

The Coca-Cola Bottling Company of Ghana Limited



Communication on Progress

Year: 2012

STATEMENT BY MANAGING DIRECTOR

The year 2011 for The Coca-Cola Bottling Company of Ghana Ltd, has been challenging and exciting in terms of re-strategizing all aspects of our business. In satisfying our shareholders and all stakeholders, we have reiterated our commitment to the principles of the Global compact.

In 2011, we expanded our product and packaging portfolio with the introduction of two Fanta flavours - apple and strawberry, to still meet demands of our wider range of consumers. We still continue to promote and support active lifestyle programs of our consumers.

The company continues to make significant improvement in water and energy usage. Water usage has seen considerable improvement dropping from 4.44l to 4.36l per litre of beverage produced. In order to maintain this, a permanent team has been put in place in September 2011 which has been tasked with the responsibility of working to further improve the strides made.

We continue to enhance our relationship with our communities and the planet through our corporate social responsibility. Schools and hospitals facilities were rehabilitated in line with our strategies to enhance education and better health for the deprived in society. We distributed 1000 long lasting treated mosquito nets on World Malaria day to help in the fight against malaria. Coca-Cola together with Diageo launched a \$30M water programme dubbed 'Safe Water for Africa. This project aims at constructing small scale water treatment plants aimed at providing potable water to needy rural and peri-urban communities.

In our quest to implement a change management system through the introduction of our Hawks training programme, highly potential, talented junior and middle level staffs are engaged in specialized training to improve on current jobs as well as take up senior job positions. There has also been a consistent approach in ensuring gender equality by way of recruitment and promotion.

Both our Accra & Kumasi plants got certified in occupational health & safety OHSAS 18001:2007 to ensure consistent safety of our staff, visitors and 3rd party contractors. We have also been certified by the US Army on sanitation in accordance with MIL-STD3006C standards.

We continue to have a mutual relationship with all our Local Unions, labour regulatory authorities and agencies in promoting the human and labour rights of all. For instance in March 2010, both plants and all 3rd party personnel underwent social audit to ensure their compliance to workplace practises. All these audits were passed by competent audit teams contracted by the global Coca-Cola Company. Our next social audit is due 2013.

We also continue to strengthen and equip our medical team as well as peer educators by providing adequate resources and leadership in the management of occupational health and HIV/AIDS related issues.

We encouraged our employees in using the systems in place to perform fair business and not engage in anything that encourages corruption. As an additional measure to check corruption in the company, software called bOnPC which provides complete transactional processing solutions to our daily operations has been upgraded to version III.

As a company, we strive to imbibe the commitments of the principles of the Global Compact. We have put in place structures to uphold all these commitments in our areas of operations. We believe that as we uphold these commitments, we shall touch every one we do business with to also uphold the principles of the Global Compact.

Xavier Selga

NOVEMBER 02 ,2012
Managing Director / Chief Operating Officer
The Coca-Cola Bottling Company of Ghana
Limited

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	Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
<input type="checkbox"/>	1: Businesses should support and respect the protection of internationally proclaimed human rights;	<p>HEALTH FAIR PROGRAM</p> <p>TCCBCGL Health Fair has been in implementation since August 2009. The annual event took place on the 7th of September this year. The goal of the Health Fair is to promote health and safety awareness at the workplace and general healthy living. It also offers health screenings, blood tests, blood pressure checks, spot cholesterol, dental services, leukaemia, VCT etc. This day enables employees have access to free medical screening, testing and consultation in the Plant. It also introduces staff to their health care service providers in their communities.</p> <p>Employees take this opportunity to know their health status. National Health Insurance Authority (NHIA) is always present with their cameras to take free passport photographs to register all unregistered Coca-Cola Staff.</p> <p>HIV/AIDS WORKPLACE PROGRAM</p> <p>The Coca-Cola Bottling Company of Ghana (TCCBCG) HIV/AIDS Workplace Policy has been in implementation since March 2002. The key principles of the policy are recognition of HIV/AIDS as a workplace and business issue, non discrimination and stigmatization, gender equality, promoting social dialogue, prevention of screening for the purpose of exclusion, confidentiality, and continuation of employment, prevention of new infections providing care and support, and community outreach.</p> <p>Awareness, education and advocacy programs are held throughout each year. A permanent Voluntary Counselling Test centre is available on site where employees can have free tests. Anti – Retroviral Treatment is also available for employees and families.</p> <p>As part of activities marking World Aids Day 2011, HIV/AIDS peer educators embarked on a community sensitization against stigmatization against for people living in and around Spintex.</p> <p>Awareness and education activations will be carried out during this year's WORLD AIDS DAY Commemoration.</p> <p>OCCUPATIONAL HEALTH AND SAFETY</p> <p>We have intensified our attention to protect the health and safety of employees, safety of all our facilities and others affected by our operations. We have consistently maintained our scope on our Coca-Cola systems as well as ISO 18001:2007 to our operations.</p> <p>In line with this we successfully applied and got certified in Occupational Health & Safety OHSAS 18001:2007. To ensure the continual safety of our workforce, visitors and contractors, work rules on safety practices have been</p>

		<p>developed and strictly enforced through coaching, awareness creation, refresher trainings, structural modification and Personal Protective Equipment (PPE) Use. To ensure root cause of injuries are captured and addressed, an accident reporting system is designed and recorded.</p> <p>WORKFORCE ENGAGEMENT</p> <p>We support the rule of law and collaborate with the labour authority in the legal resolution of complaints. For example, in July 2010, we used "Alternate Dispute Resolution (ADR)" for an out-of-court settlement of a complaint lodged with the Ghana Labour Commission.</p>
<input type="checkbox"/>	2: and make sure that they are not complicit in human rights abuses.	<p>We do not tolerate human rights abuses in our operations and we extend the same conditions to our Third party service providers. Our Third party service providers' contracts specify the conditions of service for their employees (outsourced) to ensure there are no abusive conditions of service. As at December 2011, we had no records of Human Rights abuses.</p> <p>In March 2010, both company and all 3rd parties partook in an external social audit in which we all successfully passed. The purpose of the audit was to demonstrate our compliance with local labour laws in our supply chain. In the audits, particular emphasis was laid on child labour, forced labour, abuse of labour, and freedom of association, collective bargaining, wages and benefits, working hours, overtime, health, safety and environment. Results showed a high level of compliance. TCCBCG is also committed to investigating any allegations of human rights abuses made against the company. The next social compliance audit is due next year.</p>
<input type="checkbox"/>	3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<p>The company respects the rights of employees to associate. To this effect, there are currently four (4) employee associations/unions operating in the company:</p> <ol style="list-style-type: none"> 1. The Local Union of the Industrial and Commercial Workers' Union of Ghana (ICU) – membership subscribed by all junior staff. 2. The Coca-Cola Senior Staff Association (COCASSA) – for some supervisors and middle management staff. 3. The Professional and Managerial Staff Union (PMSU) of Union of Industry, Commerce and Finance Workers (UNICOF) - for some supervisors and middle management staff. 4. The Coca-Cola Management Staff Association (CCMA) - for Managers. <p>Collective Agreement (CA) is negotiated every two years and a wage opener every year.</p> <p>The executives of COCASSA and CCMA collaborate with Top Management in formulation and review of terms of conditions of service.</p> <p>Union Executives hold monthly meetings with all Union Shop Stewards. A general meeting between the Union Executives and the whole members of the Union is held quarterly. These meetings are approved and expensed by company.</p> <p>Top management holds quarterly communications meetings with the Local Union, COCASSA, UNICOF and CCMA. These meetings serve as platforms where the associations hold free face-to-face discussions with the Managing Director and his team.</p>

		<p>The company holds annual staff durbars – a general meeting of all staff with the Executive Management. The meeting is chaired by the Managing Director (MD). It is an open forum in which the discussions centre on the general “health and welfare” of the Company.</p> <p>There is a strict adherence to schedules for Negotiations and wage openers timed such that implementation of agreements is effected January 1, each year. All employees belong to at least one employee association.</p> <p>Industrial harmony is monitored and reported by the HR Operation managers as part of their performance assessment in each year. Tension between our workers and employer has been eliminated by the open door policy and constant dialogue with the unions on all issues.</p> <p>The management – employee associations’ relations have been strengthened with a seamless and continuous two-way dialogue with employees, communicating the business strategy and listening to employee opinions and concerns. The communications channels for employees include open door policies, employee forums and confidential dialogues.</p> <p>Management supported the smooth electioneering campaigns of the Local Unions in September 2011 for both Kumasi and Accra plants. New officers for both locations have been inducted into office. The new Union Executive Office holders will receive training in October 2011 on the following topics: The New Ghana Labour Act (Act 651), Industrial Relations, Productivity Based Bargaining, Discipline at the Workplace and Performance Management. The training aims at broadening their perspectives on Labour –Management collaboration at the workplace.</p>												
<input type="checkbox"/>	4: the elimination of all forms of forced and compulsory labour;	<p>When operational exigencies demand for overtime work, management at all levels, departmental or sectional, discuss and reach an arrangement with the Union shop stewards. Union Executives consult with management. Both parties agree and draw schedules to cover areas where services are required during holidays. Work done is compensated for in addition to paid overtime.</p> <p>For the year under review we have not received any complaints from the labour front.</p> <p>Productivity –based incentive schemes since its inception has still been in operation and remuneration for management staff is still linked to business performance.</p>												
<input type="checkbox"/>	5: the effective abolition of child labour;	<p>In strict compliance with the National Labour law, TCCBCG does not employ minors and persons less than 18 years. Age verification is normally carried out during recruitment processes. Our internal records show that the youngest employee is 23 years old against 21 years in October 2010.</p> <p>The age distribution in the company as at October 2011 is as follows:</p> <table><tr><td>Age 23-24 :</td><td>0.60%</td></tr><tr><td>Age 25-35 :</td><td>28.00%</td></tr><tr><td>Age 36-45 :</td><td>23.30%</td></tr><tr><td>Age 41-45 :</td><td>23.40%</td></tr><tr><td>Age 46-55 :</td><td>21.70%</td></tr><tr><td>Age 56-60 :</td><td>3.10%</td></tr></table>	Age 23-24 :	0.60%	Age 25-35 :	28.00%	Age 36-45 :	23.30%	Age 41-45 :	23.40%	Age 46-55 :	21.70%	Age 56-60 :	3.10%
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<input type="checkbox"/>	6: and the elimination of discrimination in respect of employment and occupation.	<p>TCCBCG permits the employment of qualified relatives or friends as long as such employment does not create actual or perceived conflict of interest.</p> <p>HIV/AIDS infection shall not be barrier to employment, advancement, training, or other terms and conditions of employment. HIV/AIDS, physical challenge, ethnic background, marriage between employees and gender are not barriers to employment. Labour agencies have not lodged any report on in respect of discrimination against TCCBCG.</p>
<input type="checkbox"/>	7: Businesses should support a precautionary approach to environmental challenges;	<p>The Core of our environmental management system has five values to affirm the responsibility of TCCBCG :</p> <p>Commitment: Our commitment to protecting and preserving the environment extends throughout our company with the involvement of employees at all levels.</p> <p>Compliance: We are determined to integrate sound environmental practices into our daily business operations, complying with all regulatory standards.</p> <p>Impact/Opportunity: We minimize the environmental impact of our operations, equipment, product, packages.</p> <p>Accountability: TCCBCG shall conduct audits of our environmental performance and practices and take actions for continual improvement.</p> <p>Information: We shall communicate effectively with all our stakeholders on environmental reporting.</p> <p>TCCBCG successfully implemented a documented Environmental Management System in the two plants located in Kumasi and Accra, Ghana and has linked up with ISO 14001:2007 management system.</p> <p>The policy on Environment and the Environmental Management System were reviewed to make them congruent with all elements of ISO 14001:2007. Both Accra & Kumasi plants were certified to the ISO 14001:2007 management system in October 2010.</p>
<input type="checkbox"/>	8: undertake initiatives to promote greater environmental responsibility;	<p>The \$2.0million waste water treatment system built in both plants is still functioning.</p> <p>EPA monthly monitors all discharges from the facilities and reports on findings. Summonses are issued if violations or non-compliances are noted. There have been no summonses since the installation of the Waste Water Treatment plants.</p>
<input type="checkbox"/>	9: and encourage the development and diffusion of environmentally friendly technologies.	<p>Water Minimization Team was set up in September 2011 with a team leader and was tasked to minimize water consumption.</p> <p>We have diligently ensured that new refrigeration equipment purchased since year 2004 do not contain or use chlorofluorocarbon (CFC).</p> <p>Since the Six Sigma Energy Usage Optimisation project started in February 2007, we have been so prudent and successful that we won the Most Improved Plant – Energy Efficiency Award of the Group President Sustainability Award in Dubai 2010 organised for the Eurasia & Africa Group.</p>
<input type="checkbox"/>	10: Businesses should work against all forms of corruption, including extortion and bribery.	<p>At The Coca-Cola Bottling Company of Ghana, we work from a shared set of values recognizing that integrity is critical to our business success and our outstanding reputation. Our Code of Business Conduct is one example of our absolute commitment to honesty, integrity and the highest standard of ethical behaviour. The governing principles of our Code of Business Conduct are:</p>

		<p>comply with all laws, rules and regulations, treat all colleagues fairly, honestly, and with respect and promote the diversity of company work force, deal fairly with customers and consumers, deal appropriately with competitors, avoid conflicts of interest, keep accurate records, provide accurate disclosures to regulators and shareholders, do not take personal advantage of opportunities, protect company's non-public information. Since 2010, extracts of the Code of Business Conduct are sent to all staff via the company's intranet to share information and ensure compliance.</p> <p>Planned systems audits are conducted on regular schedules by our internal audit team and external auditors. Internal audits include forensic audits. Fidelity of personnel in very sensitive positions of our operations is guaranteed before employment.</p> <p>Audit findings have prompted systems improvements to close and eliminate gaps that could lead to fraud in our operations.</p> <p>Again, a system called bOnPC which is a sales and distribution software application was introduced in 2010 to support our daily business operations. In 2011, bOnPC was upgraded from the second edition to the third edition. This system provides detailed business information on all daily transactions that feeds into other applications for all levels of reporting and analysis. It also serves as a good auditing tool.</p>
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