



CCS *Coca-Cola Sabco* **2011**
Sustainability
Review

LIVE POSITIVELY  *Coca-Cola*

LIVE FOR A DIFFERENCE  *Coca-Cola*



Message from the CEO

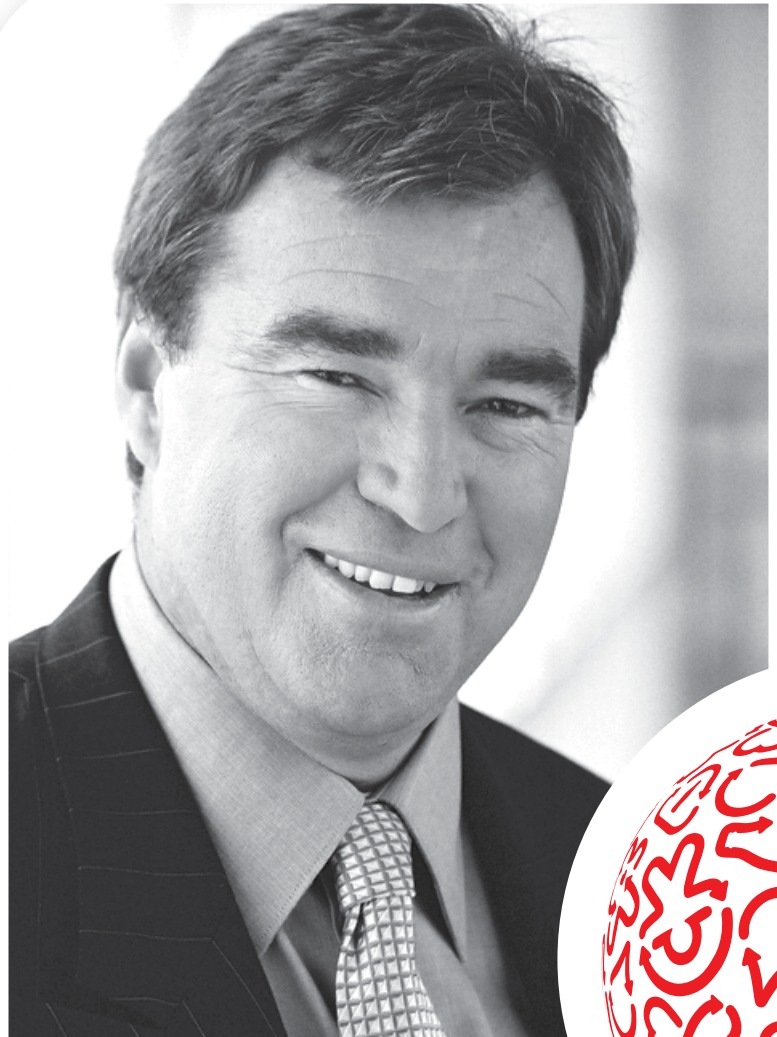
“Great power involves great responsibility.” These words, spoken by former American president Franklin D. Roosevelt, encapsulate what it means to be an accountable corporate citizen in the world today.

As a member of the global Coca-Cola System, Coca-Cola Sabco is ever mindful of the way in which we do business and are proud to have aligned ourselves with the Company-wide Live Positively/Live for a Difference campaign.

The challenges we face as an emerging market specialist operating in nine territories throughout Africa and Asia also present numerous opportunities to do good on many levels.

We are guided in this by a framework built on the three pillars of economic, social and environmental sustainability. It is first and foremost our job to grow the business responsibly; not just for our shareholders but also for those we employ and the communities we serve. Creating economic sustainability provides the financial resources we need to carry out our programmes and initiatives successfully.

Social sustainability is achieved from within by enabling our workers to achieve their full potential, thereby assuring the production and delivery of safe, quality products to our consumers.



Through corporate social investment projects, we are also strengthening the communities in which they work and live. And finally, by minimising our environmental impact and being responsible stewards of our natural resources, we can complete the trio of strategies that make a long-range focus possible.

We approach sustainability issues as with any aspect of our business – by setting clear, measurable targets and establishing key performance indicators to assess our progress.

With over 70 years in the bottling business, sustainability is not just an integral part of our thinking – it's the secret of our past successes and the key to our future.

Doug Jackson
Chief Executive Officer



**Coca-Cola Sabco 2011
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Our Continued Commitment to the UN Global Compact



This is our Communication on Progress in implementing the principles of the United Nations Global Compact.

As part of The Coca-Cola Company's international System, we are proud to be a co-signatory to the United Nations Global Compact. We remain committed to its fundamental principles and continuously strive to align our operations with these universally accepted guidelines. Placing them at the core of our business is the bedrock of true sustainability.

Please refer to the pages listed below to see our progress in action.

The 10 Principles:	page
<p>Human Rights</p> <p>1 - Businesses should support and respect the protection of internationally proclaimed human rights; and, 2 - make sure that they are not complicit in human rights abuses.</p>	7 & 29
<p>Labour</p> <p>3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4 - the elimination of all forms of forced and compulsory labour; 5 - the effective abolition of child labour; and 6 - the elimination of discrimination in respect of employment and occupation.</p>	7 & 29
<p>Environment</p> <p>7 - Businesses should support a precautionary approach to environmental challenges; 8 - undertake initiatives to promote greater environmental responsibility; and 9 - encourage the development and diffusion of environmentally friendly technologies.</p>	8; 32-40
<p>Anti-Corruption</p> <p>10 -Businesses should work against corruption in all its forms, including extortion and bribery.</p>	12 & 13

Published by the United Nations Global Compact Office | March 2007 www.unglobalcompact.org



About Coca-Cola Sabco

A proud anchor bottler of The Coca-Cola Company

Established in 1940, Coca-Cola Sabco is a privately owned family business that is proud to be a part of the Coca-Cola System worldwide. With our origins in South Africa, we are a truly international company and are widely acknowledged as an emerging market specialist.

We use the benefit of more than 70 years in the bottling industry to deliver superior beverage products to customers and consumers in all of our nine territories across Africa and Asia.

By aligning with The Coca-Cola Company's 2020 Vision, we are building a clear picture of a successful and sustainable future while staying true to our past.

Our company was founded on the principles of respect for employees, consumers, customers and communities; pride in what we do and the brands we represent; and a passion for improving the future of our business and the communities in which we operate. This remains unchanged today.

As an anchor bottler within the global System, Coca-Cola Sabco has a greater vision to be the best Coca-Cola bottler in the world. Our role is to be a consumer-driven, customer-oriented manufacturing, sales and distribution company that markets and sells the products and brands of The Coca-Cola Company.

We set the bar high by measuring ourselves against the best Coca-Cola bottlers in the world and define our business success in terms of sales volumes achieved and the return on capital employed.

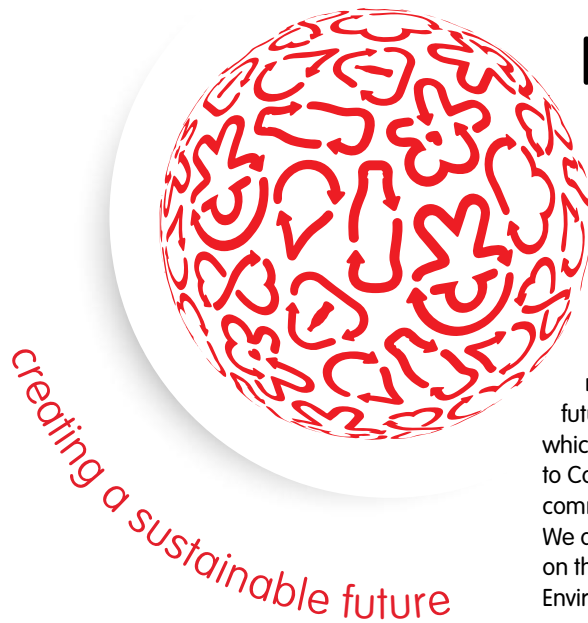
Our purpose is to create value for everyone touched by our business by providing, with passion and focus, the right refreshment at the right price in the right place. In pursuit of these goals, however, we have not lost sight of our responsibility to create long-term prosperity for our organisation and employees, as well as the communities and natural environments in which we operate.

We remain immensely proud of our heritage, passionate about our present, and excited about our future.

CCS *Coca-Cola Sabco*
our territories



our framework for a sustainable future



In an ever-changing world, it is easy to lose sight of the long-term focus when faced with daily challenges. Keeping an eye on the future is essential if we are to survive and thrive as a business. This is why Coca-Cola Sabco is in alignment with The Coca-Cola Company's 2020 Vision, which reminds us to "get ready for tomorrow today."

By looking ahead and identifying trends and forces that will affect our operations, we can respond effectively and secure a sustainable future for our business and the communities in which we operate. For over 70 years, the secret to Coca-Cola Sabco's success has been our commitment to responsible corporate citizenship. We are guided by an integrated framework based on the three key pillars of Economic, Social and Environmental sustainability.

Drawing on The Coca-Cola Company's Live for a Difference platform, we believe the framework provides a balanced approach to managing the long-term sustainability of our business, our communities and our environment. This framework cuts across functional areas and is fully aligned to new and existing business strategy.

Our sustainability projects across all our territories are evaluated according to the pillars and focus areas and are closely aligned with the business operations of each plant.

The progress of projects in each country is reviewed regularly and best practices are identified and shared with the Group. Key learnings are fed into the overall strategic business plan for each country and challenges are addressed and prioritised for future growth. This report aims to provide an overview of the sustainability focus areas and key performance indicators for each, as well as a way forward for the various initiatives.

Where possible, we have provided tangible examples of all the ways in which we are achieving quality growth and winning together as a System.





The Coca-Cola Company 2020 Vision

Mission

To refresh the world...
To inspire moments of optimism and happiness...
To create value and make a difference...

Vision








- **People:** Be a great place to work where people are inspired to be the best they can be.
- **Portfolio:** Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs.

- **Partners:** Nurture a winning network of customers and suppliers, together we create mutual, enduring value.
- **Planet:** Be a responsible citizen that makes a difference by helping build and support sustainable communities.
- **Profit:** Maximise long-term return to shareowners while being mindful of our overall responsibilities.
- **Productivity:** Be a highly effective, lean and fast-moving organisation.

ECONOMIC SUSTAINABILITY



Grow our business responsibly

Focus Area	Our Mission	Measures and 2014 Targets	2011 Performance vs 2014 Targets
 <p>Sustained Financial Growth</p>	<p>We will continue to grow our business through ongoing year on year Volume, Revenue and NIBT growth supported by necessary capital investment.</p>	<ul style="list-style-type: none"> 5 yr CAGR Volume growth - (7%) NIBT growth - (11%) 	
 <p>IT Governance</p>	<p>Facilitate the achievement of the CCS objectives and manage IT-related risk by providing effective and efficient decision making around the utilisation of IT resources.</p>	<ul style="list-style-type: none"> IT Governance Scorecard (100%) TCCC IT Security Dashboard (95%) 	 
 <p>Assurance of Supply</p>	<p>Ensure uninterrupted supply of critical goods/services</p>	<ul style="list-style-type: none"> On time in full (95%) 	

“Creating economic sustainability provides the financial resources we need to carry out our programmes and initiatives successfully.”

SOCIAL SUSTAINABILITY



Make our workplaces socially sustainable

Focus Area	Our Mission	Measures and 2014 Targets	2011 Performance vs 2014 Targets
Employee Engagement	We will create a vibrant environment where we are all passionate and excited about our jobs.	<ul style="list-style-type: none"> Employee Engagement Scores (75%) 	
Learning and Development 	We will achieve our Created Future through dedication to providing world-class individual and organisational capability development and growth opportunities for leaders and employees at all levels in the organisation and to fully unlock people potential through driving a high performance learning culture. We will also support our future business requirements through filling the talent pipeline through internal development and succession and sourcing of talent.	<ul style="list-style-type: none"> Training spend as % of NSR (0.4%) Quality of training (global ROI score of 55%) Successor cover (75%) 	
Workplace rights 	We respect the rights of all of our employees through rigorous adherence to Coca-Cola's Workplace Rights Policy which is guided by international human rights standards, including the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact.	<ul style="list-style-type: none"> Workplace Rights audits (100%) Green 	
Equal Opportunities 	We will foster an inclusive workplace in which all members of the community have equal opportunities for employment and development regardless of race, gender, religion or disability. In South Africa, we will actively pursue the objectives of Broad Based Economic Empowerment.	<ul style="list-style-type: none"> BBBEE Rating (SA Only – level 5) 	
Health and Safety	We will ensure that our workplaces are safe for all our employees and take proactive steps to mitigate any safety risks.	<ul style="list-style-type: none"> Lost Time Incident Rate (<2) 	
Enterprise Development	We will continue to stimulate local economic development through partnerships with local small and medium enterprises specifically in the areas of our distribution network and in our retail base.	<ul style="list-style-type: none"> Consistent Growth in the number of retail outlets served 	
Produce Safe, quality products 	Product and Package Quality is one of the fundamental aspects of the Coca-Cola brand. We invest in new production technologies and testing technologies not only to improve our efficiencies, but also to improve our product and package quality.	<ul style="list-style-type: none"> Product Quality (98%) Package Quality (98%) 	
Produce Safe Products	We will ensure that every product that is produced in our manufacturing facilities, distributed in our network and sold to the consumer is safe to consume for the shelf life of the product.	<ul style="list-style-type: none"> No food safety related incidents 	



Make society sustainable



Produce Safe, Quality Products

ENVIRONMENTAL SUSTAINABILITY



Make our Operations Environmentally Sustainable

Focus Area	Our Mission	Measures and 2014 Targets	2011 Performance vs 2014 Targets
 <p>Water Stewardship</p>	<p>We will continuously strive to reduce our water usage ratio in all our manufacturing sites by proper design and maintenance of our equipment and facilities and awareness by our people.</p>	<ul style="list-style-type: none"> Water Usage Ratio (2.85) 	
 <p>Energy Consumption and Climate Protection</p>	<p>We will measure our Carbon Footprint and understand the impact of our operations on our Carbon Footprint. The focus areas for our actions will be the reduction of total energy, reduction in diesel consumption and the reduction of fleet and cooler emissions.</p>	<ul style="list-style-type: none"> Energy ratio (<0.42MJ/l) Plant Carbon emissions (annual reduction in g CO₂ per UC) 	 
 <p>Responsible Packaging</p>	<p>We will constantly work on reducing the impact of our packaging on the environment through the lightweighting of our packaging material, having no heavy metal content in our material, supporting recycling efforts and increasing the recycled content of our packaging.</p>	<ul style="list-style-type: none"> PET (annual gram reduction) Glass – % sourced at it's lightest weight (100%) Zero Heavy metal content in new packaging Recycled Material Content in crates (20%) 	   
 <p>Waste and Waste Water Treatment</p>	<p>We will focus on reducing the impact of our waste on the environment through a reduction in our waste and increasing recycling activities. We will ensure that the waste water of our facilities complies with applicable local regulatory and TCCC requirement.</p>	<ul style="list-style-type: none"> Solid Waste Generated (<10.5 g/l) Waste recycled (>77%) Compliance of Total Waste Water discharged (100%) 	  





growing our business **Responsibly**

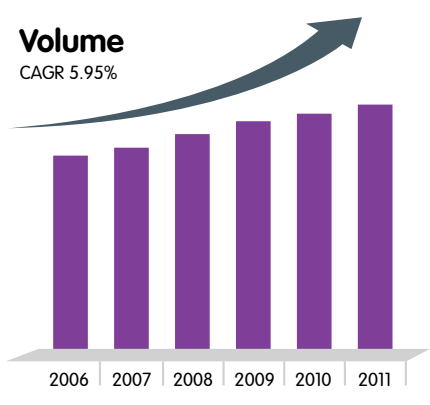
Net Income before Tax (NIBT) increased by 12.86% from 2010 to 2011.

Over the past years, Coca-Cola Sabco has seen increases in growth and volume turnover despite a harsh economic environment. The company recorded a volume growth increase of 6.1 million unit cases from 2010 to 2011 which brought the total volume to over 349.6 million unit cases in 2011. Net Income before Tax (NIBT) increased by 12.86% from 2010 to 2011.

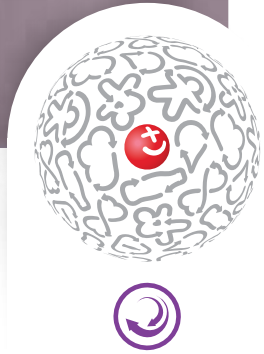
The business' economic growth is seen as its most important foundation as the sustained growth of the company helps to facilitate every one of the other sustainability goals identified by the company.

Financial Overview

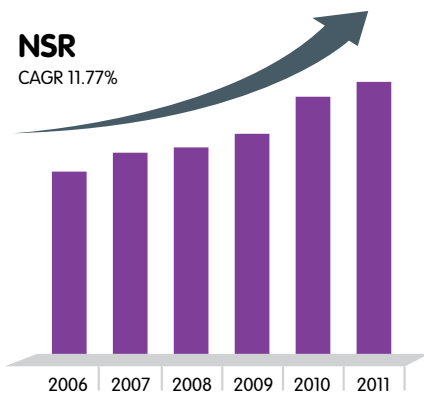
2011 was again a record year for Coca-Cola Sabco with improvements in Volume and NIBT performance.



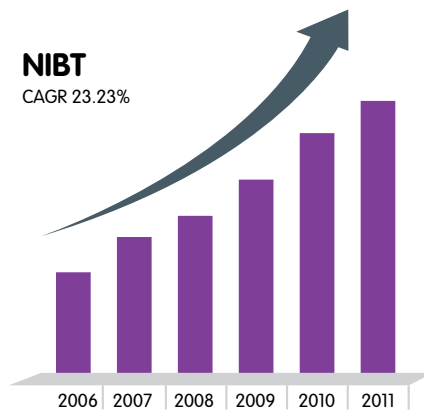
Rigorous goals have been set in place to ensure the continued financial growth of the company in the coming years.



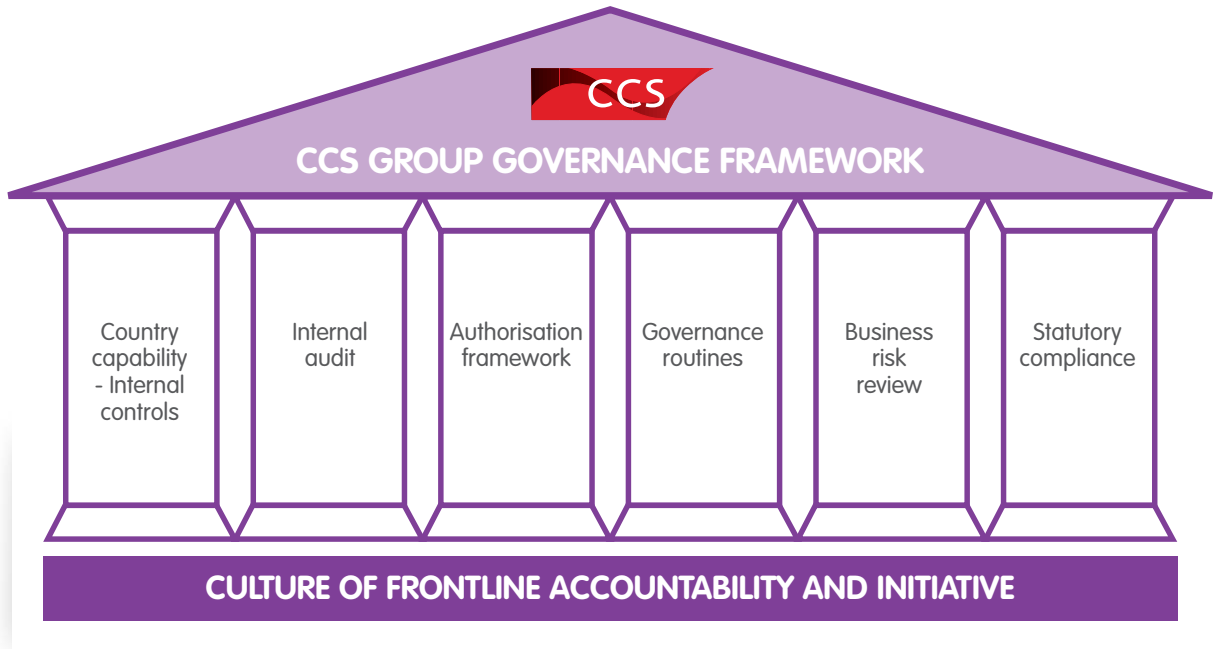
NSR
CAGR 11.77%



NIBT
CAGR 23.23%



ECONOMIC SUSTAINABILITY



CORPORATE GOVERNANCE AT COCA-COLA SABCO

Coca-Cola Sabco's board of directors is committed to ensuring that the Group adheres to the highest standard of corporate governance in the conduct of its business.

Coca-Cola Sabco has a governance framework, which enables the Company to manage and report on the important aspects of our business.

The framework comprises six pillars and operates at Country, Division and Group level.

Coca-Cola Sabco is committed to an open policy of corporate governance which provides the shareholders and other stakeholders with the assurance that the Company is managed ethically and in compliance with the best governance practices. In this way, the framework protects our financial assets and human investments and assists in ensuring our economic sustainability.

Country Capability (Internal Controls)

The Board of Directors acknowledges its responsibilities for the systems of internal control. The Group maintains the systems designed to provide reasonable assurance of the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability for the assets.

Internal Audit

The Group has an outsourced internal audit department. This has ensured independence, improved transparency and sustainability of the function. Deloitte is responsible for monitoring the system of internal control in the Group to ensure that it operates as designed. Weaknesses identified during the audit are reported to the audit committees at a group and country level.

Authorisation Framework

The Group operates within an approved Chart of Authority, which is managed and monitored throughout the operations.

Governance routines

The Board of Directors sets the strategic objectives of the Group and is responsible for the monitoring of the financial performance of the operating units and the Group. The Coca-Cola Sabco Board of Directors consists of two executive and five non-executive directors. They meet at least three times a year. Each subsidiary has a formally constituted Board of Directors who meet at least twice a year.

Well structured committees, at Country and Group level, oversee audit and finance, remuneration, and overall management of Coca-Cola Sabco.

The Audit and Finance Committee and Group Compensation and Executive Leadership Committee operate under Board approved mandates and have defined objectives to help the Board in discharging its duties. All directors and employees are expected to espouse the highest moral and ethical principles, values and standards of conduct set out in the Group Policy Guidelines.

The Company has an Honest and Bona Fide Policy which all employees are required to sign acknowledgement of and adhere to. This policy sets out all guidelines on operating within the manner required by the Company and its shareholders. CCS operates a fraud and ethics line which allows callers to report confidentially on any violations of policies and procedures. All reports received are investigated and the outcome thereof is communicated to the Audit and Finance committee.

Business Risk Review

There is regular review of Coca-Cola Sabco's strategic and operational risks. Risk management is integrated into the daily operations and is not a periodic or stand-alone intervention.

Statutory Compliance

The Group requires compliance of all its operations with all legal and governance bodies. This is managed at a Country level, with Group support, as required.

ASSURANCE OF SUPPLY

Our company operates alongside and in partnership with a number of trusted suppliers. These suppliers are crucial to our success and the positive relationships with these suppliers are highly valued by the Company. The supply of goods and services on time and in full is a key factor to our operations. It is our aim to ensure an uninterrupted supply of critical goods and services from our suppliers. In the recent past various supplier shortages such as CO₂ and glass out-of-stock situations caused significant financial losses to the soft drink industry, including Coca-Cola Sabco. The importance of minimising this risk of out-of-stock situations with suppliers cannot be stressed enough.

The majority of key commodities are sourced centrally by Group Procurement in close collaboration with country procurement. In order to ensure the uninterrupted supply of critical goods, Group Procurement have embarked on supplier partnerships with Key Suppliers in the form of long-term agreements. Thanks to the nature of our business, Group Procurement uses aggregation of demand and economies of scale to leverage suppliers and secure raw materials and production capacities based on demand requirements received.

An integrated planning approach is embedded to ensure that suppliers have sufficient time to prepare for supply in line with agreed lead times. This is continuously reviewed along with the inventory to ensure sufficient stock coverage.



“Coca-Cola Sabco’s board of directors is committed to ensuring that the Group adheres to the highest standard of corporate governance in the conduct of its business.”

IT GOVERNANCE

Technology is a crucial business enabler, allowing us to execute millions of transactions, reliably report on our results and facilitate communication between our colleagues, customers, suppliers and stakeholders, regardless of their location. Sound IT Governance is recognised as key to ensuring we safeguard this ability and continue to enhance our offering in support of our business objectives.

System Sustainability

With the ever-increasing number of system solutions available to choose from, the high rate of financial failure of IT vendors and the real risk of significant strategy changes on the part of IT vendors, the need for a rigorous selection process has become even more critical to ensure we partner with vendors who will be able to meet our requirements going forward.

For this reason we continue to utilise a methodology where we evaluate and score solutions based on the vision and viability of the vendors, the scope and depth of their services, the functionality of their offerings, the system architectures as well as the initial and on-going costs. The methodology is based on the approach of Gartner, the globally renowned information technology research and advisory company, and it is conducted in close collaboration with the relevant Function.

Once a system has been selected, the challenge remains to ensure that it is optimally utilised to realise the intended benefits. During 2011 we formalised our approach to this in a policy and we have defined the governance routines to ensure on-going focus on this throughout the business.



Measuring IT Governance

We continue to measure our overall level of IT Governance using the scorecard devised in 2010 that is based upon the principles set out in the King Report on Corporate Governance in South Africa 2009 (King III). The scorecard measures our status in five areas, namely:

- Business alignment
- IT risks
- Enabled change
- Service cost
- Service quality

TCCC IT Security Dashboard

The area of IT risk as referred to in King III is a vast and complex one. Advances in technology often also mean advances in the IT threats we are exposed to and these require on-going investment to counter them.

We continue to actively collaborate with other Bottlers and The Coca-Cola Company (TCCC), through its Information Risk Management forums, to measure and improve our information security. The standards used to measure this are embodied in a dashboard and they are aligned with international security standards and best practice. The dashboard has four pillars, namely:

- Strategy and Governance
 - User Provisioning and Access Control
 - Vulnerability and Threat Protection
 - Incident Response
-



Brilliant Execution drives sales & marketing excellence

Building inspired sales and marketing excellence has become the cornerstone of continued economic sustainability in an unstable global climate. It is only through Brilliant Execution that we can unleash our potential and ensure that we keep on winning in the market.

Coca-Cola Sabco's RedPrint for success is driven by an audacious vision "to be revered and celebrated as inspirational FMCG leaders and as the NARTD (non-alcoholic ready-to-drink) supplier of choice for every customer in every market in which we operate; all in service of delighting our consumers and accelerating profitable category growth." A powerful Global Commercial Leadership Team comprising 10 of Coca-Cola Sabco's most senior managers has been assembled to make this compelling vision a deliverable reality.

Putting the customer at the centre of everything we do necessitates a core focus on sales and marketing, ensuring that our products are sold in every outlet and that there is perfect availability 24 hours a day, seven days a week.

Part of this strategy involves articulating and implementing a simple and clear Picture of Success standard by channel in all of our nine territories and executing it every day in every outlet. It is not simply about winning in the market overall but about winning in every market. The scale of the effort may seem staggering but Brilliant Execution is based on the premise that "success grows on simplicity." It is about doing each of our jobs with precision and passion – the Coca-Cola Sabco way.

Brilliant Execution is perhaps the most critical of the five key pillars that make up the RedPrint Sales & Marketing House, because it is where all the plans are put into action with a focus on the end-user.

Brilliant Tool Kits provide managers and sales staff with a clear "how to" guide, while the commercial dashboard provides real-time status updates on key performance indicators and benchmarks our progress en route to winning in the market.



help make **Society Sustainable**

It is an undeniable fact that our business has a ripple effect on the societies in which we operate and the onus is on us to ensure that it is always a positive one.

Social sustainability starts at the centre with the beverages we produce. Every day millions of consumers find refreshment in them and it is our responsibility to safeguard their well-being and deliver safe, quality products.



Producing premium beverages has wider social ramifications for our workplaces too. Only by creating a dynamic environment in which individual employees are stretched and nurtured, can they give of their best and deliver exceptional results.

Ultimately, the impact also echoes in the wider community, as local businesses are incorporated into our value chain and we are able to invest in focused social upliftment projects.

Corporate Social Investment

Contributing meaningfully to community projects in terms of our finances, time and expertise continues to bear fruit across all of our nine territories.

In 2011, Coca-Cola Sabco invested in a variety of projects from water and sanitation to famine relief, HIV/AIDS programmes and children's homes. In the spirit of the Everest Challenge, which encourages employees to make a difference in their personal capacity, we also launched the TOUCH Project.

This initiative offers employees the opportunity to get involved in company-funded corporate social responsibility projects in the areas of the environment, education, healthcare, community upliftment, sports development and disaster relief.

It perfectly captures the spirit of Coca-Cola's Live Positively/Live for a Difference campaign.



Committed to supporting critically ill children

A Project of the *Coca-Cola SABCO*
Community Foundation

Wishes do come true



Wings and Wishes is a truly uplifting project of the Coca-Cola Community Foundation, which helps children with life-threatening illnesses receive the specialist care they so desperately need.

For many families the cost of transportation puts access to such treatment facilities, quite literally, beyond their reach. Wings and Wishes helps raise their hopes by providing the bus tickets and airfares they would otherwise be unable to afford.

Established in 2006 by CCS employees, using donations of frequent flyer miles and money, Wings and Wishes started flying critically ill children and their accompanying adults to the Red Cross Children's Hospital in Cape Town.

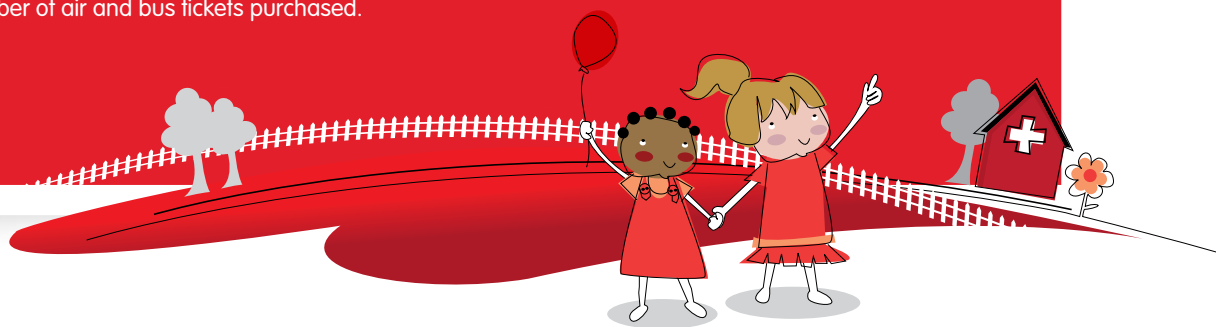
In 2011 alone, the project funded transport, in the form of 733 flights and 121 bus tickets, to medical facilities across the country to the value of R1.36 million. This represents a 169% increase in funding over the previous year and a 121% increase in the number of air and bus tickets purchased.

The project is set to attain even greater heights with the introduction of the Coca-Cola Fortune 10 to 1 campaign.

This campaign gives all 2 900 CCF employees the opportunity to make a real difference in their communities by forming groups of 10, with each group asked to identify just one child in need of assistance.

To qualify, the child must be 18 years or younger and have a medically diagnosed critical illness. It must be established that the required treatment cannot be provided at the local clinic or hospital and that the child's family cannot afford the transport to a suitable facility.

More than 1 000 children have been helped to date and, with the number of requests growing on a daily basis, Wings and Wishes is undoubtedly taking off.





Since 2006, through EVEREST CHALLENGE, hundreds of employees have worked together to make a difference in the lives of the communities we serve.

It's time to TOUCH more lives!

We proudly introduce TOUCH

Through TOUCH, employees have THE OPPORTUNITY TO GET INVOLVED IN COMPANY FUNDED CORPORATE SOCIAL RESPONSIBILITY PROJECTS

TOUCH Projects fall within the following Corporate Social Responsibility focus areas: Environment, Education, Healthcare, Community Upliftment, Sports Development, Disaster Relief



Bottlers Nepal touches young lives



Bottlers Nepal (BN) took the Indreni Children's Home in Sundarijal under its wing as the beneficiary of 2011's Touch project.

Just a 45-minute drive from the Balaju plant, Indreni is a registered non-profit organisation providing quality education and a homely environment for 30 orphaned and abandoned youngsters.

The home's residents enjoyed a grand tour of the nearby bottling plant on June 16 and got to taste some of its thirst-quenching products. BN also granted the children's wish to develop their musical abilities by creating a Coca-Cola music room, complete with instruments, inside the home as well as a Coca-Cola library.

The initiative was made possible with the generous support of both divisional management and staff. Established by Ram Hari Khadka, himself an orphan, in 2006, Indreni's long-term goal is to give many more vulnerable and disadvantaged children a better chance at a brighter future.



Tsunami-hit Sri Lanka receives sanitation

The Coca-Cola Company, in partnership with the United Nations Development Programme (UNDP), unveiled a sustainable community-based water and sanitation project at Kattankudy, in Batticaloa, in September 2011.

The project, which started in 2006, aims to provide clean drinking water and hygienic sanitation conditions to 350 households in the town, which was devastated by a tsunami in 2004. The 40 000 residents of Kattankudy inhabit an area of approximately 6.5km², making it one of the most densely populated towns in southern Asia.

The new sewerage system has an environmentally safe design, which will prevent ground water contamination and halt the spread of water-borne diseases. Community mobilisation and awareness programmes, conducted in association with local health authorities, will help residents to improve general hygiene practices and work with the Urban Council to manage, maintain and monitor the system themselves.

Commenting on the US\$550 000 project, Coca-Cola Beverage Sri Lanka Country Manager Patrick Pech said, "We have always had strong values and human connections that we hold in great esteem. It is imperative to us that we are always present to help people when the need arises."

"I am very happy that the project we launched with the UNDP will help lift the living standards of the people of Kattankudy." More than 2 000 people are expected to benefit directly from the new system. It is also anticipated that it will assist residents of adjoining villages and help to promote greater harmony between different ethnic communities in the district.



SOCIAL SUSTAINABILITY

Project Hope brightens the future for HIV patients in Mozambique

While there is no available cure for HIV/AIDS, Coca-Cola Sabco Mozambique has resolved to improve the lives of those people infected and affected by the disease wherever possible.

In partnership with a local NGO and The Coca-Cola Company, Coca-Cola Sabco Mozambique provides assistance to 29 HIV/AIDS-affected individuals as part of its Project Hope campaign. Coca-Cola Sabco Mozambique provided portable coolers and umbrellas to these individuals to enable them to sell Coca-Cola products and earn a living from the income generated. Training has been provided to help ensure the quality of the stock and sales conditions and the beneficiaries visited the plant for a tour of the facilities. A designated sales area has been allocated to each of the beneficiaries while an account manager monitors the project and assists the beneficiaries.

Thus far the project has been a tremendous success with the proceeds from the sales providing much needed income for the participants.

Nairobi Bottlers supports Kenyans4Kenya



Nairobi Bottlers Limited is helping to stem the tide of famine in the Horn of Africa through its support of the Kenyans4Kenya campaign. The drive, which started in July, sees corporate organisations and ordinary residents raising funds to supplement international relief efforts in northern Kenya. Continued crop failure, cattle deaths and the influx of refugees from Somalia and Ethiopia have resulted in a human disaster of huge proportions.

As a responsible corporate citizen, Coca-Cola donated US\$50 000 to the cause through the local bottler. The donation, comprising cash and Dasani bottled water, formed part of the Coca-Cola System's US\$1.34 million contribution – the largest by any corporate to date. Coca-Cola Central, East and West Africa Business Unit President Nathan Kalumbu handed the funds to Kenyan Red Cross Secretary-General Abbas Gullet at an official ceremony in August.

Bottlers Nepal sponsors Coca-Cola Cup

Nepal's biggest and most lucrative inter-school football tournament, the Coca-Cola Cup, kicked off on June 7 at the Dasharath Stadium in Kathmandu.

Sponsored by Bottlers Nepal in association with the All Nepal Football Association, the five-day tournament saw 126 school teams from the capital city and surrounding areas doing battle for glory. The annual competition encourages healthy, active living while providing a platform for future football stars to show off their skills and entertain the crowds as they make their way through the knockout rounds.

This year, the boys of Sainik Madhaymik Vidyalaya from Bhaktapur beat Kathmandu's Siddhartha Banasthali School to claim the first prize of Rs.200 000. The runners-up received Rs.100 000.

JP School triumphed over the Gautam Buddha Higher Secondary School in the girls' competition.

The then sports minister Onsari Gharti Magar was the honorary guest at the awards ceremony, which was also attended by a host of other sporting dignitaries.





Fortune smiles on Emelia House

Fortune has smiled on the children of Emelia House in Bloemfontein's Batho township since its adoption as one of Coca-Cola Fortune's corporate social responsibility projects for 2011.

This non-governmental organisation acts as a much-needed day care centre for 18 children between the ages of two and 18.

All of them are from disadvantaged backgrounds and suffer from severe disabilities that prevent them from attending regular schools or institutions. Yet these courageous children are the very embodiment of Coca-Cola's campaign to "Live for a Difference".

To be as effective as possible, CCF has chosen to take a holistic approach in helping the home and its residents. Firstly, there is an ongoing renovation process to improve and expand the house itself and upgrade its facilities. Secondly, CCF assists with the upliftment and education of the housemothers and caregivers. By empowering them to give of their best, their young charges also benefit.

And, thirdly, a dedicated group of third-year medical students from the University of the Free State has been brought in to tend to the little ones' wellness and therapeutic needs. The local University of Technology's dental department is also being co-opted to preserve their beautiful smiles.

Recently, members of the Executive Leadership Team took time out of their busy schedules to visit the house and were profoundly touched and inspired by what they saw.

Coca-Cola Beverages Sri Lanka cares for disabled

Coca-Cola Beverages Sri Lanka's "Say We Care" team put words into action when they embarked on their fifth community upliftment project, this time for the Ragama Rehabilitation Hospital.

"Say We Care" is a Corporate Social Responsibility initiative by employees of the bottling company. This year, the volunteers have chosen to upgrade and renovate a ward at the medical facility, which provides physical and psychological assistance to people with disabilities.

As a fundraiser for the project, the "Say We Care" team arranged a Sinhala classical music concert on September 3 at the Bandaranaike Memorial International Conference Hall in Colombo.

With performances by maestros such as Victor Ratnayake, TM Jayaratne, Amarasiri Peiris and Deepika Priyadarshani Peiris, the show was a hit with the audience. The concert takings will be used to kick-start the much-needed revamp.



SOCIAL SUSTAINABILITY

Coca-Cola cares about HIV/AIDS in Africa

Over R1million HIV/AIDS programme sponsored by The Coca-Cola Africa Foundation (TCCAF) is being implemented in the Chris Hani district of the Eastern Cape province in South Africa.

The programme is being rolled out over three years through a partnership with Africare, a US-Based non-governmental organization already at work in the province.

The Injongo Yethu project aims to increase the awareness of, and expand access to quality treatment, preventative care, and support services for people infected and affected by HIV/AIDS. It marks the start of an important and life-saving partnership between TCCAF and Coca-Cola Sabco's South African operation, Coca-Cola Fortune. As Darius Mans, President of Africare points out, "Healthy communities and healthy workers are an essential ingredient for healthy and profitable businesses."



“He said the money would enable the society to provide services in those areas hardest hit by the humanitarian crisis, especially the southern and southeastern parts of the country.”

EABSC helps ease suffering in Ethiopia

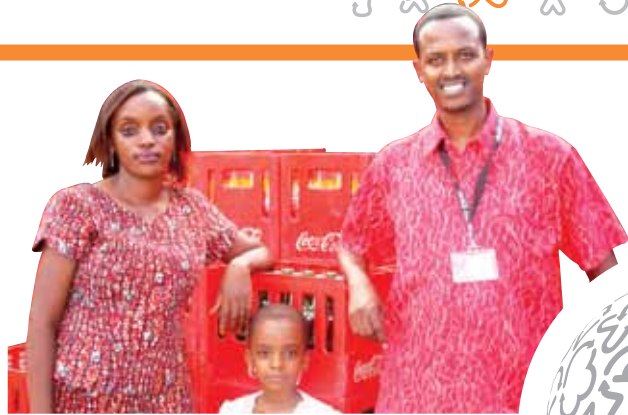
East African Bottling Share Company (EABSC) has helped to ease the plight of thousands of Ethiopian children affected by famine through its donation to the national Red Cross Society.

EABSC's US\$206 000 contribution was used for the provision of water, basic food and essential medicine, with a specific focus on little ones. At the official handover in Addis Ababa on August 31, Ethiopian President and Red Cross patron Girma Woldegiorgis praised the company's efforts and called on other corporate organisations to follow suit. Society President Daniel Tegenu gratefully acknowledged the donation. He said the money would enable the society to provide services in those areas hardest hit by the humanitarian crisis, especially the southern and southeastern parts of the country.

The Managing Director of EABSC, Greig Jansen, said swift joint action was required to combat the disaster. "We need to work together to develop a sustainable, home-grown solution to the crisis."



Enterprise Development



Combining the resources of the global Coca-Cola System with sound local knowledge is what sets Coca-Cola Sabco apart as an emerging market specialist.

Our innovative route-to-market strategies enable us to deliver products to even the most far-flung areas in Africa and Asia, where infrastructure challenges continue to thwart many of our competitors. By integrating local small businesses into our value chain, we not only strengthen our distribution and retail networks but also create opportunities for focused community enterprise development. These are not merely ad hoc partnerships – they are part of a larger plan to stimulate local economic development and ensure a sustainable business environment in which to operate.

In line with The Coca-Cola Company's 5 By 20 initiative to empower five million women entrepreneurs by 2020, we have adopted a specific emphasis on female-owned businesses.

Furthermore, we have been privileged to share the fundamental principles of our supply chain success with the public health sector. We believe this public-private partnership will improve the delivery of life-saving medicines and create sustainable spin-off programmes to the benefit of all.



Abafazi empowers women entrepreneurs

Across the developing world, women form the socio-economic glue that binds families and communities together. Their courage and determination in the face of hardship is perhaps best captured in the familiar South African saying, "You strike a woman, you strike a rock."



Female-headed households are an increasingly common phenomenon and research suggests that investing specifically in women-owned businesses can positively influence local economic development. As an emerging market specialist, Coca-Cola Sabco recognises the need to support women-run businesses as a central component of our community enterprise development programmes. Our commitment is in keeping with The Coca-Cola Company's 5 By 20 initiative to empower five million women entrepreneurs by 2020. By helping them overcome the business obstacles they face, we can help them support their families and ensure a sustainable social and economic future for the communities in which we operate. Coca-Cola Fortune's Abafazi Incubation Programme in Port Elizabeth, South Africa, for example, acknowledges and assists female achievers in the social and emerging entrepreneur categories.

Social entrepreneurs are representatives of non-profit or non-governmental organisations who have demonstrated practical, innovative and sustainable approaches to projects that benefit society in general. The emerging entrepreneurs on the other hand are fledgling businesswomen who have been trading for three years or less, with a turnover of less than R500 000 per annum. The top three finalists in each category are awarded the chance to attend the Abafazi programme, which teaches them vital business and financial skills and provides access to mentorship and networking opportunities, giving them the tools to sustainable success.

Coca-Cola Sabco builds small business

Coca-Cola Sabco's pioneering Micro Distribution Centre (MDC) model is strengthening local economies throughout East Africa by creating entrepreneurial opportunities, promoting the empowerment of women and catalysing human capital development.

The premise is simple: giving individuals the opportunity to warehouse and distribute products on our behalf to small retailers in a defined geographic area. By using low-cost equipment such as bicycles, pushcarts and light vehicles, they are able to overcome transport infrastructure challenges and service hard-to-reach places.

The owner-managers usually live in the low-income urban communities they service, and employ between five and 15 workers who would otherwise have limited opportunities for stable employment.

We currently have over 1 550 MDCs employing 9 600 people and servicing more than 320 000 retailers. In Uganda, Kenya, Tanzania and Mozambique, micro distributors account for more than 90% of our total sales.

Being part of the Coca-Cola value chain gives them access to finance, as well as learning and development opportunities.

For example, MDC owner-managers in Tanzania recently received business strengthening training developed by EcoVentures International in conjunction with the Academy for Educational Development, the Bill & Melinda Gates Foundation and The Coca-Cola Company (TCCC).

The aim of the experiential learning programme was to improve their business acumen and enable them to operate profitably within the Coca-Cola System. Of those who attended, 31% were women, in line with TCCC's "5 By 20" initiative to empower five million women entrepreneurs by 2020.

A post-training evaluation by Coca-Cola Kwanza revealed a significant increase in knowledge regarding MDC operations and improved relationships with other actors in the value chain.

With over 70 000 new small retail outlets planned over the next three years, the implications for the potential growth of the MDC sector are enormous. This sustainable model has proved so successful that it has been replicated in emerging markets throughout the world.



“We currently have over 1 550 MDCs employing 9 600 people and servicing more than 320 000 retailers. In Uganda, Kenya, Tanzania and Mozambique, micro distributors account for more than 90% of our total sales.”

Coca-Cola keeps Tanzanian supply chain healthy

Part of what makes the global Coca-Cola System so successful is the extensive reach of our products. Our supply chain expertise, especially in developing nations, ensures that our beverages find their way to even the most hard-to-reach locations.

So when we were presented with a meaningful opportunity to apply this knowledge and assist the health fraternity in getting essential medicines to these very areas, we saw it as a rare privilege. Since 2009, we have been involved in a life-saving public-private partnership between the Coca-Cola System, the Global Fund, the Bill and Melinda Gates Foundation and the Tanzanian Government. The Global Fund has committed close to US\$1 billion to fighting AIDS, tuberculosis and malaria in Tanzania, with half the amount budgeted for medicines. However, without an efficient supply chain, the chances of end users receiving essential medicines are slim. The Medical Stores Department (MSD) is responsible for the procurement, storage and distribution of all medical commodities on behalf of the Tanzanian Ministry of Health but an audit of its medical supply chain highlighted significant bottlenecks.

With the help of Accenture Development Partnerships, a three-phase project has been designed and implemented to improve service delivery, based on knowledge sharing from the Coca-Cola System in that country. The three core competencies identified are Coca-Cola Kwanza's far-reaching distribution networks, passion for customer service and marketing and communications capabilities.

Three focus areas for building MSD's own business expertise have also been addressed. These are last mile logistics (from warehouse to consumer), planning and procurement, and supply chain talent development. The first two phases, in which the partnership between MSD and Coca-Cola was

defined and key people embedded to drive change within the department, are now complete. Some of the resulting improvements include redefined core planning and procurement processes and over 50 MSD staff receiving access to high-level supply chain training. But perhaps the biggest highlight is the revised distribution strategy that has enabled the Ministry to deliver directly to 5 000 health facilities across the country, representing a tenfold improvement.

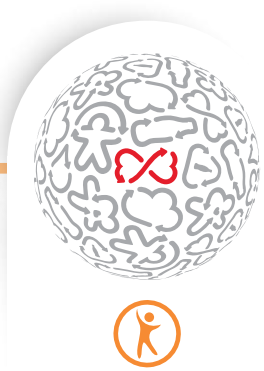
The third phase, when the partners step back into a support role and allow MSD to lead the change, will commence in 2012.

Project Nurture bears fruit in Kenya and Uganda

In line with global consumer trends towards naturally healthy beverages, The Coca-Cola Company expects the juice business to grow significantly by 2020.

In order to meet the growing demand, a sustainable fruit supply is vital. That is why TCCC, together with Coca-Cola Sabco, the Bill & Melinda Gates Foundation and Techno Serve planted the seeds of Project Nurture in 2010. This four-year, US\$11.5-million initiative aims to improve the livelihoods of fruit farmers in East Africa by increasing the volume and quality of locally produced mango and passion fruit for the fresh fruit and juice markets. By 2014, it is expected to have doubled the incomes of some 50 000 small-scale farmers in Kenya and Uganda. Project Nurture is starting to bear fruit for all concerned – the farmers gain a market for their produce, consumers support local agriculture through their beverage purchases and Coca-Cola benefits through lower input costs and supply chain flexibility.

To date, 36 722 farmers have been trained through Project Nurture, with more than 13 550 metric tons of fruit sold. When Coca-Cola Sabco proudly launched Minute Maid Mango Nectar in Kenya in the latter part of 2010, it became the first product to use Project Nurture's locally sourced juice.



SOCIAL SUSTAINABILITY



Make our workplace socially sustainable

One of the key ingredients in Coca-Cola Sabco's recipe for success is our people. Across our territories, the shared values of trust, integrity, mutual respect and teamwork define the CCS way. We are guided by the motto "hire the attitude, train the skill" and remain committed to creating a vibrant working environment where all employees are proactive and passionate about the work they do.

To this end, annual Employee Engagement surveys are conducted throughout the organisation to understand staff realities and find ways of improving their working experience.

The Employee Engagement survey is just one of the tools we use in our Talent Management approach to engage, build, leverage and retain employees.

Practical toolkits and training programmes have also been set up to help managers interact with and lead their teams successfully.

Only by investing in our human capital can we ensure a sustainable talent pipeline and continue to drive outstanding performance in the market.

Learning and Development

Sabco is firmly committed to significantly increase the investment in and quality of learning and development. We aim to "touch" every employee with opportunities to grow and develop. The L&D community has a proud reputation of delivering quality learning both at the Group level, through our

flagship programmes and in our plants and offices in all our territories.

In 2011 we launched The Learning Zone, a dynamic, interactive intranet site through which employees can access a wide variety of e-learning programs as well as our on-line performance management system.

2011 at a glance - CCS Group

	2010	2011	vs PY
Training investment	\$ 4 923m	\$ 5 553m	+ \$ 630
Training investment as % NSR	0.36%	0.37%	+ 0.01%
Number of training incidents	13303	25198	+11 895
Average investment in training per employee	\$ 375	\$ 425	+ \$ 50

- There were more than 25000 training incidents training across the Group, at an average spend of \$ 425 per employee.

selling skills, information systems, business acumen for managers and employees and management/leadership development.

- Training programmes conducted during the year focused on developing and enhancing functional skills, legal, safety and quality requirements; technical skills; professional

- A Learning Management System was developed to provide a reliable system to measure and track the performance, development and training of all employees.

Financials can be fun

The newly launched Finance Fundamentals (FinFun) programme is being rolled out across all of Coca-Cola Sabco's territories.

The two-day workshop provides all the tools that non-managerial staff need to overcome fear and confusion about how the company's finance function works. It also helps employees appreciate the way their decisions and actions impact on the business on a daily basis. Strengthening their financial acumen is key to building sustainability in the way we do business.



Some of the key FinFun objectives are for participants to:

- understand the key business drivers in terms of achieving success, sustainability and wealth creation for all;
- understand their role in helping the organisation reach its short and long-term goals;
- understand the accounting principles that are employed to facilitate honest, transparent and consistent reporting, in compliance with statutory and other legal requirements; and
- gain new perspectives on managing their personal finances in a way that will create wealth.

The activity-filled FinFun package has been piloted and "train the trainer" workshops have been conducted in Kenya, Mozambique, Sri Lanka, Uganda, Nepal, Ethiopia and South Africa.



New employees get the Inside Track

From July 4 to 15, new employees from across the group met at the Coca-Cola Sabco head offices in Port Elizabeth, South Africa, under the auspices of the Inside Track programme.

The key purpose of the programme is to build the capabilities of new senior managers in order to raise the level at which they execute their duties.

This is accomplished by exposing delegates to the company's best practices and "Sabco-nising" them. The first week kicked off with a business orientation session, in which the various functions made informative presentations to the group. A tour of the bottling plant and depot, as well as a market visit, rounded out the week.



SOCIAL SUSTAINABILITY

MTDP builds better business leaders

The first joint venture between Coca-Cola Sabco and the Nelson Mandela Metropolitan University Business School, the Management Talent Development Programme (MTDP), took place from July 17.

This two-week programme aimed to build the confidence and competence of junior and middle managers from all CCS territories across the group, thereby creating sustainability within the talent pipeline. It focused on contemporary leadership issues within challenging business environments.

The first week was spent in the Tsitsikamma village, where the module "Personal Anchors to Success" was covered. This module provided a platform for a series of dialogues that helped candidates create a common language and understanding of contemporary leadership practices. Under discussion were a variety of topics such as life-work balance, ethics and authentic leadership, polarity management, dealing with turbulence and uncertainty, and strategies for resilience. Each manager formulated his or her own personal leadership development plan.

From there, the candidates returned to the business school in Port Elizabeth for week two of the course. "Forward Focused Leaders" got them talking about different thinking patterns and frames used for problem solving and decision-making. A practical "Negotiation Training" module rounded out the week.

The final component, "Engaging Others with Impact", will be held in February next year.



HR management is a balancing act

The second Human Resources Management Development Programme, which strives to build capability within the HR function across the Coca-Cola Sabco group, was held in the Tsitsikamma village, South Africa, in July.

Introduced last year, the programme has a specific focus on senior HR managers because they, in turn, are expected to build in-country capability on a sustainable basis. The theme, "An Act of Balance", was designed and facilitated by Celeste Venter of the Nelson Mandela Metropolitan University Business School. Venter, who specialises in learning programmes for personal development and leadership, was assisted by industrial psychologist and international teacher Mario Denton.

The two helped delegates view their future within CCS more positively and generate practical ideas on how they could co-create the future and contribute to implementing the HR compass.

The senior managers were encouraged to use an optimal coaching model in their HR role, which is based on:

- Building crucial skills;
- Mastering coaching conversations;
- Creating trust;
- Setting clear objectives and priorities;
- Providing empowerment, accountability and responsibility; and
- Providing clear feedback and situational leadership.

The ultimate goal of the HR MDP is to create centres of excellence at country, divisional and group level.



Family gets the Executive Inside Track

As a privately owned family business, it is essential that a sustainable leadership base for Coca-Cola Sabco be built across the generations of the Gutsche family. In November, eight members of the third generation attended their first Executive Inside Track. The intensive two-day programme included a brief market visit and was deemed insightful and informative by the attendees.

Coca-Cola Sabco develops top leadership

In June, 15 senior managers across the Coca-Cola Sabco organisation were given the opportunity to be part of the company's flagship Leadership Executive Development Programme. Presented in association with the University of Stellenbosch Business School, the LEDP equipped senior managers to deal with the challenges they face in a productive and competent manner.

The two-week programme took place at the university's Executive Development Campus in Cape Town, South Africa, and was overseen for the third consecutive year by programme manager Heilet Bertrand and learning process facilitator Thys Pretorius. The participants were privileged to receive guidance from some of the business school's top faculty members on a variety of relevant issues. Mentors were assigned to each of the three groups and provided assistance with their business-directed action-learning project.

As is expected of any Coca-Cola Sabco employee, the participants were stretched and challenged to think outside the box and deliver exceptional results.



Workplace Rights

In our role as a bottling partner within the global Coca-Cola System, we have a responsibility to meet the Company's exacting standards regarding human and workplace rights.

Fortunately, treating our employees with dignity and respect has always been fundamental to Coca-Cola's way of doing business.

As a multinational company with employees in nine different countries, we comply strictly with the rigorous policies and guidelines regulating international workplace standards. Our adherence to these is audited on a regular basis.

The principles set out in the United Nations' Global Compact and Universal Declaration of Human Rights, as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, lie at the heart of our own workplace rights policy.

Equal Opportunities

The rich demographic diversity of Coca-Cola Sabco employees creates a stimulating working environment and we strive to cultivate an inclusive workplace where race, gender, religion and disability are not seen as impediments to advancement.

Our commitment is to provide equal employment opportunities for all members of the communities in which we operate. In countries such as South Africa and Namibia, where there are legislative requirements redressing historical discrimination, we aim to comply with the spirit and letter of the law. For example, in South Africa we are guided by the principles of Broad-based Black Economic Empowerment (BBBEE) as a Level 5 contributor.

Coca-Cola Fortune has made BBBEE a serious priority, appointing coordinators for each of the seven elements of the Generic Scorecard.

Health and Safety

Looking after our employees' physical wellbeing is of paramount importance in our day-to-day production processes. Occupational Health and Safety is always top-of-mind and we continuously monitor its implementation.

By putting good practices in place, we have created a culture of safety, which permeates everything we do. It forms an integral part of our thinking in terms of our Total Productive Management (TPM) and capital expenditure (CAPEX) projects and helps ensure that we are able to meet our targets successfully and sustainably.

Health and Safety performance is measured by Lost Time Injury Rate (LTIR) and these figures are reported on a monthly basis by all our operations. The Lost Time Injury Rate measure refers to a work-related injury or illness that would result in an employee being booked off for more than one day or being transferred to another light duty job. The LTIR reflects the number of disabling injuries in our operation and is calculated by a ratio of lost days versus total hours worked in a year. To improve the LTIR and to improve the focus of this measure, the LTIR now forms part of the Supply Chain Dashboard, which prompts our operations to escalate actions for improvement in this important standard. The Group LTIR has improved from 3.8 in 2010 to 2.7 in 2011.

Producing safe, high quality products

A dual focus on Product and Package ensures that our consumers receive a safe, high quality product – both inside and out. This is one of the hallmarks of the Coca-Cola brand, which Coca-Cola Sabco tirelessly strives to uphold. By investing in new production and testing technologies, we gear ourselves to deliver efficiently and consistently, in compliance with The Coca-Cola Company's stringent quality specifications. So wherever and whenever consumers purchase one of our products, they can rest assured that they are about to enjoy a beverage that is safe to drink for the duration of its shelf life.

Produce Quality Products

Throughout the world, The Coca-Cola Company's brands are known for their outstanding quality. As a proud bottler within the System, Coca-Cola Sabco has a mission to uphold this reputation. We set high standards and goals for quality compliance within the Group, which include:

- Ensuring that all factories are compliant and certified on the ISO 9000 Quality Management System.
- Ensuring that all plants are operating an automated DMS system.
- Conducting equipment process capability studies, and entrenching Statistical Process Control (Infinity QS).
- Standardising Quality Monitoring and Testing throughout the Group.
- Developing and entrenching Group Packaging Standards.
- Ensuring that the Total Productive Management process is incorporated in all manufacturing and distribution sites.
- Implementing the Quality Maintenance pillar of TPM.

19 of our operations have been certified to the ISO 9001 standard and the aim is to have all operations certified by the end of 2012. An Automated DMS system has been selected (Achiever) and will be implemented at a pilot site in Port Elizabeth in 2012, after which full rollout to all our operations will occur within the next three years.

TOWARDS 2014

One of our ambitious goals is to have every Coca-Cola Sabco plant feature in the Top 100 in the Coca-Cola System on Product and Package quality by 2014. We have already met The Coca-Cola Company's mandate for compliance in all our plants and conduct annual audits to ensure that we continue meeting and exceeding these requirements. Representatives of The Coca-Cola Company and our Group Office conduct regular visits, which serve to maintain our focus on quality matters. They also assist with corrective action plans where necessary. Those plants that have achieved certain product and package quality goals within the Group are then awarded quality compliance certifications by The Coca-Cola Company.

KPIs	Benchmark
Product Quality Index	Top 100
Package Quality Index	Top 100
Equipment Process Capability Studies	Conducted & results for CpK >1.33
SPC through Infinity software	All production lines, WTP & Syrup Rooms
ISO 9001: 2008	All factories certified

Produce Safe Products

Producing quality beverages that are safe for human consumption, for the full duration of the product's shelf life, is a critical priority for Coca-Cola Sabco.

We are unrelenting in our determination to do no harm for the sake of our consumers and the future of our business. To this end, we have put the following objectives in place:

- Ensure that all factories are compliant with and certified for the FSSC 22000 Food Safety Certification System.
- Ensure that no High Risk or Critical Risk scenarios are reported during compliance audits.
- Ensure that all factories are compliant with and certified for the ISO 9001: 2008 Quality Management System.

KPIs	Benchmark
FSSC 22000 or PAS 220 and ISO 22000: 2005	All facilities certified by an accredited body
Food Safety Risk Incidents (as per definition)	Zero
Compliance to TCCC Food Safety Standard	No High Risk & Critical Risks for Food Safety

QUALITY AWARD

Cambodia's Phnom Penh plant received 2011 GMM's Quality Award

Phnom Penh plant continued with their 100% quality track record by receiving the 2011 GMM quality award for Best Product Quality in the Coca-Cola Sabco Group in 2010. They were one of 38 plants achieving a 100% score. Bloemfontein was second with a world ranking of 209 and a Quality Score of 97.06% and Hanoi third with a Quality Score of 96.75% and a world ranking of 229.

Kampala, Mbarara and Nairobi operations received SHEQ awards from the Central, East and West Africa Business unit.

Uganda's Century Bottling operation received 2 silver awards for 2011 performance by CEWA Business Unit. Kenya's Nairobi plant received a bronze award. The award recognizes excellence in product and package quality, environmental and occupational health and safety performance measures. To achieve a Silver award, the operations was required to achieve a product quality score of 92%, meet the WUR goal set for the plant, be certified in ISO 22000, PAS 220 or FSSC 22000, ISO 9001 and ISO 14001 or OSHAS 18001 and must have passed the KO compliance audits. To qualify for a bronze award the operation must have achieved a Quality Score of 90%, improvement over the WUR of the prior year, achieve certification for ISO 22000 and ISO 9001. The plant also had to pass the Quality Compliance audit.



make our operations **Environmentally Sustainable**

Coca-Cola Sabco's daily business operations play out not only against a complex socio-economic backdrop but also within a variety of physical or natural environments.

To have a realistic chance at a sustainable future, we must be ever mindful of our effect on the delicate ecological balance as well as our duty to tread lightly upon the earth. Without a core focus on managing and mitigating our environmental impact, Coca-Cola Sabco's sustainability strategy would be incomplete.

We have built our environmental component around the following four cornerstones that guide the responsible use of our natural resources:

- **Water stewardship**
- **Energy consumption and climate protection**
- **Responsible packaging**
- **Waste and waste water management**

Water Stewardship

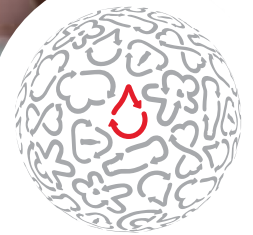
Water is the natural resource at the heart of our company and it flows through everything we do. As a responsible anchor bottler within the global Coca-Cola System, we are committed to giving as much back to nature as we use in our daily operations. Our water stewardship strategy entails: Reducing the amount of water we use in our production processes; recycling the water we use so that it can be safely returned to the environment and investing in sustainable community water programs.

Improving our Water Usage

Coca-Cola Sabco has an established water usage strategy in place that guides and monitors our use of this precious resource. Our aim is to reduce the Group Water Usage ratio by 5% per year, every year. Our water usage ratio improved by 12.8% in 2011 vs 2010. This was achieved through a continued focus on tracking and measuring water usage at every stage in our operational processes. We continue in our quest to reduce our water usage by streamlining the design of our production facilities to include water-efficient equipment, maintaining the machinery for maximum efficiency, and creating a water-conscious culture among employees.

Protecting our water sources

IN 2009 Coca-Cola Sabco started a program of conducting Source Water Vulnerability Studies (SVA) and compiling Source Water Protection plans (SWPP) for all our manufacturing operations. The purpose of these SVA studies was to ensure that we understand the risks involved with each operation's source water and have plans in place to mitigate these risks by



involving all the relevant stakeholders, including the surrounding communities and Local Government Departments. Although the goal was to complete all the SVA studies and SWPP's before the end of 2012, this has already been achieved and plans are in the process of being implemented. Reviews of the SVA's will be done within 5 years of the original study date.

RAIN pours out over South Africa

More than two million people across the continent will have access to safe drinking water by 2015, thanks to the Replenish Africa Initiative (RAIN). This three-year initiative by The Coca-Cola Africa Foundation (TCCAF) aims to save lives by providing

clean drinking water, improved sanitation and hygiene education. It forms part of The Coca-Cola Company's three-tier water stewardship strategy to reduce, recycle and replenish the amount of water used in beverage production worldwide. As TCCAF's legacy programme for the FIFA 2010 Football World Cup, RAIN is specifically benefitting young learners at 94 schools in the host country, South Africa. Of these, 42 fall within Coca-Cola Fortune territory, with 23 in the Eastern Cape province, 11 in Limpopo and eight in Mpumalanga.

This project is a great example of the collaborative efforts of TCCAF and Coca-Cola Sabco to "Live for a Difference".

Polokwane wins GMM award for Best Water Usage

With a usage ratio of just 2.04, Coca-Cola Fortune's Polokwane plant in South Africa scooped the 2011 GMM Award for Best Water Usage.

The forward-thinking plant makes use of three on-site boreholes to reduce its dependency on municipal water and decrease costs; with a further two holes waiting to be commissioned. Polokwane was the first plant in Coca-Cola's South African and East and Central African business units to trial the ECA water treatment technology – and one of the first worldwide to do so.

Since 2007, the plant has used ECA technology for sanitation purposes only and achieved significant savings in water and chemical usage. A clean-in-place (CIP) return system on two production lines further reduces water usage, while awareness campaigns and regular maintenance of leaking pipes and taps put this plant ahead of the rest.

Polokwane was closely followed at the awards by the Bloemfontein Cheetah plant with a 2010 year-to-date water usage ratio of 2.07 and the Port Elizabeth plant with figures of 2.54.

Most Improved water win for Port Elizabeth

Coca-Cola Fortune's Port Elizabeth plant led the way at the 2011 GMM Awards to earn the prize for Most Improved Water Usage.

Showing an improvement of 22.89% - from 3.29 in 2009 to 2.54 in 2010 – the plant achieved its outstanding reduction through the following measures:

- Backwash recovery was implemented to recycle water into raw water at a maximum of 20%.
- CIP on lines 1 and 2 were reviewed and a closed system done to prevent water wastage.
- Underground leaks were discovered and repaired.
- Leaking pipes within the plant were also repaired.
- Cooling towers were moved and all pipework replaced with HTPE pipe.
- Cooling towers' waste was addressed to prevent continuous overflow.

Bottlers Nepal's Kathmandu plant was the runner-up with a 22.53% improvement from 4.06 to 3.14, while the Bloemfontein Cheetah plant demonstrated a 20.6% increase from 2.6 to 2.07 for the same period.

“Water is the natural resource at the heart of our company and it flows through everything we do. As a responsible anchor bottler within the global Coca-Cola System, we are committed to giving as much back to nature as we use in our daily operations.”



Bottlers Nepal plants for the future

On World Environment Day (June 5), Bottlers Nepal helped fight the effects of climate change with tree-planting programmes at its premises in Kathmandu and Bharatpur.

Special guest Timothy Trenkle, Political and Economic Chief of the United States embassy in Kathmandu, and fellow embassy staff joined company employees in digging deep for a greener world. At the Bharatpur plant in the Chitwan district, 50 saplings were also planted along the highway, starting from the company property, in the direction of Basanta Chowk. The 400-metre stretch of trees was established with the help of staff, the local community of Basanta Tole Sudhar Samittee and representatives of Sports Club Bharatpur-9.





Century Bottling Company recycles plastic

Since opening the country's first industry-led polyethylene terephthalate (PET) collection centre in the latter part of 2010, Century Bottling Company (CBC) has become a role model for recycling in Uganda.

The centre, which is situated in the Katwe suburb of Kampala, provides residents with a source of income by offering UGX300 for every kilogram of PET plastic bottles.

CBC Managing Director Basil Gadziro said he hoped that plastic bottles would now be valued and not disposed of irresponsibly. The long-term goal of the centre is to support the recycling and re-use of 100 per cent of all companies' PET plastic bottle output.

Ugandan Commissioner for the Environment Gershon Onyango thanked CBC for setting the pace and called on all other industry players to emulate the company's example.

The bottler partnered with Plastic Recycling Industries, an affiliate of Rwenzori Bottling Company, to complete the actual recycling process. CBC has been invited to present its environmental initiative at various public forums.

Coca-Cola Beverages Sri Lanka cleans up PET

Coca-Cola Beverages Sri Lanka (CCBSL) marked World Environment Day on June 5 with a PET plastic waste clean-up in the Raddolugama Housing Scheme in the Gampaha district.

With the help of enthusiastic residents and the National Post Consumer Plastic Waste Management Project of the Central Environmental Authority, the bottler successfully collected 250kg of PET plastic from over 2 000 homes. The initiative formed part of a pilot project aimed at developing a sustainable collection mechanism for PET recycling. It also marked the start of the "Give Back Life" campaign to educate people on the hazards of PET plastics and the importance of recycling. CCBSL, together with the CEA and collection partners, is currently in the process of establishing three PET collection centres in the district.

To date, over 900 tons of PET plastic waste have been collected and numerous job opportunities created.

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Coca-Cola Beverages Sri Lanka leads the way on water

With Asian rivers containing a reported 20 times more lead than rivers in industrialised nations, Coca-Cola Beverages Sri Lanka is determined to lead the way in its water conservation practices.

This is in line with The Coca-Cola Company's global aim to safely return 100% of water used in the manufacturing process to the environment.

To this end, CCBSL recently upgraded its wastewater treatment plant, receiving praise from the Chairman of the Central Environmental Authority, Charitha Herath, in the process. "The standard of the plant goes beyond the statutory requirement by the CEA. It is the best I have seen in Sri Lanka and just might be the best in the region."

Herath said the private sector played a huge role in mitigating water pollution. "We must ensure that we leave the planet in the best condition possible for our children and their children." For these young ones, CCBSL held its annual art competition at the Biyagama plant to celebrate World Water Day on March 22.

The 78 children from 12 local schools were inspired by a tour of the wastewater plant before settling down to create their masterpieces.



ENVIRONMENTAL SUSTAINABILITY



WISE woman earns EABSC recycling crown

Degitu Kebebe Kenene is a single mother of three living in one of the poorest neighbourhoods of Addis Ababa in Ethiopia. She is also an innovative entrepreneur who works with the East Africa Bottling Share Company (EABSC) to create beautiful table and wall ornaments from used crowns.

Kenene's handiwork first caught the attention of a local community project and she was nominated for training by non-governmental organisation Women in Self-Employment (WISE). WISE is dedicated to the elimination of urban poverty and realisation of sustainable livelihoods among poor women. After receiving training on literacy and numeracy, small business management, leadership and the management of cooperatives, Kenene was ready to embark on her career as a businesswoman. She started experimenting with different materials that she found in a nearby restaurant to make ornamental knick-knacks. By the time she approached EABSC, she had made a vase of flowers from used crowns.



Recognising the opportunity to support this initiative, EABSC commissioned her to make a framed Ethiopian flag from the crowns. This provided the opening for further opportunities and today Kenene commissions others to make the flowers she sells at the local market.

This project not only recycles used crowns but also provides a good source of income for Kenene and the people she employs. EABSC is in the process of helping her up-skill her workers in order to improve the quality of their products so that these items may be used as unique corporate gifts.



Coca-Cola Fortune 1250ml Crates Go Green

Over the years Coca-Cola Sabco, in partnership with The Coca-Cola Company, has embarked on many environmental initiatives.

These began with the removal of all heavy metals from the plastic ingredients formula used to manufacture our crates, as well as ensuring that all crates that have reached the end of their useful life are recycled and do not end up in landfills. The useful life of a 1250ml crate is often significantly more than 10 years depending on weather and handling conditions. At the end of its lifespan, the crate is ground down into chips and returned to suppliers who use the recycled material to produce various plastic products.

Coca-Cola Sabco and The Coca-Cola Company have now taken this a step further with a brave initiative to embark on the Crate-to-Crate recycling strategy. This has been attempted in the past, but suppliers have struggled to achieve the required colour, which is vital to our brand recognition. With technological advancements in certain plastic additives, the required colour is now achievable.

Finally, the pelletised material is pumped into dedicated silos ready for the crate manufacture process. The processed material is fed to injection moulding machines at 100% dosage to produce a recycled crate. Routine on-line checks are performed at the machine as well as in the laboratory to ensure strength and colour compliance.



1

The process begins with crate granulation. The crates are ground into chips, a process which is often performed at our plants or depots, and shipped to the supplier in bags.



2

The granulated material is then sent to a washer in order to remove any contaminants such as sand, stones, and dirt. The washed material is dried to remove all water and fluff and then sucked directly into dedicated silos.



3

The clean material is drawn from the silos into a pelletiser via a hopper. Additives and Masterbatch are then blended into the mixture, facilitating effective material bonding and colour compliance. The material is then pelletised by melting and chopping it into consistent sized pellets.

4



Group office lights the way to energy saving

South Africa started experiencing crippling power shortages in 2010 with demand outstripping what the national grid could supply. This, together with our need to reduce our Carbon footprint prompted us to find a solution to reduce energy consumption at Group office.

After investigating a number of energy-saving technologies, occupancy sensors were identified as the best option. These sensors detect movement and switch off lights and air conditioners when a room is not occupied.

Initially, data loggers were installed to monitor and record movement and they showed that electricity usage could be reduced by at least 25%. The sensors were installed in June 2011 and although the savings in the winter months were modest due to infrequent air-conditioning usage, in the summer months savings have been as high as 35%.

To-date the average saving is 22%. This technology has also highlighted opportunities in the building's lighting system which will be addressed in 2012. These changes will create a further 5 to 10% reduction in energy consumption.

We are proud of this project because it addresses all three of our sustainability focus areas, namely Economic, Social and Environmental sustainability. Economically, the payback period is only 18 months and it will realize savings of up to 30% on an ongoing basis. Socially, we are contributing to the national drive to reduce electricity consumption and thereby prevent the rolling black-outs or load-shedding that have affected all South Africans in the past few years and Environmentally, by reducing our power usage we have reduced our carbon footprint.



“We are proud of this project because it addresses all three of our sustainability focus areas, namely Economic, Social and Environmental sustainability.”



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

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

Sri Lanka: Coca-Cola Beverages Sri Lanka Limited



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

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

Ethiopia	+251 112 756 114	South Africa	+27 41 395 4090
Kenya	+254 206 998 000/9	Sri Lanka	+94 1 12 487 700/16
Mozambique	+258 2 1 400 189	Tanzania	+255 222 700 700/6
Namibia	+264 61 320 7000	Uganda	+256 312 365 00
Nepal	+997 143 506 02		

Further information can be obtained at www.cocacolasabco.com