



For enquiries, please contact  
Coca-Cola Sabco (Pty) Ltd on:

Tel: +27 41 395 4071  
Fax: +27 41 374 4266  
Email: [info@ccsabco.co.za](mailto:info@ccsabco.co.za)

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

Cambodia	+855 12 834 116
Ethiopia	+25 1 11 2 763 681
Kenya	+254 206 998 000
Mozambique	+258 2 1 400 189
Namibia	+264 613 207 000
Nepal	+997 143 506 02
South Africa	+27 41 395 4083
Sri Lanka	+94 1 12 487 700
Tanzania	+255 222 700 700
Uganda	+256 312 365 00
Vietnam	+848 896 1000

Further information can be obtained at  
[www.cocacolasabco.com](http://www.cocacolasabco.com)

[stream.co.za](http://stream.co.za)



CCS Coca-Cola Sabco  
Sustainability Review 2008  
**2008**



CEO's Message	01
CCS Overview	03
Corporate Governance	09
Sustainability	11
Workplace	13
Marketplace	19
Environment	23
Community	29



This applies, in fact, to a broader scope of partnering with independent distribution businesses of varying sizes such as a new approach being applied in Vietnam. Our organisation is particularly pleased to be a key partner in The Coca-Cola's Company's commitment to the Business Call to Action through the MDC project on which you will find further information in the marketplace section of this report.

It is clear that our communities need to be sustainable for our business to be sustainable. We are committed to contributing positively to our communities, above and beyond our core business function, as can be seen in the community section on page 30. While we understand the importance of making financial investments in development projects, I am particularly proud that many of our community initiatives go beyond financial investment and are being driven by our employees themselves where they aim to contribute their unique skills and experience in these projects.

Another key theme that you will witness in this report is the focus on water stewardship and access to safe drinking water in our communities. Research clearly shows the multiplier effect on health issues when water issues are not addressed and we have therefore chosen to prioritise this as a key focus area for our external environment initiatives. The types of markets in which we operate are also particularly at risk in terms of natural disasters and our people are learning to be able to respond quickly with appropriate support.

I trust that this report will once again provide evidence of a socially and environmentally responsible organisation that genuinely cares about the communities in which it operates.

Fanus Nothnagel  
Chief Executive Office

With the current global economic crisis, 2008 represented one of the most challenging years the international business community has had to face. Our industry and our markets are not immune to the impact of the broader context, meaning that our people had to dig deep to find the best way to operate in these challenging times. I am proud of their response and the fact that, despite the challenges, we were able to record more than satisfactory business results.

I also realise that the economic conditions place strain on everyone associated with our value chain. I am strongly of the view that the best contribution we can make remains through our core business being sustainable. I also believe that it is possible to find solutions that benefit the organisation and the community at the same time such as the Manual Distribution Centre (MDC) approach being utilised in many parts of our business.

## Our Continued Commitment to the UN Global Compact

### The Ten Principles of the United Nations Global Compact:

	page
<b>Human Rights</b> 1. Businesses should support and respect the protection of internationally proclaimed human rights 2. and make sure that they are not complicit in human rights abuses.	13-14
<b>Labour</b> 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.	13-14
<b>Environment</b> 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.	23-28
<b>Anti-Corruption</b> 10. Businesses should work against corruption in all its forms, including extortion and bribery.	13-14

We remain fully committed to supporting the ten core principles of the UN Global Compact. Additionally, we have embarked on a partnership project with The Coca-Cola Company aimed at supporting the UN's Business Call to Action.

## CEO'S MESSAGE

*We are committed to contributing positively to our communities, above and beyond our core business function*

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



*While the report has not addressed each principle specifically, the reference pages provide evidence of alignment and/or progress.*

# CCS OVERVIEW

## our history at a glance

Founded as SA Bottling Company in 1940, and appointed as an Anchor Bottler for The Coca-Cola Company in 1995, the organisation known today as Coca-Cola Sabco has grown to become one of the leading Coca-Cola bottlers in the world, specialising in developing and emerging markets.

With its main stakeholders being Gutsche Family Investments and The Coca-Cola Company, Coca-Cola Sabco has established itself as a market leader in the beverage industry. Currently operational in 12 countries as on 31 December 2008, the Coca-Cola Sabco Group spans across Africa and Asia, and continues to expand its global operations in a responsible and sustainable manner to serve the beverage needs of over 240 million consumers.

Our values, principles and vision remain constant – we will become the best Coca-Cola bottler in the world, while remaining true to the core principles of integrity, teamwork, commitment and initiative.

In recent years, we have also established a successful subsidiary service company described below:

### Service Companies



Dataflo, an information systems services company, was formed in January 2002 as a joint venture company between Coca-Cola Sabco and Dimension Data. It is positioned to offer a number of business solutions, such as:

- The installation of ERP systems,
- Providing shared services from a central location,
- The ongoing maintenance of installed software, and
- The support of IT strategy development. ☺

### Our Vision

"We will be the best Coca-Cola bottler in the world"

- **The best:** In sales volume growth; and in return-on-capital employed
- **Coca-Cola bottler:** Consumer driven, customer-orientated manufacturer, sales and distribution company, which markets the products and brands of TCCC
- **In the world:** We measure ourselves against the best Coca-Cola bottlers in the world

### Our Values

**Integrity:** Be honest, open and sincere

**Individual Initiative:** Take pro-active steps to drive performance

**Customer Value:** Exceed customer expectations and add value to customers' businesses

**Teamwork:** Work with and support colleagues to raise overall performance

**People Development:** Realise employee potential through training and development

**Mutual Trust & Respect:** Treat each other with respect and dignity, and earn trust

**Commitment:** Be accountable and do as you say



The Best Way to Predict the Future is to Create it

A bold new set of goals – The Created Future 2010 – was developed under the leadership of the Executive Committee (EXCO), and shared for the first time at the General Managers' Meeting in 2007.

*Aiming to achieve "The Created Future" is about making Coca-Cola Sabco an even greater company than it already is by reaching very tough, but achievable, goals.*

'The Created Future 2010' is built on the principle that the best way to predict the future is to create it! Aiming to achieve "The Created Future" is about making Coca-Cola Sabco an even greater company than it already is by reaching very tough, but achievable, goals. The benefits will be many, including the creation of a secure and growing company, career opportunities, and the achievement of incentives/profit sharing.

Ultimately, CCS aims to be a better place to work, with more developed, well-rounded employees, filled with personal pride and satisfaction! ☺

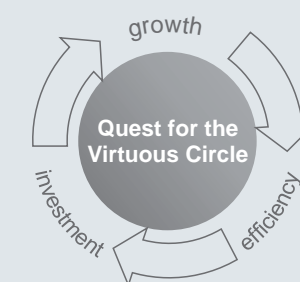
## Coca-Cola Sabco's Created Future

### The Created Future 2010

- Achieve Net Sales Revenue in excess of US\$1.5 bn
- Achieve NIBT in excess of US\$200 m
- Create a vibrant working environment
- Significantly increase the investment in and quality of learning and development
- Grow Still Beverages profitably to at least 15% of Net Sales Revenue, whilst accelerating the growth of the key Sparkling business
- Continuously improve product & package quality standards
- Achieve a significant improvement in customer service as measured by CSI (Customer Service Index)

**This will be achieved while operating as a highly respected corporate citizen**

### CCS Strategy in Shorthand



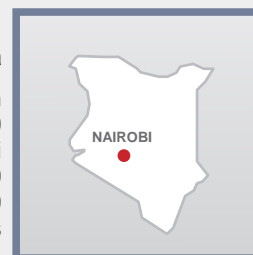
# CCS OVERVIEW



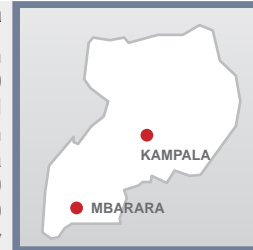
- 12 countries
- 25 bottling plants
- more than 10 000 employees
- over 240 million consumers

## Territories

**Kenya**  
**Population:** 38 million  
**GDP per capita** (purchasing power parity): US\$1 800  
**Location:** Embakasi Airport, North Road, Nairobi  
**Employees:** 630  
**Job creation - multiplier effect:** ± 6 300  
**Local operating name:** Nairobi Bottlers



**Uganda**  
**Population:** 29,6 million  
**GDP per capita** (purchasing power parity): US\$1 100  
**Location:** Plants located in the country's capital Kampala, and Mbarara in the western part of Uganda  
**Employees:** 669  
**Job creation - multiplier effect:** ± 1 729  
**Local operating name:** Century Bottling Company



**Ethiopia**  
**Population:** 73 million  
**GDP per capita** (purchasing power parity): US\$700  
**Location:** Plants located in Addis Ababa and Dire Dawa  
**Employees:** 700  
**Job creation - multiplier effect:** ± 7 000  
**Local operating name:** East Africa Bottling Share Company

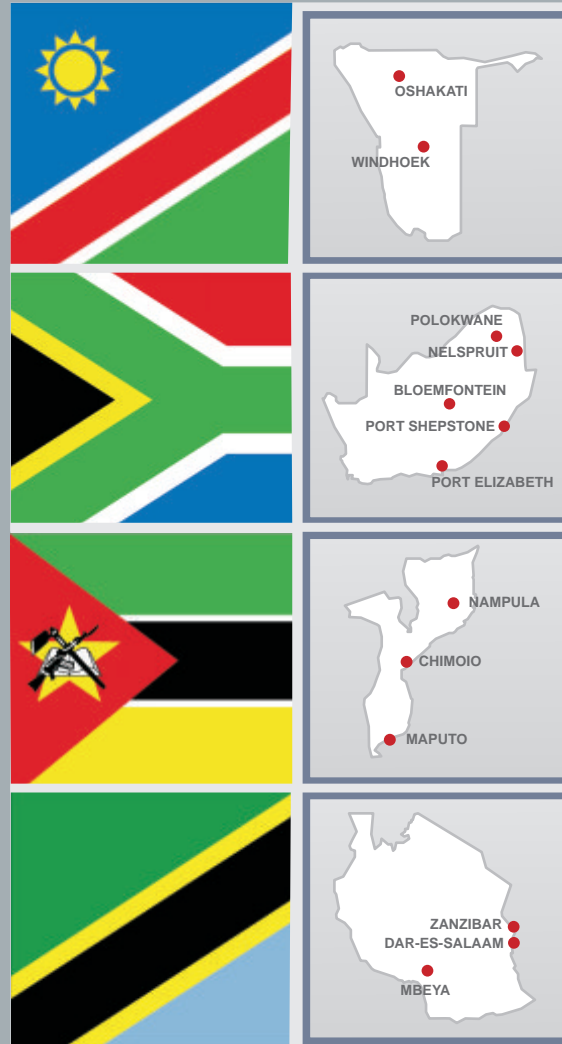


**Sri Lanka**  
**Population:** 20 million  
**GDP per capita** (purchasing power parity): US\$4 700  
**Location:** Bottling plant located in Biyagama, 18km north-east of the capital city, Colombo  
**Employees:** 449  
**Job creation - multiplier effect:** ± 4 300  
**Local operating name:** Coca-Cola Beverages Sri Lanka Ltd



# CCS OVERVIEW | Territories

continued



## Namibia

**Population:** 2,08 million  
**GDP per capita** (purchasing power parity): US\$5 249  
**Location:** Two plants: One in the capital Windhoek; another plant in Oshakati, north-west of the capital  
**Employees:** 400  
**Job creation - multiplier effect:** ± 4 000  
**Local operating name:** Namibia Beverages

## South Africa

**Population:** 47 million  
**GDP per capita** (purchasing power parity): US\$10 400  
**Location:** Plants located in Polokwane, Nelspruit, Bloemfontein, Port Shepstone, and in Port Elizabeth  
**Employees:** 3 100  
**Job creation - multiplier effect:** ± 64 600  
**Local operating name:** Coca-Cola Fortune

## Mozambique

**Population:** 21 million  
**GDP per capita** (purchasing power parity): US\$900  
**Location:** Plants in Maputo, Chimoio and Nampula  
**Employees:** 700  
**Job creation - multiplier effect:** ± 10 000  
**Local operating name:** Coca-Cola Sabco (Mozambique Sarl)

## Tanzania

**Population:** 37 million  
**GDP per capita** (purchasing power parity): US\$1 100  
**Location:** Three plants located in Dar-Es-Salaam, Mbeya, and Zanzibar  
**Employees:** 1 000  
**Job creation - multiplier effect:** ± 10 000  
**Local operating name:** Coca-Cola Kwanza

# Business Update

## 2008 performance

The Coca-Cola Sabco Group was able to demonstrate the following growth in 2008 versus 2007.

Volume: 5,5% inc  
 Operating Profit: 1,8% inc

... the group has had a good year by any standard especially considering the global economic conditions. In tough times like these it is people with a positive attitude - Winning Spirit - that succeed...

Extract from CEO's End of Year Message - Winning Spirit Newsletters



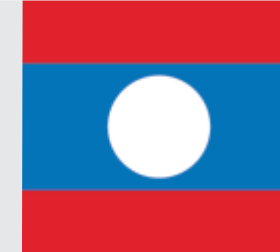
## Nepal

**Population:** 27,5 million  
**GDP per capita** (purchasing power parity): US\$1 100  
**Location:** Plants located in Kathmandu and Bharatpur  
**Employees:** 1 000  
**Job creation - multiplier effect:** ± 10 000  
**Local operating name:** Bottlers Nepal Ltd



## Laos

**Population:** 6.2 Million  
**Business Language:** English  
**Currency:** kip  
**GDP:** US\$11.28 Billion  
**GDP per capita** (purchasing power parity): US\$1 900  
 Coca-Cola Sabco is working on developing appropriate infrastructure in the country, which will include a bottling plant in the country's capital, Vientiane



## Vietnam

**Population:** 82 million  
**GDP per capita** (purchasing power parity): US\$2 600  
**Location:** Plants located in Ho Chi Minh City, Hanoi and Da Nang  
**Employees:** 1 182  
**Job creation - multiplier effect:** ± 11 820  
**Local operating name:** Coca-Cola Beverages Vietnam



## Cambodia

**Population:** 13,9 million  
**GDP per capita** (purchasing power parity): US\$750  
**Location:** Located in the capital, Phnom Penh, and has been operational for 16 years  
**Employees:** 310  
**Job creation - multiplier effect:** ± 3 000  
**Local operating name:** Cambodia Beverage Company



# CORPORATE

## Governance at Coca-Cola Sabco

Corporate governance at Coca-Cola Sabco (CCS) remains consistent, with a governance framework in place to ensure that the high standards of our policies are continually adhered to. One policy that CCS is fully committed to is that of open corporate governance. Open corporate governance provides our shareholders and other stakeholders with the assurance that our Company is managed ethically and in compliance with best local and international governance practices.

In this way, our corporate governance framework adds further value and protects our Company's financial assets and human investments.

Our governance framework, which helps us to manage and report on the important aspects of our business, consists of six pillars and operates at Country, Division and Group levels.

### Country Capability (Internal Controls)

The Board of Directors acknowledges its responsibility 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.

A variety of controls exist at Country level in order to ensure that our Country operations can be optimised. These controls are reviewed and reported on regularly in order to ensure that the Company is cognisant of any changes or risks within our business.

### Internal Audit

Internal audit is an independent function within the Group structure that monitors the system of internal controls at a Country and Group level to ensure that it operates as designed. Internal audit reports identify weaknesses to the Country and Group Audit Committees three times a year.

### Authorisation Framework

The Group has established comprehensive management reporting disciplines, which include the preparation of annual budgets by all operating units. Monthly results and profit forecasts are reviewed, as well as working capital and capital expenditure levels. 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 meets at least twice a year.

A series of critical oversight bodies is in place to ensure that there is effective governance throughout the Group. 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 operates under the mandate approved by the Board of Directors and meets at least three times a year with Management and its external auditors. The role of the committee has been defined by 10 objectives, including, among others, approving financial policies, assisting directors in the discharge of their duties, reviewing internal audit operations and the annual financial statements, and complying with legislation and other regulatory requirements.

The Group Remuneration Committee meets three times a year. Mandated by the Board of Directors, it consists of five directors, four of whom are non-executive. A non-executive director chairs the committee and reports to the Board of Directors. It has five stated objectives that help Coca-Cola Sabco and its shareholders ensure that the directors and staff are fairly rewarded.

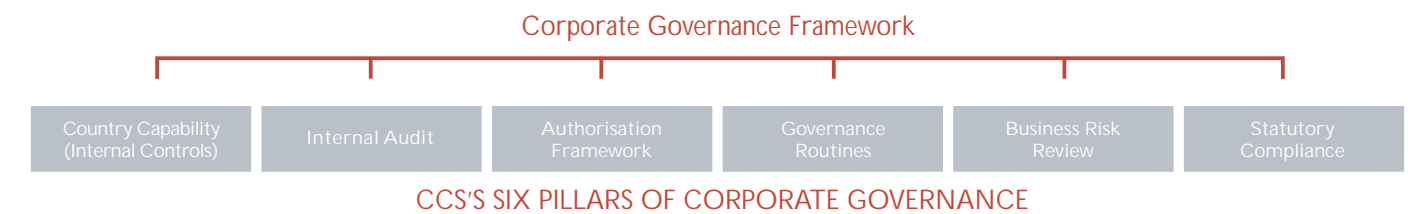
All directors and employees are expected to espouse the highest moral and ethical principles, values and standards of conduct as set out in the Group Policy Guidelines.

### Business Risk Review

There is a 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 at legal, governance and legislative levels. This is managed at a Country level, with Group support, as required.



## SUSTAINABILITY

Engage, uplift, sustain - the keys to our approach

Coca-Cola Sabco sees itself as part of a holistic system of support and engagement in the communities it serves. By applying our unique resources in a responsible and effective manner, we believe that our daily operations coupled with focused programmes and support projects can help our communities prosper.

As many communities from the territories in which we operate suffer from severe poverty, inefficient healthcare and education services, and have walked a long road of political and civil unrest, we regard these portfolios of poverty relief and community upliftment, healthcare and education as particularly important cornerstones for our Corporate Social Responsibility efforts. Simultaneously, we do not underestimate the important role Coca-Cola Sabco can and should play to help preserve our environment for future generations.

These portfolios, which are in line with our commitment to the UN Global Compact, are approached in a systematic, community-specific manner by ensuring that key stakeholders in the community are consulted throughout the process of support. In this way, we aim to ensure that all our community and environmental initiatives are both targeted and sustainable.

In full alignment with the values of The Coca-Cola Company, and in support of our commitments to the UN Global Compact and Business Call to Action, Coca-Cola Sabco remains dedicated to the core principles of providing support and guidance in the following four areas: Workplace, Marketplace, Environment and Community.



### WORKPLACE

A vibrant environment

Our commitment is to foster an open and inclusive environment based on recognised workplace human rights, where a highly motivated, productive and committed workforce drives business success through superior execution. **This commitment is backed up by clear policies, processes and actions, as we truly believe in our people as our most important resource.**

### ENVIRONMENT

Stewardship of resources

**Our commitment is to conduct our business in ways that protect and preserve the environment,** and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes. This involves our actions both in terms of the use of resources within the organisation, as well as contributing appropriately in the external environments surrounding our operations.



### MARKETPLACE

A marketplace positioned for growth

**Our commitment is to provide products and services that meet the beverage needs of our consumers.** In doing this, we provide sound and rewarding business opportunities and benefits for customers, suppliers, distributors, and the local community. To ensure that these opportunities are created, we have developed key policies to govern responsible marketplace activities.

### COMMUNITY

Growing together

**Our commitment is to invest time, expertise and resources to provide economic opportunity, improve the quality of life, and foster goodwill in communities through locally relevant initiatives.** We have a clear policy and guidelines for community investment to ensure focus and effectiveness. ☺



*We believe that a sustainable business should result in a sustainable community.*





**At Coca-Cola Sabco we have almost ten thousand employees who represent the heart and soul of our business and although not reflected on our balance sheet, they are truly our greatest asset! Without them product would not be produced and not a single case would be sold.**

The value that we place in our people is reflected in the third item of our Created Future, namely "Create a vibrant environment where we are all passionate and excited about our jobs." In our quest to make this a reality for all of our employees we conducted our Employee Engagement Survey again this year and were thrilled to see an overall increase of five percent from our 2007 results. This is due to the combined effort of every leader in the business focusing on specific areas that were highlighted in the first survey. Looking forward, we will drive continuous improvement in this area by making Employee Engagement one of every manager's top five priorities.

Our talent management approach, which is to attract, engage and retain employees, supports the strongly held conviction that people are the key to performance. On the CCS journey towards achieving its business objectives, managing a robust and efficient talent pipeline will be imperative for success. The Talent Development Committee processes structures and routinely drives this pipeline.

As part of this process, senior managers meet to discuss the talent in our business and develop an overall succession picture highlighting critical attraction, development and retention requirements and opportunities. This provides a framework to effectively manage individuals' careers within the organisation.

A hallmark of the employee experience at Coca-Cola Sabco is focused training and development. In 2008, Coca-Cola Sabco significantly increased the investment in learning and development to over US\$3 million. In addition, the entire learning framework has been refreshed to focus on building distinctive bottler skills through functional programmes across the value chain and the entrenchment of management and leadership development programmes across the talent pipeline.

Every employee is committed to at least three improvement actions every year, which, in turn, supports leveraging strengths as well as identifying areas for improvement.

A strong learning and development community of training managers and trainers is spread across the operation. They are able to support on-the-ground training within the Coca-Cola Sabco Learning Framework.

They are also enabled to activate new learnings and programmes quickly as the business model constantly adapts to market changes. Key focus areas are in frontline sales, the supply chain area, and in building strong business and financial acumen.

Coca-Cola is represented in a global community across Africa and Asia. Coca-Cola Sabco is widely recognised for its high impact Management Talent Development programmes, and many of the alumni are now working in senior management positions within the organisation. The highly successful Deputies programme, which grows future Country Managers, is a top priority for a growing bottler.

In an effort to ensure a fair and responsible work environment, Coca-Cola Sabco together with Deloitte Tip-offs Anonymous in 2008 launched a Fraud & Ethics Line for employees to report any occurrences of work place dishonesty, theft, and unethical behaviour anonymously, without the fear of being reproached. The line has been a great success thus far and will be continued into 2009 and beyond. ☛



## WORKPLACE

A hallmark of the employee experience at Coca-Cola Sabco is focused training and development. In 2008, Coca-Cola Sabco significantly increased the investment in learning and development to over US\$3 million.



*The investment in training is measured through continuing improvements in the quality of training offered. A robust ROI process is used and all training is measured in terms of actual transfer back on the job, as well as its impact on the organisation.*

*Coca-Cola is represented in a global community across Africa and Asia. Coca-Cola Sabco is widely recognised for its high impact Management Talent Development programmes*

## SELECTED WORKPLACE INITIATIVES

### Uganda

Century Bottling Company brings home "The Reality" in the fight against HIV/AIDS

According to AVERT, an international AIDS charity, over 33 million people worldwide were estimated to be living with HIV and AIDS in 2007. Africa is hardest hit by the disease and impoverished conditions make it an uphill battle for survival.

Century Bottling Company (CBC) is managing the problem of HIV and AIDS through a unique combination of education, awareness, and pro-active preventative and treatment measures. As the first step in a three-pronged approach to managing the disease not only in the Company, but also in the neighbouring communities, Century Bottling Company launched an in-house magazine about HIV/AIDS awareness called The Reality. The magazine, which is available to all CBC employees, is aimed at creating awareness about the disease and the practise of safe lifestyle habits to help curb the spread of HIV and AIDS. Beyond creating awareness about the disease, Century Bottling Company took practical steps to help employees learn their HIV status and receive the necessary support and education on all aspects of the disease. Together with their partners, Mild May, CBC established a free Voluntary Counselling and Testing (VCT) unit for CBC employees and extended the use of the VCT units to the neighbouring communities for three weeks at no cost.

Over 400 employees, led by the Country Manager and senior management, were tested for HIV/AIDS at the VCT unit stationed at the Namanve canteen. Through peer education campaigns and educational programmes, employees continue to receive support on managing the physical and emotional implications of the disease, counselling on the passing of loved ones due to HIV/AIDS, and guidance on making responsible lifestyle choices to avoid contracting the disease.

*Through peer education campaigns and educational programmes, employees continue to receive support on managing the physical and emotional implications of the disease.*

### Nepal

Plant a tree, grow the world  
Tree Plantation Programme adorns Terai premises and builds morale

As part of their celebrations for World E-day, Bottlers Nepal Limited embarked on a Tree Plantation Programme to help conserve the environment closest to them – their workplace. Bottlers Nepal employees put in a team effort to make their workplace more environmentally friendly by planting medicinal and ornamental trees on the Terai factory premises. The indigenous trees planted, which include Ashoka, Kapoor, Neem, and Rudrakshya trees, will help improve the quality of the environment on the Terai premises and the surrounding community while also creating a more aesthetically pleasing work environment for employees. ●

*employees put in a team effort to make their workplace more environmentally friendly by planting medicinal and ornamental trees on the Terai factory premises.*

## WORKPLACE

News from our Everest Challenge winners

Launched in 2005, the Everest Challenge is a demonstration of Coca-Cola Sabco's company values by employee teams. Without the use of Company funds and through the display of customer value, integrity, teamwork, mutual trust and respect, people development, commitment and individual initiative, employees touch the lives of communities in need throughout our territories. The response to the challenge continues to astound the business and this section provides an overview of new and ongoing projects. This represents a great example of successful employee-driven community projects.



### EVEREST CHALLENGE 2008 WINNER

#### Kenya

Again we will rise  
Nairobi Bottlers launches Caravan of Hope

In December 2007, Kenya elected a new leader during the Presidential and Parliamentary elections. However, disputes about the validity of the elections and the eruption of post-election violence signalled the start of trying times for the Kenyan people. Political turmoil and civil unrest claimed over 1 500 lives and displaced 350 000 more as violence fuelled by ethnic intolerance broke out across the country.

Nairobi Bottlers Limited (NBL) suffered a loss of approximately US\$255 000 due to theft, property destruction and production loss, but more alarmingly, many of NBL's employees were severely affected by the theft, vandalism, physical violence and emotional pain that spread through communities during the post-election unrests. The Caravan of Hope project was launched to ensure the safety and well-being of NBL employees and to secure a positive, culturally tolerant work environment in the midst of the country's hostile post-election climate.

NBL helped evacuate employees and their families who lived in the worst affected areas, such as Nakuru, and assisted them with temporary accommodation in hotels.

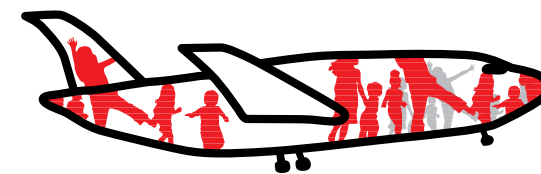
Additional measures were quickly put in place to ensure the safety of all NBL employees at work and during their commuting between home and work, which helped prevent employees being directly affected by the violence at work or during their commuting.

Although employees remained unaffected by the unrests in the work environment, four NBL employees lost most of their personal belongings as vandals destroyed their homes and stole their possessions from the properties. An inspirational sense of camaraderie between NBL employees prevailed as staff rallied together to help rebuild their colleagues' homes by volunteering their labour and skills at no cost. A portion of the funds allocated to the Caravan of Hope project was also used to help the affected families rebuild their lives.

While the attacks and vandalism left tangible signs of devastation, it was the emotional pain caused by physical violence against employees, their families and friends, as well as the suspicion and damaged relationships within and among different cultural groups that caused the biggest concern. As part of the Caravan of Hope project, NBL provided free counselling with the goal of promoting emotional healing, conflict resolution and team building among the workforce to restore unity among the NBL team. During the five-day programme, over 600 employees attended counselling sessions conducted by a team of 24 NBL peer counsellors (Peace Ambassadors) and 13 external therapists. ●

# WORKPLACE

*the garden set up by the team is producing crops that the community sells and harvests, and the water supply system is now fully reliable.*



## wings & wishes

Group Office | Wings and Wishes  
"I have always had a dream that I could fly away"

Being a child means enjoying the simple pleasures of life. Hanging upside down from your bed to look at the world from a different perspective; lying on your back on the grass to find castles and magic dragons in the clouds drifting through the sky. To many critically ill children across South Africa, these simple pleasures are treasured gifts in a race against time.

Coca-Cola Sabco Community Foundations' Wings and Wishes programme (IT 60/2007) strives to enable the transportation of critically ill children to the Red Cross Children's Hospital in Cape Town, or other appropriate medical facilities, for medical care. Funded entirely through donations and run by a group of volunteers, the Wings and Wishes 2010 goal of helping 140 children has far been surpassed. A total of 178 children have been assisted through the Wings and Wishes programme and over 600 flights have been funded since its inception in 2006. Pledges to Wings and Wishes can be made in four ways including the personal donation of 20,000 or 30,000 Voyager Miles, the donations of flights for patients, monetary donations used to cover airport taxes and surcharges not covered by Voyager Mile donations, and mercy donations of personal items such as toiletries, toys and clothing for children and families in their time of distress.

The kindness of our sponsors and community members has been overwhelming over the past year. Round Table East-London adopted Wings and Wishes as their beneficiary for 2008's fundraising activities, while the Rotary Club of Port Elizabeth, Lions Cape Recife, and a group of students representing Varsity College all selected Wings and Wishes as the beneficiary for events they hosted. The community and our employees opened their hearts to the project as learners from schools across Port Elizabeth ran soft toy collections and donated their pocket money and private citizens were always willing to help, even at a moment's notice for emergency flights. Corporate sponsors such as Johnson and Johnson and Kentucky Fried Chicken put their weight behind the project, and ongoing support from our project partners Hertz Car Hire, Rennies Travel and I-Stream International have made Wings and Wishes one of Coca-Cola Sabco's big CSR success stories.

To help us give these children more time to enjoy the special moments of childhood, please visit our website at [www.wingsandwishes.org](http://www.wingsandwishes.org).

Sri Lanka | 2007  
New Mahamaya Girls School officially unveiled

In December 2004, the world was shook by the devastation caused in the Indian Ocean as an underwater earthquake caused a tsunami that left a path of massive destruction in its wake. As part of its tsunami disaster relief efforts, Coca-Cola Beverages Sri Lanka (CCBSL) focused its corporate social responsibility efforts on rebuilding sustainable education facilities for affected communities in Sri Lanka. The Dawn of a New Day project was launched to achieve this goal, and was named as the Coca-Cola Sabco Everest Challenge winners in 2007.

To the Sri Lankan team, the initiative was far from a once-off activity. The project has been sustained to provide more aid to the thousands affected by the tsunami. On 27 May 2008, Coca-Cola Beverages Sri Lanka proudly unveiled the results of the most ambitious project in their Tsunami Relief activities – the complete reconstruction of the Mahamaya Girls School in Hikkaduwa, Sri Lanka.

The LKR 50 million project (approximately US\$500 000) for which CCBSL partnered with The Coca-Cola Company and Round Table Sri Lanka aided the reconstruction of the completely demolished Mahamaya Girls School. The new school with its modern facilities has 600 students from grades one to twelve enrolled, and offers Advanced Level classes in the arts and commerce streams.

## EVEREST CHALLENGE UPDATES

Namibia | 2006  
Project CoheSAN - Namibia Beverages' great success story

In 2006, the Country Management team of Namibia Beverages were elected co-winners of the first ever Coca-Cola Sabco Everest Challenge, a corporate social responsibility (CSR) teamwork initiative aimed at challenging teams to live the company values by helping their communities. Namibia Beverages' Project CoheSAN saw the Country Management team repair and stabilise the water supply to the Namibian San community living at Corridor 17, in the remote Eastern region of Namibia. Corridor 17 is located 250 kilometres from the nearest town and 500 kilometres from the Namibian capital, Windhoek.

Over the past three years, the Project has become a sustained upliftment effort that has helped one of Namibia's poorest communities become more independent. In 2007, Namibia's Greater Management Team all volunteered their time in driving the Project as a total of 30 managers helped roll out the next phase of the Project. From funds raised through donations by suppliers and fundraising initiatives held by the team,

the Project CoheSAN team set out to install a water storage facility, create a garden facility for the community, set up a Coca-Cola outlet container, and continue their work to improve the local water supply to the community.

During the past year, the initiative was continued by providing further assistance and training to the community, and extending the container shop that has grown to be a successful business.

Product donations and infrastructure donation, physical assistance, and monetary assistance from funds raised by the team totalling approximately US\$6 500 have all helped the community from Corridor 17 become self-sufficient.

Feedback from the Project has been very positive as the garden set up by the team is producing crops that the community sells and harvests, and the water supply system is now fully reliable with a back-up system that ensures water availability at all times.



## The importance of leveraging core business operations for development

There is growing recognition in both the corporate and international development community that the most strategic and sustainable contribution that any company can make to development and to the achievement of the Millennium Development Goals is through carrying out its core business activities in a profitable, responsible, innovative, and inclusive manner. Compliance with laws and international standards, and strategic philanthropy aligned to the core competencies of the company and the needs of the community both remain essential components of responsible business practice and are especially challenging with a potentially high impact in developing countries. However, it is through harnessing a company's core business operations and value chain that there is likely to be the greatest contribution to development, and the best opportunity to create shared value for both the company and the countries and communities in which it is operating.

**Extract from: Business Linkages and Development**  
 A review of Coca-Cola's Manual Distribution Center model and its contribution to development in Ethiopia and Tanzania. Produced by the International Finance Corporation and Harvard Kennedy School.



# MARKETPLACE

*It is through harnessing a company's core business operations and value chain that there is likely to be the greatest contribution to development*

At CCS, we place great importance on the nature of our actions in the marketplace. On a daily basis thousands of consumers demonstrate faith in our products when they purchase one of our beverages. Our goal is to ensure that this faith is repaid not only through the value which the consumer gets from our product but also through making a positive contribution to all involved in our value chain.

Critical to our success in the marketplace is our partnership with the customers through whom our products are sold. We work very closely with these customers ensuring that our distribution, sales and marketing activities are always conducted in a responsible manner.

The beverage industry is very dynamic and requires a great deal of innovation to stay in touch with consumer needs. We aim to respond to consumer needs while balancing any changes against other societal trends or issues and profitability requirements.

### CCS contributes to UN Business Call to Action

In early 2008, The Coca-Cola Company (TCCC) committed to support the United Nation's Business Call to Action (BCTA). As part of this commitment, the Company had to identify an example of a core business activity within the Coca-Cola system that was contributing to development in Africa specifically. The most appropriate example identified was CCS's manual distribution system, which has been covered in the last two editions of this report.

Critical to our success in the marketplace is our partnership with the customers through whom our products are sold. We work very closely with these customers ensuring that our distribution, sales and marketing activities are always conducted in a responsible manner.



Manual Distribution Centres or MDCs remain a key driver of business success while at the same time presenting significant development benefits for local communities. This system relies on the entrepreneurial efforts of thousands of independent small-business owners who work directly with local sales and marketing teams to distribute the vast majority of our products in the markets in East Africa and Asia. The success of the model has meant that other bottlers are now also making use of this type of distribution in emerging markets.

At a prestigious event hosted by Prime Minister Gordon Brown in May 2008, TCCC's Chairman Neville Isdell shared the project as well as a commitment to scale up and enhance the MDC model in Africa by 2010.

CCS continues to play a significant role in the initiative as Tanzania and Ethiopia were selected as the two markets where research on the model would be completed by the International Finance Corporation and the Harvard Kennedy School. Our business in Dar es Salaam also played

host to a high level stakeholder meeting where international and local development experts gave input into ways to enhance the development impact of the model while maintaining its business success. During the course of 2009, Tanzania will also be used as a pilot market to test some recommendations flowing from the research. The MDC model has been recognised as a prime example of how an organisation's core business can contribute to development while at the same time driving business success.

Through this initiative CCS is proud to be able to contribute to development in emerging markets both in Africa and throughout the world.

## AN UPDATE ON CCS'S MDC NETWORK

While the BCTA is currently focused on Africa, CCS has also applied this model in its Asian territories. Just recently the model has evolved somewhat in Vietnam but distribution still takes place through independently owned distributors.

TABLE X: MDCs in African territories\* \*\* (Data collected in late 2008)

	# of MDCs	# of MDC Staff	Total \$ Generated (\$, in Mil)
Africa Businesses	2,200	Over 11,000	Over \$426

### Evolving model in Asia

The most important principle about the MDC model is that it is tailored to local market requirements and it is not a one-size-fits all approach. The first objective is to create a sustainable business model which then results in sustainable income for MDCs and their staff. Conditions in a few countries such as Vietnam have meant that a slight modification of the model was necessary to ensure sustainable growth. This hybrid approach protects the income of the independent distributors. As a result, the numbers of MDCs in Asia have not grown, although the number of jobs being created has been maintained in what are sometimes larger distributors.

TABLE Y: MDCs in Asian territories\*\*\* (Data collected in late 2008)

	# of MDCs/ Independent Distributors	# of MDC Staff	Total \$ Generated (\$, in Mil)
Asia Businesses	975	Over 2,800	Over \$110

\*Ethiopia, Kenya, Uganda, Tanzania, Mozambique, Namibia  
 \*\*Note that MDCs number are dynamic as the system is rolled out but also refined and the figures presented represent the best estimate in late 2008  
 \*\*\*Vietnam, Cambodia, Nepal, Sri Lanka

*In 2008, approximately 182 MDCs were operational across the country, with 39 situated in the Namibian capital, Windhoek.*

## Selected Marketplace Initiatives

### Namibia New Manual Distribution Centres created in Namibia

Over the past year, Coca-Cola Sabco's Namibian operations have invested over US\$63 000 in identifying, developing, and training members of the community to successfully operate MDC outlets across Namibia. Business simulation training exercises facilitated by external contractors, as well as various financial education activities and mentoring were presented to MDC owners during the year. In 2008, approximately 182 MDCs were operational across the country, with 39 situated in the Namibian capital, Windhoek.

The process of creating a functional MDC requires a partnership between Coca-Cola Sabco and potential MDC owners. After identifying suitable wholesalers situated in areas where availability, logistics and distribution costs pose challenges, potential MDC owners are given financial guidance and assistance



with relevant infrastructure needs in order for them to function as mini-distribution centres for Coca-Cola products. Coca-Cola Sabco sales teams are in close personal contact with the MDC owners on a weekly basis, and the Area Sales Managers act as mentors to MDC owners in their area. In this way, MDC owners become independent, sustainable businesses that act as distribution points for our products, as well as other products, while helping to alleviate poverty within the community.

In Namibia, Manual Distribution Centres have a monthly Nett revenue value of approximately N\$52 000 (US\$5 143), and sales from our products alone account for approximately five to seven percent of the MDC's gross revenue. On average, three to four people are employed per MDC, many of whom are breadwinners for their immediate and extended family, thus providing work for about 546 members of the community and supporting thousands more.

*After identifying suitable wholesalers situated in areas where availability, logistics and distribution costs pose challenges, potential MDC owners are given financial guidance and assistance with relevant infrastructure needs in order for them to function as mini-distribution centres for Coca-Cola products.*



Coca-Cola Sabco is committed to implementing The Coca-Cola Management System (TCCMS), an integrated Business Management System driving the management of SHEQ (Occupational Safety and Health, Environment and Quality). The management system controls suppliers and supplied input materials, production facilities, warehousing and distribution while aimed at achieving and exceeding customer and consumer expectations.

TCCMS has been designed to cover all elements of ISO 9001, ISO 14001 and OHSAS 18001 and SGS has endorsed TCCMS, meaning that all TCCMS certified facilities by default comply with these SHEQ certifications and local legislation.

All Coca-Cola Sabco operations have made strides towards TCCMS certification. The Group has seven fully certified operations namely Sri Lanka, Oshakati, Kampala, Mbarara, Bloemfontein, Polokwane and Nairobi. An ongoing Intensive Capability Building Programme driven from Group SHEQ Management has yielded positive results in fostering a SHEQ culture throughout the organisation. This has proven to be the key for attaining effective implementation and sustainability of world-class SHEQ standards and performance levels.

## ENVIRONMENT

In addition to TCCMS, all CCS Group operations have a fully certified Food Safety Management System (FSMS) that is accredited by local and international certification bodies. An FSMS ensures that our plants control raw materials, production processes, and storage of finished products in a manner that prevents risks due to chemical, biological and physical food safety hazards.

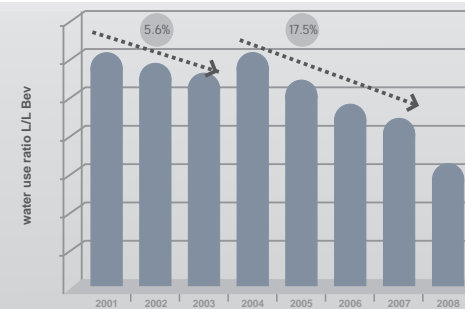
While all plants are certified to HACCP, three of CCS's operations namely Nelspruit, Nairobi and Ethiopia have upgraded their HACCP certification to ISO 22000.

## Resource Conservation

### Water Stewardship

The Coca-Cola Company places great emphasis on Water Management and Conservation. Water related programmes include water use minimisation, protection of water resources and watersheds, water recycling initiatives, wastewater and effluent management, supply economics and its long term social impact.

Water use Minimisation Studies are being embarked upon in all countries. Water Surveys in Port Elizabeth, Nelspruit and Polokwane have been conducted. Mozambique, Uganda, Sri Lanka and Ethiopia have improved their water monitoring and recording methods. Recorded water flow measurements are used in water balance tables to determine water losses and identify water saving opportunities. Water recycling for auxiliary activities like washing of trucks is being done in most of CCS's operations. In Tanzania, a civil extension to the Mbeya plant includes the collection of roof runoff water used for washing floors, with future prospects of using this system for domestic purposes. Equipment and process technology upgrades have occurred in all CCS operations to reduce water usage. The outcome of all these water management practices has been measured in the consistent improvement of the CCS Group water use ratio over the past few years. The Group average water use ratio has consistently improved over the past three years and remains a high priority for all operations.



Graph 1.1 The water-usage ratio showed steady improvement from 2001 to 2003. In 2004, additional operations were acquired in Asia. These had less efficient water management systems in place, which increased the ratio by 5,7%.

Recorded water flow measurements are used in water balance tables to determine water losses and identify water saving opportunities.

Coca-Cola Sabco remains committed to reduce its water usage ratio aggressively.

Coca-Cola Sabco is committed to the conservation and efficient utilisation of natural resources.

All CCS operations measure and report back monthly on:

- Water use ratio
- Energy use ratio, as well as
- Solid waste generation and recycling

Resultant trends are analysed and improvement initiatives are launched to sustain positive trends and address unfavourable trends. Trend analysis is used to drive improvements in these three areas of focus.

## Resource Conservation continued

### Energy Conservation

Coca-Cola Sabco is committed to minimising its carbon footprint. This is achieved through efficient use of fossil fuel sources as much as possible. Electricity usage has been improved through use-reduction throughout the value chain. This includes the use of natural lighting during the day, energy efficient lighting, and other less heat generating equipment.

Fuel usage is improved through efficient Route to Market programmes to ensure optimisation of delivery truck routes. Energy usage ratios fluctuate from country to country but it is measured and reported on with the aim to reduce it.

### Solid Waste

Coca-Cola Sabco is committed to the cradle-to-grave pollution prevention concept. Although pollution prevention initiatives start with the communication on product package to consumers for appropriate return or disposal of spent product containers, recycling remains the main element in the CCS pollution prevention mix. All CCS countries are involving all relevant stakeholders, particularly vendors and local communities.

In all countries waste glass is segregated according to colour and kept onsite for collection by glass vendors and in countries like South Africa, glass waste is sent back to glass-making furnaces and re-melted and reused. PET waste is collected and used in initiatives to make textile and stationery products.

Ongoing research is underway in all CCS operations and Group Manufacturing Capability and Equipment to find innovative ways of minimising waste generation. This looks at waste effluent into water bodies, waste emissions into the atmosphere and solid waste. All stakeholders, including suppliers, are consulted in these surveys for input on industry trends and new capabilities. This is done to enable CCS operations to take advantage of the best available environmental practices.

**Recycling rates are consistently improving throughout the Group with South Africa now at a 90% recycling rate. The CCS Group vision is to achieve a 100% recycling rate. ♻️**

*Tree planting in Kenya will counter the negative effects of the increasing deforestation that has been observed over the years.*

## Selected Environment Initiatives

### Cambodia | Leading environmental sustainability

Joining forces with the Ministry of Environment, Phnom Penh municipality, Royal University of Laws and Economics, NGO Geres and various others institutions, Cambodia Beverage Company took up the role of key sponsor during the annual Environment Week held in Cambodia during September.

The focus of this year's Environment Week programme was on the corporate world's responsibility towards creating an environmentally friendly business operation and joining the cause for the protection of our environment. Due to Coca-Cola Sabco's positive environmental sustainability record, Cambodia Beverage Company was invited to present two seminars at the Royal Universities of Law and Economics in Cambodia, including "Putting CSR Principles Into Practice: Delivering On The Coca-Cola Promise" and "Clean Water For Communities: A Coca-Cola Community Water Partnership".

### Cambodia | Employees protect Cambodian water sources in International Coastal Clean-up

Employees from Cambodia Beverage Company showed that financial and technical efforts to protect our environment must be supported by actions from people who believe in the cause. Over 100 employees from Cambodia Beverage Company joined 120 local student volunteers during a four-hour cleaning spree along the banks of one of Cambodia's key rivers, the Chaktomuk River. The clean-up, which was part of the International Coastal Clean-up initiative resulted in masses of litter and debris being removed from the riverbanks, which in turn, will help protect Cambodian water sources from contamination by litter and waste.



## ENVIRONMENT

Employees protect Cambodian water sources in International Coastal Clean-up

Peter Muriuki (CCS employee) with Maasai warriors at the tree planting ceremony at Ngong Forest.

### Nepal | We only have one world - Bottlers Nepal Limited supports World E-day

In celebration of World Environment Day (World E-day), Bottlers Nepal Limited sponsored a week-long dedicated environment programme aimed at educating children of the need to protect the environment and help them develop an "environmental conscience". The organisers, Environmental Camps for Conservation Awareness (ECCA) Nepal, an NGO working for Environment Conservation, and Lalitpur Sub-Metropolitan City (LSMC) invited Bottlers Nepal Limited to do a presentation on the waste water techniques used by Coca-Cola Sabco to help keep our operations environmentally responsible. Bottlers Nepal's participation in the program has sent out a strong message that the corporate and industrial sectors need to act in an environmentally responsible manner not only in Nepal, but throughout the world if we want to prevent the further decay of our environment. For their efforts, Bottlers Nepal Limited was honoured with a certificate and Token of Love from the Chief of Lalitpur Municipality and ECCA Nepal.

### Kenya | Protecting Mother Nature's Guardians

Kenya's delicate ecosystem depends greatly on the trees that grow along its main water catchment area in the Ngong Forest. Situated approximately 25km outside the country's capital, Nairobi, the Ngong Forest once again played host to

Nairobi Bottlers Limited and Kenyan Airways' joint annual tree planting initiative. In the spirit of this year's theme, "Plant a Future", Nairobi Bottlers' employees rolled up their sleeves along with partners and associates from the Government and NGO's to plant trees in Ngong Forest. The tree planting took place in April, which is the onset month for the long rains in Kenya. As increasing rates of deforestation in Kenya greatly compromises the existing ecosystem, the annual tree planting initiative is hoped to help bring relief to the problem.

### Sri Lanka | Saving the world one bottle at a time

In Sri Lanka alone, more than 6.175 million non-biodegradable polyethylene terephthalate (PET) bottles are used monthly. Coca-Cola Beverages Sri Lanka took the first step in creating a sustainable solution for recycling PET bottles to help manage PET bottle pollution in the country. The Give Back a Life PET recycling project launched by Coca-Cola Beverages Sri Lanka in partnership with the Central Environmental Authority, Manisha Polymer (Pvt) Ltd. and CareKleen (Pvt) Ltd is designed to help minimise PET bottle pollution by engaging the community in the recycling process of PET bottles. Rolling out in the Western Province of Sri Lanka, members of the public are encouraged to drop empty PET bottles into designated collection bins placed at key identified locations. Once collected, the PET bottles will be compressed into bales by Manisha Polymer and exported to India for recycling. Coca-Cola Sri Lanka hopes that this pioneering initiative will help motivate other corporate institutions to help protect the environment from pollution caused by their operations.

## Community Water Supply Initiatives

### Uganda | WADA Project Brings the Liquid Of Life to Lira, Amuria and Dokolo

After 20 years of confinement in camps due to civil and political unrest, the people of the former war-torn towns of Lira, Amuria and Dokolo have been welcomed back to their homes by the Water and Development Alliance (WADA) project, a US\$500 000 project jointly funded by The Coca-Cola Africa Foundation and the United States Agency for International Development (USAID) and implemented by the Christian Children's Fund (CCF) and COOPI.

The aim of the project was to support people returning to their homes from the camps by providing clean and accessible water and sanitation facilities. Starting work in May 2007, the project involved sinking 18 brand new boreholes (six per district), repairing six broken down boreholes, building seven sanitation facilities in schools and health centres and constructing four solar powered water points over a one year period. Century Bottling Company employee volunteers spent three days with the Lira, Amuria and Dokolo communities educating them on responsible water management, and planting trees with the communities as a symbol of the project's sustainability.

*the people of the former war-torn towns of Lira, Amuria and Dokolo have been welcomed back to their homes by the Water and Development Alliance (WADA) project*

Apart from providing clean water and much needed sanitation facilities to the communities, the WADA Project has had a significant impact on education in the community. Inadequate and unsafe water and sanitation resources at the Opot Primary School in Amuria forced the school to be closed down, leaving 1 300 school children without an educational facility. The school has now been reopened after the construction of a VIP toilet and the conveying of water to the school from the new boreholes. The construction of the new boreholes have also resulted in an increased school attendance by girls from the communities, as the close proximity of the waterpoints now mean the girls require less time to fetch water for their households. The girls can now further their education during their newly found free time.

Sustainability Review '08

### Mozambique | Relief from chronic water shortage for 16 000 from Chimoio community

Access to clean and safe water is often a challenge in African communities. To the Chimoio City community of Mozambique, the long-during water supply shortage had reached nearly critical levels. Inadequate infrastructure meant that the 16 000 residents of Chimoio Manica were often left without enough drinking water, and the quality of the water supplied was not ideal. Coca-Cola Sabco Mozambique recognised the critical water shortage in the community and took the initiative to supply funds for the acquisition and installation of mobile water treatment plants to be connected to existing water treatment plants in the Chimoio community.

The US\$325 000 project will improve the access to and quality of water in Chimoio, directly providing relief to the 16 000 Chimoio Manica residents, and ease the burden on the water supply to the other 34 000 residents who form part of the Chimoio City community.

### Ethiopia | Amhara Community-Watershed Partnership Programme rolls out in rural Ethiopia

According to the UNDP Human Development Index, Ethiopia is among the five least developed countries in the world. Only 20 % of Ethiopians have access to safe drinking water, and water and sanitation related diseases cause more deaths than any other factor in the entire country.

The establishing of sustainable, reliable, and widespread water supply and sanitation facilities across Ethiopia is thus crucial to ensure the development and safeguarding of the Ethiopian community and economy. Together with the United States Agency for International Development (USAID), The Coca-Cola Company has committed the expertise of East-Africa Bottling Company in a US\$750 000 community-watershed programme for the rural Ethiopian district of Amhara.

## ENVIRONMENT



### Nepal | Bottlers Nepal joins the Partnership for Safe Water

Over 13 000 children die of waterborne disease in Nepali communities every year. Recognising the value of community access to safe drinking water and sanitation facilities, Bottlers Nepal have taken up a leading role in the Partnership for Safe Water project initiated by the UN Habitat and The Coca-Cola Company.

The project is a joint initiative in which the UN Habitat and Coca-Cola India collaborate to improve access to drinking water and sanitation in West Bengal, Madhya Pradesh, India and Nepal. The Partnership for Safe Water campaign addresses the problem of unsafe drinking water by educating communities about the use of household water treatment (HWT) options to help ensure that households have access to safe drinking water.

Using its wide reaching marketing and distribution networks to promote HWT options in Nepal's five municipalities of Butwal, Hetauda, Nepalgunj, Bharatpur and Lalitpur, Bottlers Nepal have conveyed the project's educational messages through various channels. Flex boards on the back of Coca-Cola Sabco distributor vans, point of use displays, model outlets, radio and television advertisements, and other promotional materials helped educate the community about the use of chlorination, filtration, SODIS and boiling as HWT methods to improve the quality of their drinking water.

During the past year over 440 key stakeholders, including local project staff, health care professionals, journalists, authorities and other representatives from government and non-governmental organisations have attended workshops and meetings about the Partnership for Safe Water project and it continues to gain momentum as more and more stakeholders come on board. It is expected that the project will create awareness of HWT methods among approximately 1.5 million people, while 50 000 will use one of the HWT methods by the end of the campaign. 

*100 water supply sources to be constructed in 12 rural villages*





Coca-Cola Sabco has continued its longstanding commitment to its surrounding communities throughout 2008 and will continue this support in coming years. Focusing on five main areas of assistance including community water stewardship and community support initiatives, as well as healthcare, education and disaster relief initiatives, Coca-Cola Sabco has shifted its approach to social responsibility from once-off assistance towards cultivating integrated, long term, self-sustainable projects. It has been said that one can feed a man, but the greatest gift you can give him is teaching him how to fish. This echoes the sentiment of many of Coca-Cola Sabco's community projects, as we believe that communities can become empowered once they gain the skills, knowledge and confidence to drive the projects we help them to launch.

Working with communities to create a better future, our projects are targeted by meeting a community's need with our unique resources as a company. We believe that constant and effective engagement with key stakeholders in the community is a vital component of our community work to ensure that we embark on projects that are priority needs in that particular community. This may include many large and small-scale projects that range from refurbishing a classroom of a small rural school to a mass malaria prevention project touching over 1.6 million people.



## COMMUNITY

*Every project that we become involved in lies close to our hearts as we share and celebrate each small success with the people who need it most.*

Corporate Social Responsibility projects within Coca-Cola Sabco are chosen using a decentralised model within a broad Group Corporate Responsibility Policy. Each territory, and, in South Africa, each region chooses the community project they would like to support, but are called upon to justify their selections within the Group Policy and Governance Processes. Additionally, the Group Policy requires each operation to invest the equivalent of at least one percent of its operating profit in community projects. The following section of the report intends to present some examples of how Coca-Cola Sabco partners with its communities to provide support in areas where assistance is required. While Coca-Cola Sabco often provides funding for projects, many of our employees devote their own time to the initiatives we support and we thank them as well as the many people from the community organisations we partner with. Their selfless devotion to securing the welfare of others helps make the world a place that we can be proud to live in. ●

### Community support, education, health and disaster relief initiatives

#### **Cambodia | Education** Learning and laughing with Biz in Life

Biz in Life, Cambodia Beverage Company's very first corporate social responsibility learning project, saw sixty students from Cambodia's leading three Phnom Penh Universities join Cambodia Beverage Company employees for a three-day business and life skills coaching workshop. Designed to give students tangible, practical business and life skills that can be applied in their daily life, students took part in a variety of games, business simulations, group discussions and role-playing activities that help promote readiness to enter the workplace and curb graduate unemployment in Cambodia. The workshop also provided an opportunity for students to learn more about Cambodia Beverage Company as an employer through the promotion of the Coca-Cola Sabco Graduate in Training Programme.

While Coca-Cola Sabco often provides funding for projects, many of our employees devote their own time to the initiatives we support and we thank them as well as the many people from the community organisations we partner with.



*sixty students from Cambodia's leading three Phnom Penh Universities join Cambodia Beverage Company employees for a 3 day business and life skills coaching workshop.*

#### **Southern Africa Division** **Central Region | Education** Enriching young lives

Every day in Bloemfontein, South Africa, a small building approximately the size of a double garage becomes a place where 45 young children between the ages of nil and five years play and learn basic skills. Coca-Cola Sabco's Southern Africa Division (SAD) Central Region is lending a helping hand to the Reabetswe Day Care Centre as part of its corporate social responsibility education initiatives. The CCS team has been helping to facilitate the refurbishing and upgrading of the day care centre into a place where the children can learn and grow in a safe and enriching environment. The renovations will be completed in 2009.

## Education continued

### Southern Africa Division (SAD) – Southern Region | Education

Enriching minds, enriching lives – SAD Southern Region reaches out to community schools

#### Selected SAD Southern Region education initiatives

Coca-Cola Sabco's SAD Southern Region has focused on education as one of their primary corporate social responsibility portfolios for 2008. Many schools within the region were in dire need of facilities to help create an environment conducive to learning and play for the hundreds of children in their schools.

One such a school is Thornhill Primary, close to Port Elizabeth, South Africa. Disaster struck the small rural school when a fire broke out in the school building. Classrooms were burnt down and most of the already sparsely furnished school was damaged. To raise funds for the painting of the building, the school sold vegetables from their vegetable garden to community members.

Ten employees from Coca-Cola Sabco's SAD Southern Region volunteered their time and skills to help with the renovation of the school, which included painting the building, replacing windows and other maintenance tasks. In addition to the materials for the renovations, SAD Southern Region also sponsored a Wendy House to be used as an additional classroom.

A similar renovation was donated to the Shalom Educare Centre in Kleinskool where children under six years of age were being taught basic life skills in a classroom with a leaking roof, nails protruding from the floors and unhygienic sanitary conditions. Repairs were done to the building, the toilets were refurbished and a jungle gym was purchased for the children to play on, totalling approximately R30 000 (US\$2 926).

The Cape Recife School for severely handicapped children and children with disabilities were also the happy recipients of two computers for their computer labs, as well as a paraplegic shower for the school's hostel donated by the SAD Southern Region.

*SAD Southern Region has focused on education as one of their primary corporate social responsibility portfolios*

### Nepal | Education

#### Teachers protect the water for our future

As a part of its involvement in the Partnership for Safe Water Project initiated by the UN Habitat and The Coca-Cola Company, Bottlers Nepal Limited joined an educational training session for local and government school teachers held in Lalitpur, Nepal. During the programme organised by the implementing partner Urban Environment Management Society (UEMS), 20 teachers were given comprehensive training surrounding issues of water safety and Household Water Treatment (HWT) methods that can be used to improve the quality of household drinking water. By educating teachers from Nepali schools about the HWT methods and principles of healthy living, it is hoped that the messages will be conveyed to children in classrooms across Nepal to help raise a generation of water conscious Nepali residents. It is estimated that at least 11 schools will be using HWT methods to purify the water supply to their school in the near future.

### Nepal | Education

#### New classroom for Shree Mahakali Secondary School

A local school in Bahunstan, Nepal became a classroom richer thanks to the support of Bottler Nepal Limited who have committed NPRs.300 000 Rupees (approximately US\$3 870) to the construction of the classroom on the Shree Mahakali Secondary School premises. The existing school building consists of 11 classrooms that accommodate 450 pupils from pre-school to Grade 10 levels, as well as 13 teachers. Due to the limited number of classrooms for each grade, it is sometimes necessary for up to 80 students to be taught in one classroom. Most of the pupils are girls from the nearby Tamang community. The classroom sponsored by Bottlers Nepal will be one of eight new classrooms being constructed on the school grounds during December 2008, in partnership with Room to Read, the local Village Development Committee and local residents.

### Cambodia | Education

#### Coke and Lucky Luke add colour to Cambodia

A small project initiated by Cambodia Beverages had a big impact on the lives of over 600 children from Cambodia when Cambodia Beverages sponsored the Lucky Luke Children's Drawing Competition, organised by the French Cultural Centre and Mekong Edition. The children expressed their creativity through art and reading games while enjoying Coca-Cola beverages. Many children who participated told Cambodia Beverages employees volunteering at the competition that it was their first ever time tasting Coca-Cola and that they would always remember the day. Cambodia Beverages also sponsored the World Education Day event in May 2008 showing their support for education in the community.

*Many children who participated told Cambodia Beverages employees volunteering at the competition that it was their first ever time tasting Coca-Cola and that they would always remember the day.*

## COMMUNITY



# COMMUNITY

*floods in Kwa-Zulu Natal, South Africa left several people in the Port Shepstone community homeless and without essentials such as food, blankets and clothing.*



## Mozambique | Health

### Roll Back Malaria Project touches 1.6 million along Zambezi

According to The United Nations Children's Fund (UNICEF), Malaria kills more people in Mozambique than any other disease. Due to poverty and a lack of access to facilities, many people in Mozambique are unaware that they are infected by malaria until it is too late to be treated. With mosquitoes being the primary carriers of the malaria infection, hundred thousands of people who live along the banks of the Zambezi river are at high risk of malaria infection.

In an effort to help curb the severe effects of this disease, Coca-Cola Mozambique took it upon themselves to provide the Mozambiquan community living along the banks of the Zambezi access to high-quality disease screening and testing facilities that can detect infections such as malaria and other diseases. Coca-Cola Mozambique helped coordinate the testing activities in terms of logistics and management of the Roll Back Malaria Project, which touched 1.6 million people who live along the banks and in the surrounds of the Zambezi in four provinces across Mozambique. The Project also included educational programmes to help teach community members healthy living practices in order to avoid infections such as malaria.

*Many people in Mozambique are unaware that they are infected by malaria until it is too late to be treated.*

## Southern Africa Division (SAD) – Central Region Disaster relief

### Support for victims of Port Shepstone floods

In June of 2008, floods in Kwa-Zulu Natal, South Africa left several people in the Port Shepstone community homeless and without essentials such as food, blankets and clothing. Partnering with the Red Cross, Coca-Cola Sabco's SAD Central Region donated products to the value of R10 000 (approximately US\$975,32) for distribution to families in need. The Red Cross, who also provided shelter for the affected community members, distributed the donated products among the Port Shepstone community.

## Nepal | Disaster relief

### Bottlers Nepal employees join hands for Sapta Koshi River flood victims

In August of 2008, Nepal was placed in a state of crisis when severe flooding of the Sapta Koshi River caused the embankment dam, which protected six Village Development Committees (VDCs) in the Sunsari district of eastern Nepal from the Sapta Koshi River's flow, to collapse. The raging waters flushed through orchards, crops, schools, hospitals and houses, leaving a trail of destruction in its wake. Much of the area's crucial infrastructure such as roads, electricity and water supplies and telephone networks were damaged by the floods, and thousands of lives were lost.

As a token of support for the more than 50 000 victims of the floods, Bottlers Nepal Limited and Bottlers Nepal (Terai) Limited employees put in a collective effort to raise funds for the Prime Minister's Natural Disaster Rescue Trust.

By donating one day of their salary to the cause, the employees raised NPRs. 301 001 (approximately US\$3 870) for the Prime Minister's Trust. The funds raised by Bottlers Nepal employees helped supply food, water, shelter and essential items to over 20 000 households displaced by the floods.

## Southern Africa Division (SAD) – Central Region Community support: Elderly The true spirit of giving

A small gesture by a group of employees from the SAD Central Region's Bloemfontein plant had a big impact on the lives of 100 elderly residents of the Omega Service Centre for Old Age in Bloemfontein. The employees, who formed a choir in their free time, visited the centre to sing for the residents and distribute muffins and Coca-Cola products. The team also secured sponsorship from a local hotel for the donation of sheets, towels and blankets for the residents.

## Cambodia | Community support: Disabled International Disabled Day - A Celebration of Life

Each year on International Disabled Day, Cambodia pays tribute to the disabled members of their communities by creating awareness about people living with disabilities. Cambodia Beverage Company again helped make the celebrations special by acting as the official beverage sponsor for the more than 3 400 disabled people of all ages who attended the event.

## Southern Africa Division (SAD) – Southern Region Community support: Youth (Everest Challenge) A place where children can grow to become champions

As part of its 2008 Everest Challenge initiative, SAD Southern Region's Coca-Cola Fortune East-London plant took up the challenge of raising R100 000 (approximately US\$9 874) for the non-profit organisation Champions Development Trust (CDT). The CDT works in conjunction with another organisation called Daily Bread, which runs an educational facility housing about 70 to 80 homeless children, some who are infected with HIV/AIDS. The children are given shelter and an education, as well as some other entrepreneurial life skills such as woodwork, pottery and painting, until the age of 16, after which they must leave the care of Daily Bread.

The Champions Development Trust aims to provide children who leave the Daily Bread facilities and often have nowhere else to go, with shelter and further training. A farm premises next to the current Daily Bread premises has been allocated to the Champions Development Trust and needs to be renovated for use by the Trust.

The team did an excellent job by raising R20 000 (US\$1 849) through cash donations, staff vouchers, the donation of clothing and toys, and hosting a business breakfast and corporate golf day (to be held in February 2009) to raise funds. Although their initial efforts could not raise enough money to fund the entire renovation of the farm premises, Coca-Cola Fortune's East London operations have vowed to take the project to the next level by committing R100 000 from their 2009 Corporate Social Responsibility budget to help fund the renovations.

## Namibia | Community support: Disabled Namibia Beverages powers up NMC Walk for Wheels participants

On 1 March 2008, residents of Windhoek in Namibia showed their support for disabled people by walking over five kilometres in a fundraising attempt. The funds raised by the participants are used to buy wheelchairs for disabled and elderly people who cannot afford to buy their own wheelchairs and do not belong to a medical aid scheme. Namibia Beverages sponsored Powerade to all participants in the event which was organised by Namibia Medical Care and Methealth Namibia Administrators.



## Group Community Initiatives

### Emmanuel Haven

#### HIV/AIDS initiatives

"The greatest gift is the gift of hope"

Situated in Motherwell, a rural area of Port Elizabeth, South Africa, Emmanuel Haven is one of Coca-Cola Sabco's longstanding corporate social responsibility beneficiaries. Emmanuel Haven acts as a research and care centre for HIV/AIDS and provides a sustainable approach to uplifting the community from the grips of HIV/AIDS. Made up of the HIV/AIDS Research Unit, Voluntary Counselling and Testing (VCT) and Anti-retroviral (ARV) Treatment units, Emmanuel Haven Farms, and a day care centre, Emmanuel Haven has rolled out a three-phased development project since its inception in 2004.

Phase three of the project, which has been a primary focus of 2008, includes the extension and development of the Emmanuel Haven Farms (an agricultural project for the Motherwell community), as well as the establishing of a community radio station entitled Emmanuel Haven FM. Thanks to various corporate sponsorships, ICASA granted Emmanuel Haven FM's license, and new family tunnels, as well as a new greenhouse and pack house was funded for the Emmanuel Haven Farms. The Haven also received many donations to help aid its development and educational initiatives, and an exciting time lies ahead as businesses within the Eastern Cape have pledged their help towards making Motherwell a more self-sustaining community.

Coca-Cola Sabco continues to provide support to Emmanuel Haven by sponsoring the salaries of many of its employees, while also providing assistance with sponsorship of products and activities as they are required. Coca-Cola Sabco and The Coca-Cola Africa Foundation (TCCAF) will continue to support the organisation's excellent community work, so that together, we can grow the hope of an HIV-free future. ☺



*Coca-Cola Sabco remains committed to tracking our progress against clear sustainability milestones.*

#### Notes

**This report is printed on recycled paper.**

**Reference:** Material in this report has been influenced by content in many Citizenship/CSR reports from The Coca-Cola Company and some other Coca-Cola Bottlers. We recognise and acknowledge this input.

**Inputs from the CIA World Factbook 2007 and Human Development Report 2006.**

Some information for the article about Manual Distribution Centres obtained from a report developed by The International Finance Corporation and the Harvard Kennedy School entitled - Business Linkages and Development: A review of Coca-Cola's Manual Distribution Center Model and its contribution to development in Ethiopia and Tanzania

#### Calculations

**Estimated 'additional jobs supported' is calculated based on a multiplier of 10 jobs created for every one direct job.**

(Ref: Economic Impact of the Coca-Cola System in South Africa, Moore School of Business, University of South Carolina, March 2005). While estimates of the number of jobs created for every one direct job have varied slightly in past studies, the most recent study by the Moore School of Business has influenced the approximation of the impact of the Coca-Cola System's value chain in CCS territories. This is a conservative estimation, as the study found this multiplier to be 17 in the case of South Africa.

#### Disclaimer

**Use of this publication and the information therein is at the user's own risk.** The Coca-Cola Sabco Group accepts no liability whatsoever relating to any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the information in this publication, your use of this publication, or any action or transaction resulting therefrom, even if the Coca-Cola Sabco Group has advised of such loss, expense, claim or damage. ☺

© 2009