Clear on Our Commitments







ENERGY CONSERVATION/CLIMATE CHANGE

Reduce the overall carbon footprint of our business operations by 15 percent by 2020, as compared to our 2007 baseline



WATER STEWARDSHIP

Establish a water sustainable operation in which we minimize our water use and replenish the amount of water equivalent to what we use in all of our beverages to the local communities in which we operate



SUSTAINABLE PACKAGING/RECYCLING

Reduce the impact of our packaging; maximize our use of renewable, reusable, and recyclable resources; and recover the equivalent of 100 percent of our packaging



PRODUCT PORTFOLIO/BALANCED AND ACTIVE LIFESTYLE

Provide refreshing beverages for every lifestyle and occasion, while helping consumers make informed beverage choices



DIVERSE AND INCLUSIVE CULTURE

Create a culture where diversity is valued, every employee is a respected member of the team, and our workforce is a reflection of the communities in which we operate













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About the Cover

Coca-Cola Enterprises is proud of our employees and their contributions to our business, our customers, and our communities. In a year where we have emphasized employees' CRS efforts through initiatives such as CRS in Action (see page 12) and our Everyday Heroes program (see page 63), we decided that the report front cover should reflect a sampling of our 70,000 employees who make CRS possible. This photograph was taken at our facility near New Orleans, Louisiana, and includes a variety of our people, from engineers and warehouse supervisors to drivers and account executives. It also displays our diverse product portfolio and packaging, including brands such as Coca-Cola, Dasani, POWERADE, FUZE, and Minute Maid, and our consumer recycling bins.

About This CRS Report

This is Coca-Cola Enterprises' fifth Corporate Responsibility and Sustainability (CRS) Report, which covers the 2009 calendar year and some forward-looking initiatives for 2010.

Similar to our 2008 CRS Report, this year's report aligns with our five strategic CRS focus areas: Energy Conservation/Climate Change, Water Stewardship, Sustainable Packaging/Recycling, Product Portfolio/Balanced and Active Lifestyle, and Diverse and Inclusive Culture. It also contains our CRS governance structure, our overall CRS strategy, our work with our stakeholders, and a data summary.

Unless otherwise indicated, the data in this report covers all operations that we own or control, including production, sales/distribution, combination sales/production facilities, administrative offices, and fleet. The water use data in this report refers to production and combination sales and production facilities only, as these facilities have the greatest impact. Currently, data in this report includes the distribution impacts of beverages that we distribute but do not produce, such as Ocean Spray products in Europe. All financial data in this report is in U.S. dollars, unless otherwise stated.

We have continued to adopt leading CRS reporting methodologies. We calculated our company carbon footprint using the World Resources Institute Greenhouse Gas Protocol and have continued to measure the carbon footprints of our products using the Publicly Available Specification (PAS) 2050 methodology and the guidance of the Beverage Industry Environmental Roundtable (BIER). We worked with the University of Twente in the Netherlands to calculate our first water footprint of Coca-Cola at our Dongen plant. We are working with the rest of the beverage industry to develop sector-specific guidance for product carbon and water

footprinting. We follow the Global Reporting Initiative (GRI) guidelines and self-assess our report to be at level B. As a signatory of the United Nations Global Compact (UNGC), we publish this report as our Communication on Progress. The water stewardship chapter (see page 24) serves as our Communication on Progress-Water (COP-Water), which is part of our endorsement of the UNGC's CEO Water Mandate.

This year, we have tried to evolve our reporting to more clearly communicate with stakeholders by addressing many of the comments that we received on our 2008 report (see below). In light of the recent transaction between Coca-Cola Enterprises and The Coca-Cola Company (see "The Coca-Cola Business System" on page 6), this report is CCE's final CRS Report as a joint North American—European business. Both the new Coca-Cola Refreshments business, which will be formed in North America, and the new CCE, in Europe, will remain committed to the principles of Corporate Responsibility and Sustainability. The way that this information is publicly communicated may change following the completion of the transactions.

Throughout the report we cite online sources for further information, including our company's website (www.cokecce.com), our newly developed CRS website (crs.cokecce.com), and The Coca-Cola Company's website (www.thecoca-colacompany.com). Any specific questions about our CRS initiatives may be sent to us at crs@cokecce.com.

We were asked to	We have included		
Explain and contextualize our targets and how we prioritize them	 A detailed description of how we chose our Commitment 2020 goals and focus areas (see page 8) 		
Publish clearer descriptions of how we will achieve our long-term 2020 goals	A strategy section in each focus areaClear communication on risks and challenges		
Improve external commentary and verification	 More expert commentaries "Uncensored" stakeholder feedback from Georgetown University's MBA program (available at crs.cokecce.com) 		
Improve interactivity, add online features, and make the report more visually consistent	 Additional weblinks and hyperlinks in our HTML report Additional instructive graphics and photography 		

A Message from Our Chairman and CEO

In February 2009, we announced Commitment 2020 — a set of ambitious, measurable goals for each of our five strategic CRS focus areas that we are working hard to achieve. We have made solid progress: We were proud to be designated as the Food and Beverage Industry leader in Newsweek magazine's first-ever Green Rankings in September. In October, we launched our first-ever global CRS in Action Week — engaging and involving our 70,000 employees, our customers, and external stakeholders to help build sustainable communities. I participated in restoring nature trails near Seattle, Washington, and it was an honor to work shoulder to shoulder with community leaders and our associates to improve the nature preserve.

One year closer to 2020, our progress toward each goal is clear. With the guidance of our CRS Advisory Council and CRS Committee of the Board of Directors, we have made progress in the following areas:

Decreased our carbon footprint by 700,000 metric tons of CO₂e from 2007. Although some of this comes from rationalization of our data, much comes from the work we have undertaken to improve the energy efficiency of our operations.

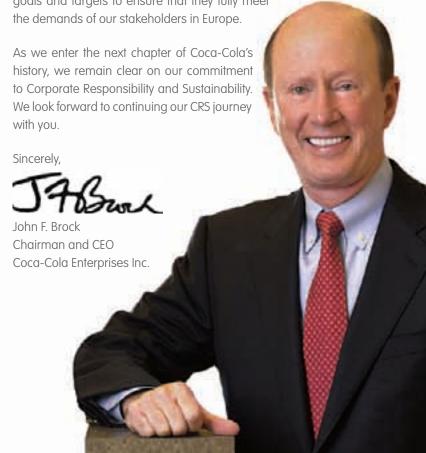
Continued to be one of the most efficient water users in the global Coca-Cola system, reducing our water use ratio from 1.73 to 1.67 liters of water used to make one liter of product.

Achieved an average recycling rate of more than 90 percent at our facilities globally in just three years. This is an outstanding improvement and one that reaps both environmental and financial rewards for our business and our communities

Expanded our product portfolio with a wider range of package sizes — such as our 90-calorie mini can — and more innovative no- and low-calorie beverages such as vitaminwater zero and POWERADE ZERO. In early 2010, as part of the American Beverage Association's "Clear on Calories" initiative, we joined U.S. First Lady Michelle Obama's "Let's Move!" campaign to combat childhood obesity. This means that in the United States we will provide calorie labeling on all of our vending and fountain equipment; in Europe, we continue to provide clear nutritional labels indicating calories and key nutrients as a proportion of a Guideline Daily Amount (GDA).

Launched a new suite of policies and benefits, and made Human Resources (HR) more accessible through an online HR portal in a year when most companies reduced their spending in HR. We have made significant strides, but we know there remains much to do. As a result, the Board of Directors has committed to invest significant capital in CRS-related projects that will allow us to make steady progress toward Commitment 2020. However, we will only reach our goals with the help of our stakeholders. We remain a committed signatory of the UN Global Compact and its CEO Water Mandate and are guided by their principles. We have also developed key partnerships with non-governmental organizations (NGOs), academics, public policymakers, and others who are helping us to find solutions to some of the challenges we continue to face in our territories, from the increasing health-related issues to other emerging environmental and social concerns.

While our commitment to CRS remains steadfast, the future shape of CRS at CCE is likely to change. In February 2010, we announced a transaction with The Coca-Cola Company (TCCC) to strengthen the North American Coca-Cola system and expand Coca-Cola Enterprises' (CCE) European footprint. TCCC will acquire our North American operations and integrate them with the majority of their North American operations, through a new subsidiary of TCCC called Coca-Cola Refreshments (CCR). In Europe, CCE is expanding its geographic footprint by acquiring TCCC's bottling operations in Norway and Sweden. I believe these changes create an opportunity for further sustainability momentum in North America and to support The Coca-Cola Company's global Live Positively platform. They also present CCE with a chance to review our CRS goals and targets to ensure that they fully meet



Our Business at a Glance

Serving 421 million people across eight countries in North America and western Europe, Coca-Cola Enterprises (CCE) is the world's largest bottler of Coca-Cola beverages. With more than 70,000 employees, the company is headquartered in Atlanta, Georgia, U.S.A.

OUR BUSINESS

Coca-Cola Enterprises (CCE) manufactures and distributes some of the most popular beverage brands in the world, including Coca-Cola, Fanta, Sprite, Coke Zero, Diet Coke, and Coca-Cola light, as well as Minute Maid juices and Dasani water. In addition to sparkling beverages, our portfolio includes a growing range of waters, juices and juice drinks, sports drinks, energy drinks, and ready-to-drink teas. In each of these categories, we strive to offer the leading brands. While beverages owned by The Coca-Cola Company (TCCC) represent more than 90 percent of our volume, we distribute other brands, such as Campbell's V8® juices and Evian water in the United States as well as Capri Sun in Europe.

In 2009, we sold approximately 41 billion bottles and cans (1.9 billion physical cases) throughout our territories. This represents approximately 16 percent of total Coca-Cola product volume worldwide. We generated revenues of \$21.6 billion, with free cash flow of \$872 million. CCE is publicly traded on the New York Stock Exchange under the symbol CCE.

THE COCA-COLA BUSINESS SYSTEM

Coca-Cola is not just one brand made by one company. CCE is one of more than 300 bottling companies in more than 200 countries that work with The Coca-Cola Company to produce and distribute

Coca-Cola products. As part of the largest beverage distribution system in the world, CCE works together with TCCC to manufacture, distribute, and market our beverages. CCE and TCCC are separate companies from a legal and management perspective. The Coca-Cola Company is our largest shareowner, owning approximately 34 percent of our common stock as of December 31, 2009.

On February 25, 2010, The Coca-Cola Company and Coca-Cola Enterprises made a joint announcement that marked a new chapter in the history of the Coca-Cola system. There are two key outcomes of this announcement. First, TCCC will acquire CCE's North American operations and integrate them with Coca-Cola North America (CCNA) Foodservice, the Minute Maid/Odwalla Juice business, and CCNA Supply Chain Operations. This new entity will be known as Coca-Cola Refreshments (CCR). Second, CCE will expand its role as the preeminent western European bottler by acquiring TCCC's bottling operations in Norway and Sweden with the right to acquire TCCC's majority interest of its German bottler.

Completion of the transactions is subject to shareowner and regulatory approval and is not expected to occur until later in 2010. For more information, please refer to our public filings, available at our website, www.cokecce.com, and at the website of the Securities and Exchange Commission, www.sec.gov.

NORTH AMERICA:

Territory: 46 U.S. states and all 10 provinces of Canada, composed of five business units

Share of Net Operating Revenue: 70%

Volume: 73%

Carbon Emissions: 4.58 million metric tons

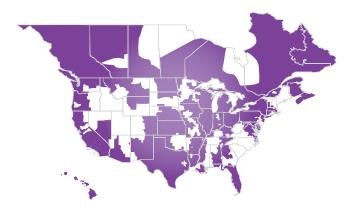
Water Use Ratio: 1.73

Operations: 59 Beverage Production Facilities/

314 Principal Distribution Facilities

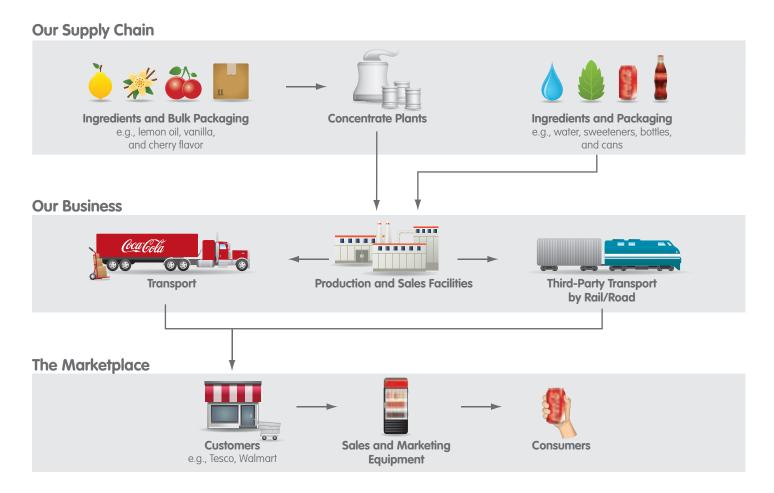
Employees: approximately 59,000 (U.S. 53,000;

Canada 6,000)



UNITED STATES AND CANADA

OUR MANUFACTURING AND DISTRIBUTION PROCESS »



The Coca-Cola Company creates and markets brands and trademarks and manufactures syrups and concentrates. Coca-Cola Enterprises purchases these syrups and concentrates from The Coca-Cola Company. Under license agreements, we produce and package finished beverages, then sell and distribute them to retail and wholesale customers.

EUROPE:



GREAT BRITAIN, FRANCE, BELGIUM, THE NETHERLANDS, LUXEMBOURG, MONACO

Territory: Great Britain, continental France, Belgium, the Netherlands, Luxembourg,

and Monaco

Share of Net Operating Revenue: 30%

Volume: 27%

Carbon Emissions: 0.83 million metric tons

Water Use Ratio: 1.51

Operations: 16 Beverage Production Facilities/

35 Principal Distribution Facilities

Employees: approximately 11,000 (Great Britain

4,700; France 2,800; Benelux 3,500)

Corporate Responsibility and Sustainability at CCE



At Coca-Cola Enterprises, Corporate Responsibility and Sustainability (CRS) is a core part of our overall vision to become the best beverage sales and customer service company. CRS is a pillar of our Operating Framework and essential to achieving our vision.

Our CRS efforts are focused on five key areas that align with our greatest impacts, our company's strategic priorities, and the most pressing sustainability concerns of our core stakeholders.

These five CRS focus areas were confirmed with Board members of the CRS Committee in 2007. We believe these are the key intersections where our business touches the world and where the world touches our business. Our five CRS focus areas are:

Energy Conservation/Climate Change

Water Stewardship

⚠ Sustainable Packaging/Recycling

Product Portfolio/Balanced and Active Lifestyle

Priverse and Inclusive Culture

Our CRS objectives are complementary to the eight focus areas in The Coca-Cola Company's Live Positively platform.

Commitment 2020...

Coca-Cola Enterprises wants to be a CRS leader in the beverage industry. Therefore, we have developed Commitment 2020, a set of ambitious goals in each focus area that we will work to achieve by the year 2020. These goals were set during our CRS Environmental Summit in 2009, where we convened our top 250 senior leaders to work with experts and representatives from organizations such as the World Resources Institute and The Climate Group. Through extensive consultation and discussion, our key goals and a roadmap of actions necessary to achieve them were confirmed.

Throughout 2009, our focus area workstreams have refined our roadmap, identified internal short- and mid-term goals for our journey, and allocated the resources we need. In two instances we have made changes to our original Commitment 2020 goals to meet stakeholder expectations. These changes involved rephrasing our Water Stewardship goal to include specific mention of "replenishment" and renaming our Product Portfolio focus area to Product Portfolio/Balanced and Active Lifestyle. This renaming is the result of our increased focus on achieving the right balance between calorie consumption and physical activity.

During 2009, CCE consolidated its commitment to CRS and provided resources to ensure we will achieve the goals we have set. At a time when many companies reduced expenditure on

environmentally and socially responsible activities, we increased our investment, designating \$33 million in capital projects for our environmental focus areas alone. We also designated additional capital for other CRS projects over the next three years.

...and Beyond

We want to ensure that Commitment 2020 continues to strengthen our CRS leadership position; therefore, before the end of 2009 we began to benchmark our goals and worked to understand the future issues we must address. In conjunction with Coca-Cola Great Britain, we tested the materiality of our five focus areas for our business in Great Britain. The analysis showed that they broadly remained our key areas of impact and focus, but that we need to deepen our work beyond the boundaries of our own operations. This aligns with the findings of our carbon and water footprinting work and stakeholder feedback. In 2010, we have begun to work with our suppliers and customers to ensure we address these wider value-chain environmental impacts as part of Commitment 2020.

CRS GOVERNANCE

Good governance and ethical business practices are more important now than ever. We are continuing to embed CRS into our everyday decision-making processes. From Board discussions to leadership decisions, CRS is an integral part of how we operate.

Our CRS strategy is guided by the CRS Committee of the Board of Directors, which meets regularly to review the progress toward our goal of being the CRS leader in the beverage industry. The Committee is chaired by Board member Cal Darden, Former Senior Vice President, U.S. Operations, United Parcel Service, Inc. Other members include John Brock, our Chairman and CEO; Curt Welling, President and Chief Executive, AmeriCares Foundation; and Irial Finan, Executive Vice President and President of Bottling Investments and Supply Chain, The Coca-Cola Company. In 2010, newly appointed director Veronique Morali, Vice Chairman, Fitch Group, joined the Committee, bringing in-depth knowledge of gender diversity and European issues coupled with extensive business experience.

Our CRS Committee of the Board receives updates from our senior leadership on progress in our five focus areas at every meeting.

66 Coca-Cola Enterprises' CRS commitment has achieved particular impact because of the strength of the governance and execution behind it. Having a Board-level committee that monitors and guides progress, a Global Advisory Council comprised of senior managers to set priorities, cross-functional steering committees to provide regional leadership and disseminate best practices, and networks and champions to execute initiatives at the facility level position the company for real success in making sustainability a core element of strategy. 99

DANIEL C. ESTY, HILLHOUSE PROFESSOR OF ENVIRONMENTAL LAW AND POLICY, YALE UNIVERSITY, AND CHAIRMAN, ESTY ENVIRONMENTAL PARTNERS

In 2009, the Board approved specific capital for environmental initiatives to be allocated through a newly developed CRS project prioritization tool. For more information on the responsibilities and operations of this Committee, see "Online Resources" on page 11.

Our Global CRS Advisory Council reports to the Board of Directors and is composed of senior managers from key functions and geographies. These individuals chair our focus area workstream groups and steering committees. The Council meets three times a year to review progress, discuss challenges, evaluate short-comings, and identify future priorities. The CRS Advisory Council is chaired by John Downs, Senior Vice President of Public Affairs and Communications.

To drive CRS throughout our business, CRS is now part of the performance objectives of our Executive Leadership Team (ELT) and one of the criteria that determine the variable compensation of all ELT members. We are also working to train our leaders on CRS issues in partnership with the University of Cambridge Sustainability

Leadership Program in Europe. During 2010, we will enroll more than 60 members of CCE's senior management, including but not limited to those directly responsible for CRS, in a tailored sustainability leadership course.

We continue to search for ways to support CRS at every level of our operations and in all our territories. In 2009, we began rolling out regional CRS Advisory Councils in our business units in the United States. We also significantly increased our personnel resources dedicated to CRS in North America and now have a designated team of CRS managers who help drive our CRS progress and oversee governance processes. In Europe, a network of CRS managers meets quarterly to discuss improvements and collaborate on joint initiatives. We also have an Environmental Stewardship team that manages Quality, Environment, Safety, and Health across our EU operations. At each of our facilities, CRS Champions implement CRS initiatives at the grassroots level. In the coming year, we will develop a sustainability plan with specific targets for each facility. Facility goals are already in place in Europe, and systems are in



GOVERNANCE STRUCTURE

the first time, global climate change impacts place in North America to allow us to generate these goals in 2010. FACILITY CRS CHAMPIONS and legislation. More detail on the climate change risks we face can be We are also involving our sales BUSINESS UNIT CRS ADVISORY COUNCILS/NETWORKS found in our submission to the teams in CRS, as we know Carbon Disclosure Project Energy Conservation/ Climate Change Workstream that working with our cus-(see "Online Resources" tomers on CRS issues on page 11). NORTH AMERICAN STEERING COMMITTEE adds value to our AND THE AMERICAN STEERING COMMITTEE WORTH AMERICAN STEERING COMMITTEE WORTH AMERICAN STREET COLLING COMMITTEE COCA-COLA COLLING COCA-COLA COCA-COLA SYSTEM TOP-TO-TOP relationships with In 2009, we adopted Diverse and Inclusive Water Stewardship the discipline of them. In Europe, CRS work is value manage-BOARD OF DIRECTORS
COMMITTEE
Cal Darden

Senior Vice President, Public Artificial
Senior No President No Pres embedded into ment to complecountry ment our risk our and customermanagement specific sales approach. As plans. In North part of a new America, vetting pro-Committee
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Cal Dard established cess, any major Customer Rotter portrollo Balanced and Norkstream CRS project or new Committee in Sustainable Packeding investment must Active Portolio Balancea workstream Stainable peckers in Recycling workstrong 2009 to develop be assessed for tailored CRS trainits impact on our ing for our customer five Commitment teams in 2010, and 2020 goals. We are embed CRS further into also incorporating CRS our sales plans. into other decision-making processes, such as business-As part of the broader global case development for new prod-Coca-Cola business system, we partiucts. The ELT now looks at calorie content, cipate in the global Coca-Cola Environment nutritional or functional benefits, packaging recyand Safety Council and the European CRS Board, thereby clability, material use, and carbon footprint impact before approving a new beverage.

ensuring that our Commitment 2020 goals are aligned with the strategy and targets of The Coca-Cola Company. This alignment will be beneficial to the integration of our North American operations with The Coca-Cola Company in 2010 as part of the recent transaction.

Risk Management and Business Planning

Social and environmental risks are considered strategic business risks and are explicitly assessed as part of our Enterprise Risk Management program. This globally consistent approach to risk management informs our business planning and guides our internal audit plans. Members of our ELT are accountable for the risk category associated with their business function. As the ELT member responsible for CRS, John Downs is accountable for CRS risks.

We disclose any material risks that could adversely affect our business and financial results in the Form 10-K found in our company's Annual Report. This year, our ELT held an in-depth review of risks focusing on those most relevant to our business. Social and environmental risks discussed in our 2009 Form 10-K relate to perceptions of our product portfolio, health and wellness trends, cost or limitation of raw material supplies, adverse weather, and, for

We have found that all CRS business decisions involve tradeoffs, usually between environmental and financial criteria. While the capital approved by the Board for CRS projects allows us to invest in technologies that might not meet our standards for internal rate of return, we have developed a three-tiered prioritization approach to ensure that we use this capital most efficiently to meet our goals. We assess the environmental benefit, financial costs, and reputational benefits of each project systematically and provide this information to our senior leadership, who then make fully informed CRS capital allocations.

Ethics and Compliance

As a signatory of the UN Global Compact since 2007, we are committed to implementing its 10 universal principles in support of human rights, labor rights, the environment, and anti-corruption. We endeavor to comply with all applicable laws, regulations, and company policies related to these issues and have a Code of Business Conduct to which our employees and directors are expected to adhere (see "Code of Business Conduct" on page 11).

CCE MANAGEMENT SYSTEMS 2009: TRANSITION TO ISO STANDARDS

Focus Area	Standard	North America (No. of facilities in compliance)		Europe (No. of facilities in compliance)	
		2009	2010 Forecast	2009	2010 Forecast
Quality	ISO 9001	0	18	16	21
Food Safety	ISO 22000	23	46	12	15
Environment	ISO 14001	0	8	16	20
Occupational Safety	OHSAS 18001	0	4	18	22

Following the appointment of our first Chief Ethics and Compliance Officer in 2009, we established a global Ethics and Compliance office and launched a three-year plan to enhance existing programs. Progress is continually reviewed by a cross-functional Ethics and Compliance Council and the Audit Committee of our Board of Directors.

Code of Business Conduct

Our Code of Business Conduct outlines the behavior we expect of every employee of our company. It demands honesty and integrity in all matters, from workplace behavior to dealings with customers, suppliers, competitors, and regulators, and prohibits all forms of corruption, including bribery. In 2009, we began updating and enhancing our Code of Business Conduct, along with our employee communication, training, and Code certification programs, to ensure that employees understand its day-to-day business implications. After regulatory approval has been received in all territories, we will launch our updated Code and training program. Until then we will continue our existing Code implementation and training programs to educate employees.

For our Code to be effective, employees must feel confident in raising concerns or questions without fear of retaliation; therefore, we have reviewed our reporting and monitoring mechanisms, including, where appropriate, our toll-free, 24-hour Ethics and Compliance hotline and website. All reported incidents are

investigated appropriately and material issues, if any, are reported to the Audit Committee of the Board of Directors.

To ensure that we comply with applicable laws, regulations, and policies, we completed an extensive assessment of compliance practices and risks across our business. As a result, we have mapped the top 20 compliance-related areas for the company, identifying processes and creating a baseline for ongoing risk assessments at the corporate level. We also completed a global fraud risk assessment in 2009 and will publish a risk disclosure in 2010.

Management Systems, Policies, and Standards

We are participating in the Coca-Cola system's transition to ISO standards for quality, food safety, environment, and occupational safety from their previous integrated management system, The Coca-Cola Management System (TCCMS), aligned to these standards. Our progress to date is shown above.

We periodically review and update our internal policies. During 2009, we revised our Environmental Policy, making it more comprehensive and aligning it with the expectations of our stakeholders. In addition, we updated our Supplier Diversity Policy to broaden the diversity of suppliers covered, as well as make the policy global in scope (see "Online Resources" below).

ONLINE RESOURCES

- Board of Directors Corporate Responsibility and Sustainability Committee:
 http://media.corporate-ir.net/media_files/irol/11/117435/corpgov/CorporateResponsibilityandSustainability.pdf
- Carbon Disclosure Project: www.cdproject.net
- CCE 2009 Form 10-K: www.cce2009annualreport.com/PDFs/10-K_final.pdf
- CCE Corporate Governance: http://ir.cokecce.com/phoenix.zhtml?c=117435&p=irol-govhighlights
- CCE Environmental Policy: http://crs.cokecce.com/governance/policies
- CCE Supplier Diversity Policy: www.cokecce.com/pages/_content.asp?page_id=240
- CCE Supplier Guiding Principles: www.cokecce.com/pages/_content.asp?page_id=96

CRS in Action



70,000+ employees » 400+ facilities » 8 countries » 2 continents » 1 week » One Commitment

Our first-ever global CRS in Action Week was designed to communicate our CRS story, commitments, and goals to all of our employees across our territories in North America and Europe. We wanted to educate employees about our business, our brands, and our CRS commitments; to inspire them to make sustainability a way of life at work and home; and to motivate them to tell our CRS story.

The week consisted of environmental and social events, programs, and campaigns that were organized locally, regionally, and globally. In addition to the countless service projects that were executed in our territories (see page 13), highlights included the following first-ever global events:

- Our Virtual Town Hall from our Bellevue, Washington, facility was broadcast to the majority of our facilities in North America and Europe. Our Chairman and CEO, John Brock, articulated our CRS vision and engaged directly with employees by answering their questions and clarifying our CRS priorities.
- A Virtual Facility Tour highlighted the sustainable ways we manage energy, water, and waste in our facilities and was streamed live to environmental members of the media, who were able to ask our leadership team, including Chairman and CEO John Brock, live follow-up questions.
- A Carbon Challenge, with help from the Carbon Trust, engaged seven CCE employees in the EU in an effort to measure and reduce their individual carbon footprint for four weeks. The

participants blogged about their experiences and shared tips on how to live a more sustainable life.

Overall, CRS in Action Week successfully engaged our employees and communicated our CRS goals. Our post-event survey showed:

- 87 percent of employees knew more about CCE's CRS efforts as a result of CRS in Action Week
- 90 percent of employees felt proud to work for CCE because of our CRS commitments
- 81 percent of employees better understood how to become involved in CCE's CRS efforts and work toward our Commitment 2020 goals

This high level of engagement was reinforced by the results of our 2009 Global Employee Engagement Survey (see page 57), which showed CRS to be the second greatest driver of employee engagement at CCE.

ONLINE RESOURCES

For more information about how Coca-Cola Enterprises is putting CRS in Action, follow us on Twitter (@CokeCCE), become a fan of our Facebook page (facebook.com/CokeCCE), and visit our YouTube channel (CokeCCEVideos).



CRS IN ACTION HIGHLIGHTS » September 28 to October 2, 2009













Park City, Illinois: Our Park City employees assisted in retrofitting 300 syrup containers into rain barrels, which were presented to local schools at a water stewardship and education event.

Toronto, Canada: CCE employees helped to serve a Thanksgiving lunch for nearly 200 local Boys & Girls Club members and their families. They prepared food, set up, and served the meal before touring the facility to learn more about the Boys & Girls Clubs of Canada.



New York, New York: More than 120 employees from our metro New York facilities volunteered to clean, weed, and plant 1,000 native grasses, bushes, and shrubs at five parks throughout the New York boroughs as part of the Million Trees NYC Tree Restoration project.



Miami, Florida: Employees enhanced a local community garden that grows fresh vegetables for residents of Miami's Overtown neighborhood in partnership with Roots In the City, Inc., a local community-based organization dedicated to the beautification of Miami's inner city.



Paris, France: A roundtable discussion on sustainability included special quests Pascal Husting, President of Greenpeace, France, and Bettina Laville, Honorary Chair, Comité 21. Additionally, 500 employees took part in recycling and clean-up events in Paris, Bordeaux, Marseilles, and Dunkerque.





Los Angeles, California: Ninety CCE employees gathered for an afternoon and collected approximately 6,000 lbs of trash and debris from the gutters along Central Avenue to prevent contamination of the local waterways.



Dallas, Texas: Partnering with Keep Dallas Beautiful on exterior beautification projects of homes and landscaping in the Sunny Acres Community, CCE employees volunteered a total of 320 hours to improve the area.



Wakefield, Great Britain: Community leaders helped us celebrate our Wakefield plant's 20th anniversary and the opening of a new grea of the facility that will produce pre-forms, which are blown into PET bottles on-site. This will reduce delivery miles by 135,000 each year, helping to cut carbon emissions.



66 I'm proud to be associated with a company whose forward-moving focus and responsibility toward our environment are so strong. Being able to participate in CRS with this company has made me so proud to be an employee. 99





Energy Conservation/Climate Change Highlights

- Co-signed the Copenhagen Communiqué to support an equitable deal on climate change
- Measured the company carbon footprint at 5.4 million metric tons
- Constructed our first LEED® certified distribution center in Coachella, California
- Installed six energy monitoring and targeting systems in our European facilities
- Expanded our North American hybrid fleet by 194 hybrid trucks and completed our first hybrid pilots in Europe



Climate change is considered by many as the greatest threat to our planet. At CCE, we believe that addressing climate change is critical to our future business success. Therefore, we are working hard to reduce emissions, minimize our impact on the environment, and ensure the sustainability of our future operations. We are making substantial changes in the way we source and use energy.

UNDERSTANDING CLIMATE RISKS

We have assessed the risks posed by climate change to the longterm growth prospects of our business and have found various sources of concern. From potential threats to our water availability to increased energy costs and government regulation, the effects of climate change could result in additional costs, reduced profit margins, and limited ability to manufacture and distribute our products. By taking immediate, positive action, we are seeking to mitigate these risks, take advantage of new opportunities, and develop a competitive advantage in a carbon-constrained future. For more detail on our climate risks, refer to the CCE Form 10-K (see "Online Resources" on page 23).

To establish our Commitment 2020 goal for Energy Conservation/ Climate Change, we benchmarked the expectations of future climate legislation along with the climate goals set by sustainability leaders and our competitors. Next, we assessed our internal ability to reduce our emissions. After significant research and careful consideration, we concluded that an absolute 15 percent reduction from our 2007 baseline would be challenging, yet attainable, in light of our expected business growth over the next decade

OUR ENERGY CONSERVATION/ **CLIMATE CHANGE STRATEGY**

CCE's work in this area focuses on measuring our carbon footprint and product footprints, then taking steps to reduce them by:

- Efficiently Using Energy in our production plants, fleet, and sales and marketing equipment
- Investing in Renewable Energy technologies such as solar panels and fuel cells wherever commercially viable

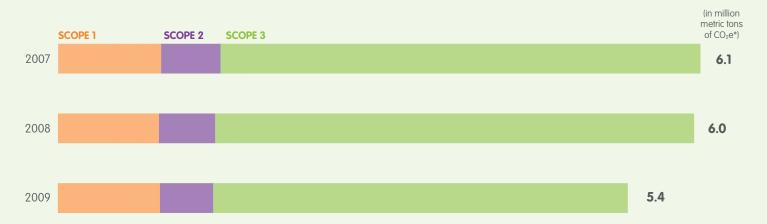
In 2009, we measured our carbon footprint at 5.4 million metric tons of CO₂e. This is a reported reduction of 700,000 metric tons, or 11.5 percent, from our 2007 baseline. However, much of this reduction comes from the proactive steps we took to improve the accuracy of our data. On our journey to calculate and reduce our carbon footprint, we have refined our data gathering processes, particularly for our sales and marketing equipment, which accounts for around 70 percent of our global emissions. We own but do not operate this equipment, and over the last few years we have developed better insights into our inventory and its related carbon emissions. Therefore, while our emissions have decreased. we acknowledge that a considerable proportion of this reduction has resulted from better and more accurate data gathering. At this time we are unable to verify the exact percentage, but we know that our 2009 footprint is our most accurate to date. We anticipate that we will see the results of the \$15 million we invested in energyefficiency programs during 2009 in our carbon footprint from 2010 onward.

REDUCING OUR CORE EMISSIONS

Our core emissions result from facilities and fleet that we own and operate, and from the electricity and fuel they use. To reduce these emissions, we are promoting energy efficiency in every possible area of our operations.

OUR CARBON FOOTPRINT

Our Emissions by Scope 2007–2009



*CO₂e is "carbon dioxide equivalent" — meaning that it also takes into account other greenhouse gases produced in operations.

We calculate our company's carbon footprint — our total annual greenhouse gas emissions — according to the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, the leading global standard for greenhouse gas accounting.

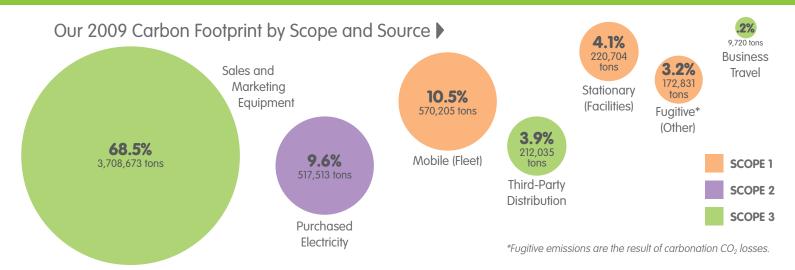
In 2009, the carbon footprint of our business was approximately 5.4 million metric tons. This represents an 11.5 percent decrease compared to our baseline year of 2007.

These emissions are classified into three different "Scopes," depending on their source and origin.

Our core emissions are from **Scope 1** (the direct emissions from our facilities and our fleet) and **Scope 2** (the electricity we purchase).

We also choose to report our **Scope 3** emissions (emissions that do not occur at the sites of our business operations but that result from our business). For us, these are mainly emissions generated by the electricity used for our sales and marketing equipment (see page 22), which is operated by our customers on their premises.

Under the Protocol, reporting Scope 3 emissions is optional; however, we measure and seek to reduce our Scope 3 emissions because they are almost 2.5 times greater than our core emissions.





OUR PRODUCT FOOTPRINTS

We have continued to build on the work undertaken with the Carbon Trust to calculate the carbon footprint of several of our sparkling soft drinks in Great Britain and Dasani water in the United States. We measured the carbon emissions associated with every stage of the product's lifecycle and found that packaging accounted for between 30 percent and 70 percent of the carbon footprint, depending on variations in product, ingredients, and packaging material.

Building on this work, we are developing a database to allow us to calculate the carbon footprint of any of our beverages much more easily. Understanding how a product's carbon footprint changes depending on packaging type, size, sweetener, refrigeration time, and other variables will allow us to make environmentally informed decisions for our products in the future, and reduce their carbon footprint over time. We also have shared the findings from our original footprinting work with the Beverage Industry Environmental Roundtable (BIER) members to help formulate specific industry guidelines for product footprinting.

Because packaging accounts for such a large proportion of all our product footprints, in 2009 we have focused on how to reduce packaging carbon impacts. The most effective way is to decrease the amount of virgin packaging material used. Aluminum cans already average 50% recycled content, so our focus has been on polyethylene terephthalate (PET), in which standard recycled content is much lower. We have been working in three main ways to reduce the virgin PET we use in our bottles by:

- Engineering our bottles with less packaging, which we call lightweighting (see sidebar on page 34)
- Using recycled PET (rPET), developing our bottles to be recyclable, and working to encourage supply of this material by collecting

- it in our territories through Coca-Cola Recycling in the U.S. and increased recovery efforts in Europe (see page 35)
- Using plant-based material, a renewable resource, to create bioPET (bPET) for use in our PlantBottle (see page 37)

The carbon impacts of increasing rPET and bPET are meaningful. Initial studies indicate a bottle composed of 30 percent bPET uses 20 percent less carbon than virgin PET per bottle. Using 25 percent rPET reduces the carbon footprint by 20 percent, and combined at levels of 25 percent rPET and 25 percent bPET, the bottle's carbon footprint is reduced by 35 percent.

At present our ability to use both bPET and rPET is constrained by availability and cost. However, over time we aim to increase to 10 percent rPET in North America and 25 percent rPET in Europe, and to roll out PlantBottle more widely where commercially viable.

Possible Carbon Impacts of Increasing rPET and bPET

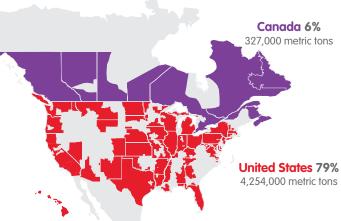
kg. CO₂e/kg. of PET

EU Total 15%



*From a lifecycle analysis conducted by Imperial College, London, and reviewed by the Institute for Energy and Environmental Research in Germany for The Coca-Cola Company

Our Operations' Emissions by Country



Great Britain 9% 501,000 metric tons

The Netherlands 2% 118,000 metric tons

Belgium/Luxembourg 2% 113,000 metric tons

> France/Monaco 2% 99,000 metric tons

831,000 metric tons



Our Facilities

We reduced our consumption to 6,377 terajoules of energy. This reduction represents an absolute decrease in energy use of approximately 2.9 percent since 2007. We continue to find areas to reduce our facilities' energy use through monitoring and targeting programs and by investing in energy-saving technologies.

Monitoring and Targeting

We closely monitor energy use at every production site through scorecards that provide senior management with a performance summary of energy efficiency in all facilities. This approach allows them to see which facilities are excelling and which are underperforming. Each facility measures its absolute energy consumption, as well as the number of kilowatt hours used per 1,000 liters of product produced.

In Europe, we have installed monitoring and targeting systems that allow us to track real-time energy use at each stage of production. Each production facility in Great Britain now has up to 150 sub-meters that monitor the plant's energy usage. Sub-meters are placed on production lines, with separate meters on particularly energy-intensive equipment, such as bottle blowers, compressors, and chillers.

The monitors help us to determine where and how energy is used, which can vary by package, beverage type, or time of day. Using this information, we pinpoint areas of inefficiency, set targets, and review real-time performance against optimal efficiency. We are also using these systems to reduce water use and hope to extend the system to monitor carbonation CO_2 losses, also known as fugitive CO_2 .

Through the use of these systems we can reduce site energy consumption by up to 7 percent year on year. We already have systems in place at six of our facilities in Great Britain and will install an additional four throughout Europe in 2010. In North America, we will pilot a similar system in our Grand Rapids, Michigan, facility during 2010. We are proud to be leading the industry in the scale of our installation.

Renewable Energy in Our Facilities

To reduce our use of traditional energy from the electrical grid, we are piloting renewable and low-carbon technologies. These new technologies are often considerably more expensive than traditional energy, so we strive to make the most strategic investments by seeking tax incentives and grants where possible. Currently, these technologies yield only small impacts on our overall carbon footprint, but, with time, programs will be scaled up to produce greater savings.

Our Low-Carbon and Renewable Technologies



Solyndra Solar Panels and Pipes: The Solyndra system uses cylindrical modules, rather than flat panels, to capture sunlight across a 360-degree photovoltaic surface, thereby converting more sunlight into electricity. The modules are placed closer together than conventional panels, enabling greater rooftop coverage. Solyndra is part-owned by a clean technology fund in which The Coca-Cola Company invests. Currently, we use Solyndra solar panels in our Macon, Georgia, and Coachella, California, facilities.



Orion Apollo® Light Pipes: This technology provides light to our facilities by collecting and focusing daylight using geometrically arranged, highly reflective materials. In addition to collecting daylight through the light pipes, we have a system in place that automatically shuts down the electrical lighting whenever the pipes provide enough illumination. Light pipe technology is used at our facilities in Coachella, California; Milwaukee, Wisconsin; Downey, California; and Honolulu, Hawaii.



UTC Fuel Cells: Fuel cells produce electricity and heat by converting hydrogen and oxygen into water. The heat can be captured for use in production, making fuel cells a cogeneration technology. We are installing two fuel cell systems in Elmsford, New York, and will begin pilot tests in 2010.

In 2009, we installed Solyndra's cutting-edge cylindrical solar technology (see sidebar on page 18) in our Macon, Georgia, sales facility. At times, this technology provides "net-metering," where we produce more energy than is used by the facility, allowing us to sell energy back to the grid. In 2010, we launched this technology at our facility in Coachella, California, and will monitor its effectiveness in the year to come. Two additional facilities in California use conventional solar technology to generate electricity.

In partnership with UTC Power, we are installing two fuel cell systems (see sidebar on page 18) at our production facility in Elmsford, New York. These fuel cells will generate enough energy and heat to provide an estimated 30 percent of the facility's operational needs. Site preparation took place in 2009, and the systems will be operational by the end of 2010.

Lighting Replacement

In our 2008 CRS Report, we discussed a substantial high-bay fluorescent lighting retrofit at 244 of our 338 facilities. In 2009, we completed the three-year program and have now retrofitted all of the eligible facilities in North America, meeting our objective.

Our new high-performance energy-efficient lighting program has accounted for our greatest reduction in electricity consumption so far. This new technology turns off or dims the lights to a quarter of their capacity when not needed, helping to reduce lighting energy consumption by approximately 50 percent. This program has reduced our energy consumption by approximately 88 million kilowatt hours per year. Energy-efficient lighting is also being installed in our European facilities.

Orion Apollo solar light pipes (see sidebar on page 18) are further helping us reduce energy use by channeling daylight to replace electrical light in our facilities. We have piloted these light pipes in four facilities in the U.S. In tests, the pipes provided sufficient daylight for up to 10 hours each day, significantly reducing our electricity use.

We have continued our lighting energy reduction program by piloting energy-efficient exterior lighting in our parking lots and building grounds. In 2009, we tested, measured, and verified savings from efficient exterior lights and then retrofitted our entire Milwaukee, Wisconsin, site. In 2010, we will finish the retrofitting of our Macon, Georgia, site and complete additional testing at our site in Memphis, Tennessee.

In 2009, we reduced our energy use by 127 million kilowatt hours from our lighting initiatives. This change relieves pressure from the grid and reduces our annual CO2e emissions by approximately 80.000 metric tons.



Hybrid Electric Trucks: Hybrids generate approximately one-third fewer CO2e emissions than a regular truck. Hybrid trucks achieve their greatest fuel efficiencies in areas of high traffic density, because their batteries are recharged by stop-and-go traffic. CCE has deployed 336 hybrids in major U.S. cities such as New York City, Miami, Los Angeles, and Washington, D.C. We have also begun piloting hybrid delivery vehicles in selected European territories.



ELSTAT EMS-55: Through the use of motion sensors, these proprietary energy management system (EMS) devices can be programmed to detect consumer traffic patterns and automatically adjust the equipment's temperature and energy settings accordingly. We have installed more than 78,000 EMS devices in venders and coolers to date. A single device can reduce the energy consumption of one cooler or vender by up to 35 percent.



HFC-Free Coolers: Hydrofluorocarbons (HFCs) are more powerful global warming gases than carbon dioxide. Therefore, the compressors of HFC-free machines use either carbon dioxide or hydrocarbon refrigerants instead of HFCs to reduce our climate impact. The coolers were deployed in small numbers as part of the Vancouver Torch Relay and 2010 Olympics, but they will account for all new cooler purchases by 2015.



Green Buildings

According to the U.S. Green Building Council, buildings account for 38 percent of CO_2 e emissions in the U.S. Therefore, we are reevaluating the way our buildings are designed, constructed, and operated.

Our new Coachella, California, facility was designed to achieve basic Leadership in Energy and Environmental Design (LEED) certification. Through an integrated design process, we maintained our original budget and schedule, while surpassing the basic certification and achieving the second highest certification level, LEED Gold, in early 2010. By integrating the U.S. Green Building Council's LEED requirements, the facility has less impact on the environment and is a healthier workplace for employees. These requirements include energy savings and $\rm CO_2e$ emissions reduction, as well as water efficiency, improved indoor environmental quality, and stewardship of resources. We plan to integrate such considerations into our standards for design, construction, and management of new buildings.

One of our corporate office buildings in Atlanta, Georgia, is now LEED Core and Shell certified, and another is awaiting certification. LEED Core and Shell certification covers building elements such as the structure, envelope, and heating and cooling system. We are also currently planning work on a LEED Existing Building certification

for our facility in Wilsonville, Oregon. In Europe, in early 2010, we leased an award-winning green building, Voltaic, in Dagenham, England. The building, which will be used as a distribution hub for East London, incorporates many environmentally friendly and sustainable features in its design, such as photovoltaic roof panels.

Other Facility Initiatives

Following successful pilot programs, we are expanding our use of heat recovery in Europe and investigating its effectiveness in North America. By reusing heat energy from boilers in other production processes, we are able to reduce our use of natural gas. We are also optimizing the use of compressed air in production processes.

Our energy-savings toolkit helps our facilities collect and benchmark their performance data, as well as identify potential reductions and efficiencies. In Europe, we are helping to develop a catalog of new and emerging energy-savings technologies for the Coca-Cola system.

Our Fleet

Because we are a manufacturing and distribution company, the vehicles we have on the road are a key part of our business; therefore, we are working to improve their efficiencies and invest in new fleet-based technologies.



EMPLOYEE SPOTLIGHT

Peter Johnson, leading the Sidcup Energy and Water Reduction Team in Great Britain, helped to identify opportunities to leverage water and energy savings in his facility. By studying Sidcup's water and energy streams and evaluating the facility's performance and targets, Peter and his team were able to capture operational inefficiencies on the production line. They installed high-efficiency raw water pumps to optimize energy use and interlocked lube systems to reduce the amount of water used. Going above and beyond, Peter led groups and forums encouraging employees to do their part in implementing CRS every day at CCE. Peter and his team's ideas collectively helped to save more than 50 million liters of water and reduce energy consumption by 10 percent.



Greening Our Fleet

To reduce our distribution footprint, we continue to expand our hybrid electric fleet.

In 2008, we launched our new hybrid tractor, which is the largest hybrid electric delivery vehicle in North America, and increased our fleet by 120 hybrid delivery trucks. In 2009, we added 196 hybrid vehicles, bringing our total to 336 and creating the largest fleet of hybrid heavy-duty vehicles in North America (see sidebar on page 19). We also tripled our light-duty hybrid vehicles, now totaling 300 cars and vans. In 2009, our hybrid fleet gained us a First Place National Keep America Beautiful Award in the Waste Reduction category. We were also named "Green Fleet of the Year" and "Private Fleet of the Year" by Fleet Owner magazine. In 2010, we plan to purchase a minimum of 190 additional hybrid electric vehicles. We have also been working with manufacturer Smith Electric on a fully electric truck for use in metropolitan areas. We have not yet been able to pilot the four trucks anticipated in 2009, but with manufacturing in the U.S. underway, we intend to pilot two fully electric trucks in 2010 in New York. New York.

In Belgium, we have started trials of hybrid vehicles using Iveco and Renault technology. These pilots will help us determine our low-carbon transportation strategy for Europe.

In 2010, we will continue to look for new innovative transportation technologies. For example, we are expanding our exploration of different types of alternative fuels and vehicles. In Great Britain, we have already started a trial on dual-fuel articulated trucks that run on diesel and bio-methane and have ordered a bio-methane aas vehicle for similar tests in 2010. In the year to come, we will also test fuel cell technology for our facilities' forklifts and will pilot liquid natural gas in our delivery vehicles.

Conventional Fleet

Our hybrid electric fleet represents only a small percentage of our 17,500 delivery vehicles. Consequently, we are also working to reduce the impacts of our conventional fleet.

We are programming our truck engines to optimize fuel efficiency by setting maximum speeds and ensuring that the engine switches off to prevent idling. We are also piloting on-board truck reporting, which allows the truck's computer to report fuel efficiency and maintenance needs real-time. We are also improving route optimization to make our deliveries more efficient.

We began piloting driver education programs in both Europe and North America in 2009 as another tool to deliver environmental savings. "Eco-driving" techniques, such as early gear changes and minimal braking, can significantly reduce fuel consumption and CO₂e emissions.

As a result of our hybrid and conventional fleet programs, we were able to reduce our own fleet's CO2e emissions by approximately 6,700 metric tons from 2008 to 2009.

Third-Party Fleet

In most cases in Europe, and in selected locations in the U.S., our beverages are delivered to our warehouses and customers by third-party haulers. Therefore, we must work with these external partners to reduce the climate impact of our deliveries. Partnering with them in 2009 allowed us to save approximately 704,000 road miles, thereby avoiding approximately 10,000 metric tons of CO2e emissions. More than two-thirds of these reductions came from our increased use of rail transport in Great Britain and France. In France, more than 9 percent of our transport miles are now by rail.





We are also expanding backhauling with customers and suppliers, using customer vehicles operating near our facilities to take deliveries to their warehouses. Before 2009, we had established backhauling arrangements in Great Britain, and in the last year we expanded our backhaul arrangements with key customers in France. During 2009, 1 percent of our transport in Europe used otherwise empty customer or supplier vehicles. Additionally, our new can line in Dongen, the Netherlands, has reduced the need for can shipments from France and Belgium. Through better route strategy, production changes, and warehouse planning, we will continue to create efficiencies.

REDUCING EMISSIONS FROM OUR SALES AND MARKETING EQUIPMENT

A significant portion of CCE's indirect emissions are primarily generated by the electricity used for our sales and marketing equipment, which is operated by our customers on their premises.

Our Sales and Marketing Equipment

Our 2.1 million vending machines, beverage dispensers, and coolers create more than two-thirds of our total carbon footprint through the electricity they use. During 2009, we reduced the CO_2e emissions of our sales and marketing equipment, in particular in North America, where we reduced CO_2e emissions by 170,000 metric tons. These savings come from a variety of measures.

Our first priority is to improve the efficiency of our new equipment. Our new coolers and vending machines are now 50 percent more efficient than equipment purchased in 2000. We are also retrofitting and improving the efficiency of our existing equipment to bring our U.S. equipment up to ENERGY STAR® Tier 2 standards where commercially viable. We now have more than 13,500 ENERGY STAR machines in the marketplace.

In North America, we are creating a detailed energy-efficiency inventory of our vending and cooling equipment to identify the most energy-efficient model of cooler or vending machine. As a

result of more strategic equipment placement, replacements, and removals in 2009, we reduced the energy consumption of our equipment in the marketplace by 4 percent.

Energy Management Devices

We are also working with our customers to ensure that the timer technology that is already installed on some of our vending equipment is optimally used. In our coolers and certain venders we can also use the EMS-55 intelligent energy management device (see sidebar on page 19). The EMS-55 device recognizes patterns of use and responds by reducing energy consumption as required by shutting off lights and adjusting temperatures. It can reduce energy use by up to 35 percent per cooler.

In 2008, EMS-55 was installed in 2 percent of our total equipment. By the end of 2009, we had installed more than 78,000 of these devices, representing nearly 4 percent of our total vender and cooler inventory. Most new coolers that hold more than 250 liters of product now come with this energy-saving device preinstalled, and we are retrofitting existing coolers and venders in the marketplace as part of routine refurbishment. In some cases, we have begun work with customers to retrofit equipment on their premises.

In Europe, where we have coolers with open fronts, we are testing the installation of glass doors. We estimate that doors, coupled with energy-management devices, will reduce the equipment's energy use by up to 50 percent.

HFC-Free Refrigeration

We are also working to reduce the use of hydrofluorocarbon refrigerants (HFCs) in our equipment, and currently have nearly 6,500 HFC-free coolers across Europe and North America (see sidebar on page 19). HFCs are greenhouse gases that can have a major global warming impact if they leak or are released when equipment is disposed of incorrectly. We have systems in place for safe disposal, and we have already removed old equipment that might contain insulation with HFCs. Instead of using HFCs, we have begun to use refrigerants such as CO_2 and hydrocarbons (HCs),



66 I am proud of the work by the House Green the Capitol Program to reduce our environmental footprint here on the Hill. I am encouraged that Coca-Cola stepped up to provide these new vending machines, demonstrating how public and private sectors can work together to bring innovative solutions to the marketplace. 99

U.S. HOUSE MAJORITY LEADER STENY HOYER

which are significantly less damaging to the climate than HFCs. In Europe, we started using CO₂ and HCs in our coolers, and we will evaluate options for using CO₂ in large coolers and HCs in small coolers in 2010. Provided that our suppliers are able to develop the coolers we need, we expect 70 percent of our 2010 cooler purchases in Europe to be HFC-free.

PARTNERSHIPS AND PUBLIC POLICY

We are working in support of climate policy at global, national, industry, and local levels.

At an international level in 2009, we joined more than 950 companies from more than 60 countries in signing the Copenhagen Communiqué. This document is widely recognized as the definitive statement from the international business community to push for an equitable deal on Climate Change during the 2009 United Nations Climate Change Conference in Copenhagen, Denmark.

At national levels, CCE has been part of important climate programs and landmark legislation. In the U.S., we are members of the Climate Leaders program sponsored by the U.S. Environmental Protection Agency (EPA). We also work closely with the ENERGY STAR program of the EPA and Department of Energy, helping to develop the next levels of certification for our sales

and marketing equipment. In 2009, our Netherlands operations joined other members of the Dutch Soft Drink Association to save energy by signing a covenant with the Dutch government. Similar approaches have been taken in Great Britain with our participation in the Climate Change Agreement and in Belgium with our support of the Benchmarking Covenant on Energy Efficiency.

At an industry level, we are helping to shape methodologies for climate impact accounting and reporting. In 2009, we helped develop the Beverage Industry Environmental Roundtable (BIER) Sector Guidance for Greenhouse Gas Emissions Reporting. In Europe, we are working with the Carbon Trust in Great Britain and ADEME in France to develop a universally accepted European standard for calculating the carbon footprint of products across their lifecycles.

Our product carbon footprinting work has highlighted the greatest climate impacts in our value chain. We continue to work with business partners to address these impacts and have partnered with key suppliers in Europe to develop hybrid trucks, climate-friendly refrigeration, and resource-efficient packaging. We intend to continue to support the commercialization of new technologies, and, where commercially viable, we are working with our customers to introduce these technologies as appropriate. In 2010, we will focus more on our supply chain as a whole (see "Our Suppliers" on page 64).

ONLINE RESOURCES

- BIER Beverage Industry Sector Guidance for Greenhouse Gas Emissions Reporting: www.bieroundtable.com
- Carbon Disclosure Project: www.cdproject.net
- Carbon Trust: www.carbontrust.com
- CCE Form 10-K: www.cce2009annualreport.com/PDFs/10-K final.pdf
- Copenhagen Communiqué: www.copenhagencommunique.com
- EPA Climate Leaders: www.epa.gov/stateply



Water Stewardship Highlights

- Launched a global Source Water Vulnerability Assessment (SVA) program
- Signed the CEO Water Mandate to build a more comprehensive water sustainability strategy
- Reduced our water use ratio to 1.67, an improvement of more than 3.5 percent from 2008
- Provided more than 1,300 rain barrels across North America to collect rainwater runoff and replenish local communities' watersheds



In several of our North American and European territories we face issues of water scarcity and quality, problems that will only be exacerbated by climate change and increased demand. Many states in the U.S. anticipate water shortages in the next decade, while in Europe water quality in densely populated areas will become a significant issue in the future. Based on this information, both continents will undoubtedly experience water challenges that will directly impact industry and agriculture.

UNDERSTANDING OUR WATER RISKS



DIRECT OPERATIONS, SUPPLY CHAIN AND WATERSHED

We seek to ensure that, over time, we maintain the integrity and quality of our water sources, and minimize our impacts on local communities and ecosystems. In 2008, we reported on the water risk assessments that we undertook in selected territories in partnership with The Coca-Cola Company. These assessments are

part of the wider corporate ambition of the Coca-Cola system to act as responsible stewards of water.

During 2009, we continued to assess the vulnerability of our water sources and launched a program of Source Water Vulnerability Assessments (SVAs) for all of our production facilities in North America and Europe. SVAs investigate the likelihood that the water source will be affected by any quality and scarcity issues and allow us to look closely at any potential water risks to our business, the local communities, and the ecosystem. This initiative is a huge undertaking, which we aim to finish by 2013.

To date, we have completed SVAs at 12 of our production facilities — six in North America and six in Europe. By early 2010 all of our European production facilities will have completed this process and an additional eight in North America will have begun it.

To date, our SVAs have found no critical issues in terms of water availability or quality. Nevertheless, 23 production facilities — 21 in North America and two in Europe — are in areas of water stress. This issue is expected to affect two additional facilities in North America by 2025.

CEO WATER MANDATE

Our approach to water stewardship is anchored by the UN Global Compact's CEO Water Mandate (CEOWM), which we signed in early 2009. This unique public-private partnership is helping companies around the world develop and implement water sustainability policies and practices. It helps us to better understand and manage water use in our operations.

We are working to implement the six core elements of the Mandate:

- 1. Direct Operations
- 2. Supply Chain and Watershed
- 3. Collective Action
- 4. Community Engagement
- 5. Public Policy
- 6. Transparency

Each section of this chapter relates to at least one of these six core elements. Collectively, our responses show our compliance with the sixth element: transparency. Below each section heading you will find one or more CEOWM subheadings, making this chapter our first Communication on Progress-Water (COP-Water), in accordance with the Mandate.





As a result of the SVAs completed to date, we have a deeper understanding of where our water comes from and what threatens the quality and quantity of our water supplies. More than 90 percent of the water we use comes from municipal sources; less than 10 percent of our water withdrawals come from on-site groundwater withdraws. Only three production facilities in North America and six in Europe extract groundwater using on-site wells.

Where we are using on-site wells, we take steps to avoid harming the water source and to avoid over-extracting. In Europe, our extraction is regulated by the government and we are required to have extraction licenses.

After production plants complete SVAs, the next step is to develop Source Water Protection Plans (SWPPs) for each facility in conjunction with water providers, government agencies, and community organizations to help address local water issues. SWPPs have already been developed in Europe at our facilities in Clamart, France, and Dongen, the Netherlands.

OUR WATER STEWARDSHIP STRATEGY

Given the critical significance of water to our business, we are preparing to operate in an increasingly water-scarce environment and have committed to a water-sustainable operation by 2020. In 2009, we spent \$1.15 million on initiatives that will help us work toward this goal in three key ways:

- REDUCING the amount of water we use to produce our beverages
- RECYCLING the water we use in our operations, returning all wastewater to the environment to a level that supports aquatic
- **REPLENISHING** the water used in our finished beverages in the communities where we operate

In early 2010, we conducted a water roundtable with key stakeholders and subject matter experts to gain their feedback on our strategy. From this roundtable we gained valuable insights on our water stewardship and replenishment work, while also learning how water risk should inform our future strategy (see "Case Study" on page 63). We will also assess the potential to replenish water in our supply chain.

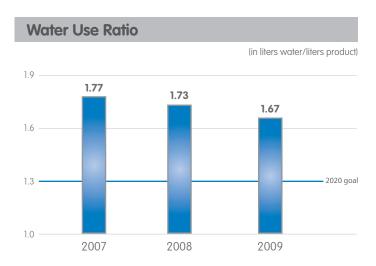
REDUCING OUR WATER USE AND IMPROVING OUR EFFICIENCY



DIRECT OPERATIONS

As a beverage manufacturer, we are a significant user of water. Although we cannot reduce the volume of water in our products, we can focus on minimizing the water we use in our cleaning and manufacturing processes. In 2009, we used 33 billion liters of water, a reduction of more than 2 billion liters from 2008.

While our ultimate goal is to achieve water-sustainability in our operations, our 2020 target is to achieve an average ratio of 1.3 liters of water to produce one liter of beverage. Our water use ratio is composed of one liter of water that goes into the beverage and .3 liters that is wastewater, which we treat to standards that support aquatic life and return to the municipality. In 2009, we used 1.67 liters of water for each liter of finished beverage, a 3.5



percent improvement over 2008 — and a 14.5 percent improvement since 2005. Eleven facilities have already reached a water use ratio of 1.4 or less, with some of our facilities achieving efficiencies around 1.3 liters. It is essential to note that to go much beyond this point will require new technology or a possible water/energy trade-off. We continue to investigate this issue and will pilot new technologies as they become available to achieve even greater efficiencies.

Conserving Water

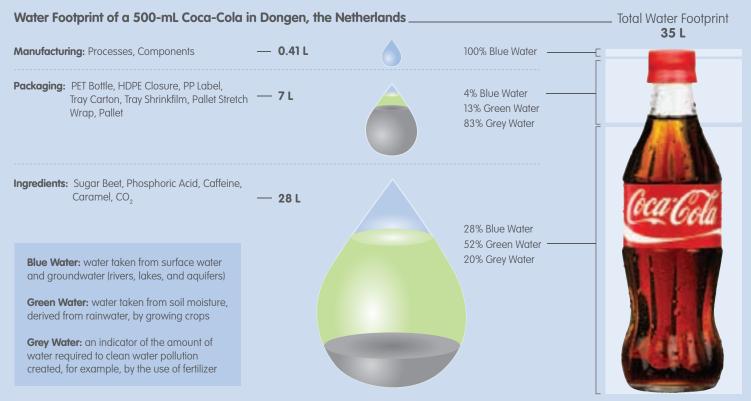


To reduce our water use, we have increased our conservation efforts in our plants. As part of a \$40-million investment program, we are introducing and installing water-saving technologies where possible and commercially viable. Using a phased approach, we have decided to target the areas with the most impact first.

OUR WATER FOOTPRINT

In 2009, we conducted a pilot study at our Dongen plant in the Netherlands to calculate the water footprint of our flagship product, Coca-Cola.* We completed this pilot using the University of Twente's expertise and methodology. Results showed that a 500-milliliter Coca-Cola polyethylene terephthalate (PET) bottle has an embedded water footprint of 35.4 liters. (By comparison, initial indications are that the water footprint for a half-liter of milk is 500 liters and a personal computer is 20,000 liters.) Our supply chain accounts for 99 percent of the water footprint, with the agricultural production of sugar beet representing 76 percent of the product's total water use.

The pilot highlighted how the footprint can vary significantly depending on the calculation methodology used. A universal methodology has not yet been accepted, and we fully expect water footprint accounting to change with increasing experience and understanding. These initial water footprint results are, therefore, likely to change over time. However, with The Coca-Cola Company we have worked in partnership with others on water footprinting methodology and have been using this work to guide the development of a universally accepted water footprinting standard for the beverage industry. A second phase of our work in this area will be with our sugar suppliers to validate these results, identify impacts on nature and communities, and work together to find strategies to reduce agricultural water use.



^{*}Footprint does not include the flavoring contained in the concentrate.



Our water-saving programs being deployed across all eligible production lines include the following:

Dry Lube — We are using a silicon-based lubricant, rather than soapy water, to move containers along our production lines. In Europe, we installed dry lube on most production lines in 2009. We converted an additional 33 production lines in North America in 2009, completing 125 of 186 lines, and we will finish installation on our applicable North American lines in 2010.

Air Rinsers — We have begun converting our production lines to use deionized air instead of water to rinse bottles and pre-forms. We have now completed 161 of 186 production lines in North America and will work to convert all lines in 2010. In Europe we are optimizing existing rinsing equipment to increase its efficiency and will replace this technology with air rinsers over time.

Can Warmers — Using approved chemistry designed to maintain water quality, we are able to replace water in our can warmers less frequently. In North America we have converted 25 production lines. This change will be completed in 2010 in both North America and Europe, at which point we will evaluate similar changes for our PET systems.

In Europe we are saving water through monitoring and targeting systems, which allow us to monitor our water use in real-time. So far, participating facilities have been able to reduce their water use by approximately 7 percent. We will complete installation in all facilities in 2010.

In addition to these system initiatives, we have also created a water conservation toolkit that helps individual production facilities identify further local water-saving opportunities through a series of annual audits and project suggestions. Through their use of the water conservation toolkit, our production facilities in the Central Business Unit made significant water efficiency investments in 2009. Our Lenexa, Kansas, facility, for example, installed a monometer, which monitors pressure and signals when to wash and filter rather than doing so at regular intervals. Solenoids have been added to ensure water is not wasted during line interruptions.

All of the water conservation measures implemented in 2009 will yield annualized savings of 300 million liters of water.

RECYCLING, RECLAIMING, AND RESPONSIBLE TREATMENT



DIRECT OPERATIONS. SUPPLY CHAIN AND WATERSHED

In North America our greatest water savings have resulted from the installation of recycle-and-reclaim loops in our water treatment

66 My observation is that Coca-Cola Enterprises is serious about their water targets and the programs they're putting in place to reduce their water footprint. This is not work just to greenwash or get simple accolades. I believe that Coca-Cola Enterprises is doing this because it really is important for their bottom line. I think this is one of those situations where the environmental vision the company is putting in place is completely aligned with the necessary vision for successful performance for the company going forward. 99

CRAIG HANSON, DIRECTOR OF THE PEOPLE AND ECOSYSTEMS PROGRAM AT THE WORLD RESOURCES INSTITUTE

EMPLOYEE SPOTLIGHT

Danny Medeguari determined that the evaporative cooler system (swamp coolers) in his Tucson, Arizona, facility could run more efficiently. Swamp coolers provide a practical, energy-efficient way to cool air temperatures in dry, arid climates such as Tucson. Warm air is cooled as it passes through pads that are kept moist by water dripping on their edges. A blower wheel then pulls outside warm air through the wet pad, cools it, and then circulates the cooler air throughout the building. Because the swamp coolers in the Tucson facility recirculate the water that drips from the cooling pads, Danny determined that the water does not have to run continuously to keep the building cool. Turning the water off while the facility is not in use helps to eliminate water that's unneeded. His idea is also being used in Coachella, California, and has led to significant water savings.



systems. The loops reclaim process water for reuse elsewhere in our facilities, such as in cooling towers, boilers, or washing floors. By the end of 2009, these loops were in place in six North American facilities and six EU facilities. On average, each of these systems saves us around 220 million liters of water. We are working to equip 30 production facilities with recycle-and-reclaim loops by 2012.

Although we recycle and reuse water whenever possible, there will inevitably be some wastewater from our production processes. As part of the Coca-Cola system, we have a responsibility to treat this water to a level that supports aquatic life. We continue to meet this standard, with the vast majority of our production facilities diverting wastewater to municipal water treatment plants. In 2009, 74 facilities sent 13.2 billion liters of wastewater to such plants. Four of our European facilities have on-site wastewater treatment plants and release treated water to regulated bodies of water.

PROTECTING AND REPLENISHING OUR **WATERSHEDS**



SUPPLY CHAIN AND WATERSHED, COMMUNITY ENGAGEMENT

Our business depends on clean water and healthy watersheds. We therefore strive to replenish the water we use in our beverages by working collectively with our employees, engaging with local communities, and collaborating with non-governmental organizations (NGOs) where we operate.

In 2009, the Coca-Cola system quantified and published for the first time the impact of its community water partnerships around the world. Conducted by The Nature Conservancy on behalf of The Coca-Cola Company, this study measured the quantitative benefits generated by 200 community water partnerships, including 20 actively supported by Coca-Cola Enterprises. These





CASE STUDY

DEVELOPING LOCAL WATER POLICY IN ATLANTA

The Atlanta, Georgia, metropolitan area obtains much of its water supply from Lake Lanier; however, a recent judicial ruling determined that using this water source was not sanctioned because the Alabama — have been given until 2012 to determine a water-sharing agreement or face severe accepted Georgia Governor Sonny Perdue's invitation to co-chair the State's Contingency Water Task Force. The Task Force is made up of business, government, and environmental leaders and began in

calculations estimate that 29 billion liters of water, 22 percent of The Coca-Cola Company's replenish target, have been replenished to communities. CCE projects are included in this calculation.

Some of the key replenishment and watershed protection projects we have carried out in our communities and across our territories are as follows:

- Providing Rain Barrels We have partnered with NGOs, community organizations, and authorities throughout the U.S. to promote the use of rain barrels. We have now provided more than 1,300 used syrup barrels to collect rainwater runoff from rooftops. This water can be stored and used instead of tap water for irrigating gardens, washing cars, and other domestic uses. Using rainwater runoff is particularly valuable when water supplies are scarce, expensive, or of poor quality. The U.S. EPA estimates that a rain barrel will save most homeowners about 1.300 gallons of water during the peak summer months.
- **Building Rain Gardens** Currently, we have eight rain gardens at seven locations in North America. This year, six rain garden construction projects took place in Tucson, Arizona; Rock Island, Illinois; Twinsburg, Ohio; Grand Rapids, Michigan; and two projects in St. Louis, Missouri. In some cases employees helped with the rain garden construction. Rain gardens help to reduce pollution downstream by filtering storm-water runoff from parking lots, roads, and other impervious areas and helping to recharge the aguifer. Thus, the benefits they bring extend beyond our sites, as they protect local waterways from storm-water pollution. As an example of the water replenishment opportunities, calculations indicate that our Niles, Illinois, rain garden will help to replenish 5.5 million liters of water per year. We intend to build rain gardens in conjunction with future construction projects whenever possible.
- Protecting Aquifers In Chaudfontaine, Belgium, we continue to support the public-private partnership that protects the natural hot spring from pollution. We helped complete an in-depth risk

- assessment that analyzed the pollution risks from 1,000 houses and businesses to the slate and limestone aguifer. A six-year program is now underway to implement protection measures identified, and CCE is helping to implement 300 of the identified protection measures.
- **Revitalizing River Basins** CCE continues to work in partnership with The Coca-Cola Company and the World Wildlife Fund (WWF) to revitalize the world's most critical freshwater river basins. The scope of this work includes two river systems within our territories, the Rio Grande and the U.S. Southeast Rivers and Streams. Our work at our plants in El Paso, Texas, and Montgomery, Alabama, actively supports projects in these two basins.
- Participating in Clean-Up Initiatives We support local community water needs by cleaning up waterways, river banks, and beaches. From Memphis, Tennessee, to Marseilles, France, we participated in a wide range of clean-up activities in 2009. Examples of this work:
- In France, 500 employees (18 percent of our workforce in France) helped clean local waterways and beaches.
- In Jefferson Parish, Louisiana, employees used old Christmas trees to help restore the coastline as part of a nationally recognized program.
- **Engaging Employees** We made it a goal to raise awareness of water conservation among our employees and help them save water at home. During CRS in Action Week, we distributed 70,000 low-flow aerators for employees to install on their home faucets to reduce their household water use.

PARTNERSHIPS AND PUBLIC POLICY



COLLECTIVE ACTION, PUBLIC POLICY, SUPPLY CHAIN AND WATERSHED

We have developed our water stewardship goals, programs, and methodologies to measure our progress by working closely with NGOs such as the World Resources Institute (WRI), the World





Wildlife Fund (WWF), and The Nature Conservancy. We also participate in industry alliances and public-private partnerships, which in turn drive policy and best practices.

In general, CCE supports legislation that contributes to water sustainability in our territories and that balances the needs of water users and ecosystems; however, we will not support legislation that unfairly penalizes the beverage industry, such as the federal Clean Water Trust Fund proposed in the U.S. last year. The soft drink industry represents only 1 percent of U.S. water use, but according to this proposal our industry would be taxed to contribute 50 percent of the Fund, making this current proposal inequitable.

As an example of our work to support good water stewardship through informed policy decisions, we presented our water goals and practices to the 2009 Bipartisan Congressional Water Caucus. This presentation informed U.S. policymakers on the issues we face and the approach we are taking to make a difference.

At both local and national levels, we are sharing knowledge and participating in the debates about sustainable water management. At an industry level, we submit data for water-efficiency benchmarking and best-practice sharing to the Beverage Industry Environmental Roundtable (BIER) and are represented by BIER in Congress where appropriate. On our behalf, they contributed to the development of the U.S. National Water Research and Development Initiative Act of 2009, which will coordinate an approach to water research and development to help U.S. communities facing water shortages. In Great Britain, we led the establishment of a pledge known as the Federation House Commitment, or "20 by 20," which asks the food and beverage industry to reduce its water use by 20 percent by 2020.

At an international level, we are implementing the principles of the United Nations' CEO Water Mandate. As a signatory, we must not only address our direct water use, but also help to improve water management in our supply chain. In 2009, we measured our supply-chain water use for the first time in our pilot water-footprint study (see page 27).

ONLINE RESOURCES

- Beverage Industry Environmental Roundtable (BIER): www.bieroundtable.com
- CEO Water Mandate: www.unglobalcompact.org/lssues/Environment/CEO_Water_Mandate
- Federation House Commitment: www.fhc2020.co.uk
- Water Stewardship at The Coca-Cola Company: www.thecoca-colacompany.com/citizenship/water_main.html
- Water Footprint Network: www.waterfootprint.org



Sustainable Packaging/Recycling Highlights

- Avoided the use of an estimated 35,500 metric tons of packaging materials through lightweighting
- Introduced PlantBottle, a fully recyclable PET bottle made from a blend of petroleum-based materials and up to 30 percent plant-based materials
- Achieved an average of 92 percent waste recycling at our North American facilities and more than 98 percent at our European facilities
- Collected more than 160,000 metric tons of aluminum and PET, an increase of more than 27 percent



Our bottles and cans play a vital role in delivering our beverages safely and conveniently to our customers and consumers. After the beverage has been enjoyed, the container can be repurposed by recycling it into a new container or into entirely new products such as T-shirts or carpet fibers.

Even though nearly all of the aluminum, plastic, and glass we use in our packaging can be reused and recycled, this area remains our most visible and high-profile environmental impact, as often the empty container is discarded. At CCE, we are working to prevent recyclables from entering landfills and will continue to close the recycling gap, so that by 2020 we are recovering and repurposing the equivalent of 100 percent of the packaging we use.

UNDERSTANDING OUR PACKAGING CHALLENGES

In 2009, we used an estimated 928,600 metric tons of primary packaging materials such as aluminum, polyethylene terephthalate (PET) plastic, and glass for our beverage containers, of which 573,000 metric tons were used in North America and 355,600 metric tons were used in Europe. Secondary packaging materials, such as shrink wrap and cardboard used to bundle our products into packages for sale or distribution, totaled approximately 262,000 metric tons, with 210,000 metric tons in North America and 52,000 metric tons in Europe. More than 95 percent of our primary and secondary packaging is recyclable; however, the packaging is not always recycled by our customers and consumers.

Recycling rates vary by material — aluminum and glass both have established systems where material is recovered and recycled into new packaging relatively easily. However, the market for recycled plastic is less developed, particularly where recycling rates are low. Therefore, it is more difficult to get the supply of food-grade-quality recycled PET that we need to increase the recycled content in our beverage packaging. We are working on a long-term strategy to close the recycling gap, in order to achieve our 2020 goal.

OUR SUSTAINABLE PACKAGING/ RECYCLING STRATEGY

In addition to reducing waste, recycling helps us reduce the amount of carbon emissions (see page 17) and water use (see page 27) tied to the packaging portion of our products' footprints. In 2009, we allocated \$17.1 million to achieve our Commitment 2020 goal in sustainable packaging and recycling, focusing on ways to:

- Reduce the weight of our packaging without compromising its quality. Lightweighting helps us avoid the use of virgin PET, glass, and aluminum and decreases the amount of carbon emissions throughout the container's lifecycle.
- **Reuse** post-consumer material from our old packages to create new containers with increased recycled content.
- Develop renewable resources, such as PlantBottle, for use in our packaging.
- Recover and recycle increasing amounts of our packages by recycling efforts and education in our facilities, with our customers, and in our communities to achieve our goal of recovering the equivalent of 100 percent of the containers we produce in our territories.

REDUCING OUR PACKAGING

We continue to design and refine our primary packaging in new and innovative ways that use less material (see "Our Lightweighting



Initiatives" below), but deliver the same standards of safety, quality, and functionality. Our lightweighting efforts have focused on reducing bottle closures and wall thickness, while maintaining high quality standards.

In 2008 and 2009, our primary packaging lightweighting initiatives resulted in a packaging reduction of 72,500 metric tons, with more than 61,500 metric tons in North America and 11,000 metric tons in Europe. Because of this work, we are well-positioned to meet our first packaging reduction target: a 100,000-metric-ton reduction of packaging materials from 2008 through 2010.

In addition to our primary packaging, we are also addressing our use of secondary and tertiary packaging, such as shrink wrap and

corrugated packaging. For example, in 2009 we worked to reduce the packaging used in the corrugated trays that carry our products. By removing the side walls on these trays, we reduced their weight by up to 40 percent. This program saved nearly 2,400 metric tons of corrugated packaging in 2008 and 2009.

A pilot program at our San Leandro, California, facility is exploring a way to ship our empty plastic bottles without the stretch wrap that is normally used to hold them in place during transport. The San Leandro facility has partnered with their packaging provider, Western Container, and The Coca-Cola Company to pilot this initiative. The program is expected to avoid the use of nearly 5 metric tons of plastic stretch wrap each year. Currently, this program is being piloted for its effectiveness.

Our Lightweighting Initiatives

Amount of HDPP/HDPE Saved (North America)



Closures — Presently all bottles smaller than 24 ounces in North more than 5,350 metric tons of high-density polypropylene (HDPP) and high-density polyethylene (HDPE) in 2009 and has contributed figure above). This reduction comes from shortening our bottle closures and reducing the length of our bottle necks. By the end of 2010, nearly all PET bottles will have short height closures.

Amount of Aluminum Saved (North America)



Aluminum — In North America, we introduced a 2-percent to 3-percent lighter can body and lighter can ends, saving 5,900 metric tons of aluminum from 2007–2009 (see figure above). In Europe, lighter can ends have saved 250 metric tons of aluminum. This work builds on our innovative lighter can body that has become the new European industry standard. Together, these initiatives produced a significant savings of more than 6,100 metric tons of aluminum.



REUSING MATERIALS AND INCREASING RECYCLED CONTENT

By including recycled content in our packages, we conserve nonrenewable resources — while also reducing the energy used in the material's manufacturing.

Increasing Recycled Aluminum in Our Containers

Aluminum is a material that is easily and quickly recycled and can be reused multiple times without compromising its quality. As a result, it has been recycled for nearly four decades. More than 95 percent of recycled aluminum goes into new beverage cans, which can be back on the shelf in as few as 60 days. Recycled aluminum also uses 95 percent less energy to produce than aluminum from bauxite ore.

Currently, more than 50 percent of the aluminum we use in our cans is made from recycled aluminum, and the technology exists to increase this to nearly 75 percent. We do not yet have the supply needed to achieve this level of recycled content. The opportunity exists to capture more material; currently in the U.S., more than 40 billion cans are still sent to landfills each year. Our work to increase packaging recycling rates seeks to address this issue (see "Effective Recovery and Consumer Recycling" on page 38).

Increasing Recycled PET in Our Containers

Recycled PET (rPET) uses 30 percent less energy to produce than virgin PET. As the efficiency of the recycling process (see "How We

(in metric tons)

Recycle Our Plastic Bottles" on page 36) continues to improve, energy and cost savings will continue to grow. However, the market for recycled plastics is not yet as well developed or as cost-efficient as for aluminum. Additionally, unlike aluminum, rPET is hard to process for use in food and beverage containers because of its variable quality. Currently, the quantity of high-quality, food-grade recycled plastic that we need to produce safe bottles is not consistently available. Consequently, we are still working to increase the recycled PET content in our bottles. Although PET recycling rates increased in the U.S. and in Europe in 2009, there still remains a significant gap in the amount of material that can be recycled and the amount of material that actually is recovered and recycled.

In Europe, we reached an average of 10 percent rPET content in our packaging by the end of 2009. However, supply of quality foodgrade rPET is still limited, so we continue to test new technologies and materials to improve supply and quality, while also working to improve recovery and recycling rates to make rPET more readily available for use in our products. We intend to achieve 17.5 percent recycled content by the end of 2010 and 25 percent by 2012.

In North America, where the market for recycled PET is less developed than in Europe and there is less quality and cost consistency, our target is to include 10 percent rPET content. However, it has not yet been economically feasible to do so, and in 2009 we used 3.2 percent. In North America, rPET needs to be consistently available and less costly or at cost parity with virgin material in order for it to

Amount of PET Saved (North America)



PET — Lightweighting our plastic bottles throughout North America has produced savings of more than 51,000 metric tons of PET from 2007–2009 (see figure above). In North America, we have reduced the weight of Dasani 500 mL by nearly 14 percent since 2007. We are in the process of introducing a new design for Dasani 1L, which is 21 percent lighter than the current design. In Europe, we removed further weight from our 500-mL PET bottles and from packages of still beverages such as Oasis, POWERADE, and Nestea, creating an annual reduction of more than 650

Amount of Glass Saved (Europe)



Glass — In Europe, we have converted the majority of our nonrefillable glass bottles to ultra-glass. This stronger glass allows us to use one-third less material in each bottle, with annual savings of more than 10,400 metric tons (see figure above). In 2010, we will complete the process on returnable glass bottles.

How We Recycle Our Plastic Bottles



be a sustainable choice. We are investing in a long-term strategy through our ownership of Coca-Cola Recycling to increase recycling rates, and we are working with The Coca-Cola Company to support their bottle-to-bottle recycling plant in Spartanburg, South Carolina. We believe this will drive down the cost of processing rPET and increase our access to food-grade-quality material over time.

Innovative Reuse Projects

Although our priority is to increase the rPET content of our bottles, we also promote the use of rPET in merchandise and clothing, which helps to stop bottles from going to landfills. We have used rPET to produce apparel for CCE employees, and we have collaborated externally with organizations such as the Atlanta Braves, who now use rPET clothing for their game-day staff. We have also developed rPET merchandise for consumers by creating designer shopping totes in Great Britain and rPET rewards gear at recycling events in North America.

In addition to our traditional beverage containers, we are working to use our secondary packaging in new and innovative ways. The 55-gallon HDPE barrels in which product concentrate is delivered

PACKAGING TRADE-OFFS

rPET vs. Lightweighting: Our work on reducing the environmental impact of our packaging involves a number of trade-offs. We have discovered that while we strive to increase the recycled content of our bottles, it is more difficult to lightweight bottles with high proportions of rPET because more resin is required to maintain structural integrity. In the past, this conflict has meant deciding between using recycled content and creating a lighter bottle. However, during 2009, we developed and tested a new 12-ounce bottle that meets our quality and lightweighting ambitions, and is capable of containing rPET. This lightweighted bottle will be introduced in parts of the U.S. in 2010.

Lightweighting vs. Secondary Packaging: The more we lightweight our bottles and cans, the more secondary packaging may be needed to limit breakage and damage in transit and storage.

As we learn more, we integrate these considerations into our packaging decisions. With the help of our product carbon footprinting calculator (see page 17), we hope to study the carbon impacts not only of the packaging options themselves (materials used, associated CO₂ emissions, and recycled content), but also of their wider ramifications: how much and what type of secondary packaging they require, how efficiently they can be transported, and how they can be stacked on the shelves. Currently, our packaging approval process includes an evaluation of corporate responsibility and sustainability (CRS) implications. In Europe, we evaluate the impact of the packaging on our CRSrelated commitments and stakeholder views.

to our production facilities are being reused as recycle bins and rain barrels (see "Providing Rain Barrels" on page 30) instead of going to landfills. Since 2008, more than 17,000 barrels have been reused as recycle bins, which can hold up to 300 bottles and cans at any one time. This project has given a new life to more than 500,000 pounds of HDPE. In certain facilities, plastic bags that originally carried bottle caps are being reused as trash and recycling bags, thereby reducing facility costs and waste.

DEVELOPING RENEWABLE RESOURCES

While PET is already the most recycled type of plastic, it is still based on non-renewable fossil fuels. As a result, we are working with The Coca-Cola Company to explore alternative packaging materials. In 2009, the Coca-Cola system introduced one such alternative: PlantBottle.

The PlantBottle is a fully recyclable PET bottle made from a blend of petroleum-based materials and up to 30 percent plant-based materials, which are derived from a by-product of sugar production. Unlike other plant-based plastics such as polylactide (PLA), the PlantBottle is chemically identical to traditional PET and does not contaminate the recycling stream. Because it incorporates renewable resources, it also has a lower carbon footprint than traditional PET (see page 17). The new, specially labeled package is being piloted with Dasani and Coca-Cola in select North American markets. In 2010, we are exploring the possibility of using the PlantBottle for our vitaminwater and smartwater products.

While the desire for this type of innovation is high, our challenge is to make the continued use of such materials commercially feasible, because at present there is a significant additional cost.



*2007 and 2008 North America data has been estimated.

RECYCLING AT OUR FACILITIES

Before we can encourage consumers to recycle, we realize we must have best-in-class programs in our own operations. Our facilities have been challenged to recover and recycle more than 90 percent of all waste by 2010. Our European facilities have already reached an average recycling rate of more than 99 percent.

In North America, our Target 100 (T100) program has mobilized all of our production facilities to recycle by providing education, encouraging participation, and monitoring progress. Already, we have achieved an average recovery and recycling rate of 92 percent in North America, with 20 facilities achieving more than 95 percent and three facilities with recycling rates of more than 99 percent.





In 2009, these in-house recycling efforts across our business diverted more than 40,400 metric tons of material into recycling streams and away from landfills. T100 also has significant financial benefits: We have reduced our refuse expenses by one-third, creating annual savings of \$3 million.

We continue to work hard to ensure that the remaining 38 North American production facilities will successfully participate in Target 100, recycling at levels of 95 percent or above within the next year.

We have also designated certain production facilities to serve as recycling hubs for nearby sales and distribution facilities as part of our Centralized Recycling Initiative. We now have 35 facilities that act as central collection centers for recyclable materials ranging from aluminum to PET to office paper. By strategically backhauling materials from our sales facilities to the nearest recycling hub, we avoid additional trips to collect the recyclables. In 2009, we were able to send more than 4,700 metric tons of PET and aluminum to recovery facilities, compared to 1,800 metric tons in 2008. This program also helps to ensure that any broken, damaged, or outof-date product is returned to our facilities and recycled, creating a significant cost savings for the company.

EFFECTIVE RECOVERY AND CONSUMER RECYCLING

Because recycling trends are quite different across our territories, we have developed different approaches in our territories to achieve our shared Commitment 2020 goal. In North America, Coca-Cola Recycling LLC was created in 2007 to support the Coca-Cola system's recycling goals; in Europe, our Recycle Zone model is used to encourage consumer recycling at public venues. Because of our work with key Coca-Cola customers, both program models have proven successful.

On-the-Go Consumer Recycling

North America

Since 2007, Coca-Cola Recycling has focused on increasing recovery and reuse in North America. In 2009, Coca-Cola Recyclina collected nearly 160,000 metric tons of aluminum and PET, an increase of 27 percent. We have already exceeded our goal to recover 230,000 metric tons of beverage containers from 2007 through 2010. Having already achieved this milestone, we are well positioned to help The Coca-Cola Company reach their 2015 goal to recover the equivalent of 50 percent of our bottles and cans sold in North America.



EMPLOYEE SPOTLIGHT

Karol Brownlee, Territory Development Manager, was instrumental in creating plans and organizing employees in the La Plata, Maryland, sales facility to partner on a recycling initiative with the Charles County Fair Board, Charles County Public Facilities, Charles County Government, and Charles County Board of Education. Through the recycling partnerships, the La Plata team collected more than 100 tons of recycled material in 2009 and positively influenced recycling trends in their community.

OLYMPIC TORCH RELAY AND 2010 WINTER GAMES

for the 2010 Olympic Winter Games. As part of our sustainability strategy for the Games, we integrated recycling programs at each of the Torch Relay celebrations and our Recycling Education Vehicle interacted with Olympic fans in 75 communities from Nova Scotia to British Columbia. With recycling videos, activities, and almost 1,700 recycling bins, we reached more than 1.5 million people with recycling messages, while volunteer Green Teams collected recyclables at the Torch Relay celebrations and returned them to local community recycling streams. During the Games, more than 2,000 recycle bins were placed at Olympic venues in Whistler, Vancouver, and Richmond. We worked with venue managers, cleaning contractors, concessionaires, and waste haulers to put plans in place to close the loop at every location, making sure



As we scale up our recycling work, we have identified the following key elements for success:

- Providing consumers with convenient access to recycling at home, at work, and on the go
- Reminding consumers to recycle with a direct call to action such as the Give It Back® campaign
- Focusing where the opportunities are greatest for material collection and recycling education
- Creating programs that are replicable and scalable by training our local operations to set up their own programs with customers
- Working with material collection companies and processing plants to ensure that recycled materials are properly recovered and repurposed

In North America, we target busy public places where our beverages are consumed such as sports and entertainment venues, large special events, the top 100 colleges and universities, and amusement parks. Our Recycling Education Vehicles are used at these venues as a focal point for fun consumer education with recycling-themed videos, games, and rewards. During 2009, the vehicles appeared at more than 160 different events across 41 states and provinces in North America and Canada. By partnering with large customers and venues, we help install sustainable recycling infrastructure.

Highlights for 2009 include:

- NASCAR: In partnership with NASCAR, we placed more than 3,000 recycling bins at race tracks across the U.S., and diverted more than 2.5 million beverage containers from landfills into recycling streams. Consumers have embraced our recycling program, and NASCAR has now made it part of their own sustainability strategy known as "NASCAR Green."
- Atlanta Braves: At Turner Field, home of the Atlanta Braves baseball team, we urge spectators to use our bins to recycle their beverage containers through advertising, LED displays, onscreen videos, in-game features, and public service announcements. Additionally, all game-day employees wear rPET shirts with the Give It Back message. In the 2009 season, more than 300 Coke-identified recycle bins were placed around Turner Field, and we recycled almost 500,000 beverage containers.
- University of Mississippi: We partnered with the university to develop a sustainable recycling program during the football season. Public service announcements produced by the university reminded fans to recycle at the games, and more than 200 student-volunteers collected materials from bins around the football stadium and tailgating area.

We have conducted a study of our packaging footprint in four of our European countries and have identified gaps and opportunities to

66 Partnering with Coca-Cola Recycling for us was actually a no-brainer. When we learned about Coke's sustainability goals as a corporation and how Coca-Cola Recycling fit into those, it was just a natural fit for our NASCAR Green Initiatives. NASCAR fans love to spend time outdoors and have a real respect for the environment, and Coca-Cola Recycling really took time to understand our audience and engage them in a successful program.

DR. MICHAEL LYNCH, MANAGING DIRECTOR, GREEN INNOVATION, NASCAR



further invest in European recycling. We seek to take a leadership position in raising overall recycling rates, while capturing commercial benefits. In 2009, Recycle Zone recovered several metric tons of packaging material above volumes recovered by existing state and local recycling programs in Europe.

In Great Britain, we are rapidly expanding our Recycle Zone program, which allows consumers to recycle beverage packages while on the go. By the end of 2009, we had 34 zones in busy public areas ranging from shopping malls and concert arenas to transportation hubs such as train stations and airports, thereby providing the 100 million visitors to these places with recycling opportunities. Our Recycle Zones have been supported by a new national marketing campaign, "Keep it Going. Recycle." that shows how recycling bottles and cans reduces the carbon footprint of a packaged drink by more than 50 percent. By 2011, we plan to have 80 Recycle Zones in Great Britain.

In Belgium, where recycling rates are the highest among our territories, we focus on recycling at concerts, sports arenas, and other events. By partnering with event organizers, we were able to recover the majority of bottles and cans at the Rock Werchter Festival.

We share best practices among European countries. In France, we adopted the Recycle Zone model, setting up the first recycling program in 2009 at the world-famous Louvre museum. We now plan to develop 14 additional recycle zones in France.

At-Home Consumer Recycling

While curbside recycling is widespread in our European and Canadian territories, only half of U.S. households have access to recycling at home and only 50 percent of those with access use their curbside recycling programs. Because most of our beverages are consumed at home, we are working on domestic collection and recycling by supporting programs that combine infrastructure with marketing, education, and compelling incentives.

In 2009, we supported the launch of an innovative recycling incentive program, ReCart, in Atlanta, Georgia, through a partnership with RecycleBank. The pilot program recovers recyclables from 10,000 households in exchange for RecycleBank points that can be redeemed at hundreds of businesses. Early results show that recovery of recyclable material has doubled within the pilot area. We are now in dialogue with other cities to launch similar programs.

The prestigious **Marianne d'Or** (Golden Marianne) award for sustainable development was presented to CCE France in recognition of our packaging and recycling programs and our overall environmental performance. CCE was one of only two private companies to be honored in 2009.

PARTNERSHIPS AND PUBLIC POLICY

Coca-Cola Enterprises supports comprehensive approaches to recycling, such as curbside collections, believing these to be the most effective and efficient means to increasing recycling rates. Therefore, we support national and local policies, organizations, and initiatives that promote recycling and work alongside communities to provide recycling infrastructure.

In the Netherlands, we are a major driver of the new PET recycling campaign by our local recycling organization, Nedvang. Launched in 2009, the Plastic Heroes campaign encourages Dutch households and businesses to collect their non-deposit plastic waste for recycling. In Great Britain, we were a founder signatory of the Courtauld Commitment, a program with the Waste and Resources Action Programme (WRAP). As part of this program, leading retailers, brands, and manufacturers achieved zero growth in packaging waste in 2008, and they are now working to deliver absolute reductions in packaging waste by 2010. In France and Belgium, we are encouraging national collection schemes through Eco-Emballages and Fost Plus.

In the United States, we support the development of better recycling infrastructure that is both environmentally and economically effective and efficient. In their current state, we believe that bottle bills, which force refundable deposits on beverage containers, are expensive and inefficient ways to increase recycling rates and handle recyclables. Instead, we support comprehensive recycling programs that capture more materials at consumers' homes and in designated recycling zones.

To increase recycling rates throughout our territories, we support partnerships such as the beverage industry's Recycle Together initiative. This partnership between the American Beverage Association and The Climate Group creates awareness of community recycling programs and demonstrates that recycling can play a major role in the fight against climate change while saving valuable resources and energy. This initiative is underway in cities throughout the U.S., including Hartford, Connecticut. As part of the initial pilot of the Recycle Together program, the city of Hartford was able to transform their low-volume recycling program into a state-of-the-art single-stream recycling system that doubled the quantity of recycled material collected in the city.

Additionally, Coca-Cola Recycling is working to improve nationwide recycling and recovery data by piloting a third-party wastetracking system called ReTrac. Since 2008, they have funded a statewide program in Georgia, and in 2009 they introduced the program in Tennessee, North Carolina, and South Carolina. This program allows us to track and collect data on where recycling is, and is not, taking place. We plan to recruit other industry members to be part of this initiative and find conclusive answers about recycling trends.

In addition to our work with suppliers, waste haulers, recycling agencies, and our customers, we also share our experiences more widely. In response to interest generated by our Target 100 and Coca-Cola Recycling initiatives, we have worked with other companies to advise them as they develop their recycling and waste-management programs.

ONLINE RESOURCES

- Coca-Cola Recycling: www.cokerecycling.com
- Eco Emballages: www.ecoemballages.fr
- Fost Plus: www.fostplus.be
- Plastic Heroes Campaign: www.plasticheroes.nl
- Recycle Zone: www.recycle-zone.co.uk
- RecycleBank: www.recyclebank.com
- Recycling at The Coca-Cola Company: www.livepositively.com/recycling
- Waste and Resources Action Program (including Courtauld Commitment): www.wrap.org.uk



Product Portfolio/Balanced and Active Lifestyle Highlights

- Developed clear key performance indicators (KPIs) to measure our portfolio
- Supported First Lady Michelle Obama's "Let's Move!" campaign by leading the beverage industry's labeling initiative, Clear on Calories
- Reduced beverage calories in U.S. schools by 88 percent since 2006 through the School Beverage Guidelines
- Appointed our first Chief Medical Officer to establish a global health and wellness strategy for employees



We have always been committed to offering our customers and consumers the products they want and need. Since our company's creation more than 20 years ago, our portfolio has evolved to offer more choice and more convenience. Today, the brands we manufacture and distribute reflect the changing needs of the consumers we serve across our territories.

We continue to support balanced and active lifestyles at local, national, and international levels through the product information we provide and the programs we endorse. In 2009, we strengthened our strategy, making us a natural partner for government agencies and other stakeholders who promote balanced diets and active lifestyles.

UNDERSTANDING OUR PRODUCT **PORTFOLIO CHALLENGES**

Due to the nature and structure of our business, there are several key issues that we must overcome to deliver our Commitment 2020 goal.

First, we must combat taxation threats. In 2009, the beverage industry faced significant taxation threats from legislators who believe that soft drinks are responsible for obesity. This challenge gave us the opportunity to respond and demonstrate that we are not part of the problem, but rather a key part of the solution. We firmly believe that when consumed responsibly our products do not contribute to this health issue. In 2009, we continued to improve the work we do to encourage healthy living by partnering with key policymakers and programs engaged in this debate.

Second is our limited control over the composition of our drinks. Because Coca-Cola Enterprises is a manufacturer and distributor of beverages owned by other companies, particularly The Coca-Cola Company, we ourselves do not develop the formulas for the drinks that we produce. While this gives us limited control over the nutritional content of our portfolio, by working with our customers and communities, we provide the brand owners with feedback on beverage sales and demands for new or enhanced products.

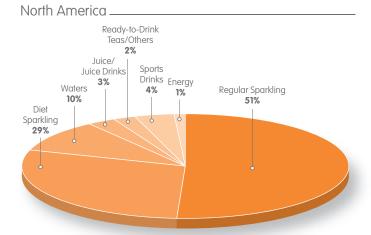
Third, because we do not own the brands, we carry out no direct brand-related marketing. Because speaking directly to consumers through marketing is a key platform to encourage balanced and active lifestyles, we choose to support healthy and active living programs for our employees, our customers, and the communities where we operate mainly through partnerships and programs.

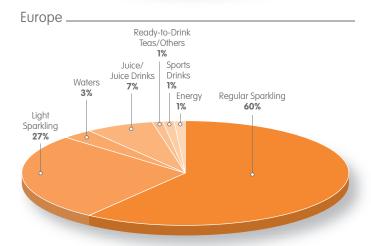
OUR PRODUCT PORTFOLIO STRATEGY

With these challenges as a backdrop, our strategy has four main components:

- Providing Choice: We are working hard to continue to diversify our portfolio — seeking to offer the right beverage and package size for every occasion in a balanced and active lifestyle, and measuring our progress against key performance indicators (KPIs).
- Nutritional Labeling: We label our products clearly to educate consumers about the ingredients and calories they are consuming.
- Responsible Sales and Marketing: We are engaging with parents, nutritionists, and educators. We voluntarily limit the beverages and serving sizes available in schools. We are engaging with new partners, including the White House, to give clear caloric information to consumers.
- Balanced and Active Lifestyles: We support programs that encourage and instill positive exercise and nutrition habits, especially in young people.

Product Portfolio by Volume





PROVIDING CHOICE

In addition to sparkling beverages, our product range today includes a wide variety of waters, juices and juice drinks, sports drinks, energy drinks, and ready-to-drink teas. We are growing our portfolio to meet consumers' wants and address their needs by offering products that provide energy boosts, are fortified with vitamins, or offer hydration.

We seek to offer a beverage for every occasion and consumer preference. While sparkling soft drinks have a place in a balanced and active lifestyle, we recognize that consumers have a wider range of beverage needs.

We have dramatically expanded our beverage portfolio through innovation, reformulation, acquisition, and new distribution agreements to cater to these new demands and to increase the functional benefits of the drinks we produce. For example, in North America, drinks with low or no calories made up 33 percent of

our portfolio offerings in 2009, a three-point increase from 2006. In Europe, our low- or no-calorie sparkling options made up 25 percent of portfolio offerings*. In North America, fortified beverages (those with added vitamins, minerals, or nutrients) increased from 22 percent of our portfolio offerings in 2006 to 34 percent in 2009. In Europe the picture is similar, with the percentage of our fortified portfolio offerings rising from 7 percent in 2005 to 15 percent in 2009.

Innovation and Reformulation

We are also increasing our use of natural ingredients. Recent additions to our portfolio, such as the glacéau and FUZE brands, are naturally flavored and free of artificial colors and preservatives. Other beverages are being reformulated to meet consumer demands.

In 2010 in the United States, we will introduce vitaminwater zero, a zero-calorie version of our popular vitaminwater brand. In Canada, we will launch vitaminwater10, which will contain the natural low-calorie sweetener Truvia and only 10 calories per serving. Truvia is the brand name for the Stevia-based sweetener used in our products. We will also launch a reformulated Fanta product line, made with 100-percent natural flavors, in North America. In Europe, we have reformulated Fanta Still by using Truvia, so that it now contains 30 percent less sugar and no artificial flavors or colors. In early 2010, this was introduced in France as the first European beverage to contain Truvia. France is also the first market worldwide to sell caffeine-free Coke Zero, launched in early 2010.

Acquisitions and Distribution Agreements

As the largest bottler and distributor of Coca-Cola products in the world, most of our portfolio consists of brands owned by The Coca-Cola Company, including Coca-Cola, Fanta, Sprite and Dasani, glacéau's vitaminwater and smartwater, and Minute Maid juices. However, in rare circumstances, we can diversify our portfolio by distributing other companies' brands.

In 2009, we began partnering with Ocean Spray in France and Great Britain to distribute their range of cranberry-based juice drinks. We also extended our agreements to include the distribution of Capri Sun juice and juice drinks in Belgium and the Netherlands, as well as Schweppes and Dr Pepper in the Netherlands.

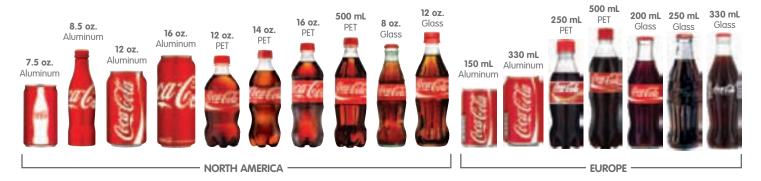
We have pre-established agreements to distribute additional brands. For example, we work with The Campbell's Soup Company to distribute their V8® range of fruit and vegetable juice and juice drinks in the United States and Canada. We distribute Monster energy drinks in North America and Europe, and Peace Tea and Honest Tea in the United States. We also distribute Evian and Dr Pepper in certain North American markets. Additionally, we have individual European country agreements, such as those to dis-

^{*}Portfolio offerings or stock keeping units (SKUs) represent the different products and packages in our portfolio. This measure differs from volume (as reported in the pie charts above).

A SELECTION OF NEW 2009 PRODUCTS

Product/Brand	Category	Calories (per 8-oz. serving)	Low- or Zero-Calorie Option	Facts and Functional Benefits	Available
vitaminwater10	Water	10	vitaminwater zero (launched in 2010) and vitaminwater10	Enhanced water with functional vitamins in a variety of combinations	Select North American Markets
Schweppes Abbey Well	Water	0	N/A	Natural mineral water	Great Britain
POWERADE with ION4 (new enhanced formulation)	Sports Drinks	50	POWERADE ZERO with ION4	Reformulated sports drink with four key electrolytes: sodium, potassium, magnesium, and calcium	United States
FUZE (selected flavors)	Juice Drinks	From 10 to 60	Slenderize products and some teas are low- and no-calorie	Juice and tea drinks with various functional benefits. New 2009 additions include: • Slenderize Goji Wild Berry: low-calorie, low-sugar with carnitine for metabolism • Goji Berry White Tea: polyphenols and vitamins • Defensify products: electrolytes and immunity-boosting vitamins	North America
Honest Tea Honest Ade	Tea and Juice Drinks	From 35 to 50	Select teas and ades are low-calorie	Organic and fair trade teas and organic ades, high in antioxidants, low in sugar	Select North American Markets
Peace Tea	Tea	50	No	100% natural tea with no preservatives, artificial flavors, or colors	United States
Ocean Spray	Juice Drinks	From 19 to 118	Cranberry Classic Light and Blueberry Light	Natural cranberry and blueberry juice drinks with vitamin C, antioxidants, and proanthocyanidins	Great Britain and France
Capri Sun	Juice Drinks	From 90 to 140	No	Juice with all natural ingredients	Belgium and the Netherlands

A Selection of Coca-Cola Package Sizes 500 Milliliters (mL) and Under



tribute Fernandes in the Netherlands and the Appletiser range of 100-percent sparkling juices in Great Britain.

New Package Sizes

Another way we provide choice for consumers and help them manage their calorie intake is to offer smaller-sized packages. In 2009, we introduced a new 90-calorie mini sleek can in the United States, replacing our previous 100-calorie (8-ounce) can. The new package contains 7.5 ounces, compared to a regular 12-ounce can. We converted all of our production lines from December 2009 to February 2010 in order to offer many of our sparkling drinks in this package. Currently, we offer Coca-Cola, Diet Coke, Coke Zero, and Sprite in mini cans; but we also offer Fanta, cherry Coke, Barq's Root Beer, and Seagram's Ginger Ale in more limited distribution.

Our 250-milliliter (8.5-ounce) aluminum bottle was launched in 2008 in North America for Coca-Cola, Coke Zero, and Diet Coke in certain channels. In all of our EU countries we provide 150-milliliter cans, and in Canada we launched a 237-milliliter can for juices in schools. We have reduced the sizes of the packages we provide in schools as part of our School Beverage Guidelines (see

"Responsible Sales and Marketing" on page 48). In Europe, 19 percent of our products are now available in package sizes that are less than 250 milliliters.

In Europe, where we sell fountain beverages, we have worked with our on-premise customers to limit cup sizes. In France and Belgium, we no longer sell branded cups larger than 500 milliliters in restaurant chains, leisure parks, and the majority of movie theaters. In Great Britain, we are discussing with the leisure industry the possibilities for similar cup- and portion-size limits and increased nutritional labeling on our products.

Measuring Our Progress

We are also enhancing our new product development processes, assessing new beverages in terms of how they support our CRS portfolio goals. We have developed key performance indicators against which we will continue to measure our portfolio and review our progress (see table). As a result of our no- and low-calorie beverages, the average calorie content of our portfolio by volume continues to trend under 60 calories per 8-ounce serving.

OUR PROGRESS IN 2009

Key Performance Indicators	2009 Baseline North America	2009 Baseline EU		
% of our products made available with no- or low-calorie content	33%	35%		
% of brand volume from packs that are 500 mL, 250 mL, or less	500 mL: 59% 250 mL: 1%	500 mL: 63% 250 mL: 19%		
% of our products made available that contain juice content or fortification benefits	34%	Juice: 38% Fortified: 14%		
% of brands with nutritional, caloric, or Guideline Daily Amounts (GDAs) labels on front of pack	100%	83% (Exceptions are waters.)		
Number of employees involved in Live Positively/Active Living programs	In the U.S., 19,000 employees completed the Staywell voluntary health assessment in 2009. Of these, 1,576 completed health management programs.			
	In Canada, 6,000 employees completed Live Positively training sessions.			
	In Europe, we are developing methods to track this data.			

CASE STUDY

LET'S MOVE!

In the United States, we are supporting "Let's Move!", a program led by U.S. First Lady Michelle Obama to combat childhood obesity and encourage healthy families. We have committed to make the calorie information for our products even more clear and consumer-friendly to help families make informed choices as part of a balanced lifestyle. The Clear on Calories initiative will have the following key elements, which we will implement over the next two years:

- Product labels will display total calorie counts on the front of all containers up to and including 20 ounces. Multiple-serving packages will be labeled with a 12-ounce serving size and 100-percent juices with an 8-ounce serving size.
- · Company-controlled vending machines will include labels that display calorie counts on selection buttons.
- Company-controlled fountain equipment will include labels that display calorie counts prominently.





66 This is exactly the kind of vital information parents need to make good choices for their kids. 99



U.S. FIRST LADY MICHELLE OBAMA ON THE CLEAR ON CALORIES INITIATIVE

NUTRITIONAL LABELING

To make smart choices, consumers need to know what their food and drinks contain, and how this information relates to a healthy diet. Therefore, we are placing nutritional information on the front of packages in all of our territories to help consumers make quick, informed decisions about the products they choose and how much they consume.

During 2009, we introduced front-of-pack labels that clearly display the calorie content per serving for select products in the United States. In 2010, we will show the calorie content per beverage container, rather than per serving. Voluntary labeling is also now underway in Canada, starting with sparkling beverages. By

2011, we will begin implementing front-of-pack labels across all of North America. We took this initiative one step further in early 2010 when the beverage industry was the first to support First Lady Michelle Obama's call for innovative industry initiatives as part of her "Let's Move!" program (see "Case Study" above).

In Europe, our nutrition labels show calorie content and key nutrients (sugar, fat, saturates, and salt content) through Guideline Daily Amounts (GDAs). We continue to explore new ways to equip consumers with clear and easy-to-use information.

We also provide supplemental information about our ingredients and nutrition on our pack labels to help consumers. Our energy

MEDIA ADVERTISING

The Coca-Cola Company's global marketing policy prohibits marketing to children under the age of 12. This policy covers all of its products and all marketing techniques.

This commitment was reinforced by the introduction in 2008 of global industry guidelines on marketing to children by the International Council of Beverages Associations. During 2009, the first independent assessment of compliance was conducted in 12 countries, including the U.S. and Canada. In these two countries, our industry was 99.8-percent and 98.7-percent compliant, respectively, with regard to television advertising. No violations were found in print or online media.

Similarly, the European food and beverage industry published the first report of its compliance with the EU Pledge, a voluntary commitment to the European Commission on advertising to children. Independent monitoring found that there was a 99.8-percent compliance rate for TV advertising and virtually 100-percent compliance for both online and print advertising. France was the only CCE country of the six surveyed.

SCHOOL BEVERAGE GUIDELINES IMPLEMENTATION

Region	In Support of	Commitments	Organizing Body	Independent Auditing	CCE Compliance (Self-Assessed)
Canada	Voluntary industry initiative	Guidelines in Schools	Refreshments Canada	Yes (98%)	100%
United States	Alliance for a Healthier Generation	School Beverage Guidelines	American Beverage Association	No	99%
Europe	EU Platform on Diet, Physical Activity & Health	UNESDA Commitments	UNESDA	Not undertaken in 2010 due to previously excellent performance	Not assessed

drinks, for example, are not only labeled for caffeine content — as required by law — but also carry a statement that they are not suitable for children, pregnant women, or those sensitive to caffeine. Where our products contribute to the recommended targets for fruit and vegetable consumption, such as Capri Sun and Appletiser in Europe and V8 in North America, this information is highlighted on packages and brand websites along with other information about product ingredients and nutritional content.

RESPONSIBLE SALES AND MARKETING

By engaging with parents, educators, nutrition experts, and public health authorities, we helped lead the development of industry guidelines that voluntarily restricted beverage sales in schools.

In the United States, we have nearly met our goal to achieve 100-percent compliance with these guidelines by the 2009–2010 school year. Our compliance rate is currently 98.5 percent. The remainder (constituting fewer than 300 schools) are non-compliant for contractual reasons.

The guidelines are all founded on the same premise: that we respect the right of parents and other caregivers to decide what beverages and serving sizes their children should consume during the extended school day. Throughout the U.S. and Canada, we restrict serving sizes depending on type of drink and the age of the children concerned, limit the calories, and provide more nutritional and functional options. At least 50 percent of the beverages we offer in North American high schools must be water and low- or no-calorie options. Since their implementation in May 2006, these guidelines have removed 88 percent of beverage calories from U.S. schools.

Implementing these guidelines was a huge task. In the United States, we removed full-calorie, non-compliant products and changed our vending machine fronts in each of the 31,000 schools. To monitor our compliance, we developed new tracking mechanisms and held bi-weekly management reviews over the three-year period. We have now fully integrated the guidelines into our ordering systems so that non-compliant products cannot be purchased by schools. We continue to track against our commitments.

In Europe, our activities differ slightly by country, depending on local concerns and legislation. In France, for example, we do not provide any drinks to schools; in the Netherlands and Great Britain, we provide drinks only to secondary schools, either indirectly through catering operations in the Netherlands or as controlled by law in Great Britain. We provide only waters and juices to primary schools in Belgium and a wider range of products in Belgian secondary schools. Independent monitoring has verified high levels of industry compliance with similar guidelines in previous years.

Although we now largely meet these commitments, we continue to engage in dialogue. In Great Britain, for example, The Coca-Cola Company published a Responsible Marketing Charter. This in-depth document not only guides our approach to marketing, but it also serves as a discussion of dilemmas and challenges.

SUPPORTING BALANCED AND **ACTIVE LIFESTYLES**

Helping people manage their caloric intake addresses only half their energy balance. To maintain a healthy body weight, people

66 As optimistic a person as I am, I have to admit that I am stunned by these results. I commend the good faith and aggressiveness of these companies in leading the industry to deliver healthier beverages to our schools.

> FORMER PRESIDENT BILL CLINTON, FOUNDER OF THE WILLIAM J. CLINTON FOUNDATION AND CO-LEADER OF THE ALLIANCE FOR A HEALTHIER GENERATION





must also expend through physical activity the excess calories they consume.

Therefore, we support sports and fitness activities everywhere we operate. We encourage people to take part in physical activities, help to make sport and fitness activities accessible, and demonstrate their importance in a balanced and active lifestyle. Most of our brands are aligned with balanced and active lifestyle initiatives. For example, Diet Coke supports The Heart Truth, the annual campaign by the National Heart, Lung, and Blood Institute to raise awareness about women's risk of heart disease, the number one killer of women in the U.S. Our FUZE beverages support Susan G. Komen for the Cure®, the global leader of the breast cancer movement. In Great Britain, POWERADE is the official hydration partner of the Great Events Series, which includes the Great North Run (the world's largest half-marathon), Team GB, the Rugby Football Union, and the Football League.

Balanced and Active Lifestyle Initiatives across Our Territories

Canada: We continue to be a key partner of ParticipACTION, Canada's leading authority on active lifestyles. As part of our fiveyear, \$5-million partnership, we are supporting SOGO Active, the nationwide movement to get Canadian teenagers moving. The innovative program gives young people the tools to design their own fitness plan and is based on a network of communitybased organizations and physical activity experts. More than 10,000 young people have been inspired to get active through this partnership.

Great Britain: Throughout 2009, in advance of the London 2012 Olympic Games, Schweppes Abbey Well water, the official water of the Games, invited people to swim for free on presentation of one "Schwim" cap from an Abbey Well 500-milliliter or 750-milliliter bottle. Five hundred swimming pools throughout the nation were involved, and in 2009 participants enjoyed 45,000 free swims.

Belgium: We have established several key partnerships with local and national sports-related organizations in Belgium. We sponsor the Special Olympics, an organization that provides year-round sports training and athletic competition for children and adults with intellectual disabilities, by offering financial support and providing products. We also have partnerships with the Royal Belgian Football Association; BLOSO, the Belgian sports agency; and Jeugdsportfonds Camille Paulus, an organization that promotes sports for young people through sporting organizations or youth groups. We also host an annual Velothon — a family day of cycling that is open to all employees.

L CASE STUDY

2010 OLYMPIC TORCH RELAY

In Canada, the highlight of our SOGO Active youth fitness program in 2009 was the Olympic Torch Relay. More than 1,000 Canadian teenagers were given a once-in-a-lifetime opportunity to take part in the relay that heralded the arrival of the Vancouver 2010 Olympic Winter Games. A panel of health and wellness experts chose the participants based on their demonstrated commitment to an active and environmentally conscious lifestyle.





CASE STUDY

WELLNESS COACHING YIELDS EMPLOYEE HEALTH IMPROVEMENTS IN BALTIMORE

In April 2006, our Baltimore, Maryland, sales facility partnered with Wellness Coaches USA to provide our employees with on-site wellness coaching in an effort to improve their health and reduce workplace injuries. Over the last three years, employees at the facility who participated in the program have seen dramatic health improvements and a significant reduction in workplace injuries. The following are some noteworthy statistics from the program:

- The number of Workers' Compensation claims decreased 48 percent. The amount of Workers' Compensation claims paid decreased 39 percent.
- An average of 78 percent of employees completed health risk assessments when the program started and again approximately 24 months later.
- 77 employees lost a combined 1,400 pounds.*
- 315 employees have had their blood pressure monitored. Of these, 106 employees improved their blood pressure readings. (34 of these lowered their blood pressure from initial readings above 140/90.)*

Bio-metric statistics that were actually measured during the bio-metric screening before and after program implementation

The Netherlands: An estimated 150,000 Dutch teenagers take part in our annual Mission Olympic program, the biggest youth sports activity in the country. The seven-year partnership between the Dutch Olympic Organization and Coca-Cola seeks to introduce as many young people as possible to different sports and encourage them to join sports clubs and lead a balanced and active lifestyle. Forty-three percent of all Dutch secondary students know about or have participated in a Mission Olympic activity. A key part is the Mission Olympic Final of the National School Sports Competition, held in the Olympic Stadium of Amsterdam. In 2009, 200 Dutch secondary schools participated in the Sports Competition and 5,500 young people attended the Final. The Dutch Coca-Cola sales force encourages schools to participate, and Coca-Cola Enterprises offers the Mission Olympic Tour — a day of workshops in emerging sports such as basketball rhythm and Capoeira — to a number of secondary schools.

France: Our inclusive approach to balanced and active lifestyles has resulted in specifically tailored activities for particular communities. For example, our Rennes by Night program keeps designated playing fields and swimming pools open until 3 a.m. to encourage participation by inner-city teenagers.

United States: Our facilities and our brands support a wide range of activities specific to each community in which we operate. In the United States, we are working with community partners to promote healthy and active living through support of community programs. We are working with the National Heart, Lung, and Blood Institute on The Heart Truth campaign, which seeks to raise awareness in women about their risk of heart disease. We are also a partner of the American College of Sports Medicine in the "Exercise is Medicine" campaign, which calls on physicians to assess and review every patient's physical activity. Additionally, we are working with Boys & Girls Clubs of America on their Triple Play program, which teaches children about nutrition, exercise, and teamwork to help them make positive food choices, enjoy sustained physical activity, and develop a sense of self-reliance. Since 2005, more than 4 million children have benefited from Triple Play. A two-year study of more than 2,000 children ages six to 18 showed that Triple Play succeeded in getting them to exercise more, eat healthier foods, and feel better about themselves. It has proved especially effective for girls.

Customers: Throughout our territories, we also partner with customers on active lifestyle initiatives at grassroots and corporate

66 The answer to fighting obesity is balancing the number of calories we consume with the number of calories we expend. Providing consumers with more information, specifically around caloric content, will enable them to make more informed choices and help manage energy intake. I commend Coca-Cola for their leadership in this area and encourage other companies to do the same.

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levels. For example, we are working with Kroger on joint programs around heart health and diabetes as related to our brands.

Employees

Our employees are an important target group for our efforts. We want them to lead active lifestyles and maintain balanced diets, and are putting programs in place to help them do so. In North America in 2009, we developed training for our employees on our beverages' ingredients and nutritional content, and the role of those ingredients in a balanced diet. We will introduce the training in 2010.

In 2009, we appointed our first-ever Chief Medical Officer for the company, who will help us to implement a new global health and wellness strategy for employees in 2010. In the meantime, a number of programs and policies throughout our territories provide employees with the tools needed for a healthy and balanced lifestyle. Some of our corporate benefits are as follows:

- Company healthcare insurance that provides an annual health assessment and free preventive care services for all employees covered in the United States
- Various options to supplement government-provided healthcare in Canada and Europe
- Support and resources to help employees who choose to lose weight, stop smoking, and manage stress, as well as information and support related to overall well-being and effectively managing chronic conditions
- Regular health education through local safety committees

Additionally, we have a number of health-based programs that are driven by our employees internally. These include:

- Health awareness screenings in Great Britain
- New fitness centers in CCE offices
- Running clubs and other employee-based fitness groups

PARTNERSHIPS AND PUBLIC POLICY

Proper nutrition and obesity are complex issues. To work effectively on these issues, we partner with a wide variety of stakeholder groups including sports and health organizations, government agencies, the broader beverage industry, and our customers.

Throughout our territories, the beverage industry has been highly supportive of government efforts to address obesity, highlighted by the Clear on Calories initiative in the U.S. and our commitments on beverage sales in schools.

Nevertheless, we oppose proposals for discriminatory and punitive taxes on sparkling beverages and juice drinks. To have a meaningful impact on obesity levels, we believe it is essential to educate the public, so that they can lead balanced and active lifestyles. In the U.S., we therefore support the Americans against Food Taxes coalition, whose members include the American Beverage Association, the Grocery Manufacturers Association, and the National Restaurant Association.

In Europe, we take a similar position independently and through our trade associations, aiming to engage collaboratively and constructively to fight obesity and promote a healthy active lifestyle, while opposing discriminatory beverage taxes. Together with The Coca-Cola Company, we are actively contributing to the EU Platform for Action on Diet, Physical Activity & Health and working on new industry-wide self-regulation commitments related to digital marketing and energy drinks. With The Coca-Cola Company, we are also actively part of the ongoing policy debate on nutritional labeling. At a country level, our participation differs depending on the issue, whether portion size, product availability, reformulation, active lifestyles, or nutritional information.

ONLINE RESOURCES

- American Beverage Association: www.ameribev.org
- Association of European Beverages Associations (UNESDA): www.unesda.org
- "Let's Move!": www.letsmove.gov
- · Live Positively: www.livepositively.com
- Mission Olympic: www.missionolympic.nl
- Refreshments Canada: www.refreshments.ca
- Schweppes Abbey Well Schwim Free: www.schwimfree.co.uk
- SOGO Active: www.sogoactive.com
- The Coca-Cola Company product nutrition website: http://productnutrition.thecoca-colacompany.com/welcome
- Truvia: www.truvia.com



Diverse and Inclusive Culture Highlights

- Revised our Total Rewards program in the United States and introduced our global Teleworking Policy to support the diverse needs of our employees
- Conducted our first global Employee Engagement Survey and found significantly improved levels of employee engagement from those seen in previous years
- Received a 100 percent score on the Corporate Equality Index of the Human Rights Campaign Foundation for our support of GLBT issues



At CCE, maintaining a diverse workforce and an inclusive culture is one of our three strategic business priorities. To connect with our diverse consumers, customers, and communities, our workforce must mirror them. However, our vision of a truly diverse and inclusive culture goes further than gender, race, ethnicity, and sexuality to creating an engaging workplace that thrives on all forms of difference. To be a leader in our industry and in business, we believe that our employees must bring different backgrounds, experiences, and interests to our discussions and actions. We at CCE believe that Diversity is Business.

UNDERSTANDING OUR DIVERSE AND **INCLUSIVE CULTURE CHALLENGES**

We want to ensure that we have created working environments in which absolutely everyone understands that they have a significant contribution to make. To do this we need to go beyond increasing numbers of women and minorities to creating a workplace that encourages global cultural competencies, accommodates working parents, and improves cross-generational communication. We want to reach our entire workforce, including those usually left out of a diversity discussion because they do not appear to have a vested or personal interest in the issue. We need to ensure that everyone understands the countless benefits diversity brings.

OUR DIVERSE AND INCLUSIVE CULTURE STRATEGY

In November 2009, we appointed a new Chief Diversity Officer, who has articulated a clear vision and ambitious plans for 2010.

Our approach to diversity and inclusion is based on measuring our progress and benchmarking our goals as we continue:

- Building an infrastructure to encourage and communicate our vision of diversity — including Diversity Councils, Employee Resource Groups, and specific diversity-related training
- Recruiting from a wide cross section of the communities we serve and actively working to improve the representation of women and minority groups in our management
- Retaining our talented workforce by ensuring that we provide competitive benefits for our employees, helping people to manage their careers through training, defining career paths, and offering a safe and healthy place to work
- Providing equal opportunities by enforcing policies and procedures that enable a fair and equitable workforce at all levels

MEASURING DIVERSITY

To establish a clear picture of diversity across our company, we undertook a detailed analysis of our workforce in 2009. In addition, we established baseline measures of inclusion and engagement levels among our employees.

In 2009, we employed 70,000 associates, of whom approximately 59,000 (85 percent) are based in North America and 11,000 (15

66 Diversity is a strategic priority for CCE. It is not only a key component of our corporate responsibility and sustainability commitments but also an integral part of our culture, our approach to our customers, and the multicultural communities in which we operate. Through our comprehensive global diversity strategy, we aim to enhance our company's ability to attract, develop, and retain a highly talented and diverse workforce that is representative of our communities so we can continue to serve them effectively. 77



CCE WORKFORCE PROFILE 2009

Our Workford	e	North America	Europe	TOTAL
TOTAL	Number of Employees	59,000	11,000	70,000
GENDER	Females in Workforce Females on the Board of Directors Females in Executive Roles Females in Management Roles Females in Non-Management Roles	14% N/A 21% 23% 10%	23% N/A 9% 37% 13%	15% 23% 18% 26% 10%
AGE	Board of Directors Members over 40	N/A	N/A	100%
ETHNIC DIVERSITY	Ethnically Diverse Employees Ethnically Diverse Members of the Board of Directors Ethnically Diverse Employees in Management Roles Ethnically Diverse Employees in Non-Management Roles	44% N/A 26% 44%	Not lawful to report N/A Not lawful to report Not lawful to report	N/A 23% N/A N/A

percent) work in our European operations. Full-time permanent employees account for nearly 95 percent of our workforce.

Women now represent 15 percent of our total workforce and 26 percent of our management. Both percentages have increased in the last 12 months, which reflects our global focus on improving gender diversity in our senior management (see "CCE Workforce Profile 2009" above). Our leadership teams are 15 percent diverse.

BUILDING OUR DIVERSITY AND INCLUSION INFRASTRUCTURE

Through Employee Resource Groups, Diversity Councils, and diversity training, we are working to build the infrastructure to support a diverse workforce.

Employee Resource Groups

In 2009, our Employee Resource Groups continued to gain momentum. These groups include Enterprising Women, the African American Business Network, GL@CCE (Gay, Lesbian, Bisexual and Transgender (GLBT) employees at CCE), and C.H.I.S.P.A. (the Hispanic/Latino group). These groups have significantly increased in size in recent years and now have more than 750 members in the U.S.

These groups conducted a wide range of activities, ranging from awareness-raising, mentoring, training, and networking within our company to outreach activities in our communities. As a result, they are helping to create a better workplace at CCE and to develop relationships with diverse suppliers, customers, consumers, and communities.

During 2009, all groups expanded to Tampa, Florida, our location with the highest concentration of employees after our corporate offices. We also continued to establish our Enterprising Women group in France, Elles@Coke.

In 2010, we will assist our Employee Resource Groups to expand further. We have already set up Web portals for group collaboration across our territories and are developing resources and toolkits to ensure their continued success. Additionally, in 2010, we will support new groups that represent other communities in our workforce.

Diversity Councils

While we have had a Global Diversity Council for many years, in early 2009 we established an overarching European Council, followed by Business Unit Diversity Councils in Canada, Great Britain, France, Benelux, and our EU Supply Chain. By the end of March 2010, our Diversity Councils for each of our North American business units will be operational. Business unit councils are chaired by vice presidents and general managers. The councils support our diversity and inclusion plans, while also embedding our vision into business unit initiatives and driving local project implementation.

Diversity Training

Our diversity and inclusion education builds employees' capabilities with regard to working and managing in a diverse and inclusive culture. Specifically, we are developing training on issues such as microinequities, multicultural customer competency, and unconscious bias. We are also working to embed diversity into our broader training programs, such as our values and leadership

development programs. In 2010, we will be launching a field campaign to raise awareness and increase diversity and inclusion activities at our local facilities.

RECRUITMENT

In 2009, we enhanced our recruitment procedures to ensure a wider range of applications from a diverse pool of candidates.

We continue to advertise through a broad range of media and events and engage with professional organizations, such as the National Society of Hispanic MBAs and the National Black MBA Association in the U.S. Our Employee Resource Groups are also helping with outreach.

In 2009, we launched our University Talent Program (UTP) across all of our territories, seeking to develop a pipeline of future leaders for our business. Through our dedicated model, which provides manager and University Relations Team support, as well as a structured training curriculum, we aim to provide the tools new associates need to define their career path and develop their leadership skills within CCE.

In the first year of the UTP, 79 positions were offered across the U.S. and the EU, of which 39 were full-time and 40 were internships. U.S. participants were 47 percent female and 34 percent ethnically diverse. In Europe, women accounted for 50 percent of graduate recruits. Canada began the program in late 2009 and will recruit seven associates in 2010.

Additionally, we upgraded our global careers website to provide a more comprehensive overview of our company, our values, and the variety of careers we offer. In Europe, our new corporate advertising features people who work for CCE, focusing on their passion and achievements, as well as their diversity (see "Case Study" below).

RETENTION AND PROMOTION

CCE is committed to offering our employees the tools they need to grow and the opportunities they want to excel. We actively work to retain and promote employees to build a first-class team.

Turnover Rates

In 2009, our voluntary turnover rate was 14.1 percent, down from 15.7 percent in 2008. This is the fourth consecutive year that our overall turnover rate has fallen. While macroeconomics had an impact in 2008, we believe our targeted efforts in consistent onboarding and clear leadership were responsible for the continued trend in 2009. Along with our engagement survey results, our retention rate shows that we are increasingly providing an engaging workplace.

Our 2009 turnover rates for minorities remained a little higher than for the business as a whole, at 15.3 percent — a trend aligned with other companies in similar industries.

Promotion/Succession Planning

We actively seek to improve the representation of all women and diverse groups among our management. For any open leadership position, we now require a diverse slate of candidates to be

Voluntary Turnover Rates 19.7 20% 18.2 15.7 16% 14.1 14% 12% 10% 2006 2007 2008 2009



CASE STUDY

SHOWCASING OUR EMPLOYEES IN EUROPE

CCE has been a longstanding employer in France, Great Britain, Belgium, Luxembourg, and the Netherlands and has invested heavily in manufacturing, even during the recession. To showcase our pride in our employees and the care with which they do their jobs, we launched a campaign in 2009. Advertisements were placed in British and French national and regional newspapers featuring CCE employees from our manufacturing plants in Wakefield and East Kilbride in Great Britain and Grigny, Pennes-Mirabeau, Clamart, Castanet-Toloson, and Dunkerque in France. It illustrated that although we are a global brand, we employ dedicated local people. The campaign was well received by both





considered and ensure that leaders taking part in interview panels for these positions are diverse. In 2009, 38 percent of our newly hired or promoted leaders were women, and 21 percent were minorities.

We have incorporated specific diversity goals into the performance objectives of all our senior leaders. These range from goals to establish diversity councils to requirements to increase diverse hires and retain diverse talent. Through our Talent Management Review (TMR) process we also strive to ensure that our diverse talent is developed and prepared for succession. We undertake two Talent Management Reviews per year, during which leaders highlight talented employees, based on performance and potential, and prepare appropriate developmental action plans for them. This process allows us to ensure that we have a pipeline of good diverse candidates ready for leadership positions. Where we lack a suitable pipeline, we work with talent acquisition to ensure that our workforce is a reflection of the communities where we operate.

In Europe, where women have been underrepresented in our leadership, we surveyed female managers to identify the greatest obstacles to their development and retention. As a result, we have implemented programs such as manager toolkits and coaches to support women returning from maternity leave. We also have piloted listening groups in parts of Great Britain for support and advice about achieving a balance between motherhood and the workplace. In France, 63 percent of new management positions were filled by women in 2009 and our facility in Clamart, France, for example, now has 55 percent female managers in its workforce.

Career Development and Training

Since 2007 we have been reviewing our learning and development processes, and our 2009 engagement survey confirmed that this should be a key focus area. Annual performance reviews help employees reach their full potential. We provided performance appraisals to all eligible employees in 2009. In late 2009 we defined clear global processes to develop our people consistently across geographies. Offering similar on-boarding programs, executive coaching, and a standardized Talent Management Review in all geographies helps all employees become increasingly productive, valuable members of our team.

Our TMR and performance reviews determine the training needs of our employees. Throughout 2009, we invested significantly in training, delivering 625,498 hours, a 37-percent increase from 2008. On average, each employee received 8.7 hours of training, up from 6.5 hours in 2008. In particular, we invested in leadership development. We provided 55,093 hours of leadership training to help new managers to grow into their new roles and to allow seasoned managers to improve their management techniques.

In addition to formal training, we also redesigned our mentoring program in late 2009 with pilots scheduled for the spring of 2010. Through our TMR process, we will identify candidates for formal mentoring. Those selected to serve as mentors will be trained through the Human Resources HeRe portal. Along with our TMRrelated formal mentoring process, we will also use the HeRe portal to develop and promote an informal mentoring system in which anyone can participate.

Workplace Benefits

We offer health and welfare benefits and retirement plans, depending on eligibility rules and geographic locations. These plans are funded by our general assets, asset-holding trusts, and insurance contracts.

In 2009, we introduced our new approach to Total Rewards in the United States. The Total Rewards program covers health, money, career, and other programs that support employees' personal needs. To develop our new Total Rewards strategy, we compared our U.S. programs to those of other national companies in our



markets to determine where we stand competitively. We also gathered feedback from employees and executives through surveys and focus groups. We used all of this information to make changes to certain U.S. benefits to ensure that the dollars invested align with programs valued by our employees.

Most notably, we updated our U.S. 401(k) plan and increased our employer matching contribution, making our overall retirement program more competitive. To improve awareness and encourage saving for the future, we implemented an automatic-enrollment feature beginning in 2010. Approximately 16,000 employees were enrolled in the plan in January 2010 as a result of this feature, and the majority of our employees are now actively saving for retirement.

To address employees' needs for better work-life balance, in 2010 we will provide our U.S. workforce with an additional week of vacation in their first through fifth year with our Company. Additionally, long-service employees will receive an additional week of vacation at 20 years and another week at 30 years of service, for a total of six weeks of vacation. Another change intended to encourage a better employee work-life balance is our new Teleworking Policy, which defines the boundaries for home working.

In addition, we developed a suite of new programs and policies in 2009 to provide additional resources to employees. Notable is our Commuter Benefit program in the U.S., which offers pre-tax vouchers for bus, train, parking, and other public transport use. In working to provide the best, most comprehensive environment for our employees and their families, we have committed to providing a Survivor Support program that offers financial counseling to employees or their spouses after the passing of their spouse or domestic partner.

In 2009 we streamlined our healthcare programs in the U.S. to provide a clearer choice and better benefits to fit our employees' needs. We are now developing a global strategy for employee health and well-being, based on the areas of health concern most relevant to our employees and linked to our Product Portfolio/ Balanced and Active Lifestyle focus area. For further information see "Employees" on page 51.

We seek to reward employees appropriately and competitively for their contributions to making CCE a successful business. In 2009, we paid \$5 billion in salaries and benefits. In addition to basic salary or hourly wages, employees may be eligible to participate in incentive programs that reward individual, group, or company performance; stock purchase programs; and tuition assistance for job-related courses. We also have a scholarship program for children of North American employees (see "Our Communities" on page 60).

Fundamental to these changes has been our new portal, HeRe, which was launched in June 2009 to make our Human Resources processes and policies more transparent and accessible. The HeRe portal is an online, 24-hour Web-based tool that allows all of our employees to access vital HR information. Employees now have quick and easy access to everything from viewing their payslips to

OUR FIRST GLOBAL EMPLOYEE ENGAGEMENT SURVEY

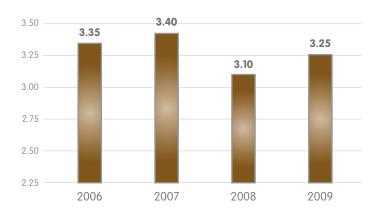
In 2009, approximately 85 percent of employees took part in our first global engagement survey conducted on our behalf by Towers Watson. This 72-question survey included seven questions on our approach to diversity and inclusion. Encouragingly, employees gave diversity and inclusion an overall score of 82 percent, placing us ahead of the fast-moving consumer goods (FMCG) norm. Women rated us the same or higher than our total workforce on these diversity and inclusion questions. In the U.S., our approach was scored slightly higher than our total workforce among Asian employees, slightly lower among African-American employees, and approximately the same among Hispanic/Latino associates.

In general, the survey found significantly improved levels of employee engagement from those seen in previous surveys. Our overall engagement score has risen 14 percentage points since the 2007 survey to 79 percent. (Most companies would expect increases of only 2 percent per year.) Levels of engagement at CCE have now moved from slightly below to above the norm for FMCG companies to well above the FMCG norm, and in some cases exceeding the Global High Performing Companies (GHPC) norm. The top three drivers of engagement our employees identified were leadership, CRS, and development and training.

While we have a good foundation, the survey showed that we still have work to do to communicate our broader vision of a diverse and inclusive culture. We are now working with engagement champions and leaders of each business unit and function to implement and communicate action plans. During 2010, we will track our progress. We will conduct our next global survey of employee engagement in 2011.



Global Lost-Time Incident Rate



enrolling for benefits. The portal was launched with training tools, demonstrations, and simulations to make the transition easy for employees. In tandem with the Web-based portal, we have created several HR Services Centers where HeRe team members can answer employees' questions via toll-free telephone numbers.

Safety

Providing safe and healthy working environments is a pre-requisite to the work we undertake on diversity. In 2009, our lost-time incident rate stabilized around three claims per 100 full-time-equivalent employees, with more than 120 of our facilities achieving zero lost-time accidents. Among these is our Colwall, England, facility, which celebrated its 10th consecutive year without lost-time accidents.

Health and safety performance across our business is not yet uniform. Through root cause analysis and risk assessments, we are focusing our efforts on the leading causes of accidents. For example, because back injury accounts for the greatest number of lost-time incidents, in 2009 we developed and piloted a series

of training videos reinforced by weekly e-mail video updates to educate supervisors on how to help their employees prevent such accidents. Following the successful pilot, we are now rolling out the program in North America.

We are also focusing on improving driving safety across our business. In North America, where we have an extensive fleet, we have partnered with the National Safety Council on defensive driving. Our training teaches fundamental driving skills, as well as how to react to others on the road. We provide the course for all new hires in driving-related positions who have companyassigned vehicles, as well as to current drivers of CCE vehicles, if required. Last year we trained 11,250 drivers. In addition, in 2009 we piloted the display of a toll-free hotline telephone number on 3,000 branded vehicles so that the public can report any concerns with a driver's safety. This pilot was successful, showing a 24-percent reduction in vehicle accidents in comparison with the previous year. Subsequently, we have increased the pilot to 10,500 vehicles across North America. We continue to receive both concerns and compliments from those who call the hotline. In Europe, our safe driver program is addressing priority risks in our fleet of trucks and company cars. Early results have shown a dramatic reduction in driving incidents.

For each role in our company, we conduct safety risk assessments and develop targeted, needs-based safety and health plans, campaigns, toolkits, and training. In each of our production, sales, and distribution facilities, we have health and safety committees that implement our safety programs at a local level.

Building employee involvement and accountability is another focus. In North America, although our first priority is to prevent illnesses and injuries, we are also helping employees who experience minor injuries or illnesses to remain in work or make an earlier return. We are piloting a safety suggestion process, and our



▲ CASE STUDY

ZERO LOST-TIME ACCIDENTS IN PUEBLO, COLORADO

Over the last year, our Pueblo, Colorado, facility has improved its health and safety performance from 18 losttime incidents during 2008 to zero in 2009. This drastic improvement is due to the enthusiasm of the Sales Center Manager and Warehouse Supervisor and the new safety practices they have introduced:

- Expanded Safety Committee: The facility's safety committee includes hourly-employee representatives from each department as well as management. These representatives rotate on a quarterly basis so that everyone has an opportunity to be on the committee.
- · Departmental meetings include safety: Safety Committee members now review toolbox talks and ask for safety concerns to be highlighted in department meetings.
- "Safety Bucks" incentives: Management has introduced "Safety Bucks" an incentive-based program that rewards safe acts on the job. Employees receive tokens they can redeem for tools, televisions, and other items.
- Stretching program: A program of stretching in the warehouse twice a day helps to prevent injuries.



safety leadership team considers and responds to all suggestions received. Our site-level health and safety committees also develop innovative ways to involve employees in safety processes, using ideas like regular rotations of committee members or safety bingo games. In Europe, we are extending our tailor-made behavioralbased safety program across all territories.

In 2009, we developed our first five-year plans for safety programs for Europe and North America. All 15 European production facilities are OHSAS 18001-certified, and we will implement OHSAS 18001 certification plans in North America in the next few years. To prepare for this roll-out we are completing Job Hazard Analyses, through a series of templates that facilities can customize and use as supporting documentation to ensure OHSAS 18001 compliance. In 2010, we plan to complete four OHSAS/IMS gap assessments and certifications to determine the roadmap for completion of all facilities.

PROVIDING EQUAL OPPORTUNITIES

We strive to offer a work environment that is fair, safe, and encourages open and honest dialogue, where all employees are treated with dignity, respect, honesty, and fairness. As a signatory to the UN Global Compact, we commit to supporting internationally recognized human rights.

Employees are encouraged to raise their workplace concerns or issues through a variety of channels that include 24-hour access to our new HeRe portal, a committed team of HR professionals, and our 24-hour confidential Ethics and Compliance hotline. In North America, the Office of the Ombudsman offers employees a means to discuss workplace concerns in a confidential, impartial, and informal way. In 2009, our Ombuds Office assisted 2,665 callers. Additionally, in 2009 our Alternative Dispute Resolution program, Solutions, recognized by the Harvard Law School, received 77 calls regarding workplace issues and facilitated the successful

EMPLOYEE SPOTLIGHT

Attorney Kamla Alexander encouraged our Legal department to begin an innovative diversity reporting requirement for external law firms contracted by our company. Her program asks our most frequently used law firms to provide monthly reports on the percentage of our work that is done by women, minorities, and self-identified GLBT. This program has shown us how we can promote diversity among mainstream suppliers of professional services. We formally recognized Sutherland Asbill & Brennen for their ability to increase the CCE work done by women or minority attorneys to 55 percent in 2009. Kamla and the legal team will be expanding this process to include more law firms in 2010.



resolution of 83 percent of these to the satisfaction of both the employee and the company. All of these programs are promoted throughout our operations, and details are included in annual mailings to each employee's home address. Our high engagement scores indicate that these programs are successful in resolving workplace issues collaboratively.

Approximately 70 percent of our employees are self-represented. Other grievance processes are available to union-represented employees.

PARTNERSHIPS AND PUBLIC POLICY

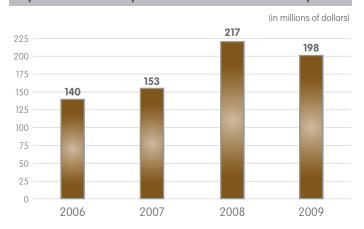
Beyond our own operations, we promote diversity and inclusion in the marketplace and in the communities where we do business.

Our Suppliers

In 2009, we revised our supplier diversity policy, making it global in scope and extending it to include commitments to support GLBTand veteran-owned businesses. We also began to expand our program beyond the U.S., becoming a member of the Canadian Aboriginal and Minority Supplier Council (CAMSC). During 2009, we participated in CAMSC trade fairs and events to begin identifying potential suppliers.

In 2009, our first- and second-tier spend with businesses owned by women, minorities, and veterans was \$198 million. An example of work with diverse suppliers in 2009 is the agreement we made

Spend with Minority and Women's Business Enterprise*



Reduced spending in 2009 was due to a reduction in our production volumes and the bankruptcy filing by one of our core diverse suppliers.

*Spend with Minority and Women's Business Enterprise includes first- and second-tier suppliers only.

with a minority-owned cup manufacturer. Because no diverse supplier existed in this area, we helped to successfully develop this minority-owned startup. Our first shipment of cups arrived in early 2010.

In 2009, we were honored to have two employees externally recognized for their work in supplier diversity. Joe Raia, senior procurement manager, was named Buyer of the Year for helping to substantially increase CCE's annual spend with women-owned firms and for his overall involvement in helping women-owned businesses. This award was given by the Greater Women's Business Council (GWBC), which services Georgia, North Carolina, and South Carolina. Valerie Nesbitt, CCE's director of supplier diversity, received the Advocate of the Year Award. This award is presented to an employee of a major corporate/government member of GWBC for "extraordinary efforts to assist and support women business owners."

Our Customers

Although we have longstanding relationships with diverse customers in the communities where we operate, multiculturalism has become central to our business strategy. In conjunction with The Coca-Cola Company, we are developing e-learning tools for our sales force to help them connect with customers from different communities. Our Employee Resource Groups are also helping us to develop new partnerships with customers. Enterprising Women in Atlanta has helped to build a relationship with TJX, a leading retailer of apparel and home fashions, by organizing philanthropic events with them. Our Tampa GL@CCE chapter was instrumental in replacing our competitor as the preferred beverage vendor at the St. Petersburg Pride Festival. The Chapter also provided Nestea sampling and recycling infrastructure, making our brand and our commitment to diversity and inclusion visible to more than 80,000 people during this event.

Our Communities

We engage with our local communities to support diverse causes and organizations where possible.

French President Nicolas Sarkozy recognized CCE for our support of the ambitious Hope for the Suburbs project, which promotes equal opportunity and social diversity. For the second consecutive year, we recruited 15 percent of our new hires from underprivileged urban areas in France. In these suburbs, unemployment among young people, especially minority groups, can be double the national average. In 2009, we also supported the



For the second consecutive year, CCE received a 100 percent score on the Corporate Equality Index of the Human Rights Campaign Foundation for our support of GLBT issues. We were also included on the list of Best Places to Work for GLBT Equality, U.S.



CASE STUDY

GL@CCE

With support from GL@CCE, we received a 100 percent score on the Corporate Equality Index of the Human Rights Campaign (HRC) Foundation for the second consecutive year. This has two direct business benefits. First, we reach potential employees by being recognized in the Human Rights Campaign's Best Places to Work list. Second, we were included in the HRC's annual Buying for Equality guide, which identifies brands produced by companies that support Gay, Lesbian, Bisexual, Transgender (GLBT) equality. Working with our procurement function, GL@CCE is also helping us identify potential GLBT suppliers. In our communities, the group has helped us support events, such as Pride festivals in Atlanta and Tampa, and charitable causes. In 2009, we were honored to receive the Out and Equal Heroes Award for our support for inclusion in Atlanta.



first Boarding Schools of Excellence program, a new school system that gives talented young people from these suburbs the benefits of education in a supportive environment. We continue to support our longstanding Passport to Employment program, which helps prepare 2,500 young people from these areas each year for the world of work.

In 2009, following the retirement of our highest ranking African-American woman, senior executive Vicki R. Palmer, we created and funded a scholarship program in her honor. Starting in 2010, our company will provide \$25,000 in annual scholarships to Spelman College, a prestigious and historically black women's college in Atlanta. The Vicki R. Palmer Scholarship provides financial support and career training to Spelman students with academic promise, financial need, and a proven commitment to community service. This program recognizes Ms. Palmer's dedication to community service, diversity, and empowerment of women throughout her 25-year tenure in the Coca-Cola system.

In addition to the Vicki R. Palmer Scholarship, we support other programs, including the Coca-Cola Scholars Foundation (CCSF) and the CCE Johnston Legacy Scholarship (JLS) program. The CCSF, which we co-sponsor with The Coca-Cola Company, provides achievement-based college scholarships to 250 high school seniors each year, which can be used at any accredited U.S. college or university. Beginning in 2009, CCSF also began sponsoring the Coca-Cola All-State Community College Academic Team program, providing \$400,000 in stipends to students across the country. These two nationally recognized programs award \$3.4 million annually. Internally, CCE proudly provides 100 college scholarships annually to children of North American employees as part of the CCE Johnston Legacy Scholarship program. This program awards scholarships totaling \$650,000 and is a powerful opportunity for our employees' children, many of whom are first-generation college students.

ONLINE RESOURCES

- CAMSC: www.camsc.ca
- CCE careers: careers.cokecce.com/careers.aspx
- CCE Supplier Diversity: www.cokecce.com/pages/_content.asp?page_id=105
- Coca-Cola Scholars Foundation: www.coca-colascholars.org
- Corporate Equality Index: www.hrc.org
- National Safety Council: www.nsc.org
- Ombudsman: http://ir.cokecce.com/phoenix.zhtml?c=117435&p=irol-govombudsman
- UN Global Compact: www.unglobalcompact.org
- Vicki R. Palmer Scholarship: www.spelman.edu/palmerscholarship/index.shtml

Stakeholder Engagement



To achieve our Commitment 2020 goals, we must draw on the guidance and support of our stakeholders. By listening to their concerns and collaborating with them, we address priority issues for our business while also contributing to our broader sustainability goals.

During 2009, we continued to develop our relationships with our stakeholders. By communicating with external experts, thought leaders, nongovernmental organizations (NGOs), and customers, we formed new relationships and gained valuable perspective.

In particular, we developed innovative ways to engage and gather feedback. New digital and technological advances are creating communication opportunities for us. We focused specifically on the social media space by launching Facebook and Twitter pages to keep interested stakeholders informed about our day-to-day corporate responsibility and sustainability (CRS) initiatives. We also launched a new corporate CRS website, crs.cokecce.com, which contains all of our most up-to-date CRS information. To further embed technology into the way we conduct business, we entered into a partnership with Cisco and installed their telepresence technology in our main offices around the world. This technology allows us to have virtual "face-to-face" meetings both internally and with stakeholders, reducing our air travel.

Our Chairman and Chief Executive Officer, John Brock, launched CRS in Action Week (see page 12) with our first-ever global Virtual

Town Hall meeting. Connecting our leadership with employees throughout our territories, the broadcast articulated our CRS vision and allowed for real-time questions and interaction. Mr. Brock and other members of our senior leadership team also engaged directly with CRS opinion leaders, environmental bloggers, and journalists during a live Q&A session as part of our first virtual facility tour.

In-person meetings continue to be fundamental to our approach to engagement. In Canada, we held our second Sustainability Roundtable in the months leading up to the Vancouver 2010 Winter Olympics. Hosted by John Brock, the forum was attended by more than 50 representatives from government agencies, NGOs, and businesses. Participants discussed challenges and best practices in water stewardship, climate protection, and sustainable packaging and recycling. In Great Britain, 200 external stakeholders, including local politicians, NGOs, and community organizations, joined us to hear about our future business plans and our sustainability commitments. In 2010, we will continue to hold similar events to hear stakeholder views on specific issues. The Water Roundtable (see "Case Study" on page 63) is our first example.

STAKEHOLDER ENGAGEMENT ACTIVITIES

Stakeholder Group	How We Engage with Them on CRS
NGOs	Roundtable sessions, listening tours, strategic partnerships, Board memberships, Internet-based engagement
Employees	Employee engagement surveys, focus groups, newsletters, intranet, community volunteering days, CRS in Action Week
Suppliers	Supplier Guiding Principles program, work on carbon and water footprinting
Customers	Dedicated customer management teams
Consumers	Consumer research, responses from consumers, satisfaction surveys, focus groups (through The Coca-Cola Company)
Governments and regulatory bodies	Briefings, meetings, regulatory filings
Local communities and civic organizations	Community engagement programs, volunteer days, facility tours, CRS in Action Week, local replenishment projects
Investors, shareowners, and analysts	Annual Report and CRS Report, quarterly conference calls, shareowner meetings
The Coca-Cola Company	Top-to-top Coca-Cola bottler meetings and regular contact at all levels within the organization
The media	Press releases, new forms of digital media such as Facebook and Twitter

We are integrating CRS into existing processes with other stakeholder groups. This work includes joint business planning with customers, supplier relationship management, and shareowner communications.

OUR STAKEHOLDERS

NGOs and Public-Private Partnerships

As our CRS programs grow in complexity and scope, we work with NGOs, think tanks, and other expert organizations that are able to help us better understand and address the impacts of our operations and our broader value chain. We have broad global partnerships or memberships with certain organizations such as the UN Global Compact, World Wildlife Fund (WWF) (through The Coca-Cola Company's partnership), and the International Business Leaders Forum, of which our Chairman and CEO, John Brock, is a member of the Americas International Advisory Council. We also collaborate with a variety of leading NGOs in each of our environmental focus areas.

To ensure that our goal for water stewardship continues to put us on a path to leadership, we worked closely with the World Resources Institute (WRI), World Wildlife Fund (WWF), The Nature Conservancy (TNC), and local groups to implement replenishment projects. We also worked with the University of Twente in the Netherlands and the Water Footprint Network to calculate our first product water footprint (see page 27). For energy conservation guidance, we remained in close dialogue with ADEME in France and the Carbon Trust, which helped us set up and verify our CRS in Action Week Carbon Challenge. We also worked toward establishing a baseline and goal with the EPA Climate Leaders program. We have worked with several key NGOs to enhance our recycling programs, in particular RecycleBank, and have also been recognized by Keep America Beautiful for our waste reduction and recycling initiatives. In Europe we continue to work with Fost Plus, the Waste and Resources Action Programme (WRAP), and Eco-Emballages on packaging-related issues.

Employees

According to our 2009 employee engagement survey (see page 57), CRS is now the second most important driver of engagement at CCE. Our CRS efforts play a key role in making our employees feel involved, committed, and satisfied at work.

In 2009, we worked to communicate our CRS strategies and activities to employees in new ways; our goal was to involve them in implementing our commitments, telling our story, and making sustainability a way of life at work and at home. The most fundamental of these was our hands-on CRS in Action Week (see page 12), our single biggest employee engagement initiative to date, engaging more than 70,000 employees across all our territories in community activities and educational events supporting our five focus areas. At the end of the week, 90 percent of employees surveyed said that our efforts made them proud to work for CCE. As part of CRS in Action Week, CCE introduced Everyday Heroes, a campaign that recognizes employees who go above and beyond to make CRS a part of their everyday lives. CCE Everyday Heroes inspire innovation throughout our company by saving money and

STAKEHOLDER WATER ROUNDTABLE

In early 2010 we convened our first roundtable on water sustainability. We invited a range of subject matter experts: academics, NGOs, representatives from The Coca-Cola Company, government officials, and consultants specializing in water issues. Our goal was to better understand the definition of corporate leadership on water challenges and hear attendees' views on two key water sustainability issues: efficiency and replenishment. We heard that leadership in water stewardship would involve working to reduce the impacts in our supply chain as well as focusing on efficiency in our operations. We learned that we should prioritize our water initiatives by location and base our location choices on risk and scarcity issues; community, social, and environmental impacts; and water quality and quantity impacts. Ultimately, we were told, it should be our goal to link these issues to other issues such as climate change and agriculture. Over time, CCE's approach must evolve from one of "doing no harm" to "creating positive impacts" and actively helping to solve water-sustainability challenges. We will revise our water stewardship and replenishment strategy based on these recommendations in 2010.



resources, creating a diverse and inclusive culture, and advocating for our brands. We had 16 Everyday Heroes across our territories in 2009.

We are also communicating our CRS efforts to employees through our employee magazine and our intranet. Following our CRS Summit in February, our employee magazine, UNITE, ran a series of issues throughout 2009 based entirely on our five CRS focus areas. Our intranet is a repository of CRS-related information and includes daily stories highlighting our CRS work and achievements. In addition, in 2009 the majority of our Executive Leadership Team began blogging and video messaging on our intranet, which provided another way to incorporate CRS messages, where relevant, in employee communications. However, because we realize that not all employees have access to computers, we are introducing digital signage throughout our territories in 2010. This project will give us the ability to ensure that CRS updates reach employees who do not have easy computer access at work.

Our Suppliers

CCE has approximately 60,000 suppliers; therefore, the social and environmental impacts of our supply chain are considerably greater than those of our own business. To date, we have worked with suppliers to develop technologies and products, such as our hybrid trucks, that reduce our environmental impacts. However, we now want to address the environmental impacts within our supply chain itself.

In 2009, we spent more than \$11 billion with our suppliers, 93 percent of which was spent in our countries of operation. At a minimum, we expect all of our suppliers to adhere to our Supplier Guiding Principles (SGPs), which follow those of The Coca-Cola Company. These include standards for health and safety, human rights and labor, environment, and business integrity. They emphasize the importance of responsible workplace policies and practices that comply with applicable environmental and labor laws and regulations, at a minimum. They are communicated in writing as part of supplier agreements as well as through

the execution of an SGP assessment program focused on a validation of supplier compliance to all Supplier Guiding Principles.

During 2009, we began to include environmental criteria in our supplier relationship management process in Europe, and in 2010 we will host an EU CRS Supplier Summit. The goal of this event is to strengthen collaboration with our key suppliers and determine how we can work more closely together to help ensure a sustainable supply chain.

Our SGPs were included in contracts accounting for 87 percent of our spending with suppliers in 2009. We conduct routine assessments of suppliers' compliance with our SGPs and ask for corrective actions to be taken if needed. Coca-Cola Enterprises works closely with TCCC to conduct supplier, auditor, and Coca-Cola system training and awareness of SGP principles.

We use a number of agricultural products, particularly sugar, in our beverages. Therefore, the sustainability of our business depends on the health of our agricultural supply chain. We are working with The Coca-Cola Company, which authorizes many of these suppliers, to incorporate sustainability criteria into our long-term ingredient-purchasing plans. Our water footprinting work (see page 27) will also allow us to work strategically in our agricultural supply chain to tackle our major areas of impact.

Customers

More than 1.2 million customers, ranging from small independent retailers to large international chains, help us sell our beverages to consumers. We seek to be their most valued supplier.

As sustainability becomes a more prominent part of the agenda for customers, it has become a new way for us to engage and add value to our relationships with them. In North America, we have established a Customer CRS Steering Committee composed of CCE customer team representatives and CRS specialists to develop strategies that support our customers' sustainability agendas and share CRS best practices. CRS is now built into the annual business



▲ CASE STUDY

MAKING OUR PLASTIC FANTASTIC WITH CARREFOUR

In France, from April 15–27 2009, we launched a successful cross-merchandising campaign to raise awareness of environmental issues and recycling by selling a range of Coca-Cola branded T-shirts made from recycled PET, displayed on point-of-sale material made from recycled materials. The promotion was carried out in 144 hypermarkets, where 10,000 leaflets on CCE's recycling commitments were distributed. In the two weeks of the campaign, approximately 35,000 T-shirts and 9,000 baseball caps were sold. This kind of promotion is just one element of our wider sustainability work with Carrefour, based on the CRS scorecard we have developed together. We have already installed our EMS-55 energy management system on 28 percent of their coolers, and we are investigating new ways to collaborate to reduce our supply chain and distribution impacts.



planning process with customers, and in 2010 CRS will be integrated into training for our customer and sales teams. For the first time, we participated with The Coca-Cola Company in Walmart's Sustainability Index, providing key environmental and social data and information to our largest customer to help it develop methods to appraise its suppliers in the future.

In Europe, we commissioned Forum for the Future, a highly respected sustainable development organization, to carry out research into customer sustainability trends and identify areas for improvement and possible future collaboration. Forum for the Future interviewed 14 retailers in 2009 on their sustainability strategies and likely future plans. The report, "Sustainability Trends in European Retail," which is publicly available, shows that climate change, carbon reduction, waste, and packaging are clear priorities for our biggest European customers. In addition, water was identified as an emerging concern on which they would welcome our expertise.

We set annual quantitative targets for customer satisfaction and measure performance in the marketplace and customer feedback using such tools as the Cannondale PowerRanking, Performance Monitor, and Voice Tracker in North America, and Advantage Group surveys in Europe. In 2009, for the fourth consecutive year, we remained top supplier in the Advantage Group rankings of most valuable suppliers in Great Britain, and we were the #1 supplier to Asda supermarkets for the fifth year.

Consumers

As consumers grow increasingly concerned about climate change and other environmental issues, as well as health and well-being. we are working with The Coca-Cola Company to equip them with information and assist in their personal sustainability and balanced lifestyle efforts. For more information on how we help consumers manage their caloric intake and encourage balanced and active lifestyles, see "Supporting Balanced and Active Lifestyles" on page 48.

Our most visible consumer engagement continues to be through our on-the-go recycling programs (see "On-the-Go Consumer Recycling" on page 38). In 2009, an estimated 300,000 people took part in activities run by our Coca-Cola Recycling Education Vehicles in North America. In the EU, our recycling programs reached more than 100 million visitors to public locations in Belgium and Great Britain. CCE co-financed the Plastic Heroes campaign, which seeks to connect every household in the Netherlands with recycling information (see "Partnerships and Public Policy" on page 41).

We also want to provide consumers with answers to some of the environmental questions they might have about our products. Coca-Cola products are global brands, but we want consumers to know that they are made by local people, in local communities, and have different impacts depending on package type, production location, and manufacturing process. In 2010, we will pilot a program called "Trace My Coke" in Great Britain. This initiative will allow consumers of our Coca-Cola products to select the brand (Coca-Cola, Diet Coke or Coke Zero), the package type (can, plastic, or glass bottle), and the CCE manufacturing facility where the beverage was made (identified by a two-letter code on the neck or bottom of the drink). The consumer can then access information about the product and its production history, including information about its carbon footprint, details about the manufacturing site, and information about the environmental performance of the facility where it was produced. This experience will help our consumers understand which stages of the production process most impact the environment. "Trace My Coke" will also launch in France and Belgium at the end of 2010.

The Coca-Cola Company is largely responsible for consumer engagement and research, monitoring brand performance and consumer trends. Our consumer response centers continued to monitor consumer feedback and issues. In the EU, we received 40,863 consumer contacts, of which 33 percent were complaints. Our rate was 1.31 complaints per million units sold, 1 percent lower than the previous year. In 2009, we received 982,772 consumer

contacts in the U.S., of which 7 percent were consumer qualityrelated complaints. This means that our rate was 2.76 (complaints per million units sold) as of January 2009, five percent lower than in 2008.

Our Communities

Although we are an international business, many of our facilities have long histories as smaller independent bottling companies with deep roots in their local communities. We endeavor to maintain these strong community connections by responding to local needs and concerns. Last year in Europe we launched a series of advertisements making this point and stressing our pride in operating in these communities (see "Case Study" on page 55).

Working with NGOs and government agencies, we support a range of community initiatives with a particular emphasis on our five CRS focus areas. Typically, programs include watershed protection and replenishment, recycling and anti-littering initiatives, and balanced and active lifestyle programs, as well as programs that promote equal opportunities.

Our voluntary contributions to communities in 2009 totaled \$14.9 million, despite the economic downturn. This figure includes charitable, in-kind, and monetary contributions, community programs, and product donations.

Our core business activities also allow us to generate significant economic benefits for our communities. In 2009, we employed around 70,000 people, paying salaries and benefits of \$5 billion; however, our business supports many more jobs throughout our value chain. In 2009 we paid in excess of \$1.5 billion in taxes to national, provincial, state, and local governments. Additional taxes were generated by employee income, sales, customs duties, municipal charges, packaging recovery fees, rates, and levies.

Public Policymakers

As a responsible company, we strive to be transparent in our approach to public policy. We believe that government alone cannot resolve issues such as climate change and water sustainability, given the scale and complexity of the issues, and that the private sector increasingly has a role to play in helping to develop solutions. We seek to play our part in public policy debates, contributing our expertise and resources as necessary.

Throughout this report, we identify our position in our key focus areas. We support measures that are effective in addressing the core issues of sustainability, efficient in reducing waste, and equitable in their approach. While we are prepared to play our part, we oppose measures that single out individual products or industries, such as soft drink taxes or bans on bottled water.

We meet directly with officials and policymakers as well as work through industry associations such as the American Beverage Association, Refreshments Canada, and the Union of European Beverages Associations. All such engagement is subject to our Code of Business Conduct and is closely monitored.

In the U.S., our employee-funded Political Action Committee (PAC), a separate legal entity, contributed \$326,750 to political entities. These contributions are distributed in a non-partisan manner and disclosed appropriately. In Canada, contributions are made only through the industry association Refreshments Canada. In Europe, we do not make political contributions.

Our Shareowners

Investors and analysts are increasingly focused on climate change and other aspects of CRS; therefore, we continue to disclose more CRS information to investors through our Annual Report, this annual CRS Report, and our CRS website. This year we included global climate change as a specific risk in the Form 10-K of our Annual Report. For the fourth consecutive year, we provided a detailed overview of our carbon emissions and our climate change strategy to the Carbon Disclosure Project, which acts on behalf of more than 500 institutional investors.

Additionally in 2009, we increased our engagement with key sustainability ratings agencies and indices including the Dow Jones Sustainability Index, KLD/Risk Metrics, Eiris, and Bloomberg. We try to maintain the most up-to-date CRS information with these organizations, so that socially responsible investors can gain an accurate picture of CCE's CRS performance. In 2009, we were again listed on the FTSE4Good index, one of the world's most widely recognized indexes of socially responsible companies.

ONLINE RESOURCES

- CCE Supplier Guiding Principles: www.cokecce.com/pages/_content.asp?page_id=96
- Sustainability Trends in European Retail, Forum for the Future: www.forumforthefuture.org/files/Sustainability trends in European retail Sept09.pdf
- The Coca-Cola Company Supplier Guiding Principles: www.thecoca-colacompany.com/citizenship/pdf/SGP_Brochure_ENG.pdf
- Trace My Coke: www.cokecorporateresponsibility.co.uk/journey-of-a-coke/trace-your-coke.aspx
- Virtual Facility Tour: http://crs.cokecce.com/virtualfacilitytour

We are measuring and recording data to help us track and improve our CRS performance. The table inside lists our goals and records our 2009 progress, allowing direct comparison with 2007 and 2008. All data is global unless specified as North



America (NA), United States (U.S.), or Europe (EU). The table also cross-references where our data relates to the Global Reporting Initiative's (GRI) sustainability reporting guidelines and supports the particular principles of the UN Global Compact.



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COMMITMENT 2020 DATA SUMMARY

FOCUS AREA	GOAL	DATA / KEY PERFORMANCE INDICATOR	2007	2008	2009	PAGE	GRI	UNGC	
3	Reduce the overall carbon footprint of our	Overall CO ₂ emissions, direct and indirect (million metric tons)	6.11	6.05	5.4	15-17	EN 16, EN 17	7, 8, 9	
	business by 15% by 2020, as compared to our 2007 baseline	Energy use in operations (facilities) (terajoules)	6,560	6,520	6,377	18	EN 3, EN 4		
		Fuel use in fleet (million liters)	203 ²	206 ²	223	N/A	EN 3, EN 29		
		Energy saved through conservation and efficiency improvements	Not calculated; initiatives described in Report	Not calculated; initiatives described in Report	Not calculated; initiatives described in Report	18-23	EN 5		
		CO ₂ e emissions reduced	Not calculated; initiatives described in Report	Not calculated; initiatives described in Report	Not calculated; initiatives described in Report	18-23	EN 18		
		Energy used by SME (billion megajoules)	24	26	NA: 17.5 EU: 5.3	N/A	EN 5, EN 6, EN 7 (partly)		
A	Establish a water sustainable operation in which we minimize	Water use ratio (average) (liters water per liter product produced)	1.77	1.73	1.67	26	EN 26	7, 8, 9	
	our water use and	Total water use (billion liters)	36	35	33	26	EN 8		
	replenish the amount of water in all of our beverages to the local communities in which we operate	Water discharged to municipal treat- ment plants (billion liters)	20 ³	15³	13.2	29	EN 21		
(T)	Avoid use of 100,000 metric tons of packag-	Packaging materials avoided (metric tons)	15,254	NA: 31,000 EU: 6,300	NA: 30,695 EU: 4,782	34	EN 26	7, 8, 9	
	ing (3% total packag- ing use) by 2010	Avoided packaging as a proportion of total used (%)	1.4	2.7	3.9	N/A	EN 1 (partly)		
	Include 10% average recycled content in PET bottles where commercially viable; 25% in EU	Recycled PET content (%)	3.6	4	NA: 3.2 EU: 10	35-36	EN 2		
	Recover 230,000 metric tons of beverage packaging by 2010 Recover and recycle more than 90% of waste in all our facilities by 2010	Packaging recovered (metric tons)	Not calculated	125,000 ⁴	160,000 ⁴	38	EN 27 (partly)		
		Number of facilities recycling more than 90% waste	12	26	57	37-38	EN 22 (partly), EN 26		
1	Provide refreshing beverages for every	% products made available with low- or no- calorie content	New KPI in 2009 New KPI in 2009		NA: 33% EU: 35%	44, 46	PR 1 (partly)	N/A	
ป	lifestyle and occasion, while helping consum- ers make informed beverage choices	% brand volume from packs that are 500 mL, 250 mL, or less			NA: 500 mL 59% NA: 250 mL 1% EU: 500 mL 63% EU: 250 mL 19%	46	PR 1 (partly)		
		% of our products made available that contain juice content or fortifica- tion benefits	New KPI in 2009		NA: 34% EU: Juice 38% EU: Fortified 14%	44, 46	PR 1 (partly)		
		% brands with nutritional, caloric or Guideline Daily amount labels on front of pack	New KPI in 2009		NA: 100% EU: 83%	46	PR 3		
		Number of employees involved in Live Positively/Active Living programs	New KPI in 2009		>25,000	46	LA 8		
		Compliance with industry school beverage guidelines	U.S.: 35% CAN: N/A ⁵ EU: N/A ⁶	U.S.: 90% CAN: 75% EU⁵	U.S.: 99% CAN: 100% EU ⁵	48	PR 6, PR 7		
	Create a culture where diversity is valued,	Females in Workforce	New KPI in 2009		NA: 14%, EU: 23%	54	LA 13	1, 6	
25	every employee is a respected member	Females on Board of Directors	15%	17%	23%	54	LA 13		
	of the team, and	Females in Executive Roles	New KPI in 2009		NA: 21%, EU: 9%	54	LA 13		
	our workforce is a reflection of the com-	Board of Directors Members over 40	100%	100%	100%	54	LA 13		
	munities in which we operate	Employees in Executive Roles over 40	New KPI in 2009		NA: 97% EU: 98%	54	LA 13		
		Ethnically Diverse employees on Board of Directors	23%	25%	23%	54	LA 13		
		Supplier spend with Minority-and Women-Owned Business Enterprise (U.S.\$)	>153 million	>217 million	>198 million	60	EC 9		

ADDITIONAL DATA

DATA TYPE	PERFORMANCE INDICATOR	2007	2008	2009	PAGE	GRI	UNGC
Environmental Expenditures	Environmental Protection expenditures and investments (U.S.\$)	Not calculated	34.8 million	33.3 million	8	EN 30	7, 9
Environmental Certifications	Total facilities with Environmental Management Systems (ISO 14001 or TCCMS)	N/A ⁷	N/A ⁷	NA: 18 EU: 16	11	N/A	7, 8
Environmental	Spills (no. of incidents)	168	156	167	N/A	EN 23 (partly)	N/A
Compliance	Fines (U.S.\$)	3,400	5,350	41,0008	N/A	EN 28	N/A
Financials	Total revenues (U.S.\$)	20.9 billion	21.8 billion	21.6 billion	6	EC 1	N/A
	Free cash flow (U.S.\$)	785 million	655 million	872 million	6	EC 1	N/A
Economic	Salaries and Benefits (U.S.\$)	3.9 billion	4.8 billion	5.0 billion	57, 66	EC 1	N/A
Value	Corporate taxes paid (U.S.\$)	1.4 billion	1.4 billion	1.5 billion	66	EC 1	N/A
	Community Investment Contributions (U.S.\$)	31.5 million	43.6 million	14.9 million ⁹	66	EC 1	1
	Payments to suppliers (U.S.\$)	11 billion	11 billion	11 billion	64	EC 1	N/A
	Spend on locally based suppliers (% total spend)	93	93	93	64	EC 6	1
	Defined benefit plan obligation (U.S.\$)	3.7 billion	Described in report	Described in report	57	EC 3	1
Employment	Total Workforce	73,000: NA: 62,500, EU: 10,500	72,000: NA: 61,000, EU: 11,000	70,000: NA: 59,000, EU: 11,000	6, 7, 53, 54	LA 1	1
	Full-time permanent employees	95%	95%	95%	54	LA 1	
	Benefits provided to full-time employees	Described in Report	Described in Report	Described in Report	56-58	LA 3	
	Voluntary Turnover (%)	18.2	15.7	14.1	55	LA 2	
Health and Safety	Total facilities with Occupational Health and Safety Management Systems (TCCMS or OHSAS 18001)	N/A ⁷	N/A ⁷	NA: 20 EU: 18	11, 59	LA 6 (partly)	1
	Lost Time Incident Rate (claims per 100 full-time employees)	3.4	3.1	3.25	58	LA 7 (partly)	
	Preventative Health Programs	Described in Report	Described in Report	Described in Report	51, 58-59	LA 8	
Training and	Training provided per year per employee (hours)	Not calculated	6.5	8.7	56	LA 10 (partly)	6
Development	Employees receiving performance appraisals (%)	NA: 58%, EU: 100%	All eligible employees	All eligible employees	56	LA 12	
Human Rights	Employees covered by collective bargaining agreements (%)	36	33	>30	60	LA 4, HR 5 (partly)	1, 2, 3, 4, 5,
	Supplier spend that includes Supplier Guiding Principles (% of total spend)	76	82	87	64	HR 1	6, 10
	Suppliers that have undergone screening on human rights	Not reported	21 (indirect material commodities)	Not reported	N/A	HR 2, HR 6, HR 7 (partly)	
Product Quality	Total facilities with Quality Management System (TCCMS or ISO 9001)	N/A ⁷	N/A ⁷	NA: 59, EU: 16	11	PR 1	N/A
	Total facilities with Food Safety Management System (ISO 22000)	N/A ⁷	N/A ⁷	NA: 23, EU: 12	11	PR1	N/A
	Consumer Complaints (per million containers sold)	<3	2.65	NA: 2.76, EU: 1.31	65-66	PR 5	N/A
Public Policy	Political contributions (U.S. only) ¹⁰ (U.S.\$)	344,826 (PAC)	435,813 (PAC), 40,000 (Corporate)	326,750 (PAC)	66	SO 6	N/A
Ethics and Compliance	Code of Business Conduct	Described in Report	Described in Report	Described in Report	11	SO 2, SO 3, SO 4 (partly)	10

¹ In last year's report, 6.1 million metric tons was reported for 2008, however this number represents our 2007 baseline.

² Approximate values only

³ Approximate values only

⁴ This is North America only; in Europe we work with industry organizations and cannot isolate our own contributions. We are working to find ways to accurately track this data.

⁵ Not Calculated

⁶ In Europe, compliance is measured for the industry as a whole, not by company. The most recent audit in 2007 showed 94% of the beverage industry no longer markets sparkling beverages in elementary schools.

⁷ Cumulative total provided in 2009 column

⁸ The increase in fines this year was due to one larger fine for a permit violation at Elmsford; the permit had the wrong legal identity on the form.

⁹ Includes charitable, in-kind, and monetary contributions, community programs, and product donations. The change between 2008 and 2009 is due to a recoding of our data, which now removes sponsorships and more accurately portrays our community and charitable giving.

 $^{^{10}}$ In Canada, contributions are made through the industry association and in Europe no political contributions are made.





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