTRODUCTION

Our carbon and water footprinting has shown that most of the environmental impact of our products occurs outside of our business, in our value chain. As a result, the engagement of our suppliers is essential to be successful in achieving our 2020 commitments. Over the past year we have developed a strategy to embed corporate responsibility and sustainability (CRS) into all our relationships with our suppliers.

>\$3.7bn

We spent more than \$3.7 billion with approximately 14,000 suppliers in 2012.

74%

Of this, 74 percent was spent in our countries of operation and 86 percent within the EU.

We held our third Supplier Sustainability Summit for our top 60 suppliers to investigate ways to work together to encourage innovation throughout our value chain.

## DATA SUMMARY

Focus area	Target	KPIs	By when	Progress		
				2010	2011	2012
 <b>Energy and Climate Change</b>	<b>Supplier collaboration</b> Work in partnership with our suppliers to reduce carbon emissions across each stage of our value chain	Number of suppliers completing CCE's carbon challenge	Ongoing	n/a	129	130
 <b>Water Stewardship</b>	<b>Value chain</b> Work with partners to find innovative ways to minimize impacts throughout our value chain	Number of projects/partnerships established	Ongoing	n/a	0	1
	<b>Ingredients</b> Work with our sugar suppliers to ensure that the sugar we use is sustainable	Sugar sourced from sustainable sources (%)	Ongoing	Work in progress to determine sustainability standard		

## OUR STRATEGY

Our strategy has three pillars: our people; our procurement processes and our suppliers themselves. We are working to:

- train our procurement teams on sustainability;
- ensure our processes support sustainable purchasing decisions;
- encourage our suppliers to improve their own sustainability performance.

## OUR PEOPLE

We cannot embed sustainability into each supplier relationship unless our procurement teams have a good understanding of sustainability and what this means for our purchasing decisions. As a result, we are developing a modular training toolkit to educate our procurement managers on CRS:

- Module 1 – basic training on CCE's CRS journey and commitments;
- Module 2 – CCE's expectations of suppliers and how to use our supplier scorecard;
- Module 3 – training based upon CRS issues related to specific commodities.

We will roll this training out across the procurement function in 2013.

## OUR PROCESSES

We have been working to embed sustainability criteria into all our procurement processes, from sourcing new suppliers to tendering. We want to ensure that, as a minimum, our suppliers understand and adhere to our own sustainability standards.

We expect all our suppliers to adhere to our Supplier Guiding Principles (SGPs), a set of standards that includes health and safety, human rights, labor, environment and business integrity. The Supplier Guiding Principles communicate our values and expectations and emphasize the importance of responsible workplace policies and practices that comply, at a minimum, with applicable environmental laws and with local labor laws and regulations. They reflect the values we uphold in our own policies, and we expect our direct suppliers to follow the spirit and intent of these guiding principles to ensure respect for all human rights.

In 2012, 66.7 percent of our spend with suppliers was covered by contracts containing our SGPs. The Coca-Cola System carries out on-site audits of compliance to these principles, particularly focused on ingredients and packaging suppliers. These audits are recognised by AIM-PROGRESS – a global audit program designed to align supplier audits, reduce duplication and audit costs for suppliers. Coca-Cola Enterprises is a signatory of this forum so we recognize supplier audits completed on behalf of other signatory companies.

**OUR SUPPLIERS**

We have a robust Supplier Relationship Management (SRM) process through which our relationships with our key suppliers are managed and we build collaboration and management focus. We use a framework to evaluate each supplier's performance based on: quality, cost and value, service, and CRS. Each has equal weighting and suppliers receive scores which inform improvement plans as required. Our annual supplier awards are allocated based on these scores.

The CRS score on the SRM scorecard comes from two main inputs; Ecovadis, an external sustainability rating platform and each supplier's carbon performance.

- We began our partnership with Ecovadis in 2012 and they ask suppliers for data in four areas: environmental, social, ethical and supply chain management and then score suppliers accordingly. We use this information to develop targeted risk reduction plans with our suppliers when irregularities are suspected and implement action plans to help them raise their scores.

- We continue to focus on driving carbon reductions across our value chain, in order to help us meet our target to 'reduce the carbon footprint of the drink in your hand by one third by 2020'. Using the results from the 'Carbon Challenge', which we launched in 2011, we have classified the commodities and services we procure based on whether they have low, medium or high carbon impacts (see table below). This new segmentation helps us to prioritize our efforts as well as to customize our requirements for SRM suppliers. Therefore, our expectations vary from calculating company carbon footprints as a minimum, to developing carbon reduction plans and sharing product carbon information for those suppliers that have the highest carbon impacts.

If suppliers receive low SRM CRS scores and take no action to improve them, this will have an impact on our future relationship with them. Over time, as suppliers improve their performance, our classifications and performance expectations may change.

**"I was appointed in 2012 to develop CCE's sustainable procurement strategy. My aim is to improve the CRS performance of CCE's key suppliers and thereby reduce our value chain carbon footprint. During 2012, my focus has been on formalizing our strategy, embedding sustainability into our procurement processes and implementing a new partnership with Ecovadis to assess our suppliers on a range of key sustainability issues beyond carbon."**

Melanie Leroy, Senior Manager, Strategic Procurement, CCE Europe



**Areas of focus for suppliers**

We have classified the commodities and services we procure in terms of their carbon impact, and this helps us to prioritize where we want our suppliers to focus. This is informing the approach we are taking to different groups of suppliers to help them measure and manage their carbon, as well as sharing information with us.

Minimum CCE expectations by type of commodity/supplier

		Suppliers		
		LOW carbon impact commodities e.g. IT, buildings, professional services etc.	MEDIUM carbon impact commodities e.g. sugar, glass, fleet, logistics etc.	HIGH carbon impact commodities can and plastic (PET suppliers)
Ecovadis assessment	Achieve score >5	●	●	●
Carbon challenge	Measure	●	●	●
	Reduce and measure		●	●
	Share, reduce and measure			●



**CASE STUDY**

**Towards sustainable sugar**

The majority of the sugar we use in our drinks across our territories comes from sugar beet. We have set a goal to work with our sugar suppliers to ensure that, by 2020, the sugar we use is sustainable. In 2012, The Coca-Cola Company worked with Schuttelar and Partners to assess the existing sustainability standards that are in place for sugar beet in North West Europe. As a result of the project we hope to identify the areas of best practice and move towards a common standard for sustainable sugar beet grown in Europe.

See more at — [www.waterfootprint.org/Reports/Coca-Cola-2011-WaterFootprintSustainabilityAssessment.pdf](http://www.waterfootprint.org/Reports/Coca-Cola-2011-WaterFootprintSustainabilityAssessment.pdf)

# Innovate for the Future



CCE held a collaboration discussion on the topic of sustainable behavior change to launch its new project with the University of Exeter (see case study overleaf).

## INTRODUCTION

The third strategic priority in our sustainability plan is 'Innovate for the Future'. Our sustainability plan sets stretching targets in our environmental and social focus areas. To meet these by 2020, we will need to innovate in many different ways. As a responsible business our stakeholders have high expectations of us to solve not only our own business challenges, but also the wider challenges which threaten our society.

## OUR STRATEGY

Our strategy focuses on key points in our value chain where we can help answer the big questions that are crucial to our own business, and also to the future of the planet.

We have determined three innovation areas where we believe we have the most to contribute:

- Process innovation – driving efficiencies in our business.
- Thought leadership – developing solutions to new issues and challenges.
- Collaboration – working with suppliers and customers to co-create new solutions to existing challenges.

## OUR NINE KEY INNOVATION QUESTIONS



## PROCESS INNOVATION

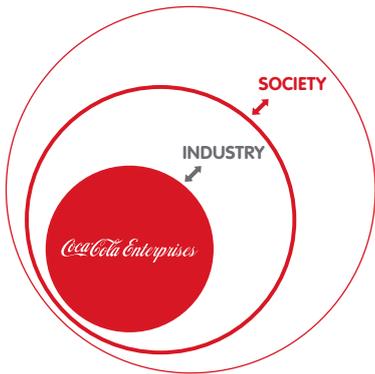
We continually innovate within our own systems and processes to drive efficiency and effectiveness. For example, we have installed monitoring systems which save energy and water on our production lines and link to our SAP business systems. We encourage our employees to share their ideas for innovations through employee recognition award schemes and we have introduced new types of packaging such as PlantBottle™ – our plastic bottle made partially from plants – across our territories.

## THOUGHT LEADERSHIP

We want to think in new ways about the challenges we face. In 2011, we undertook work with the Carbon Trust, in which we examined the concept of 'Personal Carbon Allowances' and how these could be measured and implemented. In 2012, we focused on recycling and want to drive real leadership across our territories.

We want to encourage all those who drink our products to recycle more often. Our research shows that nearly half (47 percent) of the carbon footprint of our products comes from the packaging but that this can be significantly reduced if that packaging is recycled. As a result, our first innovation focus is on step-changing recycling in our markets. Only through raising recycling rates will we be able to ensure that we can reduce the carbon footprint of the drink in your hand by a third by 2020.

**OUR INNOVATION FRAMEWORK**



**INNOVATION TO BENEFIT OUR COMPANY, OUR INDUSTRY AND SOCIETY**

We are developing our framework around the concept of innovation that benefits our company, our industry and society as a whole. While our business has already contributed technologies and ways of working that benefit each of these three areas, we know there is more we can do.

Our research also shows that over 70 percent of our packages are recycled in the home. As a result, in 2012, we launched our first thought leadership project on recycling behavior. The research will begin in 2013, investigating how recycling is influenced by the dynamics of the household (see case study below).

In 2013, we will continue to look at ways in which we can begin to address our nine key innovation questions.

**COLLABORATION**

We know that we are unlikely to achieve our goals alone. To bring about new ways of thinking and working, we will need to forge new partnerships up and down our value chain, with suppliers and customers – and beyond – with all NGOs, subject matter experts and many others.

Our goal to step change plastics reprocessing in Great Britain and France has led us to develop new partnerships over the past two years. Previously in these countries, little food-grade recycling infrastructure existed, so most plastics were exported for reprocessing, as was the case in Great

Britain, or, as in France, they were used predominantly by the textile industry, in both cases limiting the availability of food-grade recycled PET. In 2011, we formed a joint venture with ECO Plastics in Great Britain to develop 'Continuum', now the biggest plastic bottle reprocessing facility in Western Europe.

The output from this facility allowed us to meet our goal of using 25 percent recycled PET in all our plastic packaging by the end of 2012. As a result of this successful collaboration, we launched a second plastics reprocessing joint venture in France in 2012. This partnership, with our PET supplier, APPE, will also significantly increase the availability of recycled plastic in France (see Factsheet 14).

We will continue to encourage collaboration up and down our value chain. In 2012, we held our third Supplier Sustainability Summit for our top 60 suppliers to generate further ideas on ways in which we can work together to drive change. In 2013, we plan to expand this Summit to include a wider range of stakeholders.

**CASE STUDY**

**'Recycle for the Future' Project**

Surveys of the populations in Great Britain and France indicate that most people said they recycle most of the time. However, recycling rates are lower than these claims suggest – around 50 percent in both countries, despite widespread availability of kerbside recycling programs, indicating a disconnect between people's perception and the reality of their behavior.

As a result, we have launched a research project with the University of Exeter to understand more about recycling behavior in the home – where we know most packaging is thrown away. We want to find out what is stopping people from recycling every time. Few studies have looked in depth at the role of the household in environmental decision making yet recycling often tends to be a 'household'-based activity, and the research aims to unpack the dynamics of the household and understand how this influences at-home recycling behaviors.

In 2013, we will select 20 households across Great Britain and France for a detailed ethnographic study of how packaging materials flow through the home and the decisions that are made for them to be disposed in the correct bin. This will help to inform a second phase of interventions to encourage people to recycle more.

**"This is an extremely exciting project which is energizing the team at the University of Exeter. It's about being innovative with households to collaboratively come up with co-created, co-produced solutions for increasing recycling rates that actually relate to people's everyday lives."**

Dr. Stewart Barr,  
Associate Professor of Geography,  
University of Exeter.



**"I saw the opportunity to bring in-house the printing of graphics for our cold drinks equipment and devised a new digital printing process, 'Digiprint'. This gives our customers the flexibility to customize the appearance of their coolers and vending machines and has scope for use on other applications from brand labels to advertising materials. So far, Digiprint has delivered cost savings and environmental benefits as it allows us to reuse existing materials. As a result it will be rolled out across all of our CCE cold drinks centers during 2013 and 2014."**

Marco Callaerts,  
Cooler Services, Londerzeel, Belgium



**RECYCLE FOR THE FUTURE**

# A Legacy of Success



## Fiona Britten

Fiona was one of sixty CCE employees chosen to run with the Olympic Torch as a result of their amazing contributions to society. Fiona was selected on account of her tireless fundraising for a wide range of charities.

## INTRODUCTION

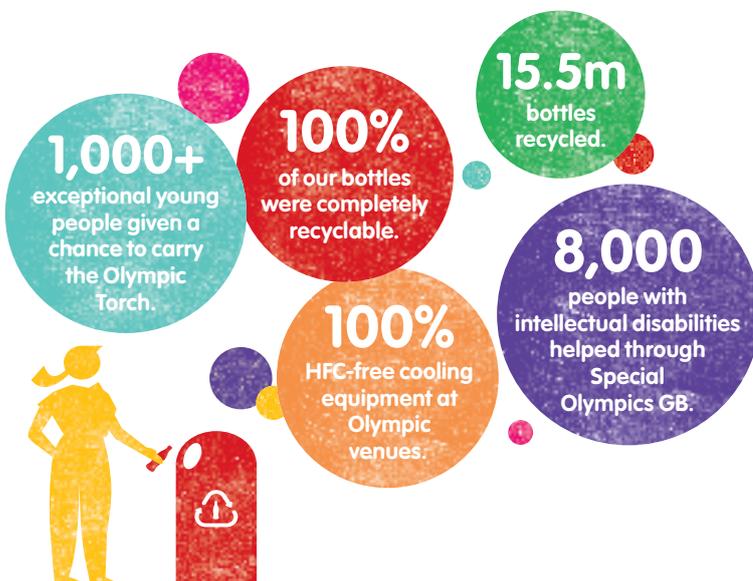
The Coca-Cola Company's sponsorship of the London 2012 Olympic and Paralympic Games was an opportunity for CCE to play a part in delivering the most sustainable Games ever.

### OUR OLYMPIC GAMES STRATEGY

Sustainability was central to the London 2012 Games from the start. Working with the London Organising Committee of the Olympic and Paralympic Games (LOCOG), The Coca-Cola Company began by identifying three priorities for ensuring a sustainable presence at the Games:

- Promoting health and wellness.
- Reducing our carbon emissions.
- Helping to deliver a zero-waste Games.

Using the success of its brands and its resources as a bottler, CCE was heavily involved in meeting these commitments.



## PROMOTING HEALTH AND WELLBEING

As part of our commitment to helping people to lead active, healthy lives, we offered the widest range of drinks provided at any Olympic or Paralympic Games – 19 products in all. Waters, juices and low/no-calorie options accounted for 73 percent of all the drinks we sold or gave away.

All our carbonated soft drinks, plus Powerade and GLACÉAU Vitaminwater™, carried guideline daily amount (GDA) information, helping consumers to make informed choices. Branding at Olympic venues reflected the focus on low/no-calorie options with menu boards displaying GDA information.

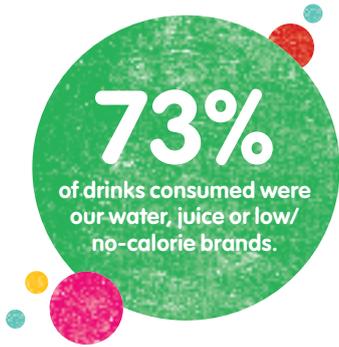
We also championed young people who had made a positive contribution to their local communities and environment. Through the 'Future Flames' program, 1,000 inspirational youngsters were given the chance to carry the Olympic Flame in the Olympic Torch Relay.

Our sponsorship of the StreetGames charity helped to provide sporting opportunities to young people from disadvantaged communities across the country. We also supported Special Olympics GB in bringing similar opportunities to people with intellectual disabilities.

## REDUCING OUR CARBON EMISSIONS

Before the Games, we used a low-carbon fleet of vehicles to support the Olympic Torch Relay.

As part of reducing our carbon emissions during the Games, every Coca-Cola cooler



Thanks to our carbon reduction initiatives, our emissions during the Olympics were 12 percent lower than they would have been otherwise.

Over their expected six-year lifetime, the 14 biogas trucks introduced for the Olympics will cut CO<sub>2</sub>e emissions by an estimated 1,800 tonnes.

installed at an Olympic or Paralympic venue was HFC-free, energy efficient and used LED lighting. These have now been re-installed in customer premises, accelerating our transition to HFC-free coolers across Europe.

Products were delivered to Olympic venues from a new, low-carbon, 'Voltaic' warehouse equipped with photovoltaic roof panels to generate solar electricity, skylights covering 15 percent of the roof (against an industry norm of 10 percent) to reduce the need for internal lighting, motion-sensor lighting to cut our electricity use, a ground source heat pump to supply heating and cooling for the offices and a rainwater harvesting system to reduce our water footprint.

During the Games, we used 14 biogas trucks to make deliveries to our customers in the London area. These are powered by methane from a landfill site in Surrey and each has a carbon footprint less than half that of a typical diesel truck.

**HELPING TO DELIVER A ZERO-WASTE GAMES**

At all London 2012 venues, packaged Coca-Cola products were served in 100 percent recyclable plastic bottles containing 25 percent recycled content. In addition, Coca-Cola, Diet Coke and Coke Zero were served in PlantBottle™ packaging containing up to 22.5 percent plant-based material as well as 25 percent recycled PET plastic (rPET) sourced from our own joint venture recycling factory in Lincolnshire. This use of recycled material helped us meet our target of including 25 percent rPET in all PET packaging by the end of 2012.

Every piece of clear PET plastic waste recycled at London 2012 was taken to Continuum Recycling – our plastics reprocessing facility – and turned into new bottles within six weeks. We could therefore communicate the message that a bottle served at the opening ceremony of the

Olympic Games was back on a shelf before the end of the Paralympic Games.

To encourage visitors at the Games to recycle their empty packaging, we provided recycling bins around the Olympic Park and devised fun ways to prompt people to use them.

As far as possible, we used recycled materials for our staff uniforms, Olympic Park signage and licensed merchandise and arranged for these materials to be recycled or reused after the Games.



**"In 2011, I completed 515 hours of voluntary first aid work for St John Ambulance – more than 6,000 hours since 2001. In recognition of my volunteering commitment to this charity, I was one of a number of employees chosen by CCE to be an Olympic Torchbearer. On the 21st June, 2012, I carried the Olympic Flame in Flimby, Cumbria – a truly incredible experience, where I was cheered on by my family, friends and colleagues, and which has helped to make me even more passionate about volunteering in the future."**

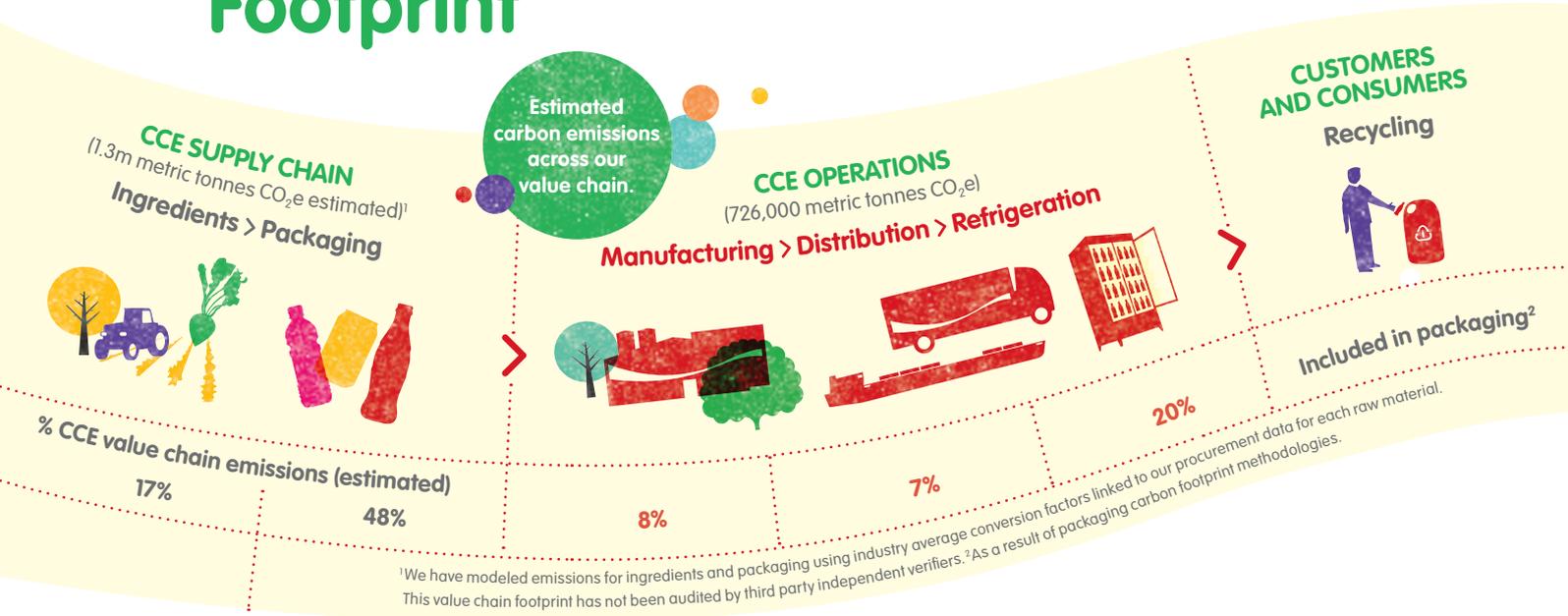
Jackie McCann,  
Manager-QESH, Systems, CCE, Uxbridge



Our 'Continuum' Recycling facility processed more than 15 million PET bottles collected from the Games, avoiding 290 tonnes of waste to landfill and saving an estimated 310 tonnes of carbon.



# Our Carbon Footprint



**OUR COMMITMENT**

We will reduce the carbon footprint of the drink in your hand by a third by delivering carbon reductions throughout our entire value chain.

**INTRODUCTION**

We have been working to calculate and reduce our operational carbon emissions from manufacturing, distribution and refrigeration, since 2007 and have calculated this footprint to be at 726,000 tonnes. However, this accounts for just over one third of our emissions across our value chain, which we estimate to be just over 2 million tonnes. As a result, in 2011, we set a wider, value chain-based goal to reduce the carbon footprint of our average product by one third by 2020.

Nearly 50 percent of the emissions across our value chain come from our packaging materials. Of this, we estimate around 60 percent comes from our cans and 20 percent from our plastic (PET) bottles. We are focused on working with our suppliers to reduce these impacts over time. For more information on how we are doing so please see Factsheets 6 (Suppliers and Sustainability) and 13 (Sustainable Packaging). We are enhancing our value chain data and aim to be able to report more accurately on these wider impacts in coming years. Our operational data is robust and audited by a third party and is reported within this factsheet.

**OUR OPERATIONAL CARBON FOOTPRINT 2007-2012 BY EMISSION SOURCE<sup>1</sup>**

	2007	2008	2009	2010	2011	2012
<b>Operations and Commercial sites</b> (tonnes CO <sub>2</sub> e)	193,435	191,807	189,323	187,530	174,507	<b>168,396</b>
<b>Cold Drinks Equipment</b> (tonnes CO <sub>2</sub> e)	532,434	557,010	512,715	505,017	432,484	<b>403,538</b>
<b>CCE Fleet</b> (tonnes CO <sub>2</sub> e)	47,548	51,033	49,702	48,883	46,603	<b>46,270</b>
<b>Third Party Distribution</b> (tonnes CO <sub>2</sub> e)	74,002	85,592	94,377	94,794	106,934	<b>99,002</b>
<b>Other (including business travel)</b> (tonnes CO <sub>2</sub> e)	6,015	5,517	8,113	3,864	8,853	<b>8,398</b>
<b>TOTAL</b> ('000 tonnes CO <sub>2</sub> e)	<b>853</b>	<b>891</b>	<b>854</b>	<b>840</b>	<b>769</b>	<b>726</b>

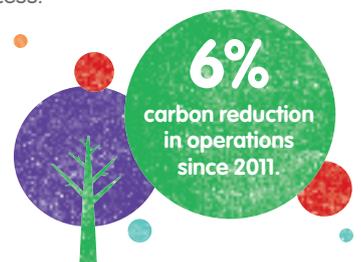
1. Please note that because we use anaerobic waste water biogas at Wakefield, Great Britain, this generated emissions of 158 metric tonnes of CO<sub>2</sub>e in 2012. We do not include the associated CO<sub>2</sub> emissions under Scope 1 of our footprint in alignment with the WRI/WBCSD Protocol.

**OUR OPERATIONAL CARBON FOOTPRINT**

To support our goal to reduce the carbon footprint of the drink in your hand by a third, we have set a target to reduce the absolute carbon footprint of our business operations by 15 percent by 2020 from a 2007 baseline.

Our business operations include our manufacturing processes, facilities, fleet, offices, cold drinks equipment and our business travel. We measure emissions from these activities across our entire business in eight Western European territories: Great Britain, France, Belgium, Luxembourg, the Netherlands, Monaco, Norway and Sweden and also for our offices in the United States.

In 2012, using the WRI/WBCSD Greenhouse Gas Protocol, we measured the carbon footprint of our business operations at 726,000 metric tons of CO<sub>2</sub>e for the period 1 January 2012 – 31 December 2012. This is a reduction of 6 percent, or around 44,000 metric tons CO<sub>2</sub>e in comparison with 2011. We have also reduced our footprint by 128,000 metric tonnes CO<sub>2</sub>e, or 15 percent from our 2007 baseline, meeting our 15 percent reduction target. We will consider how to evolve this goal in the coming year and will seek stakeholder input during this process.



### OUR EMISSIONS BY SCOPE

Under the WRI/WBCSD Protocol, we divide our emissions into three 'scopes' except for CO<sub>2</sub> emissions from biologically sequestered carbon which is reported separately.

- **Scope 1:** Direct sources of emissions such as the fuel we use for manufacturing and our own fleet of trucks, vans and cars, our process and fugitive emissions.
- **Scope 2:** Indirect sources of emissions such as the electricity we use at all our sites.
- **Scope 3:** Emissions generated by third parties over which we have control, such as the electricity used in our coolers and vending machines at our customers' premises, our employee business travel by rail, air and road<sup>1</sup>, emissions relating to the supply of water and treatment of wastewater, emissions from waste to landfill and solid incinerated waste where energy has been recovered, and the fuel used by our third party distributors.

We measure and seek to reduce our Scope 3 emissions (those that do not occur at the sites of our business operations but that result from our business) because they are significantly greater than our Scope 1 and 2 (core) emissions. Our Scope 1 and 2 emissions are independent of any greenhouse gas trades.

### ENHANCEMENTS

We are enhancing our data collection processes all the time. In 2012, a new database was developed by our Cooler Services team which has reduced manual data entry and helped to improve its quality. We have also rolled out our data systems for our manufacturing sites to our cold drinks centers and distribution sites, making data capture easier.

### SOURCES OF DATA AND CALCULATION METHODOLOGIES

We use an operational control consolidation approach to determine organizational boundaries. Data is consolidated from a variety of sources, including our manufacturing facilities, fuel use and cold drinks equipment energy use, then analyzed centrally. We used a variety of methodologies to gather data and measure each part of this footprint:

- Energy data: from metered sources, supplier invoices or estimated (e.g. our bottle sorting facility in Norway is estimated based on its floor area in comparison to Norway's main production site).
- Refrigerant gas losses: from contractors' re-gassing invoices.

- CO<sub>2</sub> fugitive gasses: from measuring our opening and closing stock levels and subtracting the quantity of CO<sub>2</sub> in our products and CO<sub>2</sub> used in effluent waste water treatment.
- Cold drinks equipment: emissions are derived from using average hourly energy consumption rates and subtracting any CRS initiative savings over the reporting time period.
- Transport fuel: based on actual liters used or calculated based on kilometers recorded.
- A small proportion of our manufacturing carbon footprint relates to the supply of water, treatment of wastewater and waste management. These are calculated by using litre and kg data respectively.
- Energy, fuel and fugitive gas raw data are all multiplied by emission factors or Global Warming Potential Factors: Electricity (IEA 2010), non-Electrical (DEFRA 2012) and district heating from suppliers.

Approximately 2 percent of our operational carbon footprint is based on estimated emissions, for example, energy from leased offices which are shared with other companies or indirect emissions from some third-party hauliers.

### Greenhouse Gasses (tonnes CO<sub>2</sub>e)<sup>2</sup>

SCOPE		Carbon Dioxide (CO <sub>2</sub> )	Nitrous Oxide (N <sub>2</sub> O)	Methane (CH <sub>4</sub> )	Hydro-fluorocarbons	TOTAL (SCOPE) (tonnes CO <sub>2</sub> e)	% Footprint
SCOPE	1. Direct emissions (e.g. fuel)	123,129	414	94	763	124,399	17%
	2. Indirect emissions (e.g. electricity)	89,882	0	0	0	89,882	12%
	3. Related third party emissions (e.g. from cold drink equipment)	510,115	1,166	41	0	511,323	70%
<b>TOTAL (GHG)</b>		<b>723,126</b>	<b>1,581</b>	<b>134</b>	<b>763</b>	<b>725,604</b>	<b>100%</b>

**"The Energy and Climate Change Steering Group is really proud of the leadership we demonstrated this year across a wide range of carbon reduction strategies. Through improved reporting and effective prioritization we made significant progress in reducing the carbon footprint of our core operations. This is reflected in the successful London 2012 low-carbon Olympics and industry recognition for our sustainability leadership in both manufacturing and fleet management. In 2013, we will focus on collaborating with suppliers such as Ardagh to further reduce our value chain carbon footprint."**

Chris Childs  
Associate Director, Technical Solutions and Chair, Energy and Climate Change Steering Group, CCE, Uxbridge



#### ENERGY USE

We use a variety of sources of energy in our operations which all contribute to our carbon footprint. Our energy use in 2012 was as follows:

#### CCE Energy Sources and Use – 2012

<b>Direct energy consumption by primary energy source</b>	Total energy purchased and consumed by source (MWh)	Natural gas	161,788
		LPG	29,900
		Light Fuel Oil	4,566
		All Diesel and Petrol	189,390
		Biofuel	1,575
<b>Indirect energy consumption by primary source</b>	Total electricity purchased and used (MWh)	340,758	
	Total heat purchased and used (MWh)	20,747	
<b>Energy used in cold drinks equipment</b>	Energy used in cold drinks equipment (MWh)	1,543,347	

1. Road travel is GB and Norway only.  
2. Please note we do not have PFCs or SF6 emissions.

# Energy and Renewable Energy



We have installed renewables such as solar panels on several facilities including Edmonton in London (pictured) and have an on-going program of certification to the energy management standard ISO 50001, which we received at Chaudfontaine, in Belgium, in 2012.

**OUR COMMITMENT**

**We will reduce the carbon footprint of the drink in your hand by a third by delivering carbon reductions throughout our entire value chain.**

**INTRODUCTION**

**We've set rigorous targets for reducing emissions across our value chain and are determined to help secure a low-carbon future.**

**We continue to make our manufacturing more energy-efficient. In 2012, we invested \$26 million of capital expenditure in carbon reduction projects.**

**DATA SUMMARY**

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Manufacturing</b> Manufacture every liter of product with 50 percent less carbon emissions.	CO <sub>2</sub> e per liter of product manufactured	2020	30.78 <sup>1</sup>	27.76	25.37	<b>25.50</b>
	Energy Use Ratio (KWH/liter)	2020	88.201	88.37	81.67	<b>81.52</b>
<b>Alternative Energy</b> Source 35 percent of manufacturing energy from renewable/low-carbon sources.	Energy sourced from renewable/low-carbon sources (%) <sup>2</sup>	2020	Work in progress to determine calculation methodology			

1. Does not include Norway and Sweden.  
2. Including grid renewable energy.

**OUR STRATEGY**

Around 70 percent of the carbon emissions from our manufacturing and distribution sites come from electricity and gas. For our production operation our target is to halve the carbon emissions involved in producing a liter of product by 2020 by making our facilities more efficient and investing in renewable energy.

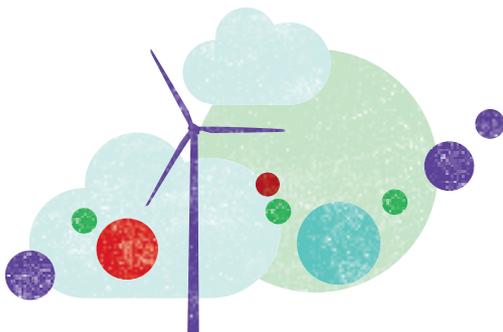
**ENERGY**

In 2012, we used 9.45 percent less energy in our manufacturing operations than in our baseline year of 2007 – 522,804 megawatt hours (MWh), down from 577,368 MWh. This has been achieved by improving our energy management and deploying energy efficient technologies.

**Energy management**

During the year we continued to extend best practice in carbon management across the business. We've done so using three different mechanisms – our own best-practice scorecard, CCE's operational excellence program and The Coca-Cola Company's 'Top 10 Energy Saving Practices' campaign jointly run with WWF. This year six of CCE's plants (Antwerp, Gent and Chaudfontaine in Belgium, Marseille and Toulouse in France and Dongen in the Netherlands) completed the 'Top 10 Energy Challenge' linked to the campaign.

We also use monitoring and targeting (M&T) systems which enable us to track the use of energy on our production lines and other energy-intensive equipment. To improve our carbon management still further, we recently piloted a link between M&T and our SAP



# 95%

CCE's score in the Carbon Trust Standard assessment, the highest ever awarded.  
4 sites now certified to energy management standard ISO 50001.

**"In 2011, we started implementing a new Monitoring and Targeting (M&T) system at our Dongen plant in the Netherlands. By linking electricity and water meters to this system, we can gain greater insight into our use of electricity, compressed air and steam for specific processes. This means we can identify losses and act quickly to solve these. We now monitor energy and water usage daily. This system helps us to improve our efficiency significantly and will continue to do so into 2013."**

Frank van Mossel,  
Manager, Environment, Dongen, the Netherlands



business system and implemented an advanced version of M&T at our Dongen plant in the Netherlands. The system is now fully operational and being used on a daily basis to analyze energy usage real time and to produce detailed reports comparing energy usage against specific targets (see employee spotlight).

The four sites of Wakefield and East Kilbride in Great Britain, Chaudfontaine in Belgium and Dunkerque in France have gained certification to the new energy management standard, ISO 50001. This helps in identifying priorities and installing systems to achieve them.

Our energy management efforts were recognized when CCE received the highest ever score of 95 percent in its Carbon Trust Standard assessment. As a result of this score, the company was recognized as one of the leading performers in carbon management by The Carbon Trust in 2012.

### Energy-efficiency improvements

We continue to develop and roll out best practices and energy-efficient technologies and to make sure our sites implement them consistently. Recent developments include:

- **Upgrading and replacing boilers**

We replaced older steam boilers with new, efficient steam or hot water boilers at Chaudfontaine, Belgium, and Sidcup, Great Britain and installed three new energy-efficient burners in boilers at Edmonton and Milton Keynes in Great Britain (see case study below).

- **Ambient filling**

We're investing in new fillers which work at ambient temperatures so we don't

have to cool down the beverage to fill the package. In 2012, we introduced three new fillers for PET bottles, a new glass filler and a new can line.

- **Borehole water cooling system**

At Sidcup, in Great Britain, we use water from a borehole in a closed system for cooling purposes and return it to groundwater. This enables us to save a significant amount of energy without depleting the aquifer.

- **Gas oven for packers**

Two electric packers in Antwerp and Gent in Belgium have been replaced by new machines that use gas as a heating source to shrink film for bottle or can packs. As a result of this improved efficiency, energy consumption has been reduced by 25 percent. The conversion from electricity to gas allows an additional carbon reduction of 15 percent. In 2013, 13 packers will be converted to gas supply.

### ALTERNATIVE AND RENEWABLE ENERGY

Alternative and renewable energy is a key part of our Energy and Climate Change strategy. We have a number of projects implemented and several more being developed. Our target is to source 35 percent of manufacturing energy from alternative sources by 2020.

#### District heating

District heating provides significant efficiencies by enabling businesses and homes to use a centrally generated source of heat. Our Norwegian and Swedish sites use district heating systems fuelled by biomass, drawing 25 percent and 36 percent of their energy respectively from this source.

#### Combined Heat and Power (CHP)

In Great Britain, we're investigating whether CHP technology would enable our Wakefield plant to produce electricity from natural gas and to reuse the heat generated in this process on site.

#### Solar photovoltaic

We're extending our use of solar photovoltaic panels. In 2012, we installed further panels at Sidcup, Edmonton and Wakefield in Great Britain and more are planned for our plant in Marseille, France, and our new head office in Uxbridge, Great Britain. These latest installations will be used in car ports for powering electric vehicles.

#### Wind

Recent tests of a 70-meter-tall wind mast at Northampton, Great Britain, proved there was insufficient wind strength to make the project viable. We are, however, developing plans for wind turbines in Gent, Belgium, and Dongen in the Netherlands.

#### CASE STUDY

##### Optimizing our bottle blowers

In 2012, we completed the first phase of a program to make our bottle-blowers more efficient. Across 15 sites, we evaluated the pressure on 52 lines and identified and implemented 28 improvements such as installing ceramic reflectors, air recovery systems and reducing pressures where possible. In 2013, we'll upgrade the ovens of 18 machines at nine sites. All these measures together will reduce the energy used in our bottle blowers by around 15 percent.



#### CASE STUDY

##### Carbon dioxide vaporization

To carbonate our drinks, we buy CO<sub>2</sub> in liquid form and need to vaporize it before adding it to the beverage – a process that requires heat. Heat is traditionally supplied by electrical heaters or steam. We're now implementing alternative solutions that recover, through heat exchangers, the heat from process water or chilled water. The temperature of process water or chiller water is then reduced. This brings a secondary benefit by reducing the energy used by the chillers to cool down process water. The project has been rolled out across ten of our sites and others are being considered for 2013.

# Transportation and Distribution



In 2012, in the Netherlands, we were the first to introduce three 45-tonne, 100 percent biogas-powered trucks to the global Coca-Cola system. These provide well-to-wheel carbon reductions of up to 80% (see case study).

## OUR COMMITMENT

We will reduce the carbon footprint of the drink in your hand by a third by delivering carbon reductions throughout our entire value chain.

## INTRODUCTION

Transporting our products generates a relatively small part of our carbon footprint. Nevertheless, with more than 114 million kilometres driven every year, it is a fundamental part of our operations. As volumes increase, we need to find new, less carbon-intensive ways of distributing our products.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
Transportation Deliver a case of product with 20 percent less carbon emissions	CO <sub>2</sub> e per case of product	2020	Measurement in progress			

## OUR STRATEGY

Our goal by 2020 is to deliver a case of product with 20 percent less carbon emissions than in 2007. We will do this by:

- Driving fewer kilometers – by optimizing our logistics network and working with our customers to employ techniques such as backhauling.
- Reducing the carbon emissions of every kilometer driven – by improving the efficiency of our own vehicles and those of our distribution partners, using alternative fuels and technologies and driver training.

## NETWORK OPTIMIZATION AND BACKHAULING

The process of network optimization continues to reduce carbon emissions by making our distribution more efficient. One way we're doing this is by developing more production and storage capacity at key sites to minimize our long-distance freight. In 2012, for example, we expanded production in France at Clamart and Marseille and we're currently building more warehouse capacity at Wakefield in Great Britain and Dongen in the Netherlands.

We've continued to expand our backhauling systems in Great Britain, Sweden and France, ensuring, as far as possible, that trucks are loaded on both outward and return journeys. As a result we've removed just over 1.3 million road miles during 2012.

Backhauling requires complex logistics and information-sharing, within the legal boundaries, with customers and suppliers. We have backhaul arrangements in place

with 23 major customers for some delivery routes and similar arrangements, for example, with companies that supply our cans in Sweden and pallets in Dunkerque, France.

**REDUCING EMISSIONS FROM OUR OWN FLEET**

**Alternative technologies and fuels**

CCE is leading the way in new carbon-reduction technologies. In particular, working with our own fleet and third parties, we aim to replace conventional diesel trucks with more efficient vehicles such as 'Eco-Combis' or trucks that use cleaner fuels, partly or completely from renewable sources. In 2012, 9 percent of our distribution kilometers across Europe were powered by alternative technologies or fuels.

For example, in Sweden, we've switched from fossil fuels to biodiesel in our trucks. We currently run 75 percent of all our Swedish fleet on this biofuel and are working towards 90 percent. We deployed a fleet of 14 biogas-powered vehicles for the London 2012 Olympic Games and in January 2013, the Netherlands also introduced the first 45-tonne, 100 percent biogas-powered truck in the worldwide Coca-Cola system (see case study below).

To benchmark our progress and demonstrate our commitment to developing low carbon vehicles and fuels, we have signed up to the Lean & Green program in the Netherlands and Belgium and the FTA Logistics Carbon Reduction scheme in the UK. We are also part of the Haga Initiative in Sweden which focuses on emissions from logistics among other sources.

**Driver training**

In recent years we've provided 'eco-driving' training to our drivers in the Netherlands, Great Britain and Belgium. We've also installed computers that record how a vehicle is being driven so drivers can improve their fuel-saving techniques.

**Speed and emission 'caps'**

In Belgium, the smaller trucks delivering our products to stores have been modified to limit their speed to 80km per hour and so save fuel.

Across our territories, we've reduced emissions from our corporate car and van fleet by introducing CO<sub>2</sub>/km caps for our list of cars, offering eco-friendly models to our employees and choosing energy-efficient vans. We're also testing electric cars to better understand if they may be suitable for our needs.

**REDUCING EMISSIONS FROM THIRD-PARTY VEHICLES**

Most of our deliveries are made by third-party hauliers with whom we work closely to save road miles and reduce CO<sub>2</sub>e emissions. Developments in 2012 included:

- **Dual-fuel HGVs**  
Based on successful trials of dual-fuel, 44-tonne heavy goods vehicles (HGVs), one of our suppliers purchased 20 of these vehicles to deliver CCE's products to the Olympic Park during the London 2012 Games. Until alternative fuels and truck technologies become more viable, we see dual-fuel vehicles as a key element of our green distribution strategy (see case study below).
- **Eco-Combis**  
In the Netherlands, we have expanded our use of Eco-Combi vehicles to a fleet of ten trucks which reduce emissions per pallet by 20 percent.
- **Engine Optimization**  
In France, we have worked with our third party contractor to optimize the engines of vehicles which carry products from the factory to the external warehouse at Dunkerque and to make deliveries to the Paris distribution center of the French supermarket, Monoprix, reducing emissions on this route by 25 percent.
- **Electric Vehicles**  
In addition to testing electric cars we now also deliver our GLACÉAU vitaminwater™ in electric vehicles in Paris.
- **Double-stacked trailers**  
In most instances our distribution is limited by weight, however, where possible we stack to double the height within the trailer and carry more product per journey. In 2012, we introduced three trailers designed for this purpose. These are now used between the factory and the warehouse at Wakefield in Great Britain.
- **River transport**  
After good results from a trial in 2011, the feasibility of river transport in the Netherlands received a further boost at the beginning of 2013 with the opening of a new harbor near our plant at Dongen. We continue to review the possibilities with our river transport provider.

CASE STUDY

**Biogas trucks in the Netherlands**

In January 2013, we introduced, in the Netherlands, the first large trucks in the Coca-Cola system to be powered on 100 percent biogas. This is a pioneering project which is pushing the limits of biogas technology – at present we can only deploy these trucks on relatively flat routes such as those between Gent and Dongen as they are less powerful than conventional diesel vehicles. As the technology develops, we expect more powerful versions to become available. The trucks themselves use biogas derived from landfill, thereby using latent energy from waste, but at present this has to be transported from the UK because there is no local source. Despite this, the trucks are providing an 80 percent well-to-wheel carbon emission saving which has been independently certified and they also result in less noise and fewer local air quality emissions.



**Alternative fuels in Sweden**

**"A few years ago we started to use rapeseed oil instead of regular diesel with our hauliers to some of our regional terminals. In 2012, one of our hauliers invested in a dual-fuel truck using 75 percent liquid biogas and 25 percent regular diesel. By using the biogas, the carbon footprint is reduced by 75 percent. This dual-fuel truck travels 1,300km per day, five days a week transporting empty cans from our supplier in Malmö to our plant in Stockholm and then transporting finished goods from Stockholm back to our regional terminal in Malmö. In 2012, we had one truck running full time for CCE and we plan to have two more dual-fuel trucks running in 2013."**

Par Samuelsson,  
Transport Manager, CCE Sweden



# Cold Drinks Equipment



This cooler is fitted with an energy management system (EMS-55) which means that it uses up to 35 percent less energy.

## OUR COMMITMENT

We will reduce the carbon footprint of the drink in your hand by a third by delivering carbon reductions throughout our entire value chain.

## INTRODUCTION

At the end of 2012, we had approximately 584,062 pieces of cooling equipment (coolers, vending and fountain machines) in the marketplace, operated by CCE customers on their own premises. As our cold drinks fleet is the largest source of carbon emissions from our core business, we've made significant investments in this equipment in recent years. From energy management systems to LED lighting, we're constantly exploring new solutions to help us reduce our carbon footprint.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
Cold Drinks Equipment Reduce the carbon emissions from our cold drinks equipment by an average of 35 percent.	Average CO <sub>2</sub> e per unit of equipment	2014	0.91	0.88	0.74	<b>0.68</b>
	CO <sub>2</sub> e reduction from 2007 baseline (%)	2014	-4%	-5%	-19%	<b>-24%</b>
Purchase only HFC-free coolers from 1 January 2013.	HFC-free coolers purchased (%)	2013	4%	50%	82%	<b>87%</b>

## OUR STRATEGY

We aim to reduce the carbon emissions of our cold drinks equipment by an average of 35 percent between 2007 and the end of 2014. We are doing this by improving the efficiency of our existing equipment by retrofitting energy-saving devices, LED lights, and doors on open-fronted coolers. We also specify high standards for new coolers and are working to remove gases with high global-warming potential such as hydrofluorocarbons (HFCs) from our fleet. Since January 2013, we have purchased only HFC-free coolers.

## EXISTING COOLERS

We continue to make existing coolers and vendors more efficient. In 2012, we refurbished 37,042 units at six service centers across our territories and retrofitted energy-efficient technology to another 34,648 units in the field.

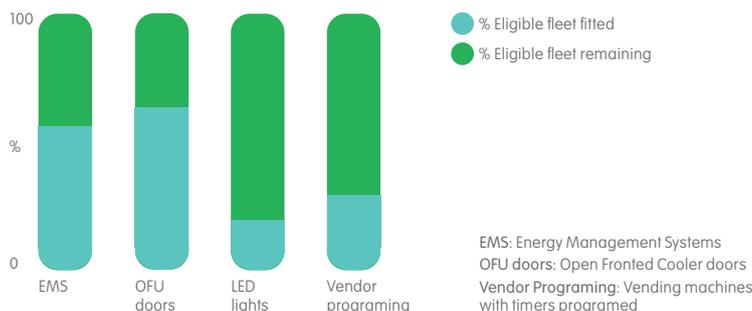
We're making our existing coolers more efficient in a number of ways:

### Fitting doors

By fitting doors to our large, open-fronted coolers, we can reduce their energy use by up to 50 percent. We have now fitted doors to 52 percent of our open-fronted cooler fleet and aim to reach 75 percent by 2014. Of the remainder, 15 percent are in outlets with particular constraints (lack of space for hinged doors, for example) and 10 percent are models we will phase out over time.

In addition, we've started fitting doors to our 14,000 smaller, open-fronted 'impulse' coolers. We converted 482 units in 2012 and plan to fit doors to 2,300 more in 2013.

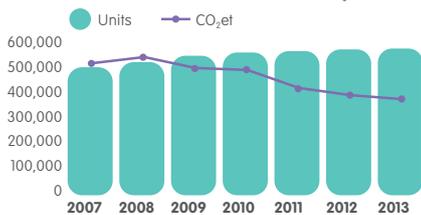
## COLD DRINKS EQUIPMENT – ENVIRONMENTAL TECHNOLOGY ROLL-OUT





**59%**  
of our eligible coolers are now fitted with energy management system (EMS) devices.

**Growth of CCE's CDE fleet and reduction in carbon footprint**



**Improving efficiency**

Between 2007 and 2012, our equipment fleet grew by over 14 percent or 72,000 additional units. Over the same period, the carbon footprint of the fleet fell by 24 percent.

**More efficient lighting**

We continue to replace the standard fluorescent lighting in our coolers and vending machines with long-life LEDs, which can be up to 80 percent more efficient. Around 20,278 coolers and vending machines were fitted with LEDs in 2012, bringing the total number in our fleet to 88,454.

**Energy management devices**

Our intelligent EMS-55 energy management system device recognizes patterns of use and responds by shutting off lights and adjusting temperatures when the cooler is not being opened regularly. This can reduce the cooler's energy consumption by up to 35 percent. In 2012, we fitted 20,733 EMS devices, so that 35 percent of our coolers and 34 percent of our vending machines now use this technology. We aim to install a further 18,374 devices in 2013.

In 2012, we introduced the more compact EMS-25 Plus device for smaller, single-door units and for larger coolers and vendors that don't have space for an EMS-55. This can also save up to 35 percent of the cooler's energy use and its introduction has allowed us to extend our EMS program to several smaller models.

**Programing our vending machines**

Certain models of our vending machines can also be programed to save up to 25 percent of energy used. In 2012, we programed 1,212 machines in this way.

**NEW COOLERS**

We have high standards for the new coolers that we buy and install in our customers' premises. We no longer buy open-fronted units and all new coolers with a capacity of over 250 liters now come with an EMS device pre-installed.

Where possible, our new purchases now come with Electronically Commutated (EC) fans and motors. These are more expensive than previous versions, but are more energy-efficient and cheaper in the long run. In Great Britain, Belgium and the Netherlands, we now replace any failed fans or motors with an EC component.

**REMOVING HFCs**

HFC refrigerants are greenhouse gases that can be harmful to the environment if they leak or are released when equipment is disposed of incorrectly. To prevent leakage, our equipment is maintained to high standards by our technical centers and field engineers. We also have systems in place for safe disposal and we no longer purchase equipment that contains HFC insulation.

In 2012, approximately 87 percent of all our new cooler purchases were HFC-free – and we have worked with our suppliers to ensure that 100 percent of coolers purchased from January 2013 will be HFC free. CCE is the first Coca-Cola bottler to meet this commitment, with the vast majority of other bottlers planning the transition in 2015.

**OTHER COOLING INNOVATIONS**

We're constantly looking at new ideas and opportunities for reducing the carbon footprint of our cooling equipment. In 2012, we trialed an energy-saving solution for the units used to cool fountain drinks in venues such as pubs and cinemas. This will be rolled out in partnership with our customers in 2013.

**"I work in field engineering, servicing vending machines, coolers and fountain equipment. Over the past two and a half years, I have fitted over 1,100 energy management systems (EMS) and 300 low energy LED lights to make our coolers more efficient. In 2012, I made 50 more conversions than any other technician. I'm extremely proud of the impact of this work on reducing our refrigeration emissions and am looking forward to fitting doors to our coolers and EMS systems on our fountain equipment to reduce emissions further in 2013."**

Graham Cartledge,  
Technical Representative, Milton Keynes, GB



**CASE STUDY**

**Developing LED lighting**

Fluorescent lights produce heat and can constitute up to 30 percent of a cooler's energy consumption. CCE has been leading the way in replacing these with LED lighting. LEDs are significantly more efficient and require less maintenance. Fitting the first generation of LED lights required breaking the wiring circuit of the machine so, working with our supplier, Philips, we have used next generation 'tube' LEDs, which are much quicker to fit into existing fixtures. This helps us to reduce disturbance to our customers, improve the safety of our technicians and increase the reliability of the lighting.



# Sustainable Packaging

By the end of 2012, we achieved 25 percent recycled plastic (rPET) in all our bottles. Recycled PET has a lower carbon footprint than virgin PET so helps us to reduce the carbon embedded in our packaging.

## OUR COMMITMENT

**We will set the standard for sustainable packaging, achieve zero waste in our operations and recycle more packaging than we use.**

## INTRODUCTION

Packaging ensures the quality of our drinks and enables us to deliver them safely to our customers and consumers. But it can be carbon-intensive in its manufacture and too often is not recycled, despite the fact that nearly all our packaging is recyclable.

We estimate that packaging currently accounts for about half of the carbon emissions in our value chain. Reducing our carbon footprint means reassessing our packaging from design to disposal and making better use of natural and recycled resources. Our progress in sustainable packaging is strongly linked to our recycling initiatives which provide us with recycled materials.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Lightweighting</b> Reduce by 25 percent the amount of material we use across all packaging formats.	Packaging use ratio (g/liter product)	2020	n/a	131	127.5	<b>123.9</b>
	Total weight of packaging used (tonnes)	2020	355,626 <sup>1</sup>	363,062	384,521	<b>367,925</b>
<b>Recycled Material</b> Include recycled aluminum, steel and glass in respective packaging formats.	Recycled aluminum, steel and glass (%)	Ongoing	n/a	41%	42%	<b>41.2%</b>
	Total recycled materials used (tonnes)	Ongoing	n/a	123,624	130,035	<b>127,557</b>
<b>PET Bottles</b> Ensure that our PET bottles set the standard for sustainable packaging, using the optimal combination of recycled PET and PET from plant-based materials.	PET that is rPET <sup>2</sup> (%)	2020	10% <sup>1</sup>	17.9%	22.5%	<b>25%</b>
	PET bottles that are PlantBottle <sup>3</sup> (%)	2020	n/a	0.5%	25%	<b>26.9%</b>

1. Does not include Norway and Sweden.

2. Year end figures; for 2012, we used an average of 23.8% rPET over the course of the year.

3. Year end figures.

## OUR STRATEGY

We aim to set the standard in low-carbon, sustainable packaging and to contribute to CCE's goal of reducing the carbon footprint of the drink in your hand by a third by 2020. This will require using less material for each product, using more recycled and plant-based materials and making sure that our own packs are recyclable.

## USING LESS MATERIAL

Through a process we call lightweighting, we're constantly redesigning our packaging to reduce its weight without compromising its quality. This enables us to use less material and to reduce our carbon emissions. In the past year, we avoided using an additional 1,711 tonnes of packaging materials across our business.

Recent initiatives include:

- Reducing the weight of our 500ml PET plastic bottles from 24.7g to 21.7g across all markets. The process will be complete by the end of 2013 with the conversion of our final site at Clamart, France.
- Completing the lightweighting of our 1 litre pack in France and Benelux (down from 36.7g to 33.2g).
- Lightweighting our can ends. The program was completed in the Netherlands in 2011 with further changes in Great Britain and France in 2012. We will complete the changeover in Great Britain and France in the early part of 2013. The final conversion will be in Sweden in 2014.

In 2013, we'll complete the introduction of shorter caps for large plastic bottles in Great Britain. We'll also adopt shorter caps for our water brands at Chaudfontaine in Belgium and lightweight some of our non-returnable glass bottles in Great Britain.

**USING SUSTAINABLE MATERIALS**

A crucial step in developing sustainable packaging and reducing our carbon footprint is to use material from renewable sources – either bio-products or recycled material.

**Plastic from plants (PlantBottle™)**

Although the PET plastic used in our bottles is widely recycled, the virgin product still comes from non-renewable fossil fuels. We're looking for ways to make PET from renewable materials instead and have made progress in recent years (see case study below).

PlantBottle™ containing up to 22.5 percent plant-based material and 25 percent recycled PET (rPET) is now used in all territories for our 500ml PET Coca-Cola, Diet Coke, Coca-Cola Light and Coke Zero products. In 2012, we introduced it in our new 375ml pack and the 250ml PET pack. Our leadership in the use of biomaterials has been recognised with more awards including

'Sustainable Pack of the Year' at the 2012 Packaging Awards in Great Britain and a Gold Environmental Leadership accolade from the UK Food and Drink Federation.

We believe the best solution environmentally will be a combination of plant-based PET and rPET, minimizing the amount of virgin material. We're currently developing our carbon analysis systems to be able to identify the blend that will give us the lowest carbon footprint. By 2020, we intend that all PET bottles will contain a combination of plant-based material and rPET.

**Recycled materials**

Across all packaging types, our recycled content currently stands at 35 percent and we're committed to raising this figure.

• **Aluminum and steel**

It takes 95 percent less energy to produce recycled aluminum than aluminum from bauxite ore, so we've made it a priority to increase the recycled content of our cans. Current availability means that the amount of recycled aluminum or steel in each can is limited to around 50 percent. We're working with our can suppliers to improve recycling rates and boost this percentage.

• **PET**

Recycling PET uses about 60 percent less energy than producing the virgin product. However, recycling levels are lower than for metals as the market for rPET is less developed. To address the issue, we've recently invested in two new PET recycling facilities in Great Britain and France. As a result, by the end of 2012, we were able to ensure 25 percent<sup>4</sup> rPET in all our plastic packaging, initially at the London Olympic and Paralympic Games and, later in the year, across all our markets.

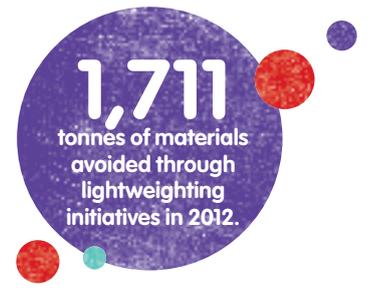
• **Corrugated (cardboard)**

Most of the corrugated cardboard we use comes from recycled sources, but needs to be mixed with a small portion of virgin fiber for strength. The majority of the virgin corrugated cardboard content in our packaging is from sources certified by the Forestry Stewardship Council (FSC). We continue to work with our suppliers towards full FSC certification for virgin material across all product lines.

**MAKING OUR PACKAGING RECYCLABLE**

One of our 2012 commitments was to ensure that all cans and bottles supplied at the London Olympic and Paralympic Games would be fully recyclable. Having met this objective, we're working towards the same target in all our territories by 2014.

4. Year end figures: for 2012, we used an average of 23.8% rPET over the course of the year.



**OUR 2012 PACKAGING FOOTPRINT**

In 2012, we used a total of 367,925 tonnes of packaging materials of different types across our countries of operation.

Materials used	Tonnes
Aluminum	52,687
Steel	46,067
PET	120,104
Glass	78,242
Other (primary)	14,318
Secondary and tertiary packaging	56,507
<b>Total</b>	<b>367,925</b>

**"I worked with a cross-functional team with the objective of delivering 25 percent recycled PET (rPET) by the end of 2012 in our PET packages across our CCE territories. To be able to reach this target we needed to increase the supply of rPET; explore new rPET technologies; ensure these met our quality standards and build additional capacity at facilities which could produce rPET in the quantities that we needed. It also involved extensive testing both from a quality and operational perspective.**

**At the time CCE was also working with LOCOG to ensure London 2012 was the most sustainable Games ever. To help achieve this we decided that all the PET bottles we supplied would include a minimum of 25 percent rPET. The Games accelerated the process for Great Britain and we delivered our goal ahead of time. This was a real challenge as Great Britain did not have a sufficient local supply of rPET, which was addressed by creating our own joint venture recycling facility, Continuum. Given that the facility was only operational in Q1 2012 it was a tremendous team effort to get everything validated in time for the Olympics."**

Sarah Botterman, Senior Commercialization Manager, Coca-Cola Great Britain



**CASE STUDY**

**Plastic from Plants**

PET is made up of two components, MEG (30 percent by weight) and PTA (70 percent). Since the introduction of PlantBottle™ technology by The Coca-Cola Company, we can replace MEG with chemically identical material derived from sugar cane and molasses. Launched in 2009, the first generation of PlantBottle™ packaging is a 30/70 blend of plant-based MEG and virgin PTA. The resulting material looks, functions and recycles like traditional PET but has a lower carbon footprint.

To make the material more widely available, The Coca-Cola Company recently announced a further partnership to build a new facility in Brazil to expand production of the key PlantBottle™ ingredient.

See more at — [www.coca-colacompany.com/our-company/introducing-plantbottle](http://www.coca-colacompany.com/our-company/introducing-plantbottle)



Our 'Recycle Beat' hybrid truck was part of the 70-day Olympic Torch Relay. By returning bottles to the truck, consumers were able to activate new beats which were added to the official song and to share photos on social media.

**11m**  
people could see recycling messages at Olympic venues.

**0.8m**  
people could see Olympic Torch Relay 'Recycle Beat' messages.

**32m**  
'opportunities to see' CCE's recycling messaging.

**OUR COMMITMENT**

We will set the standard for sustainable packaging, achieve zero-waste in our operations and recycle more packaging than we use.

**INTRODUCTION**

For any package to be recycled, it must be recyclable. We're working to promote recyclability within the industry, to ensure that Coca-Cola Enterprises' packaging is recyclable and to encourage the recycling of packaging when the consumer has finished with it. Among other benefits, this work generates more recycled material to feed back into our own packaging and so reduce our carbon footprint.

**DATA SUMMARY**

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Recyclability</b> Ensure 100 percent of our cans and bottles are fully recyclable.	Cans and bottles recyclable (%)	2014	99 <sup>1</sup>	99	99	<b>99.4</b>
<b>Manufacturing</b> Send zero waste to landfill from our own manufacturing sites and reduce the amount of waste we generate.	Total waste produced (metric tonnes)	2014	27,911 <sup>1</sup>	29,810	34,480	<b>32,894</b>
	Waste recycled (%)	2014	99.3 <sup>1</sup>	99.5	99.6	<b>99.4</b>
<b>Packaging Recycling<sup>2</sup></b> Recycle more packaging than we use, by championing improvements to collection schemes and investing in strategic recycling infrastructure projects.	Packaging recycled as percentage of total used (%)	2020	Measurement in progress			<b>67.1</b>
<b>Inspiring Consumers</b> Increase packaging recovery rates by using our brands to educate and inspire consumers to recycle more often.	Number of consumer opportunities provided to view brand-led recycle/recover messaging	Ongoing	n/a	n/a	4.7 million	<b>32.3 million</b>

1. Does not include Norway and Sweden.  
2. This is calculated from national recycling rates for each territory, plus the amount of material that is collected and reprocessed through CCE initiatives, taking account of any double-counting which may occur. For further information see 'Recycling Rate Calculation Methodology' on [www.cokecce.com/corporate-responsibility-sustainability/publications-and-policies](http://www.cokecce.com/corporate-responsibility-sustainability/publications-and-policies).

**OUR STRATEGY**

Our strategy has three parts:

- 1. Consumer behavior and disposal**  
In collaboration with customers, consumers, suppliers and local authorities, we aim to use our assets and brand marketing to influence consumer behavior and to educate and inspire people to recycle more often.
- 2. Collecting and sorting**  
In markets with high rates of packaging recovery, we support existing collection schemes. Where recovery rates are lower, we'll champion improvements to national collection schemes.
- 3. Re-use and reprocessing**  
By investing in recycling and reprocessing infrastructure, we aim to ensure that, by 2020, the amount of packaging collected and reprocessed through national schemes and our own initiatives is greater than the amount of packaging that we ourselves use.

**CONSUMER BEHAVIOR AND DISPOSAL**

In partnership with our customers and other stakeholders, we're using our brands and marketing programs to encourage recycling, especially in Great Britain and France where around 50 percent of plastic (PET) bottles are recycled. Initiatives in 2012 included:

**Festivals and events**

We ran programs at 14 events in France including the Le Mans 24-hour race and Rock en Seine in Paris, reaching 828,000 people and directly interacting with over 25,000. Events were supported by our own employee



volunteers and in some cases were linked to promotions in local stores. Nearly a quarter of those contacted afterwards claimed to be recycling more often as a result of these initiatives.

In Great Britain we helped to deliver the most sustainable Olympic Games yet. The Olympic Torch Relay provided an excellent opportunity to spread a positive message about recycling in interactive ways (see case study below). We also encouraged visitors to the Olympic Park to recycle their empty packaging through branded recycling bins. See Factsheet 8 for more information.

**Programs with major customers**

We've stepped up our partnerships with retailers to encourage shoppers to recycle more often. A promotion with 300 Sainsbury's stores in Great Britain invited consumers to make a recycling pledge and enter a prize draw. In Belgium, the recycling

message was taken into cinemas through commercials and the 'Be a star' recycling campaign.

**Support for industry-led communication campaigns**

In Great Britain, CCE is part of the aluminum industry's Metal Matters scheme that works with local authorities to encourage households to recycle metals. In the Netherlands, we support the Plastic Heroes program to increase the recycling rate for small PET bottles.

We have launched a study with the University of Exeter to understand more about how we can change consumer recycling behavior. See Factsheet 7 for further detail.

**COLLECTION AND SORTING**

To reduce the amount of packaging sent to landfill, we're working with policymakers to improve household recycling programs. In France, CCE is a board member of the national recycling system, Eco-Emballages, which aims to achieve a 75 percent recycling rate.

We were delighted that the UK government has recently raised its recycling targets following direct input from CCE. Also in 2012, we helped to found The Resource Association, a new advocacy body for the reprocessing and recycling industries, and worked on a new project with Milton Keynes

Council to investigate how making pledges and working with community groups can help improve recycling rates.

**Packaging recovery**

To help raise recovery rates, we work closely with national recovery systems such as Fost Plus in Belgium, Nedvang in the Netherlands, Eco-Emballages in France, Returpack and REPA in Sweden, Norsk Resirk and Rentpak in Norway and WRAP, DEFRA and Valpak in Great Britain. On a smaller scale, we're involved in local programs such as Recycle Zones and are working with others to help build packaging recovery infrastructure.

**RE-USE AND REPROCESSING**

Householders are more likely to recycle if they understand what happens to the materials they collect. It's essential therefore to have a credible domestic infrastructure for collecting and reprocessing materials.

At present, recycling rates vary by material and it's hard to obtain high-quality, food-grade recycled plastic (rPET) to increase the recycled content in our PET packaging. To boost supplies, particularly in Great Britain and France, we've invested in the rPET infrastructure in both countries (see case studies below).

As a result, CCE has been able to meet its target of 25 percent recycled material in our PET bottles by the end of 2012.

**CASE STUDY**

**Olympic recycling program**  
 During the 70-day Olympic Torch Relay, our program collected 2.3 tonnes of plastic bottles and we interacted with over 53,000 people, face to face, about recycling.

During the Games, we provided recycling bins and communicated recycling messages on menu boards and coolers at each venue. Our 'Back in Six Weeks' campaign ensured that all 13 million bottles collected at the Games were reprocessed at Continuum, our joint venture, and returned to the shelves as new bottles in that time-frame.

**CASE STUDY**

**Recycling joint venture**  
 In May 2012, CCE opened Continuum Recycling, a joint venture with ECO Plastics in Great Britain. It is the biggest plastic bottle reprocessing facility in the world and produces 25,000 tonnes of rPET a year, more than doubling the amount previously produced in the country.

See more at — [www.continuumrecycling.co.uk](http://www.continuumrecycling.co.uk)

**"I have set up and led the implementation of a joint venture between CCE and APPE, France's leader in recycled PET. Launched in October 2012, this investment of \$8.45m will help to expand the production of food grade rPET at APPE's plant in Beaune by 70 percent (i.e. an additional 20,000 tonnes vs prior capacities) and increase the availability of recycled plastic in the country. The enlarged plant will begin operating in Q3 2013 and is a strong demonstration of CCE's desire to invest in recycling in France."**

François Chirol, Associate Director, Recycling, Paris, France



# Water Stewardship



**Water Efficiency**  
We have a number of blow-fill machines which allow us to rinse our pre-form bottles with air instead of water before we fill them, generating significant water savings (6-8000 m<sup>3</sup>/year).

## OUR COMMITMENT

We will set the standard for water efficiency, establish a water sustainable operation and minimize water impacts throughout our entire value chain.

## INTRODUCTION

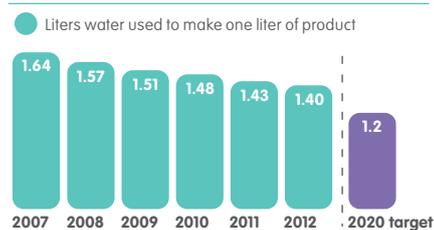
Water is a precious resource and fundamental to our business. It's the main ingredient in our products and is also used for cooling, washing and rinsing at our manufacturing plants. We aim to be responsible stewards of water and to use as little as possible for each liter of beverage we produce.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Reduce</b> Reduce the amount of water we use, aiming to manufacture every liter of product using an average of 1.2 liters of water.	Water use ratio (liters water/liter product)	2020	1.51 <sup>1</sup>	1.48	1.43	<b>1.40</b>
	Total water used (million cubic meters)	2020	8.7 <sup>1</sup>	9.5	9.4	<b>8.8</b>
<b>Recycle</b> Safely return to nature 100 percent of the wastewater from our manufacturing operations.	Water returned at standard supporting aquatic life (%)	Ongoing	100%	100%	100%	<b>100%</b>

1. Does not include Norway and Sweden

## WATER USE RATIO PROGRESS 2007 – 2012 AND TARGET<sup>1</sup>



1. Including Norway and Sweden from the year 2010 onwards



## OUR STRATEGY

Becoming a water-sustainable operation involves four elements:

1. Protecting our water sources for our operations and communities.
2. Reducing the amount of water we use by becoming more water-efficient.
3. Recycling the water we use by ensuring it is treated and returned to the environment at standards supporting aquatic life.
4. Replenishing the water that goes into our beverages in areas of water stress or where water quality may be an issue – in our case in Flanders, Belgium, South East England and around Marseille in France.

This factsheet focuses on elements 2 and 3. For elements 1 and 4 see Factsheet 16.

## USING LESS WATER

Our total water consumption in 2012 was 8.82 million cubic meters (m<sup>3</sup>), down from 9.4 million m<sup>3</sup> in 2011.

While we cannot reduce the volume of water in our products themselves, we can try to use less in our cleaning and manufacturing processes. Over the past five years, we've increased our production by around 8 percent but reduced our water use by around 10 percent. Our operations in France and Great Britain remain the most water-efficient in the global Coca-Cola system.

In Great Britain we've signed the Federation House Commitment which aims to reduce overall water use across the food and drink sector by 20 percent by 2020. Our progress puts us well on track to meet this target and



CASE STUDY

**The Carbon Trust Water Standard**

Alongside its work on carbon reduction, the Carbon Trust seeks to recognise companies that use water efficiently. The new Carbon Trust Water Standard has three measures – accurate data on water-use, year-on-year reductions in consumption and demonstration of good water management. Having been asked by the Carbon Trust to help pilot the process, CCE was one of the first businesses to submit itself for inspection and validation and was granted the Standard in March, 2013.



See more at — [www.carbontrust.com/client-services/footprinting/footprint-certification/carbon-trust-water-standard](http://www.carbontrust.com/client-services/footprinting/footprint-certification/carbon-trust-water-standard)

**“At the end of 2011, we implemented a new water purification system. Water treatment can use a lot of water in our plants; this innovation allows us to measure this consumption more precisely so we can react quickly if there is an issue. As a result, the water efficiency of the Dunkerque plant has improved significantly – it now takes only 1.19 liters of water to produce one liter of product, exceeding our global 2020 target. We have set a plant target of 1.18 liters/liter and will continue to look for new opportunities to improve our performance.”**

The Dunkerque team  
Régis Filiatre, Benoît Dulongcourty, Héléne Castex,  
Stéphane Devin, Patrick Flamein



has also gained us the new Carbon Trust Water Standard (see case study below).

We measure our water efficiency by calculating the amount of water needed to create one liter of product – known as our ‘water use ratio’, expressed as liters/liter. In 2012, we used 1.40 liters/liter, down from 1.43 in 2011. Across CCE, we’ve set targets of 1.35 liters/liter for 2013 and 1.2 liters/liter by 2020.

These are challenging goals, especially as it becomes more difficult over time to manage the complexities of our water consumption. These complexities include our growing range of flavors (which requires more cleaning of our lines between batches) and processes such as aseptic filling which also increase our water consumption.

**RECYCLING THE WATER WE USE**

In 2012, 100 percent of our wastewater was treated to a standard which supports aquatic life. While most of our plants pre-treat their wastewater on site and then send it to municipal water treatment plants, our facilities at Gent and Chaudfontaine in Belgium, Wakefield in Great Britain and Marseille in France carry out full wastewater treatment on site. Of this, 2,218,791 m<sup>3</sup> were treated by municipal wastewater treatment stations and 740,659 m<sup>3</sup> by our own treatment plants.

One consequence of producing less wastewater is that it becomes more concentrated (with suspended solids etc.). This in turn means further investment in systems and equipment to keep meeting the required standards over time.

**REDUCTION AND RECYCLING TECHNOLOGIES**

We continue to seek new technologies for reducing and recycling the water we use. In 2012, we spent more than \$20 million in implementing proven technologies and piloting new ones to achieve greater efficiencies. Recent developments have included:

**Dry and semi-dry lubricants**

All conveyors that move cans and PET bottles along production lines now use a dry lubricant in place of soapy water. Trials of a semi-dry lubricant for the stainless steel conveyors that move glass bottles have progressed well and the system will be rolled out to our glass lines in Antwerp, in Belgium, Jordbro in Norway and Milton Keynes in Great Britain in 2013, saving over 4,000 m<sup>3</sup> of water a year.

**Air rinsers**

Whenever machinery is replaced or new lines are installed, we use ionized air for preforms instead of water to rinse pre-blown

bottles and cans. In 2012, these have been used on our PET lines in Clamart, France, and Milton Keynes in Great Britain; for a new blowfill machine in Edmonton; for new can fillers replacement in Wakefield, Great Britain and in Dunkerque, France; and on a new can line in Marseille, France. 73 percent of our plastic bottle and can lines now use air rinsers.

**Recycle and reclaim loops**

We are optimizing our ‘Clean in Place’ (CIP) sanitation systems to recover and reuse final-rinsing water for further cleaning processes, to use cold rather than hot water, and to clean by blowing with air rather than using water.

**Electro chemically activated water**

Electro chemically activated water electrolyses salt added to water to create a chlorinated cleaning solution. This can save up to 2,000 m<sup>3</sup> of water per year. After trials in 2011, we introduced it to Marseille, France in 2012. We are currently trialing it in Grigny, France with plans to implement in Dunkerque, France in 2014.

**Bottle washers**

Bottle washing equipment is the main user of water in the plants with refillable packaging. In Chaudfontaine, Belgium, due to the specific water quality, we add a small proportion of CO<sub>2</sub> to rinsing water in the bottle washing process. This neutralizes caustic traces and reduces the amount of water we need.

**Adiabatic coolers**

At Antwerp in Belgium and Toulouse in France, we have saved water by replacing existing cooling towers with ‘adiabatic’ towers which mainly use air for cooling. Where local conditions make it feasible, we plan to do the same at other sites, such as Grigny, France.

**Resin regeneration**

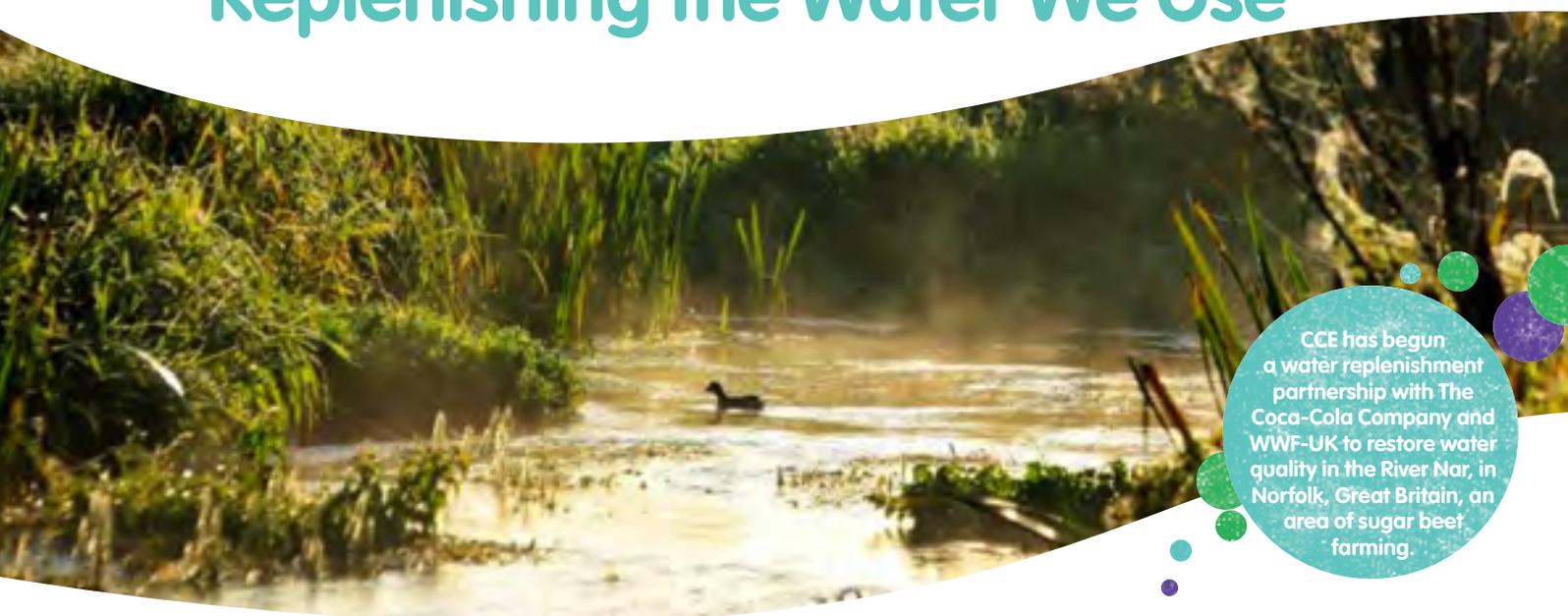
To purify the water for our drinks, we use resin granules that need to be regularly regenerated and then rinsed. After successful trials, the Dunkerque plant in France is now re-using some of the water from the rinsing process and saving around 15,000 m<sup>3</sup> a year. We plan to implement the same system at Dongen in the Netherlands.

**Rainwater harvesting**

We use collected rainwater for washing vehicles and flushing staff toilets at our sites in Northampton in Great Britain and at Chaudfontaine and Antwerp in Belgium.



# Protecting and Replenishing the Water We Use



CCE has begun a water replenishment partnership with The Coca-Cola Company and WWF-UK to restore water quality in the River Nar, in Norfolk, Great Britain, an area of sugar beet farming.

## OUR COMMITMENT

We will set the standard for water efficiency, establish a water-sustainable operation and minimize water impacts throughout our entire value chain.

## INTRODUCTION

Water is a precious resource and fundamental to our business. It's the main ingredient in our products and is also used for cooling, washing and rinsing at our manufacturing plants. Although Europe is generally regarded as water abundant, we've seen scarcity and flooding in recent years and water quality can be unreliable in some of the more densely populated areas where CCE operates.

## OUR STRATEGY

Becoming a water-sustainable operation involves four elements:

1. Protecting our water sources for our operations and communities.
2. Reducing the amount of water we use by becoming more water efficient.
3. Recycling the water we use by ensuring it is treated and returned to the environment at standards supporting aquatic life.
4. Replenishing the water that goes into our beverages in areas of water stress or where water quality may be an issue – in our case in Flanders, Belgium, south east England and around Marseille in France.

This factsheet focuses on steps 1 and 4 – those activities which take place outside our operations. For information on steps 2 and 3 see Factsheet 15.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Protect</b> Protect the future sustainability of the water sources we use	Sites with Source Water Protection Plans implemented (%)	Ongoing	12%	88%	100%	100%
<b>Replenish</b> Return to nature the water used in our beverages where it is sourced from areas of water stress, by investing in community-based water programs	Water replenished (% vs liters in our beverages made in areas of water stress)	2020	Working with a variety of stakeholders, including Cranfield University, the Centre for Ecology and Hydrology and The Nature Conservancy, as well as The Coca-Cola Company and Limnotech, we will be expanding our existing water replenishment methodology so that it can be applied to chalk stream river restoration projects in the UK, and adequately capture the positive impact created from the types of changes we are making.			

## PROTECTING OUR WATER SOURCES

We work hard to preserve the long-term quality of our water sources and to minimize our impact on local communities and ecosystems. We draw less than 23 percent – 2,027,061 million cubic meters (m<sup>3</sup>) – of our water from on-site wells, all of which are licensed by government. The remaining 77 percent (6,791,637 million m<sup>3</sup>) of the water we use comes from municipal sources.

Since 2009, we have undertaken Source Water Vulnerability Assessments (SVAs) at each plant to assess the potential water risks to our business, the local community and the ecosystem. In conjunction with water providers, government agencies and community organizations, these SVAs have led to the development of Source Water Protection Plans (SWPPs) for each production site. We've now begun updating each SWPP and aim to include greater community and stakeholder involvement in these second iterations (see employee spotlight overleaf).

Our site at Chaudfontaine in Belgium is working with the Regional Authority to protect the local natural hot spring from pollution. By 2013, the partnership will have implemented 287 local protection measures to prevent contamination from filling stations, fuel tanks, cattle farms and sewerage systems (see case study overleaf).



### REPLENISHING OUR WATERSHEDS

The Coca-Cola system globally is committed to replenishing 100 percent of the water it uses in its finished beverages by 2020 through projects such as reforestation, protecting aquifers and revitalizing rivers. In 2012, it replenished 81.3 billion liters of water – equivalent to 52 percent of global sales volume.

CCE's replenishment strategy is to invest in water-based community programs in areas of water stress within our countries of operation. Using water scarcity or stress mapping, we have identified these to be Flanders, south east England and the area around Marseille in France. Together, our plants in these areas accounted for 38 percent of our 2012 production (around 2,374,668 million m<sup>3</sup>). Our aim is to replenish all the water we use in our products from these areas.

#### Replenishment projects

In 2012, in partnership with The Coca-Cola Company and the World Wildlife Fund UK (WWF-UK), CCE launched a three-year

project to replenish two English river catchments – the River Nar in Norfolk and the River Cray near our Sidcup facility in Kent. In each case we're developing local catchment plans and implementing on-the-ground projects to restore water and improve water quality (see case study).

We will use the lessons learned from these projects to influence the national water policy agenda and encourage measures to reduce water abstraction and demand.

#### Replenishment in our supply chain

Our studies have shown that around 80 percent of the total water footprint of our products comes from our agricultural supply chain – in particular, the production and processing of sugar beet. The amount of water used is less important than the impact of that use: a large water footprint might be sustainable in a water-rich area, while a smaller one in a water-scarce region can have a far greater environmental impact.

The Coca-Cola Company led a consortium which published a report: 'Towards sustainable sugar sourcing in Europe' in August 2011 showing that impacts vary between regions. In CCE's territories, sugar beet farming tends to have a low environmental impact.

We'll continue to work closely with The Coca-Cola Company to develop our understanding of supply chain water impacts and focus our replenishment efforts on minimizing them.

#### CASE STUDY

**As part of our River Nar restoration project, the Norfolk Rivers Trust is reconnecting the Nar river with its natural flood plain by digging a new channel.**



#### Replenishment in the River Nar

CCE is one of the partners in a project to restore water quality in the River Nar in Norfolk. This river catchment is where some of the sugar beet used in our products is grown. The first stage is to survey plants and wildlife and analyze phosphate and nitrate levels in the water. Following this, work will focus on implementing better farm management practices in the surrounding areas. The project has drawn additional support from the UK Department for Environment, Food and Rural Affairs (Defra) which will co-fund farm advisor work and further restoration.

See more at — [www.norfolkrivertrust.org/p/river-nar-local-catchment-plan.html](http://www.norfolkrivertrust.org/p/river-nar-local-catchment-plan.html)

#### CASE STUDY

#### The European Water Stewardship Standard



The European Water Stewardship (EWS) Standard has been developed by the European Commission in partnership with private companies, including The Coca-Cola Company, and the public sector. Aligned to the EU Water Framework Directive, it aims to ensure high standards of water use from extraction to wastewater. CCE piloted the standard at Dongen in the Netherlands and was awarded Gold Status EWS certification following an audit in December 2012.

See more at — [www.ewp.eu](http://www.ewp.eu)

**"I was responsible for revising the Source Water Protection Plan at our Jordbro plant in Sweden. The plan covers all aspects of water supply from its origins, quality and quantity to its handling and treatment by the plant. It has been recognised by the local Food Safety Authority for its high levels of water control, the efforts to design a long-range water-monitoring program and for the strong collaboration built with the municipality on ensuring water protection."**

Jonas Wittfeldt,  
Environment Manager, Sweden



#### CASE STUDY

#### Aquifer protection



We have been working for many years with the community and Regional Authority at our site in Chaudfontaine, Belgium, to protect the hot spring from pollution. Water takes 65 years to filter through a zone of around 240 hectares in size to reach the aquifer below. We have been working to implement local protection measures to prevent contamination from filling stations, fuel tanks, cattle farms and sewerage systems. To date, 287 houses have been protected, from a total of 560 households. The total project represents an investment of \$975,000 to protect the hot spring for future generations and is one of the first to do so in Belgium.



# Product Portfolio

25 MINUTES OF LETTING  
YOUR DOG BE YOUR GPS

In 2013, The Coca-Cola Company launched a series of adverts in CCE's territories on the concept of energy balance, to encourage consumers to lead balanced, active lives.

## OUR COMMITMENT

We will provide a wide variety of quality, refreshing beverages with nutritional and ingredient information so consumers can make informed beverage choices.

## INTRODUCTION

We are fully engaged in the debate on the growing problem of obesity and the health and wellbeing of consumers. Healthy living is about balance and all calories count, including those in our products. If people eat and drink more calories than they burn, they will gain weight. We want to be part of the solution and believe that product choice, innovation, information and physical activity can help make a difference. By providing clear information, greater choice of low- and no-calorie products and package sizes as well as sensible advice, we believe that we can help people to make more informed decisions about their diet and lifestyles and achieve energy balance.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Choice</b> Develop and market a wide choice of products so people can decide which of our beverages best meets their needs and lifestyles.	Full sugar brands with a no- or low-calorie alternative (%) <sup>1</sup>	Ongoing	Measurement in progress			47.6
<b>Quality</b> Ensure that our products meet the highest quality and food safety standards, in line with consumer expectations.	Facilities accredited to ISO9001 and ISO22000 (%)	Ongoing	75 <sup>2</sup>	94	94	94
	Number of product quality complaints per million units sold	Ongoing	1.33 <sup>2</sup>	1.39	1.31	1.30
<b>Low-Calorie Products</b> Accelerate the growth of no- and low-calorie products.	Products which are no- or low-calorie (<40 calories per 250ml) (%)	Ongoing	34.6 <sup>2</sup>	33.4 <sup>2</sup>	31 <sup>3</sup>	31 <sup>3</sup>
<b>Portion Size</b> Increase the availability of small portion size choices for sparkling soft drinks.	Products in packs that are 250ml or less (%)	Ongoing	19.8 <sup>2</sup>	20.8 <sup>2</sup>	19	19
<b>Ingredients</b> Remove all artificial colors, flavors and preservatives in our products, where possible.	Products without artificial colors, flavors and preservatives (%)	Ongoing	Measurement in progress. Based on changes to national definitions of 'artificial' we are re-evaluating this target.			

1. This includes all CCE's full sugar brands including the smaller ones. Our most popular full sugar brands (Coca-Cola, Fanta, Sprite) all have low-calorie alternatives and together these make up over 90% of CCE's volume.

2. Does not include Norway and Sweden.  
3. Restated in unit cases.

## OUR STRATEGY

Our strategy has three priorities:

1. Developing our portfolio – introducing new products to offer greater choice, accelerating the growth of no- and low-calorie products, using more natural ingredients and providing package sizes to suit every occasion.
2. Providing clear, informative nutritional labeling to educate consumers about the ingredients and calories in our products.
3. Ensuring that our products are sold and marketed responsibly (see Factsheet 18).

## DEVELOPING OUR PORTFOLIO

At CCE, we manufacture and distribute beverages owned by other companies. To ensure a successful, balanced portfolio, we work with The Coca-Cola Company and our other brand owners to develop and introduce new products and package sizes in line with our strategy. We try to ensure that each outlet has our widest range of choices available.

Our core sparkling brands such as Coca-Cola, Fanta and Sprite represent 27 percent of the products in our portfolio. We also have a wide range of low-calorie soft drinks from Diet Coke and Coke Zero to alternatives for the majority of our flavored drinks – nearly every one of our full sugar sparkling soft drinks has a low-calorie alternative. The rest consists of categories such as waters, sports drinks and functional and energy drinks.

## Choice

We aim to offer a wide choice so that people can decide which of our beverages best meet their needs and lifestyles. We are working

with The Coca-Cola Company to encourage people to make choices which balance their nutritional needs. Our recent 'Be Ok' advertising in Europe highlights the fact that each full sugar Coca-Cola has 140 calories, and some of the physical activities it would take to burn these off. It suggests that on days when this level of activity isn't possible, Coke Zero provides a no-calorie alternative.

We continue to develop our portfolio through innovation, reformulation, acquisition and new distribution agreements and we have launched more than 580 new brands and new packages since 2009. Additions which help us to promote healthy choices in 2012 include:

- Sprite with the natural, zero-calorie sweetener, stevia, in France;
- Nestea with stevia in France and Belgium
- Ocean Spray 100 percent juice in Great Britain and France;
- Expanding the Appletiser sparkling 100% juice range to new flavors such as Grapeitizer;
- Powerade Zero in France.

**Quality**

We want to ensure that consumers trust our products and are satisfied with the quality we offer. Of our 17 production facilities, 94<sup>1</sup> percent have quality standard ISO9001 and ISO22000 and we have response centers in every country to constantly monitor consumer feedback. In 2012, we received 88,539 consumer contacts of which 17 percent were related to product quality – equivalent to 1.3 product quality complaints per million units sold.

**No- and low-calorie beverages**

No- and low-calorie products make up 31 percent of the drinks we sell by volume<sup>2</sup> and 55 percent by numbers of brands in our portfolio (this figure includes water and hot drinks). We continue to raise these percentages by introducing reformulated versions of our popular drinks, by expanding sales of our existing low-calorie products, and by ensuring that no- and low-calorie products are consistently distributed alongside our regular soft drinks. Recent no- and low-calorie reformulations of existing products include the energy drink Monster Absolute Zero and the fitness drink, Powerade Zero.

Since the European Union approved the use of the naturally sourced, zero-calorie sweetener, stevia, in 2011, we've started using it in products such as Sprite. In early 2013, we launched a stevia-based reformulation of GLACÉAU Vitaminwater™ that cuts 30 calories from each bottle and reduces sugar levels by 30 percent (see case study) and will continue to expand our portfolio using stevia.

In 2012, the Coca-Cola system in Great Britain joined a number of leading food retailers, restaurant chains and food and drinks manufacturers in voluntarily supporting a calorie reduction initiative launched by the British government. The initiative is a key part of the Public Health Responsibility Deal, by which the government, industry and health groups are seeking to work together to tackle complex health challenges such as obesity. Through a combination of reformulation and higher marketing investment behind our no-calorie and zero-sugar colas, we are pledging that we will reduce the average calories per liter of our range of sparkling soft drinks in Great Britain by 5 percent between 2012 and 2014.

To achieve that pledge, the Coca-Cola system in Great Britain will invest \$23.25 million in the reformulation of several leading non-cola soft drinks brands by 2014, reduce the calories in the non-cola brands we reformulate by at least 30 percent, and increase the marketing budget for no calorie, zero sugar colas by 25 percent by the end of 2014. We will also work with retailers to increase the availability of no calorie, zero sugar colas where those drinks are currently limited.

**Ingredients**

Since 2008, we have increased the number of drinks with no artificial colors, flavors or preservatives – such as Fanta Natural in Sweden. We have also expanded the range of products with added vitamins, minerals or other nutrients and introduced more juices and juice drinks such as Ocean Spray and Minute Maid. In some cases, by removing ingredients such as caffeine, we've created new products with further benefits to some of our consumers.

**Smaller portion sizes**

Another way we help consumers to manage their calorie intake is to offer our drinks in smaller packages. Around 19 percent of our products are now available in units of less than 250ml, such as our 150ml cans, and we are looking to increase these smaller packaging choices. In 2012, we introduced 'pocket-sized' 375ml Coca-Cola, Diet Coke and Coke Zero bottles to be sold alongside our 500ml bottles.

We've also limited our cup sizes for fountain beverages in France and Belgium, where we no longer sell branded cups larger than 500ml in restaurants, leisure parks and most cinemas.

CASE STUDY

**Cutting the calories in GLACÉAU vitaminwater™**

The reformulation of GLACÉAU vitaminwater™ in December 2012, means that all eight variants are now sweetened with stevia. The change removes 30 calories from every bottle and reduces sugar levels by 30 percent. Made from spring water with no artificial colors or flavors, the reformulated drink contains a new blend of vitamins and minerals to support a healthy lifestyle. The move is just one example of CCE's commitment to the UK Government's 'calorie reduction pledge' – a voluntary initiative by food and drinks businesses to help to tackle obesity.



CASE STUDY

**Coming Together**

In early 2013, The Coca-Cola Company launched a series of initiatives to reinforce our system's commitment to being part of the solution to obesity. Two television advertisements focus on the importance of energy balance in managing weight, highlighting the calories in a can of Coca-Cola, the physical activity required to burn those calories, and our zero calorie alternatives, such as Coke Zero. To support this, we have launched new, lower calorie product innovation such as Sprite with stevia. Together, these actions reinforce our commitment to giving people simple and clear information on the calorie content of our drinks, encouraging physical activity and continuing to offer more beverage choices.



CASE STUDY

**Ensuring the safety of our cans**

Bisphenol A (BPA) is used in coatings that line almost all metal food and drink containers, helping to prevent oxidation and to maintain product quality. The European Food Safety Authority, the US Food and Drug Administration and the World Health Organization have all stated that its use poses no health risk to the general population, but within certain CCE territories the safety of the substance is being questioned. We do not use any packaging that is not entirely safe but even so are working with our suppliers on BPA alternatives. Any new material must meet the same stringent safety and quality tests as BPA.

1. Covers CCE's wholly owned facilities, but we also require co-packers and other partners to have quality certification standards in place.  
2. Measured using unit cases.

# Responsible Marketing



We want to ensure that people know what is in our products. Working with our brand owners, we have incorporated Guideline Daily Amounts (GDA) labeling on 97.9% of all the drinks we sell.

## OUR COMMITMENT

We will provide a wide variety of quality, refreshing beverages with nutritional and ingredient information so consumers can make informed beverage choices.

## INTRODUCTION

Throughout our territories we take very seriously the need to control advertising and marketing of our products, particularly to children. Our industry as a whole has developed strong self-regulatory practices to ensure a high level of responsible marketing. At Coca-Cola, we want to enhance and protect the role of parents and adult carers as the gatekeepers of their children's dietary choices so we try to go well beyond these regulatory and voluntary standards. We adhere to strict policies which ensure that the way we market our products across a range of communication channels is appropriate, responsible and guides positive choices.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Nutritional Information</b> Provide easy-to-understand nutritional and ingredient information so that consumers are able to make informed beverage choices.	Products with on pack GDA labeling (%) <sup>1</sup>	Ongoing	97 <sup>2</sup>	97 <sup>2</sup>	97	97.9 <sup>3</sup>
<b>Responsible Marketing</b> Ensure that our products are sold and marketed in a responsible way	Compliance with responsible marketing, marketing to children, education channel and digital marketing guidelines (%)	Ongoing	Measurement in progress			

1. We have changed the way we measure against this target in 2012. Our 2009, 2010 and 2011 data in this table shows the volume of our products with GDA labeling. To ensure greater focus on smaller brands, in 2012, we changed to measure products with GDA labeling rather than volume. The 2012 number therefore shows the percentage of our products with GDA labels.
2. Does not include Norway and Sweden.
3. Does not include products which do not require GDA labeling such as waters and our fountain Bog in Box products.

Our advertisements are never shown during children's programming.

## OUR STRATEGY

CCE aligns with The Coca-Cola Company's Global Responsible Marketing policy, and together with the rest of our industry have signed up to a series of clear, compelling and verifiable industry-wide commitments which control how we market our products across our channels of communication and particularly to children. In particular, we focus on four main areas:

- General advertising and marketing;
- Internet and digital;
- In schools;
- On pack.

## ADVERTISING AND MARKETING

We do not advertise or market any of our products directly to children under 12. This means that our adverts are never shown during children's programming and we do not undertake promotional activities aimed at children under 12. We never provide samples or free products to children under 12 when outside the presence of an adult or carer and do not sell our drinks in primary schools.

Until 2011, the term 'children's programming' referred to TV or radio advertising before, during or after programs for which the audience consisted of over 50 percent of children under the age of 12, for example, on Saturday mornings. As of 2012, this audience threshold has been changed to 35 percent.

Independent auditing of 34,000 primary schools in 2010 on behalf of UNESDA showed 5 a 95 percent compliance rate with our industry's responsible marketing commitments.<sup>1</sup>

### INTERNET AND DIGITAL MEDIA

At CCE we strongly support The Coca-Cola Company's policies for responsible marketing of our products on the internet and via digital media. We recognize the growing use of these communications channels by children and have extended our policies beyond the more traditional means of advertising such as television, radio and print to cover the internet, company-owned websites and mobile phones.

Across the Coca-Cola system we do not market products to children on the internet or other forms of digital marketing communications. This means that we ensure that our internet sites, content and related technologies are designed for visitors aged 12 or above. We use features and elements on our websites that are appealing predominantly to visitors over the age of 12 and we ensure that all marketing communications placed on the internet are, by the nature of the content or by its presentation, easily identifiable to the reasonable attentive viewer as a communication of a commercial nature.

### IN SCHOOLS

We respect the need for school classrooms to be free from commercial influences. Working with the Union of European Soft Drinks Associations (UNESDA), CCE has helped to develop a set of industry commitments that define beverage sales in schools throughout our territories. Depending on local concerns and legislation, each country in which we operate has different policies on the distribution of our products in school. The overarching commitments can be summarized as follows:

- Un-branded vending – to respect the commercial-free character of schools and include educational images and messages on vending machines to promote balanced diets and healthy active lifestyles.
- Third-party distributors – must be made aware of these commitments when directly responsible for the final distribution of products to schools.
- Promotional activities – any redemptions, under-the-cap offerings, text message/ SMS contests, etc. which offer prizes or rewards must avoid requiring consumers to drink excessive quantities of product in order to participate.

Independent monitoring has shown high levels of compliance across the industry. During 2012, sales of products in schools represented less than one percent of CCE's total sales volume.

We have also signed the UNESDA initiative to ensure that energy drinks are not marketed to under 16s.

### ON PACK

To make the right choices, consumers need to know what their food and drinks contain and how this information relates to a balanced diet. In 2007, we introduced 'Guideline Daily Amount' (GDA) labeling for our best-selling products and have recently extended it to our smaller ranges so that it now covers 99.8 percent of our brands, up from 97 percent in 2011.

Our pack labels also include information on ingredients and nutrition. We take advice from local and European Scientific Advisory Councils and make no health claims unless these are scientifically proven. Product information is also available through websites, care lines and consumer information centers in all the countries where we operate.

The 2011 European Union nutritional labeling directive requires nutritional labeling per 100ml along with voluntary information per serving and GDA. We intend to be fully compliant by the 2014 deadline.

We also provide extra information about ingredients on pack labels to help consumers make the right personal choices. For example, our energy drinks carry a statement that they are not suitable for children and pregnant and breast-feeding women, specific populations for whom caffeine is not recommended.

#### CASE STUDY

### UNESDA COMMITMENTS

In 2006, UNESDA, the European Soft Drinks Association, developed a set of commitments in the area of marketing and communications. CCE is a member of UNESDA and a signatory to these commitments which comprise:

- No advertising on TV, in print or online to children under 12;
- No offering of soft drink products for sale in primary schools across the EU;
- Ensuring that in secondary schools, where our products are offered for sale, a variety of drinks including water, juices and no- and low-sugar products are available;
- Ensuring a variety and choice of beverage sizes and types is available.

In 2008, the advertising commitment was extended to cover cinemas and, in 2010, to cover the digisphere. At CCE we try to go beyond compliance with all these commitments where possible.



#### FURTHER READING

- The Coca-Cola Company Global Responsible Marketing policy: [www.coca-colacompany.com/stories/responsible-marketing-policy](http://www.coca-colacompany.com/stories/responsible-marketing-policy)
- The Coca-Cola Company Global School Beverage Guidelines: [www.coca-colacompany.com/stories/global-school-beverage-guidelines](http://www.coca-colacompany.com/stories/global-school-beverage-guidelines)
- The Coca-Cola Company Responsible Marketing Charter, Great Britain: [www.coca-cola.co.uk/about-us/responsible-marketing.html](http://www.coca-cola.co.uk/about-us/responsible-marketing.html)
- UNESDA Commitments to Act Responsibly: [www.unesda.org/our-unesda-commitments-act-responsibly](http://www.unesda.org/our-unesda-commitments-act-responsibly)
- UNESDA Digital Marketing Commitments: [www.unesda.org/unesda-commitments](http://www.unesda.org/unesda-commitments)
- UNESDA Code for Energy Drinks and Shots: [www.unesda.org/blog/code-conduct-energy-shots](http://www.unesda.org/blog/code-conduct-energy-shots)

1. Link to the audit report website: [www.unesda.org/sites/default/files/page/FINAL%202010%20%20monitoring%20report.pdf](http://www.unesda.org/sites/default/files/page/FINAL%202010%20%20monitoring%20report.pdf)

# Active Healthy Living



**Birken Ski Race, Norway**  
In March 2012, CCE in Norway supported the Birkebeiner-rennet cross-country ski race, with 17,000 entrants, travelling over 54kms, including a number of hill climbs totaling 960 meters. CCE contributed products to fuel the participants in the last 10kms of the race.

## OUR COMMITMENT

We will encourage active healthy living by supporting physical activity and nutrition education programs.

## INTRODUCTION

Obesity is caused when 'calories in' exceed 'calories out'. We want to help people to balance their calorie intake by encouraging physical activity through different active healthy living programs across our territories. A multi-faceted problem, tackling obesity will involve a multi-stakeholder solution, so we are focused on collaborating with a wide range of partners in the communities where we operate and playing our part in this journey.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Local Collaboration</b> Encourage people to lead an active healthy lifestyle by working with our brands and supporting local partnerships.	Investment in Active Healthy Living activities (\$)	Ongoing	n/a	n/a	867,000	1.0 million
<b>Physical Activity</b> Support people to participate in programs which encourage active healthy living.	Numbers of people engaged in Active Healthy Living programs	Ongoing	Measurement in progress			
<b>Nutrition Education</b> Support community partnerships to highlight the importance of good nutrition, balanced diets and active healthy living.	Investment in nutrition education (\$)	Ongoing	Current focus on providing nutrition and ingredient information on pack. We are looking to take this further in coming years.			

## OUR STRATEGY

Our strategy is linked to our community and product strategies (see Factsheets 20 and 17) and focuses on three areas:

- Local collaboration.
- Active lifestyles.
- Nutrition education.

## LOCAL COLLABORATION

Local collaboration is about encouraging people to adopt active healthy lifestyles by supporting local partnerships and by using our brands to sponsor relevant events and activities.

For example, in Great Britain, our sports drink, Powerade, hydrated all the athletes at the London 2012 Olympic and Paralympic Games. The brand also supports the Powerade Fives five-a-side football tournament at GOALS Soccer Centers.

## ACTIVE LIFESTYLES

Across our territories, we're helping people to participate in programs that encourage active healthy living.

## Great Britain

In Great Britain we're part of several community-based, active healthy living partnerships. In the past year, most of these have been run in conjunction with the London 2012 Olympic Games (see case study overleaf) such as StreetGames.





**The Coca-Cola Company's new advertisements aim to provide education on calories in our products and encourage people to manage their energy balance.**

**France**

The program 'Le Sport Ca Me Dit' ('I Like Sport') is led by Coca-Cola France. Operating in 660 municipalities, the scheme encourages young people to take part in sports and games in the streets, in parks, on the beach and in other urban spaces. Since its creation in 2008, it has involved more than 500,000 young people.

**Benelux**

Mission Olympic, started in 2003 by The Coca-Cola Company and the Dutch Olympic Committee, is the biggest annual school sports competition in the Netherlands with 315 schools taking part. It encourages youngsters between the ages of 12 to 18 to participate in sports throughout their school years and aims to help them develop a lifelong interest in physical activity. Although hugely successful, reaching over 150,000 youngsters in the Netherlands, we aim to expand this program further in coming years by reaching more schools.

Due to the success of the program in the Netherlands, CCE is developing Mission Olympic in Belgium where, in May 2012, we engaged over 23,000 students in their own schools through workshops focused on two Olympic sports – taekwon do and fencing. We aim to continue to expand Mission Olympic in Belgium through collaborating with school sports organisations and the National Olympic Association.

As part of the global Coca-Cola partnership with the Special Olympics organization, we have sponsored Special Olympics in Belgium for a number of years. In 2012, over 40 volunteers from CCE supported the event and we aim to increase this in 2013. We also intend to activate a partnership with Special Olympics in the Netherlands.

In Belgium we support the French and Flemish national sports associations, Bloso and Adeps, which train coaches and organize sporting events for their own linguistic communities. We also help to fund the Jeugd sportfonds Camille Paulus program which encourages teenagers to take part in organized sport.

**Norway**

In Norway, we encourage active, healthy lifestyles through campaigns and sponsorships backed by CCE sports drinks such as Powerade. CCE Norway is also a sponsor of the Norway Cup, one of the world's biggest youth football tournaments with an emphasis on cultural co-existence. The 2012 tournament brought together 1,500 teams from 60 nations.

**Sweden**

In collaboration with Sweden's Stadium Sports Camp and Ungdomens Hus – an

organization that helps young people in the Haninge municipality where our bottling plant is situated – we sponsor eight young people from the local area. Every summer they spend a week at Stadium Sports Camp trying out different sports.

**USA**

Our US office sponsors a number of sports-related activities in Atlanta, including the Winship 5k run in support of Winship Cancer Institute at the city's Emory University.

**NUTRITION EDUCATION**

Along with encouraging physical activity, we aim to form partnerships with relevant community bodies to promote the importance of good nutrition, balanced diets and active healthy living.

In 2012, CCE supported a number of Coca-Cola system pilot partnerships which we hope will inform our activities in coming years. For example, in the Netherlands, the Coca-Cola system is partnering with the JOGG (Youngsters of a healthy weight) initiative. This is a community-based, multi-partner approach to help young people lead healthy lives, in which a range of organizations, including the municipality, sports organisations, schools, and local companies work together to design and implement interventions to encourage healthy lives. CCE is one of the partners in Dongen, the community where our plant is located.

See Factsheet 18 for further information on nutritional labeling and how we are educating consumers through on-pack communication.

**CASE STUDY**

**Our London 2012 legacy**

The Coca-Cola Company's sponsorship of the London 2012 Olympic and Paralympic Games was an opportunity for CCE to involve more people in sport. The 'Future Flames' program gave 1,000 young people who contribute to their communities the chance to carry the Olympic Torch. Coca-Cola Great Britain also sponsored the StreetGames charity which makes sport accessible to young people in disadvantaged communities and 65 participants also had the opportunity to carry the Olympic Flame.

CCE has supported Special Olympics GB for the last three years. The organization provides sports training and competition for young people and adults with



intellectual disabilities. As part of the London 2012 legacy, The Coca-Cola Company funded a major extension of Special Olympics GB's Unified Sport program which brings intellectually disabled and able-bodied people together to compete in the same teams.

**"In 2012, CCE began its partnership in Belgium with Special Olympics, an organization which provides year-round sports training and athletic competition for children and adults with intellectual disabilities. This was a perfect fit for our business, going beyond sport to help participants integrate into society and build confidence. I encouraged 45 CCE volunteers and their families to help athletes before, during and after the competition. We received an excellent response and I am looking forward to strengthening our partnership and increasing the number of volunteers in 2013."**

Philippe Spildooren,  
Senior Manager, National and Key accounts, Belgium





CCE employees from the Atlanta office participated in the transformation of an elementary school grounds during CRS in Action week.

**OUR COMMITMENT**

We will make a positive difference in our communities, work with local partners and support the active involvement of our employees.

**INTRODUCTION**

Coca-Cola is a local product, made by local people, and over the years our manufacturing sites have built strong relationships with our communities. We value these links and want to make a positive difference within these communities. This means addressing social and environmental needs wherever we manufacture or sell our products, working with local partners and supporting the active involvement of our employees.

Our business makes a significant economic contribution to the countries where we operate. At the end of 2012, we employed around 13,000 people. During the year we paid salaries and benefits of \$1.1 billion and contributed \$1.3 billion in taxes (see Annual Report for further detail).

**DATA SUMMARY**

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Social Investment</b> Invest 1 percent of our annual pre-tax profit to support charitable and community partners and make a positive difference in the communities in which we operate.	Pre-tax profit invested (%)	2014	n/a	0.5	0.6	<b>0.5</b>
<b>Community</b> Invest in community projects and partnerships where we can make the biggest impact, aligned to our core business and CRS focus areas.	Total value of community contributions (million \$)	Ongoing	n/a	4.3	5.7	<b>3.9</b>
<b>Employee Volunteering</b> Support the active involvement of our employees by encouraging them to volunteer.	Number of hours volunteered by CCE employees (hours)	Ongoing	n/a	12,000	14,000	<b>10,200</b>

**OUR STRATEGY**

Our strategy focuses on three themes:

- Supporting young people.
- Encouraging active healthy living.
- Protecting the environment.

**SUPPORTING YOUNG PEOPLE**

Young people are our future and we want to support them in acquiring the skills, knowledge and understanding of the workplace that will give them a competitive edge in today's job market. Through local partnerships and our own education centers, we support over 100,000 young people each year – providing work-related learning, insights into careers in manufacturing, one-to-one mentoring and help with preparing CVs and finding jobs. Our programs include:

- **Education Centers** – we have five education centers in Great Britain at our East Kilbride, Wakefield, Edmonton and Sidcup plants and at Continuum Recycling. These are visited by over 15,000 secondary students per year and encourage students to connect what they learn in the classroom with real life business and manufacturing practices. We also run a European Visitors Center next to our Antwerp plant, in Belgium.
- **Real Business Challenge** – we work with local partners to deliver an enterprise education competition in which students, from secondary schools in Great Britain, form small companies and work to develop business-related concepts. We engaged 56,300 students in 2012.

## Through local partnerships and our own education centers we support over 100,000 young people each year.

- **Passport to Employment** – in France we bring high school students and recent graduates from underprivileged backgrounds to CCE offices and prepare them for job interviews.
- **Espoir Banlieues (Hope for the Suburbs)** – CCE is one of 75 companies that pledged to recruit unemployed people from 750 affected areas as part of this French government initiative set up in 2008. It aims to reduce the disparity in education and employment in different French regions. 10 percent of our new recruits in France have been employed through Espoir Banlieues over the past 5 years.
- **Unemployed Internship program** – in Sweden, in collaboration with the local unemployment agency, we offer 30 two-month internships to long-term unemployed people to help them return to work.
- **Red Cross** – in Norway we've been supporting the Red Cross for the past 10 years. There are four Red Cross centers in Oslo, each of which aims to support young people to achieve their ambitions.

### ENCOURAGING ACTIVE HEALTHY LIVING

Leading an active, healthy lifestyle has a positive impact on people's social, physical and mental wellbeing. Through a range of community programs, we're helping more people to enjoy sport and to take part more often in physical activity. We have a range of programs which are covered in Factsheet 19.

### PROTECTING THE ENVIRONMENT

We depend on natural resources throughout our supply chain. Protecting the environment is therefore core to our business and a key responsibility wherever we operate. Through a range of partnerships, we're working to protect and enhance the environment by recycling more, protecting our local water sources, reducing carbon emissions and cleaning up litter. Examples of our programs include:

- **Clean the Beaches** – in Sweden, we are partnering with Ståda Sverige (Clean Sweden), an organization working with Swedish sports clubs to promote environmental awareness among young people. Over the past three years 320 sports clubs, and 10,500 participants, have removed over 155 tonnes of litter from 760 beaches and raised money to spend on sports equipment.
- **Love Where You Live** – in Great Britain we support the national Keep Britain Tidy campaign, which focuses on reducing litter and increasing recycling, through local litter-picking activities.
- **ZERO Rally** – we are one of the official sponsors of ZERO Rally – an environmentally friendly car rally in Norway which aims to raise awareness and enthusiasm about sustainable climate solutions. The world's best rally

drivers take part in the three-day event, which uses a mix of electric, biofuel, hydrogen and plug-in hybrid cars.

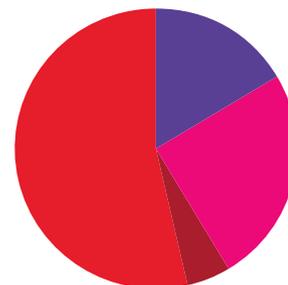
- **CRS Roadshow** – together with Returpack, the Swedish recycling organization, we undertook a roadshow in Sweden where we met and talked to 5,000 students aged 16-18 about our environmental agenda.

### EMPLOYEE VOLUNTEERING

Employee volunteering is central to our plan to contribute one percent of our pre-tax profit to charitable and community causes. It also helps employees to enhance their own skills and experience. We encourage volunteering as part of existing community initiatives. In 2012, we recorded approximately 10,200 employee volunteering hours, with our employees spending their volunteer time working on a range of our community projects from recycling activities, Clean the Beaches, Passport to Employment, to the Real Business Challenge.

### COMMUNITY INVESTMENT CONTRIBUTIONS

In 2012, CCE invested \$3.9 million in the communities in which we operate.



● Total management costs	16%
● Total time	24%
● Total in kind	5%
● Total cash	55%

### Measuring the value of our contribution



In calculating our contribution to the community, we use the London Benchmarking Group reporting model which provides a standardized way of managing and measuring a company's community involvement. Our calculation is based on the value represented by four kinds of activities:

- Direct investment in community projects and partnerships aligned with our corporate responsibility and sustainability (CRS) objectives;
- Time volunteered by our employees;
- Giving in kind;
- Relevant management costs.

In 2012, we invested \$3.9 million, around 0.5 percent of pre-tax profit, in community initiatives across our territories. By 2014, we aim to raise that figure to one percent of our pre-tax profit.



#### CASE STUDY

### Bridging the digital divide

In 2012, CCE began a collaboration with Information Technology (IT) charity 'Close the Gap', which aims to reduce the digital divide between developed and developing countries. It does so by finding companies willing to donate high-quality, second hand PCs and other IT equipment. This equipment, repaired if necessary, then goes to schools, universities, hospitals and other institutions, mainly in Africa where a support and maintenance program ensures their long-term sustainable use. In 2012, CCE donated more than 150 reconditioned computers and other pieces of IT equipment to different organisations in developing countries through 'Close the Gap'.



See more at — [www.close-the-gap.org](http://www.close-the-gap.org)



**33%**

of our board of directors are female.

During CRS in Action week in France, 16 volunteers from CCE coached 50 diverse graduates from local communities to help them develop skills to enter the job market and tackle youth unemployment.

#### OUR COMMITMENT

We will attract, develop and retain a highly talented and diverse workforce within a safe and healthy workplace, to foster a winning and inclusive culture.

#### INTRODUCTION

People make a company successful and sustainable. Recruiting the best people and providing rewarding careers is a fundamental part of our Corporate Responsibility and Sustainability (CRS) agenda and one of our three strategic business priorities (Factsheet 5).

#### DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Workplace diversity</b> Attract, develop and retain a highly talented, engaged and diverse workforce.	Voluntary turnover rate (%)	Ongoing	n/a	6.5	5.7	<b>6.4</b>
	Average training days per employee	Ongoing	n/a	3	3	<b>3</b>
	Females in workforce (%)	Ongoing	23	23	23	<b>24</b>
	Females in management roles (%) <sup>1</sup>	Ongoing	n/a	32	33	<b>36</b>
	Employees with individual development plans (%)	Ongoing	n/a	n/a	47	<b>64</b>

#### WORKPLACE PROFILE

		2011	2012
Workforce	Total employees	13,250	<b>13,000</b>
	Full-time employees (%)	94	<b>94</b>
Gender	Females on Board of Directors (%)	33	<b>33</b>
	Females in executive roles (%) <sup>2</sup>	29	<b>29</b>
	Females in non-management roles (%) <sup>3</sup>	22	<b>21</b>
Age	Age profile of workforce (%)	<20	<b>1</b>
		20–29	<b>17</b>
		30–39	<b>32</b>
		40–49	<b>33</b>
		50–59	<b>15</b>
		60+	<b>2</b>
Board of Directors members over 40 (%)		100	<b>100</b>
Ethnic diversity	Ethnically diverse members of the Board of Directors (%) <sup>4</sup>	17	<b>17</b>

1. Percentage of women in management and leadership bands.  
2. Percentage of women on the Executive Leadership Team at CCE.

3. Percentage of women below management and leadership bands.  
4. Based on official US definition of diversity.

#### OUR STRATEGY

Within our workplace, we focus our CRS efforts on three priorities:

- Fostering a diverse and inclusive culture.
- Working towards world-class safety status in our manufacturing and sales operations.
- Developing a wellbeing program to encourage our employees to live positively.

This factsheet addresses how we are building and supporting a diverse workforce. Please see Factsheet 22 for more information on health, safety and wellbeing.

#### FOSTERING A DIVERSE AND INCLUSIVE CULTURE

CCE aims to attract, develop and retain a workforce that reflects the diversity of the communities in which we operate.

This year, for the first time, we appointed a full-time head of diversity and inclusion (D&I) – (see employee spotlight overleaf). We also carried out an organizational assessment, and consulted every leadership team member in CCE on how we can improve our D&I policies, practices and procedures. The result has been a new D&I strategy based on four pillars – accountability, education, environment and connection.

#### Accountability

We intend that all levels in the business should take responsibility for diversity. As a result, we're setting up a Group Diversity Council and creating a detailed D&I scorecard that will allow us to measure and benchmark progress across the business. All business units and functions are now

required to present their diversity action plans to our CEO, John Brock. In addition, all of our Executive Leadership Team members have D&I individual performance objectives.

**EDUCATION**

Our D&I learning strategy has two aspects – embedding D&I in the existing management training curriculum and building stand-alone D&I programs. The recently piloted awareness raising program ‘Diversity is everybody’s business’ will be rolled out to all employees in 2013. An ‘Inclusive Leadership’ program will provide training in diversity management and gender balance for our top 400 leaders.

We’re also building women’s networks to help make our culture more inclusive and to support women in their careers. Women’s networks have been set up in France, in the Benelux, and in Great Britain (see case study below). We aim to create similar women’s resource groups in Norway and Sweden in 2013.

**ENVIRONMENT**

Part of supporting diversity is to improve our processes, organization and culture. Under our ‘Diversity in action’ program, sites and functions are provided with D&I check-ups and self-assessment workshops covering several D&I dimensions: gender, ethnicity and nationality, age, disability, sexual orientation, religion and work-life balance. Sixteen sites and functions will benefit from the program in 2013.

We continue to review all our HR processes from a D&I perspective. To achieve greater

representation for women, particularly in CCE’s leadership and in commercial and operational roles, we aim to have at least one female on both the candidate list and the interview panel for every open leadership position at CCE. Our efforts are showing results: in 2012, women in the leadership band<sup>1</sup> represented 20.7 percent, an increase from 16.6 percent in 2011.

Our University Talent Program (UTP) is helping to build a pipeline of graduate talent, both male and female. 24 graduates were recruited in 2012, bringing our total to 80 graduates hired since UTP was launched in 2009. 56 percent of all graduates currently on the program are female.

Every employee is encouraged to create an Individual Development Plan (IDP) to help identify personal development opportunities. 8,320 employees had a personal plan by July 2012.

In 2011, our employees told us through our global engagement survey that we needed to further develop our learning and development opportunities. In 2012, we established the CCE Academy, offering online training in four main areas: leadership, commercial, supply chain and global functions. Since May 2012, 8,800 individuals have completed one or more courses. In 2013, we aim to offer over 300,000 hours of training – an average of 28.5 hours per employee. During 2012, we began launching a series of policies on attendance and flexible home working arrangements.

**CONNECTION**

An inclusive workplace depends on free and open communications within the company and with the rest of society. In our drive for greater diversity, we are developing partnerships with a number of external stakeholders including The Coca-Cola Company, local communities, public authorities, customers, suppliers and D&I specialists. For instance, in France where one of our D&I priorities is to support underprivileged youth, in 2012 we continued to achieve the target of supporting as many youth as salaried employees through our programs.

We’ve also developed better ways to communicate with our employees. Our HR portal, ‘HeRe Online’, makes it easier for employees to manage their working lives, enabling them to view their payslips, enroll for benefits and set their performance objectives online. This year we launched a mobile version of our intranet which gives employees access to many of these tools via their company or personal mobile devices.

Employees are encouraged to raise any workplace concerns or issues through a variety of channels – online, by speaking to our team of HR professionals, or through our 24-hour confidential Ethics and Compliance hotline.

**CASE STUDY**

**Elles@Coke**



Our commitment is to promote women’s careers by allowing them to express their full potential. To improve the status of women in our company, CCE launched the Elles@Coke program in 2010. Dedicated to managers, this club allows women to meet quarterly, exchange ideas, coach each other and better understand their work life. External speakers, including women from other backgrounds and companies, are also organized. Women involved in Elles@Coke can also access the multi-company network: the European professional Women’s Network. This French initiative aims to contribute to the promotion of women in our business. The final goal is for women to be better represented in the highest functions of the company.

**CASE STUDY**

**Sidcup diversity check-up**

Our Sidcup facility was one of the first to pilot our new diversity ‘check-up’. This reviewed seven aspects of diversity at the site – gender, ethnicity, nationality, disability, sexual orientation, religion and work-life balance – and identified a series of actions to be taken. The Sidcup leadership team established a diversity action group and have subsequently consulted employees on their schedules and working hours, installed a computer room to help develop IT skills and coached managers on their own working patterns.



**“My role is to make CCE progress in Diversity and Inclusion, in a sustainable way. My goal in 2012 was to develop a truly European strategy that provided us with a common framework and at the same time gave our business units the freedom to tackle their own Diversity and Inclusion challenges. We made sure that this strategy was part of our leadership members’ objectives and we asked all business units to adopt specific Diversity and Inclusion action plans. We also started reviewing all our HR processes and piloted innovating auditing and training programs. In 2013 we will roll out all the different programs both at a corporate and a business unit level.”**

Thais Compoint, Associate Director, Diversity and Inclusion Europe, CCE Paris



<sup>1</sup> Leadership roles are those of Director level and above at CCE.



# A Healthy and Safe Workplace



We provide our employees with access to health and fitness facilities where possible across our territories. Our new European head office, Enterprises House, incorporates a gym for employees, run in partnership with Nuffield Health.

## OUR COMMITMENT

We will attract, develop and retain a highly talented and diverse workforce within a safe and healthy workplace, to foster a winning and inclusive culture.

## INTRODUCTION

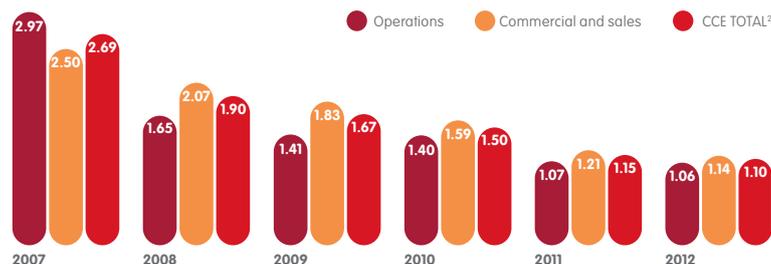
People make a company successful and sustainable. Providing a healthy and safe working environment is fundamental to everything we do and key to ensuring our employees can perform to the best of their potential, every day.

## DATA SUMMARY

Target	KPIs	By when	Progress			
			2009	2010	2011	2012
<b>Workplace safety</b> Provide a safe and healthy work environment with a vision of achieving zero accidents and attaining world-class health and safety status.	Lost-time accident rate (number of lost-time accidents per 100 full-time equivalent employees)	2020	1.67	1.50	1.15	<b>1.10</b>
	Number of fatalities	2020	n/a	0	0	<b>0</b>
<b>Employee wellbeing</b> Provide access to health and wellbeing programs for 100% of our employees.	Employees with access to health and wellbeing programs	2014	Measurement in progress			

## LOST TIME ACCIDENT RATE 2007–2012<sup>1</sup>

Number of lost time accidents per 100 full time equivalent employees.



1. Data changed from previous years due to recalculation owing to an anomaly.  
2. Nordics are included from the year 2010 onwards.

## OUR STRATEGY

Within our workplace, we focus our CRS efforts on three priorities:

- Fostering a diverse and inclusive culture.
- Working towards world-class safety status in our manufacturing and sales operations.
- Developing a wellbeing program to encourage our employees to live positively.

This factsheet addresses how we maintain a healthy and safe workplace. Please see Factsheet 21 for more information on diversity at CCE.

## WORKING TOWARDS WORLD-CLASS SAFETY STANDARDS

We aspire to world-class safety standards and a zero-accident workplace and are working towards a consistent approach and level of performance across all our countries. We have strong safety governance with Business Unit Safety Councils at national level and health and safety committees at each of our production, sales and distribution sites. Our standards apply equally to employees and contractors.

At the end of 2012, 16 of our 17 production facilities and all regional distribution centers were certified to Occupational Health and Safety management system OHSAS 18001. Our lost-time accident (LTA) rate was 1.10 accidents per 100 full-time equivalent employees, down from 1.15 in 2011 and there were no fatalities. Our LTAs for manufacturing trend slightly lower than commercial and sales, influenced by the fact that site-based employees are in a more controllable working environment. These figures continue a six-year falling

trend in the number of accidents, helped by the following initiatives:

- Behavioral programs designed to change people’s attitudes to safety and empower employees to challenge unsafe practices.
- A Europe-wide health and safety training curriculum aimed at standardizing and consolidating our safety training. Linked to this is a program to clarify accountabilities and implement standard methods of controlling hazards in the workplace.

While continuing to record our safety performance in terms of LTAs, we’re tightening our reporting procedures for incidents that do not result in lost time but still require medical treatment. Other activities include planned safety inspections, safety tours by site management and the systematic investigation of the root causes of accidents – typically manual handling, slips, trips and falls and contact with stationary or moving objects.

Away from our sites, we focus on safe driving with programs such as an online assessment of a driver’s risk rating and a safety program for drivers of our branded vehicles and company cars. As a significant proportion of our product is distributed by third parties, our contracts include requirements that their staff must be trained to meet CCE standards and we also benefit from the demanding regulation of driver

training in the haulage industry – for example, in Great Britain, drivers must undertake a Certificate of Professional Competence. We have safety review processes in place with our hauliers and contractors and ensure that any LTA or high potential incidents involving their employees on our sites are logged and followed up directly.

Our strong safety performance has been recognized this year with a number of awards across the business.



Northampton, Sidcup, Bristol and Milton Keynes Cold Drink Center in Great Britain were awarded the RoSPA Gold Award.

- East Kilbride, in Great Britain, received a Highly Commended RoSPA Award and a Gold MORR (Management of Road Risk) Award.

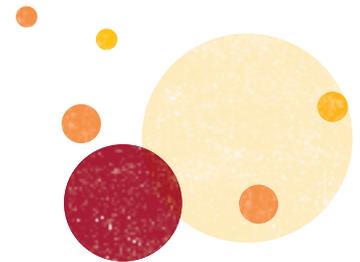
**EMPLOYEE WELLBEING**

We aim to promote a culture of wellbeing that empowers and encourages our employees to live positively. This means providing a healthy, safe environment so that employees are engaged at work and can focus on their performance. We provide programs to encourage employees to manage their overall health and resilience.

To achieve this objective, we’ve developed a company-wide strategy, and actions in the past year have included:

- Implementing an Employee Assistance Program, a confidential information service designed to support employees who have work or personal problems such as bereavement, stress or financial concerns.
- Setting up a network of wellbeing champions to support the roll-out of corporate programs and to engage our people in local wellbeing initiatives.
- Continuing to provide health and wellbeing-related information on our HR portal, ‘HeRe Online’.
- Offering flu vaccinations to employees in all CCE countries.

In 2013, we aim to roll out a Health Risk Assessment program that offers employees an analysis of their own state of health and risks they might be facing.



**CASE STUDY**

**Communicating Forklift Safety**

The Warehouse Logistics team from our Dunkerque site – Fabien Vangrevelynghe, José Gilliers, Pascal Boreux and Frédéric Falempin – found a creative solution to communicate and raise awareness of the safety risks involving forklifts and pedestrians amongst 400 employees on site. They independently created a short film, using a webcam, from the eyes of a forklift driver in action, highlighting hazards and pedestrian safety issues. The movie was hugely successful in increasing audience engagement and interest and has been rolled out as a best practice across all of our French sites.



**CASE STUDY**

**Safety Day in Paris**

Employee safety is a major concern. In 2012, a dedicated program was launched in France, called Safety First, to promote safety across all our sites. Risk management, training, mobilization and communication are at the heart of this approach and Safety Day is one of its pillars. All sites and the majority of employees participated. The purpose of the day, entirely devoted to safety, was to help employees both in their professional and personal lives. The Safety Day combined creative workshops, role playing, training and sports activities and some of the content was tailored to specific sectors, for example, management of road risks for field sales representatives and chemical hazards for manufacturing sites. This allowed us to train employees to detect potentially dangerous situations and to understand the importance of safety.





# 2012 Data Table

Our 2012 data for Sustainable Packaging and Recycling, Product Portfolio and Responsible Marketing has been assured by Two Tomorrows as indicated by



Our 2012 carbon footprint has been audited by SGS as indicated by

We have set 37 stretch targets across our seven commitments. Our progress so far is documented in the table below and our baseline year is 2007 unless otherwise stated.

FACTSHEET NUMBER		TARGET	KPIs	BY WHEN	PROGRESS			
					2009	2010	2011	2012
9 Energy and Climate Change	<b>Carbon Footprint</b>	Reduce the carbon footprint of the drink in your hand by a third.	Value chain CO <sub>2</sub> e emissions/ total number of products	2020	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress
	<b>Carbon footprint – Core Business</b>	Grow our business, but reduce the absolute carbon footprint of business operations by 15 percent.	Carbon footprint – core business operations ('000 tonnes CO <sub>2</sub> e)	2020	854	840	769	726
			CO <sub>2</sub> e reduction from 2007 baseline (%)	2020	0	-2	-10	-15
10 Energy and Renewable Energy	<b>Manufacturing</b>	Manufacture every liter of product with 50 percent less carbon emissions.	CO <sub>2</sub> e per liter of product manufactured	2020	30.78 <sup>1</sup>	27.76	25.37	25.5
	<b>Alternative Energy</b>	Source 35 percent of manufacturing energy from renewable/low-carbon sources.	Energy Use Ratio (KWH/liter)	2020	80.20 <sup>1</sup>	88.37	81.67	81.52
11 Distribution	<b>Transportation</b>	Deliver a case of product with 20 percent less carbon emissions.	Energy sourced from renewable/low-carbon sources (%) <sup>2</sup>	2020	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress
12 Cold Drinks Equipment	<b>Cold Drinks Equipment</b>	Reduce the carbon emissions from our cold drinks equipment by an average of 35 percent.	CO <sub>2</sub> e per case of product	2020	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress
			Average CO <sub>2</sub> e per unit of equipment	2014	0.91	0.88	0.74	0.68
			CO <sub>2</sub> e reduction from 2007 baseline (%)	2014	-4	-5	-19	-24
6 Supplier and Sustainability	<b>Cold Drinks Equipment</b>	Purchase only HFC-free coolers from 1 January 2013.	HFC free coolers purchased (%)	2013	4	50	82	100
	<b>Supplier Collaboration</b>	Work in partnership with our suppliers to reduce carbon emissions across each stage of our value chain.	Number of suppliers completing CCE's carbon challenge	Ongoing	n/a	n/a	129	130
	<b>Value Chain</b>	Work with partners to find innovative ways to minimize water impacts throughout our value chain.	Number of projects/partnerships established	Ongoing	Work in progress	n/a	0	1
13 Sustainable Packaging	<b>Ingredients</b>	Work with our sugar suppliers to ensure that the sugar we use is sustainable.	Sugar sourced from sustainable sources (%)	Ongoing	Work in progress	Work in progress	Work in progress	Work in progress
	<b>Lightweighting</b>	Reduce by 25 percent the amount of material we use across all packaging formats.	Packaging use ratio (g/liter product)	2020	n/a	131	127.5	123.9
			Total weight of packaging used (tonnes)	2020	355,626 <sup>1</sup>	363,062	384,521	367,925
	<b>Recycled Material</b>	Include recycled aluminum, steel and glass in respective packaging formats.	Recycled aluminum, steel and glass (%)	Ongoing	n/a	41	42	41.2
			Total recycled materials used (tonnes)	Ongoing	n/a	123,624	130,035	127,557
	<b>PET Bottles</b>	Ensure that our PET bottles set the standard for sustainable packaging, using the optimal combination of recycled PET and PET from plant-based materials.	PET that is rPET (%) <sup>3</sup>	2020	10 <sup>1</sup>	17.9	22.5	25
14 Recycling			PET bottles that are PlantBottle (%) <sup>3</sup>	2020	n/a	0.5	25	26.9
	<b>Recyclability</b>	Ensure 100 percent of our cans and bottles are fully recyclable.	Cans and bottles recyclable (%)	2014	99 <sup>1</sup>	99	99	99.4
	<b>Manufacturing</b>	Send zero waste to landfill from our own manufacturing sites and reduce the amount of waste we generate.	Total waste produced (metric tonnes)	2014	27,911 <sup>1</sup>	29,810	34,480	32,894
			Waste recycled (%)	2014	99.3 <sup>1</sup>	99.5	99.6	99.4
	<b>Packaging Recycling<sup>4</sup></b>	Recycle more packaging than we use, by championing improvements to collection schemes and investing in strategic recycling infrastructure projects.	Packaging recycled as percentage of total used (%)	2020	Measurement in progress	Measurement in progress	Measurement in progress	67.1
15 Water Stewardship	<b>Inspiring Consumers</b>	Increase packaging recovery rates by using our brands to educate and inspire consumers to recycle more often.	Number of consumer opportunities provided to view brand-led recycle/recover messaging	Ongoing	n/a	n/a	4.7 million	32.3 million
	<b>Reduce</b>	Reduce the amount of water we use, aiming to manufacture every liter of product using an average of 1.2 liters of water	Water use ratio (liters water/liter product)	2020	1.51 <sup>1</sup>	1.48	1.43	1.40
			Total water used (million cubic meters)	220	8.7 <sup>1</sup>	9.5	9.4	8.8
	<b>Recycle</b>	Safely return to nature 100 percent of the wastewater from our manufacturing operations.	Water returned at standard supporting aquatic life (%)	Ongoing	100 <sup>1</sup>	100	100	100

FACTSHEET NUMBER	TARGET	KPIs	BY WHEN	PROGRESS					
				2009	2010	2011	2012		
16 Water Protection	Protect	Protect the future sustainability of the water sources we use.	Sites with Source Water Protection Plans implemented (%)	Ongoing	12 <sup>1</sup>	88	100	100	
	Replenish	Return to nature the water used in our beverages, where it is sourced from areas of water stress, by investing in community-based water programs.	Water replenished (% vs liters in our beverages where sourced from areas of water stress)	2020	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	
17 Product Portfolio	Choice	Develop and market a wide choice of products so people can decide which of our beverages best meets their needs and lifestyles.	Full sugar brands with a no- or low-calorie alternative (%)	Ongoing	Measurement in progress	Measurement in progress	Measurement in progress	47.6 <sup>5</sup>	
	Quality	Ensure that our products meet the highest quality and food safety standards, in line with consumer expectations.	Facilities accredited to ISO 9001 and ISO 22000 (%)	Ongoing	75 <sup>1</sup>	94	94	94	
			Number of product quality complaints per million units sold	Ongoing	1.33 <sup>1</sup>	1.39	1.31	1.30	
	Low-Calorie Products	Accelerate the growth of no- and low-calorie products	Products which are no- or low-calorie (<40 calories per 250ml) (%)	Ongoing	34.6 <sup>1</sup>	33.4 <sup>1</sup>	31 <sup>6</sup>	31 <sup>6</sup>	
	Portion Size	Increase the availability of small portion size choices for sparkling soft drinks.	Products in packs that are 250ml or less (%)	Ongoing	19.8 <sup>1</sup>	20.8 <sup>1</sup>	19	19	
	Ingredients	Remove all artificial colors, flavors and preservatives in our products, where possible.	Products without artificial colors, flavors and preservatives (%)	Ongoing	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	Based on changes to national legislation around definitions of 'artificial', we are re-evaluating this target
18 Responsible Marketing	Nutritional Information	Provide easy-to-understand nutritional and ingredient information so that consumers are able to make informed beverage choices.	Products with on pack GDA labelling (%) <sup>9</sup>	Ongoing	97 <sup>1</sup>	97 <sup>1</sup>	97	97.9 <sup>7</sup>	
	Responsible Marketing	Ensure that our products are sold and marketed in a responsible way.	Compliance with responsible marketing, marketing to children, education channel and digital marketing guidelines (%)	Ongoing	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	
20 Community	Social Investment	Invest 1 percent of our annual pre-tax profit to support charitable and community partners and make a positive difference in the communities in which we operate.	Pre-tax profit invested (%)	2014	n/a	0.5	0.6	0.5	
	Community	Invest in community projects and partnerships where we can make the biggest impact, aligned to our core business and CRS focus areas.	Total value of community contributions (millions \$)	Ongoing	n/a	4.3	5.7	3.9	
	Employee Volunteering	Support the active involvement of our employees by encouraging them to volunteer.	Number of hours volunteered by CCE employees (hours)	Ongoing	n/a	12,000	14,000	10,200	
19 Active Healthy Living	Local Collaboration	Encourage people to lead an active healthy lifestyle by working with our brands and supporting local partnerships.	Investment in Active Healthy Living activities (\$)	Ongoing	n/a	n/a	867,000	1.0 million	
	Physical Activity	Support people to participate in programs which encourage active healthy living.	Numbers of people engaged in Active Healthy Living programs	Ongoing	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	
	Nutritional Education	Support community partnerships to highlight the importance of good nutrition, balanced diets and active healthy living.	Investment in nutrition education (\$)	Ongoing	Current focus on providing nutrition and ingredient information on pack. We are looking to take this further in coming years.				
21 Diversity	Workplace Diversity	Attract, develop and retain a highly talented, engaged and diverse workforce.	Voluntary turnover rate (%)	Ongoing	n/a	6.5	5.7	6.4	
			Average training days per employee	Ongoing	n/a	3	3	3	
			Females in workforce (%)	Ongoing	23	23	23	24	
			Females in management roles (%) <sup>10</sup>	Ongoing	n/a	32	33	36	
			Employees with individual development plans	Ongoing	n/a	n/a	47 <sup>1</sup>	64	
22 A Healthy and Safe Workplace	Workplace Safety	Provide a safe and healthy work environment with a vision of achieving zero accidents, and attaining world class health and safety status.	Lost time accident rate (number of lost time accidents per 100 full time equivalent employees)	2020	1.67 <sup>1,8</sup>	1.50 <sup>8</sup>	1.15 <sup>8</sup>	1.10	
			Number of fatalities	2020	n/a	0	0	0	
	Employee Wellbeing	Provide access to health and wellbeing programs for 100 percent of our employees	Employees with access to health and wellbeing programs	2014	Measurement in progress	Measurement in progress	Measurement in progress	Measurement in progress	

1. Does not include Norway and Sweden.  
 2. Including grid renewable energy.  
 3. Year end figures. Please note that we used an average of 23.8% of rPET over the course of the year.  
 4. This is calculated from national recycling rates for each territory, plus the amount of material that is collected and reprocessed through CCE initiatives, taking account of any double-counting which may occur. For further information see 'Recycling Rate

Calculation Methodology' on cokece.com/corporate-responsibility-sustainability/publications-and-policies.  
 5. This includes all CCE's full sugar brands including the smaller ones. Our most popular brands (Coca-Cola, Fanta, Sprite) all have low-calorie alternatives and together these make up over 90% of CCE's volume.

6. Measured using unit cases.  
 7. Does not include products which do not require GDA labeling such as waters and our fountain Bag in Box products.  
 8. Data changed from previous years due to recalculation owing to an anomaly.  
 9. We have changed the way we measure against this target in 2012. Our 2009, 2010 and 2011 data in this table shows the volume of our products with GDA labeling. To ensure greater focus on smaller brands,

in 2012, we changed to measure products with GDA labeling rather than volume. The 2012 number therefore shows the percentage of our products with GDA labels.  
 10. Percentage of women in management and leadership bands.

# Independent Assurance statement



## Our approach

We performed our work using Two Tomorrows' assurance methodology which is based on our professional experience and international assurance standards, including the International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements Other Than Audits and Reviews of Historical Financial Information' and ISO19011.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance conclusions. We are providing a 'limited level' of assurance. A 'reasonable level' of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our assurance conclusions.

We used the GRI Quality of Information Principles to evaluate the performance data together with Coca-Cola Enterprises' data protocols for how the sustainability performance data are measured, recorded and reported, as the basis of the Reporting Criteria for undertaking our assurance work.

## Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Group level. Our assurance work included the following:

- Interviewing senior management responsible for the management of corporate responsibility and sustainability, the Corporate Responsibility & Sustainability Report 2012 and selected data reporting systems;
- Reviewing and sample checking the sustainability performance data measurement, collection and reporting processes at Group level;
- Reviewing how the sustainability performance data was represented in the 2012 Data Table and within the relevant Performance sections of the report; and
- Assessing the GRI index for compliance with the GRI application level requirements for B+.

## Responsibilities of the Directors of Coca-Cola Enterprises and of the assurance providers

The Directors of Coca-Cola Enterprises have sole responsibility for the preparation of the Corporate Responsibility & Sustainability Report 2012. In performing our assurance work, our responsibility is to the management of Coca-Cola Enterprises; however our statement represents our independent opinion and is intended to inform all of Coca-Cola Enterprises' stakeholders including its management. We were not involved in the preparation of any part of the Report. However, having reviewed and provided feedback on drafts of the Report, in a number of instances changes were made to the final version.

We have not been involved in providing Coca-Cola Enterprises with any other services during the reporting period.

Our core assurance team comprised Jon Woodhead, Gareth Manning, Samantha Parsons and David Keddie. Further information, including individual competencies relating to the team can be found at: [www.twotomorrows.com](http://www.twotomorrows.com)

## Our key observations and recommendations

We have provided a confidential Management Letter containing our observations and recommendations made during the course of our work to Coca-Cola Enterprises' management. Overall, the new format of reporting this year provides a useful and accessible account of the management arrangements and performance within Coca Cola Enterprises.

Without affecting our assurance opinion, our key observations and recommendations are summarised below:

- Coca-Cola Enterprises has a best practice, multi-stakeholder approach to innovating and developing more sustainable product packaging and improved recycling. We recommend that future reporting should provide more detail on Coca-Cola Enterprises' approach to innovation around other material issues such as encouraging healthy lifestyles, nutritional labelling and how stakeholders are involved in the process.
- Coca-Cola Enterprises demonstrates a proactive approach to employee diversity, for example through the recent pilot of the new diversity 'check-up' initiative at the Sidcup manufacturing site, and the 'diversity in action' self-assessments that are due to be rolled out across sixteen sites in 2013. We recommend Coca-Cola Enterprises should consider further roll out of these initiatives to other sites across the company.
- We observed that Coca-Cola Enterprises has strengthened its governance processes in relation to business ethics, in particular through work to improve the ethics hotline. Reporting on ethics issues could be further improved by including information on the number and type of ethics incidents recorded by the hotline and the range of other work undertaken on business ethics.
- We note Coca-Cola Enterprises' "label diversité" in France has improved the diversity of suppliers used in procurement. Coca-Cola Enterprises should look for ways to adopt similar approaches in other country operations, including measures to support small entrepreneurs.
- We recommend future reports include information on Coca-Cola Enterprises' health and safety performance for employees and third party contractors in its distribution operations.



- Coca Cola Enterprises in Great Britain has clear guidance and other measures in place to align with the Coca-Cola Company's Global Responsible Marketing policy. We recommend that Coca Cola Enterprises should consider introducing an auditing process across all country level operations to ensure consistent adherence to this policy.
- We recommend Coca-Cola Enterprises should review the current suite of targets and KPIs to ensure they are aligned with the core business strategy. The review should consider how to define these targets and KPIs in the most accurate and constructive way, with objectives that both challenge the business and that address the expectations of customers and other stakeholders.

Our key recommendations relating to the Product Portfolio, Responsible Marketing, Sustainable Packaging and Recycling factsheets include:

**Packaging database**

Our review highlighted gaps and out-dated values for material weights of multiple items in the current packaging database. A new, automated system is being considered (the "New Packaging Database Project") and work continues to define exact functionality and design. We recommend that this project makes use of flexible database systems to encourage regular updates.

**Data review and sign off:**

Reporting systems currently lack a process of formal signoff and review of figures and calculations behind KPIs reported. We recommend introduction of a formal review and sign off process to strengthen internal oversight.

**Choice KPI:**

The 'Choice' KPI required significant manual effort to calculate as this is the first year that Coca-Cola Enterprises have reported on it; the data calculations were overcomplicated and often several manual reiterations of the data were required. We recommend developing an automated and less labour intensive data collection process for this KPI.

**Ingredients KPI:**

We note that the KPI for ingredients was removed due to regulatory challenges around the definition of 'natural'. To enhance future reporting on ingredients, we recommend further consultation and agreements with regulators and nutritional experts to develop a list of ingredients that can be described as 'natural'.

**Data Methodology:**

We found very limited internal guidance on how data for each KPI should be measured and calculated. We recommend developing a more formalised data methodology for each KPI. This will improve consistency of reporting across the business.

**Our conclusions**

On the basis of the work undertaken, nothing came to our attention to suggest that:

- the sustainability performance data for the year ended 31 December 2012, as published in the Product Portfolio, Responsible Marketing, Sustainable Packaging and Recycling factsheets, are not prepared in all material respects with the Reporting Criteria; and
- Coca-Cola Enterprises' self-declared GRI application level of B+ of the GRI "G3.0" Guidelines as published in the GRI index is not fairly stated in all material respects.

for DNV Two Tomorrows Limited  
London

10th May 2013



**Jon Woodhead**  
Director



Two Tomorrows is part of DNV, a global provider of services for managing risk and helping customers to achieve sustainable business performance.

[www.twotomorrow.com](http://www.twotomorrow.com)