



Make our operations environmentally sustainable

Core area of our sustainability efforts relate to the management of our impact on the environment. We are strongly committed to managing the impact that our company has on the environment and we have therefore identified four cornerstones as part of our environmental sustainability strategy. These include:

- Water Stewardship
- Energy Consumption and Climate Protection
- Responsible Packaging
- Waste and Waste Water Management

Water Stewardship

As an Anchor Bottler of the world's leading beverage brands, we are committed to replacing the water used in our operations back into nature. Wherever possible we strive to reduce our water usage ratio in all our manufacturing plants through streamlined designs, efficient maintenance and a water conscious attitude by our employees.

Water usage in our plants

As part of our water sustainability plan, Coca-Cola Sabco remains vigilant about water usage in our plants. We need water for the production of our product, but also for operating our machinery, cleaning and sterilising our bottles and work environments as well as for general office and factory use. While a water conscious approach aids in reducing water wastage during general office and factory use, we have taken measures to specifically address the usage of water on our production lines and in our factories.

New lines have been designed to use less water than existing lines, while upgrades have been made to existing lines to help reduce water usage. Water balance tables are also used in the plants to establish areas of opportunity to reduce water usage and action plans are in place to address opportunity areas. Simple practices such as reporting and stopping water leaks help prevent unnecessary water wastage in our plants and we have solid maintenance practices in place to manage this.

Our water usage ratio is consistently monitored and we are confident that we can develop and implement purpose-designed water saving strategies for each plant by 2014.

Water saving successes at Coca-Cola Beverages Sri Lanka

Clean water is often one of the biggest challenges to the communities in which we operate, and keeping this in mind, Coca-Cola Beverages Sri Lanka pledged to conserve water in the manufacturing process. This pledge was launched on World Water Day in March 2010 and carried forth the good work done by the team from Sri Lanka to help our business be more water smart.

As a result of the many initiatives launched in 2009 and built on in 2010, the water use ratio for manufacturing one litre of beverage at the plant has come down from 5.09 to 3.86 litres. Sri Lanka received the Group Award for Most Improved Water Usage Ratio for their achievement in 2009. This substantial water saving is an admirable inspiration to all teams across our Group.

Bloemfontein Cheetah Plant front runner in water savings

It is only fitting that one of Coca-Cola Sabco's most innovative and technologically advanced plants across the Group has recorded the lowest water usage for 2009. The Bloemfontein Cheetah Plant recorded an admirable 2.6L of water per litre beverage produced and sets the tone for all other plants across the Group. While we acknowledge that not all plants have the advantage of the most recent and efficient technology in line and process design, we endeavour to implement measures and best practice learnings across our plants to meet this excellent water usage record.



Clean water in our communities

We operate in communities in which clean water is often a luxury. This fact is part of our motivation for ensuring that we help as many of our communities as possible to have access to clean running water. Over the past number of years, Coca-Cola Sabco has invested significantly in community water projects especially in our Asian operations of Cambodia, Vietnam, Nepal and Sri Lanka. Long-term projects such as Clean Water for Community and Partnership for Safe Water have made an enormous contribution to community water access in our territories.

In 2010 alone, the Clean Water for Community initiative in the Thu Duc district (HCMC – South), Lien Chieu district (Central), and Thuong Tin district (Hanoi) of Vietnam served over 10 000 teachers and students and connected over 700 families to the city's main water network. In Cambodia, hundreds of families have been given water access thanks to the Clean Water for Community initiative. The Partnership for Safe Water project in Nepal has had similar great results since its inception in 2008. The project focuses on establishing safe drinking water options for the community and, importantly, the education of the community about safe drinking water options.

These projects, along with a number of new initiatives, will be continued well into 2011 and beyond.

“ We operate in communities in which clean water is often a luxury. This fact is part of our motivation for ensuring that we help as many of our communities as possible to have access to clean running water. ”



Coca-Cola Beverages Sri Lanka encourages water awareness through art

Coca-Cola Beverages Sri Lanka hosted two art competitions for the community in an effort to promote awareness about good water habits among children from the Biyagama community.

The competitions were held at the Biyagama plant with children from various schools around the plant in attendance. The 9 – 12 year age group drew and painted pictures related to “Clean Water”, while older children of between 13 and 15 depicted scenes of “Clean Water for Healthy Living”. Art supplies, snacks and Minute Maid were supplied to the contestants.

The winners were rewarded for their creative interpretation of the theme as well as the aesthetics of their artworks and received cash prizes, certificates and school bags.



Partnership for Safe Water goes from strength to strength in Nepal

The focus on safe water and healthy sanitation practices has become a core part of Bottlers Nepal's corporate social responsibility activities over the past few years. One of their key joint-venture projects, the Partnership for Safe Water, has been gaining momentum since its inception in May 2008 and in January 2010 another community in Patan encompassing 52 households was declared a “Safe Water Zone”.

Thanks to various combined efforts from role players, a number of households throughout the Lalitpur, Hetauda, Butwal, Nepalgunj and Bharatpur districts of Nepal now have access to household water treatment facilities which has helped cut down on the number of people who suffer from illnesses caused by contaminated water.

Highlights from the programme in 2010 included the purification of 105 drinking water wells and water points at 11 schools and 22 health posts in Lalitpur, as well as the education of community members and school children on safe water options through street dramas and orientation sessions.

To carry forth their good work in providing safe drinking water for the Nepalese community, Bottlers Nepal extended their partnership with UN Habitat to promote the harvesting of rainwater within Nepal. This project will be rolled-out in the near future.

“ Long-term projects such as Clean Water for Community and Partnership for Safe Water have made an enormous contribution to community water access in our territories. ”



Cambodia Beverage Company continues commitment to Clean Water for Community in 2010

Coca-Cola Sabco's bottling plants in Asia have been placing a particular focus on improving the access to clean drinking water in their communities. According to UNICEF only 34% of the Cambodian population have access to purified drinking water sources. Cambodia Beverage Company reiterated their support for this cause by announcing their partnership with the Cambodia Women for Peace and Development (CWPD) for the Clean Water for Community 2010 initiative

The objective of the Clean Water for Community 2010 project was to improve the living conditions of Cambodian communities by providing access to clean water, as well as improving the sanitation levels in these communities. Cambodia Beverage Company, in cooperation with CWPD, allocated 125 million Riel to install 15 pump wells and 140 ceramic water filters to 360 households in 19 villages of two Udong district communes in the Kampong Speu province. Beyond providing access to the water points, the project also focused on providing educational sessions on sanitation and primary health care to residents. These training sessions were conducted to help empower community members to protect themselves and their families from preventable illnesses.



Energy Consumption and Climate Protection

We recognise that producing and delivering our products creates a carbon footprint which must be managed consciously and effectively. Our carbon footprint is calculated as part of our reporting responsibilities under the Kyoto protocol and as a profit-building organisation, it is our aim to increase our volumes but reduce the energy used to produce and distribute our products.

Energy Minimisation Surveys were conducted at various plants in our Group and the findings of the survey are currently being implemented. Four areas of management have been identified to help reduce the total energy used to produce our products and subsequently lower our CO₂ emissions. These include Manufacturing Plant Carbon Emissions, Energy Ratios for Production, Fleet Emissions, and Cooler Energy Management.

The results of our Energy Management initiatives are measured and reported on monthly to track progress per plant. Manufacturing factory Carbon Emissions are evaluated every six months.



Energy usage

Energy usage at our plants is measured against MJ power usage per litre of beverage produced. The Group currently operates at an average of 0.47 MJ/litre while our target for 2014 is an energy consumption level of <0.42 MJ/litre.

Coolers

Within our value chain, coolers have one of the highest impacts on the environment in terms of both energy consumption and CO₂ emissions. We are therefore supporting the Coca-Cola System in implementing an energy saving system for all new coolers being purchased in the Group.

Energy Management Devices (EMDs) have been developed and fitted to all newly purchased coolers with a capacity of over 250L in a bid to reduce the energy consumption of the coolers. The EMDs work by shutting down certain components when the units are not in use. Intelligent design allows the EMDs to automatically switch on and shut down in sync with the store's opening and closing hours. With the EMD fitted, certain components of the coolers shut down when the refrigerator doors open to help prevent cold air from escaping and thereby regulating the temperature within the cooler.

"The results of our Energy Management initiatives are measured and reported on monthly to track progress per plant. Manufacturing factory Carbon Emissions are evaluated every six months."

The implementation of the EMDs to date has been a major success in the Coca-Cola System, with a total energy consumption reduction of up to 35% reported dependant on the environment in which the cooler is situated.

In addition to the EMD systems, alternatives are being sought for more efficient refrigerants and an in-depth evaluation of alternate efficient refrigerants is underway. By 2012 we aim to have implemented a 50% conversion to alternate refrigerants with progression to a 100% conversion rate by 2014.

Carbon emissions

Carbon emission in our Company is approached in two parts, namely manufacturing plant CO₂ emissions and fleet CO₂ emissions. At present, our average Group manufacturing plant CO₂ emissions total 0.40 grams CO₂ per unit case produced. However we believe it is necessary to reduce this figure to <0.38 grams CO₂ per unit case produced by 2014.

Lowering the CO₂ emissions and diesel consumption of our fleet has been identified as a continuing priority in our environmental sustainability strategy. In accordance with Euro III emission policies, we will continue to strive towards ensuring that the majority of vehicles in our fleet meet at least Euro III criteria.



1 Footprint 1 Fortune

As part of Coca-Cola Sabco's efforts to fully integrate sustainable development and management practices into our business, the exciting 1 Footprint 1 Fortune project has been launched by Coca-Cola Fortune. The project essentially adopts various simple greening, strategies which are expected to reduce our carbon footprint significantly.

The project addresses seven key areas for greening including buildings (lighting, air-conditioning, etc.), fleet fuel consumption, water consumption, the reduction of air and other travel, paper usage reduction, waste management and recycling, as well as educational and behavioural changes.

During the first six months of the project, which will serve as Phase I, a sustainability standard will be developed to monitor and regulate all sustainability efforts. To engage employees in the new initiative drive, passive change management projects will be rolled out to educate employees about the new systems and make

them passionate about reducing our environmental impact, as well as the cost impact of our business.

The first phase of the project will also see the implementation of a fuel management project of which trials on 10 of our trucks have already yielded an average reduction of 10.5% in fuel consumption. This fuel consumption reduction not only equates to a 6% net saving on fuel costs, but also a reduction in emissions to help reduce our carbon footprint.

In order to help identify areas for improvement in energy efficiency, the Lakeside Plant at Group Office will be metered and monitored for the creation of a core business case and the implementation of identified initiatives.

The 1 Footprint 1 Fortune initiative is expected to yield positive sustainability results and provide a benchmark for greening initiatives that can be incorporated in all our plants.

"We recognise that producing and delivering our products creates a carbon footprint which must be managed consciously and effectively."



Responsible Packaging

Our packaging creates the largest majority of waste in our operations. As our packaging is taken into our communities and our environment it is of particular importance that we develop measures to lighten the environmental impact of our packaging not only while it is being produced, but also once it has left our premises.

Light-weighting initiatives for PET and Glass

We strive to create the minimum impact to the environment in sourcing of both our returnable and non-returnable packaging. Our efforts to minimise the impact of our packaging thus begins with our suppliers and the manufacturing of the packaging.

2010 Initiatives

A particular effort was made to begin the light-weighting of our PET and Glass packaging. PET light-weighting has led to an annual saving of 1700 tonnes of PET material in South Africa alone. Light-weighting has also been implemented on the film material of PET labels in South Africa and Namibia by reducing it from 47 micron to 37 micron. Our PET initiatives also extend to PET Resin Recycling and discussions are currently underway with Hosaf and Petco to enhance this initiative. Although exact savings goals have not yet been finalised, we are currently working towards using 50% recycled material in packaging. In addition, crowns and closure linings are now PVC-free in all countries.

Unlike PET, glass is 100% recyclable, yet the glass manufacturing process is harmful to the environment due to high energy impacts. In an effort to reduce the amount of glass produced whilst maintaining sales Coca-Cola Sabco, in association with the Coca-Cola System has embarked on light-weighting programmes for all pack sizes. The 300ml pack size packaging has been reduced in weight from 380g to 300g, while the 1L ranges will be reduced from 980g in weight to 800g. The 1.25L ranges will be reduced in weight from 980g to 880g.

The roll-out of glass light-weighting in 2010 resulted in 70% of new glass sourced being at its lightest possible weight across the Group.

Towards the future

Coca-Cola Sabco will continue to implement PET and Glass light-weighting initiatives in the coming year. Our primary focus in PET recycling includes implementing supply agreements with suppliers to ensure that they conform to our specifications, while also working closely with project teams to ensure that the roll-out and implementation of the light-weighting project takes place within our preset time frames.

It is our goal to record 100% compliance with our PET light-weighting goals across our Group by 2014, while securing a minimum of 85% ultra-light weight glass by 2014. More immediate goals include 100% glass light-weighting for the 1.25L range in South Africa by 2011 as well as the 300ml range in East Africa, and 80% glass light-weighting for the 300ml range in Asia by 2012.

To help us reach these goals in our partnerships with suppliers, we will drive the review of all mould sets at our suppliers, while also enhancing strategic alliances with key suppliers to maintain quality standards.

Coca-Cola Sabco identified as glass light-weighting benchmark

Coca-Cola Sabco has been identified as the benchmark for glass light-weighting initiatives in the East and Central Africa Business Units since the first roll-out in 2007.

As per the mandate issued, only ultra-light weight ultra glass designs were sourced in these regions leading to a reduction of approximately 3 800 tonnes in total glass usage, while still ensuring uninterrupted supply for our production line.

The reduction of glass usage has not only reduced wastage within our company, but has also led to significant cost savings in the East and Central African business unit.

Returnable packaging

Sustainability towards packaging extends beyond bottles to the materials we use to create our signature colours and labelling as well as our crates.

In 2009 Coca-Cola Sabco embarked on a project to eliminate all heavy metals from returnable packaging which has been continued into 2010. As per objectives, all heavy metals have now been removed from returnable packaging.

This was achieved through partnerships with our suppliers to remove heavy metals in inks used for labelling such as the applied ceramic labelling inks used for printing on our returnable glass bottles. In addition, our returnable crates are now being produced cadmium-free and we are investigating methods of increasing the use of recycled content in crate manufacturing.

Toward the future

Our investment into the environmental sustainability of returnable packaging will focus on the creation of strategic alliances with all suppliers to maintain the standards of zero heavy metals in our returnable packaging, as well as investigations into using recycled material for the production of our crates. Although a matching Coke Red has not been achieved to date using the new master batch of formulas and additives for crate production, this is being actively pursued to ensure that our trademark red crates will soon be an environmentally friendly part of the recycling process.



“Coca-Cola Sabco has been identified as the benchmark for glass light-weighting initiatives...”



Waste and Waste Water Management



OVERVIEW

Wherever possible Coca-Cola Sabco eliminates waste within our own operational system. The more of our own waste we can re-use in our operations, the more valuable our operations become. We focus on reducing the impact of waste on the environment and our profitability by reducing our total waste and increasing our recycling activities. In terms of waste water, we ensure that the waste water discharge at our facilities complies with applicable local regulatory requirements, as well as those requirements set out by The Coca-Cola Company.

Our long-term goal is to work towards producing a zero waste culture where all production waste material is recycled and re-used. To achieve this goal we have to understand our waste streams, re-evaluate how to reduce these waste streams and how to minimise the amount of waste that leaves our plants on route to the landfill.

SOLID WASTE GENERATED AND WASTE RECYCLED

Our operations result in waste that can in some instances be recycled either within our own operations or within our communities. From a Group perspective, our recycled material is classified as follow:

Paper	5.2%
Glass	71.9%
PET	2.4%
Plastic	12.4%
Metal	0.5%
Wood	4.0%
Other	3.6%

At present we produce 11.8grams of solid waste per litre of beverage produced, 67.7% of which is recycled for other purposes. While this rate of recycling is promising, we believe it necessary to decrease the solid waste production levels to at least 10.5grams of solid waste per litre of beverage produced by 2014, while the recycling levels during the same period should increase to a minimum of 70% waste recycled. In order to help us reach the goal, waste KPIs are monitored and reported on monthly.

In instances where hazardous waste such as solvents, dried paints, used fluorescent bulbs are disposed, Coca-Cola Sabco meets local requirements and takes great care to dispose of the items safely.

First PET collection centre launched in Uganda

On 29 November 2010, Century Bottling Company launched the first ever model PET collection centre in Uganda. The collection centre based in the city suburb of Katwe in Kampala, encompasses a fenced off 10m x 11m yard with an office and working telephone system, safe, weighing scale, bicycles, overalls, gumboots and gloves for the collector and his assistants, as well as a crusher to reduce the volume of the bottles.

The centre will provide residents with a source of income as the collector at the centre will pay 300 UGX for every kilogram of PET bottles delivered to the centre. The hope is that this initiative will help encourage residents to recycle PET bottles rather than merely discarding them as unwanted rubbish.

The PET collection centre will serve as a compliment to Plastic Recycling Industries (PRI), an existing company and affiliate of industry counterparts Rwenzori Bottling Company. PRI currently operates at a collecting capacity of 20 tonnes per day, while the city of Kampala currently disposes of 170 tonnes of plastic waste per day. It is aimed that this new collection centre will help alleviate the pressure on the environment and municipal capability by allowing a collection point for PET waste that can be safely and effectively disposed of.



Cambodia Beverage Company distributes replacement computers to community

With the realisation that it is not only our production line that causes waste in our environment, Cambodia Beverage Company took the initiative to donate 36 working computers which were up for replacement to members of the community and employees' children. The computers, all of which are in a good working condition but were due to be upgraded, were distributed to selected primary schools, while the remaining computers were given to employees' children as prizes to a general knowledge quiz.

This initiative to reduce waste and recycle our unwanted items is a great step in the direction of minimising the impact of our operations in our environment while helping to uplift our communities.

Project Donkey Cart turns the Kalahari red through recycling

There's much more red to the Kalahari nowadays than just the sand. Thanks to a creative recycling plan by the team in the Kalahari, the donkey cart used by the Diteko Tuck Shop, 15km outside of the Kuruman CBD was transformed into a festive Coca-Cola promotional tool.

The donkey cart is used to collect stock from the Motibistad Metro at an average of six 1.25L cases per week, as the customer has no other means of transport to get the product to his tuck shop. Using donkey carts as a means of distribution from distributors to tuck shops is popular in rural areas in South Africa and donkey carts are often the customers' only form of transport.

The team set about revamping the Diteko Tuck Shop donkey cart through the creative use of old frames and sign boards. To help curb costs, the truck workshop was used to spray the cart and the team constructed the sign structure voluntarily. The total cost for the project came to R500 and three hours of labour by an enthusiastic team willing to go the extra mile for the community.

Besides a wonderful facelift, the donkey cart can now also easily load eight cases of 1.25L at a time.



"The more of our own waste we can re-use in our operations, the more valuable our operations become."



Group Office and operations product recycling initiatives

Our goal is to work towards a zero waste culture where production waste material is recycled and re-used in other applications.

Group Office initiated a Green Committee in 2010 to drive Environmental initiatives in the office environment. The plastic and paper waste materials from the office are recycled and a small earth worm farm has been started to recycle the kitchen waste. Tea bags also recycled with this initiative, where the tea leaves are used to improve the gardens and the bags are dried and recycled by the earth worms.

The PET and plastic materials from the operations are recycled and used in other industries. Examples of these uses are casket handles and plastic flowers made from the bottle closures. Buckets, cups, sandals, combs and irrigation pipes are made from recycled plastic and PET. The glass waste or cullet from plants is separated by colour at the plant and sent back to the glass manufacturers to be used in the manufacturing of new glass products. Wooden slats from broken pallets are re-used by recycling companies to produce timber products.



“ Our goal is to work towards a zero waste culture where production waste material is recycled and reused in other applications. ”

WASTE WATER

The responsible management of waste water is of utmost importance to Coca-Cola Sabco. Waste water from our bottling process is a significant issue at all our plants as the volumes produced are large and the waste water tends to be alkaline in nature. Where the waste water is not being fed into municipal treatment facilities, waste water facilities are run independently by Coca-Cola Sabco. At present, 83% of our waste water volumes discharged is compliant with local and TCCC regulatory standards. Our aim is to ensure 100% compliance with The Coca-Cola Company waste water regulations by 2011.

Waste water facilities to improve East African waste water management

Five new waste water facilities are currently being built in Coca-Cola Sabco's East African operations to help ensure that all our waste water will be treated to the local standards, as well as those set by The Coca-Cola Company. These facilities will be built at the Maputo, Chimoio, Dar es Salaam, Mbeya and Addis Ababa plants.

OPERATING COMPANIES COVERED IN THIS REPORT

The Coca-Cola Sabco Group encompasses the following companies:

South Africa: Coca-Cola Fortune (Pty) Limited

Namibia: Namibia Beverages Partnership; Paradise Beverages (Namibia) (Pty) Limited

Ethiopia: East African Bottling Share Company

Kenya: Nairobi Bottlers Limited

Tanzania: Coca-Cola Kwanza Limited; Zanzibar Bottlers Limited

Uganda: Century Bottling Company

Mozambique: Coca-Cola Sabco (Mozambique) SARL

Vietnam: Coca-Cola Beverages Vietnam Limited

Cambodia: Cambodia Beverage Company

Nepal: Bottlers Nepal Limited; Bottlers Nepal (Terai) Limited

Sri Lanka: Coca-Cola Beverages Sri Lanka Limited



Sustainability **Review** 2010

For enquiries, please contact Coca-Cola Sabco (Pty)Ltd on:
Tel: +27 41 395 4060 • Fax: +27 41 374 4266
Email: nmzimba@ccsabco.co.za

For a specific country request,
please contact the country representative:

Cambodia	+855 23 428 995/6	South Africa	+27 41 395 4060
Ethiopia	+251 112 756 114	Sri Lanka	+94 1 12 487 700/16
Kenya	+254 206 998 000/9	Tanzania	+255 222 700 700/6
Mozambique	+258 2 1 400 189	Uganda	+256 312 365 00
Namibia	+264 61 320 7000	Vietnam	+848 896 1000
Nepal	+997 143 506 02		

Further information can be obtained at www.cocacolasabco.com