




Environment Review

This is more than just a briefing; it's an invitation to a conversation.





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For more information on how we promote healthy lifestyles and market our drinks responsibly see our **Health and Wellness Review**. 



ABOUT US

The Coca-Cola Company and its bottling partners worldwide manufacture and sell non-alcoholic drinks to refresh and hydrate people, with moments of simple pleasure – more than 1.6 billion times per day.

Nature provides water, raw materials and all the other ingredients required for our 3,000 local product varieties in over 900 local manufacturing plants. In Europe, we have 180 different brands, produced in 116 plants across the Continent. So protecting the environment protects our business and all the communities in which we operate. It really is that simple.

The Coca-Cola Company is present in 38 countries in Europe and we have been around for quite some time – our products have been on sale in Great Britain since 1900 and we have had manufacturing operations in Italy since 1927.

Ours is a franchise system, organised through separately owned and operated bottling companies, which allow us to conduct business on a worldwide scale while maintaining a local approach. In Europe we have 20 bottling partners, including two of the biggest bottlers in the world, Coca-Cola Enterprises Inc. (CCE) and Coca-Cola Hellenic Bottling Company S.A. (CCH). Our European business is organised into 10 business units – Alpine & Adriatic; Southern & Eastern Europe; Iberia; Nordic; Benelux; Northern Central Europe; Poland; France; Germany; Great Britain & Ireland and Italy.

IMAGINE A BETTER WORLD

A world where all people have access to safe water, where packaging has a life beyond its original use, and where communities are healthy and prosperous. This is our vision.

The Coca-Cola Company and our bottling partners are committed to making a lasting, positive difference in the world. We are constantly innovating to keep our products affordable and make our business more environmentally and economically beneficial to the communities we serve. And we believe that investing in the economic, environmental and social development of communities will help business grow.

LIVE POSITIVELY

Building a culture of sustainability and social responsibility begins at home, with the people who work for our Company and bottling partners.

We have embedded our commitment to sustainability into a framework we call 'Live Positively'. For Coca-Cola, sustainability means making the right choices today, so that future generations will not have fewer choices tomorrow. It means using resources without depleting them. In order to be a sustainable business we need the world and the communities we operate in to be sustainable. We want our whole organisation to prosper in a way that helps the world prosper.

In order to be a sustainable business we need the world, and the communities we operate in to be sustainable – to be enduring. Our products will bring optimism and refreshment to people and their production will add value to society through the creation of employment and profitability, with the minimum impact on the environment.

We believe
sustainability is a **pre-condition**
of profitability, not an afterthought

ABOUT THIS REVIEW

This environment review covers the main issues, achievements, objectives and activities that The Coca-Cola Company and its bottling partners have in Europe. Its intent is to tell an overall story, the story of our engagement with the environment – not only our achievements and commitments, but also the areas where we could use some help. We see it as an invitation to a conversation.

It contains a lot of data and figures, yet it does not aim to be a fully-fledged independently-verified report. If you are looking for the latter, you should have a look at our global environment report and citizenship report www.thecoca-colacompany.com/citizenship. You can also consult the sustainability reports of our two main European bottlers, CCE is on www.cokecce.com and CCH is on www.coca-colahellenic.com.

The performance data you find in this review is from 2008 and is for our business in Europe only, aggregated across all of our bottling partners.

Finally, if you are more interested in our story and performance at the local level, please have a look at our national websites, many of which contain national environment and/or sustainability reports.

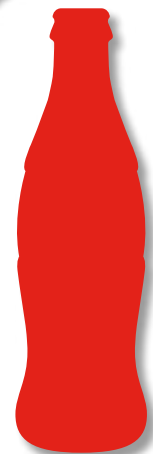
After taking a careful look at our global issues, Coca-Cola identified the **three environmental areas** which are most relevant to our business, where the company could and should take action itself. These are **water stewardship, energy management and climate protection and sustainable packaging**. They form the bulk of this review.

When looking at the business of Coca-Cola, people often tell us that it's hard to see beyond the Coke bottle – a timeless global icon that most have known all their lives. So this time we have asked the help of a bottle of Coke to tell its own story.

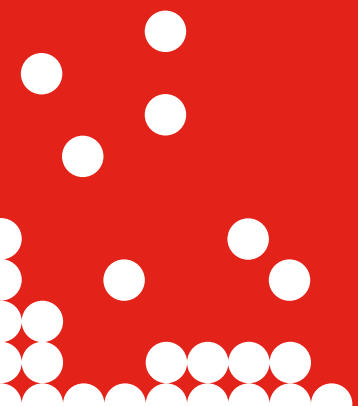
As a 'global citizen' I am well aware of the value of ecosystems and keen to talk about pressing issues such as climate change. I know that people who buy my drinks take an active interest in environmental issues and rely on me to act responsibly. My positive, upbeat approach to life convinces me that by working together we can make a real difference for the future. Here are the big issues:

Water Stewardship Energy Management and Climate Protection Sustainable Packaging

The environment is a significant business issue




It's hard
to see
beyond
**the
Coke
bottle**
– a timeless
international
icon. So we
have asked
a bottle of
Coke
to help
in telling its
own story





Water Stewardship

The main ingredient found in every bottle of Coke[®] and in all its varieties, is water.





My story



The main ingredient found in every Coca-Cola product is water, and all the other natural ingredients require water to grow. So I regard water as being borrowed from the environment, and ensure it is returned in good condition to nature and people.

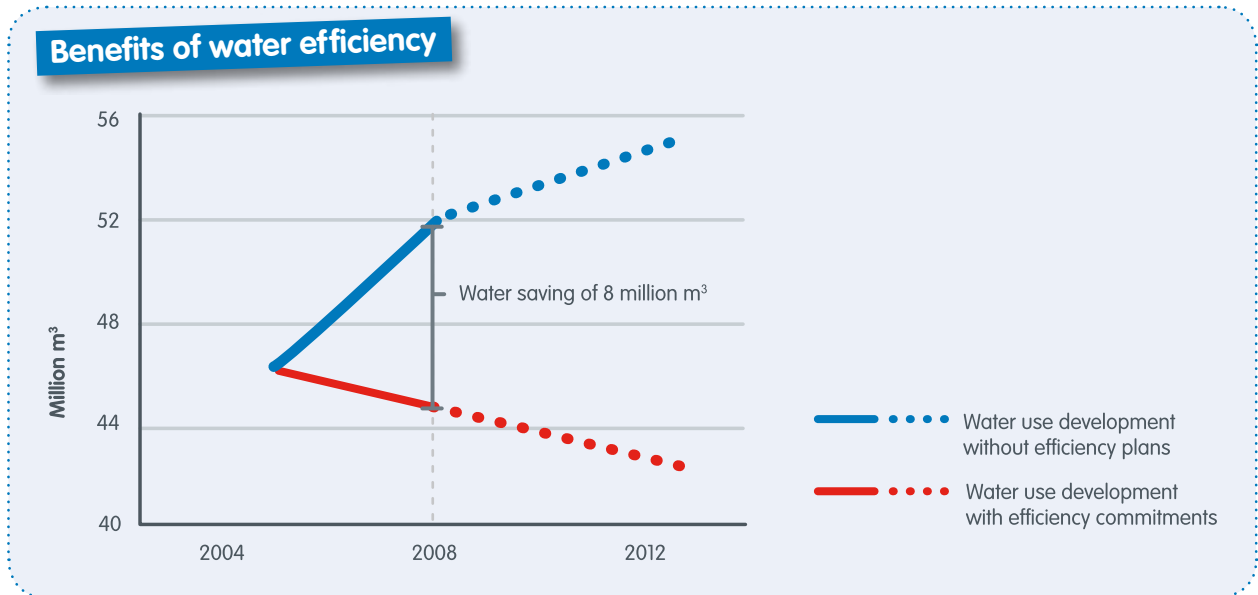
I am passionate about explaining the importance of water for the functioning of the Earth's ecosystems. I am also keen to explain that one of the effects of climate change will be reduced availability of water, yet providing more water usually requires energy and the consumption of fossil fuels, which in turn contributes to climate change.



WHY DOES WATER STEWARDSHIP MATTER TO COCA-COLA?

Water is an infinitely renewable natural resource, but is nevertheless in short supply in some parts of Europe. Meeting the needs of people, agriculture and businesses can have adverse effects on rivers and wetlands. In some drier regions of the world, water shortages are already acute. Climate change and population growth will make things worse, particularly in the most vulnerable parts of the world.

Water is the principal ingredient of all our drinks. It is essential directly in their production, and indirectly in growing the fruit, spices and sugars from our agricultural supply chain. Without water we would not have a viable business. That is why water stewardship is our principal sustainability concern.



WHAT ARE OUR OBJECTIVES AND TARGETS IN EUROPE?

- **Reduce.** We are increasing the efficiency of our water use by 20% between 2004 and 2012.
- **Recycle.** We are ensuring that all the wastewater from our processes is returned to the environment at a standard that is clean enough to support aquatic life or use by farmers. In 2008, 96% of our plants met this standard. Our target for 2010 is 100%.
- **Replenish.** We are protecting watersheds and supporting community water programmes. Our long-term goal is to be 'water neutral' by 2020, returning to the environment as much water as we take out for our drinks and processes.



All the wastewater from our processes is returned to the environment at a standard that is clean enough to support aquatic life

**Reduce
Recycle
Replenish**

WHAT ACTIONS ARE WE TAKING?

Reducing our use of water

In Europe, we have reduced our total water use every year, while growing our business. In 2008, we reduced our Water Use Ratio to 2,11 litres of water per litre of drink produced, an improvement of 15% since 2004. In total, we used around 44.5 million m³ of water, which is about as much as 200,000 European households use in a year and 1.3 million m³ less than in 2007.

About half of this water goes into our drinks. The other half is used for essential tasks such as cleaning and rinsing. With the help of WWF (see right) we have developed an interactive water efficiency toolkit to help plant managers minimise these uses of water in our production processes. This has led to significant new investments and has contributed to tangible reductions in our water use.



Recycling water to the environment

It is important that our manufacturing processes return clean water to the environment. To achieve our standard that directly discharged water must support aquatic life, we need to remove detergents and organic substances, for example from juices and sugar. This has required investment into primary and secondary treatment at many of our plants. The standards achieved are frequently higher than required by local regulations.

OUR GLOBAL PARTNERSHIP WITH WWF



WWF is the world's leading conservation organisation, working in 100 countries for nearly half a century. With the support of almost 5 million members worldwide, WWF is dedicated to delivering science-based solutions to preserve the diversity and abundance of life on Earth, halt the degradation of the environment and combat climate change. Freshwater ecosystems are a top priority for WWF.

Our multi-year partnership recognises the fact that water is fundamental to both of us. By uniting our networks and people we believe we can do more than we could on our own. Our aims for the partnership are to:

- Measurably conserve seven key freshwater river basins, including the Danube
- Improve the efficiency of our water use by 20%
- Support more efficient water use in our agricultural supply chain, beginning with sugar
- Decrease our absolute carbon dioxide emissions and energy use to 2004 levels, and by a further 5% in developed countries

Under the umbrella of the global partnership, numerous local cooperations have developed in European countries, for example in Spain, Poland and Hungary. www.panda.org



We are reducing our
total water use every year and returning
clean water
to the environment

Protecting and replenishing watersheds

We are assessing water risks across all our European operations and investigating the vulnerability of local water sources. Based on these assessments we are developing Source Water Protection plans together with local stakeholders.

Watersheds hold natural reserves of water in the environment. They are important to us, to wildlife, to communities and to many other sectors of society. That is why we aim to replenish water resources by giving back to nature and communities what we use for our beverages. To make this aim tangible, we are developing a tool to quantify the concrete benefits of our replenish projects to water resources and local communities. Across Europe, we are actively involved in more than 18 local projects with a wide range of partners (see case studies).

We have a particular focus on the vast and complex Danube river basin. Working with WWF, we are supporting measures to improve water resources, wetlands, and natural habitats. With ICPDR (see below) we are developing new ways of engaging communities.

LIBERTY ISLAND, HUNGARY



Liberty Island is a valuable nature reserve, drinking water source and a haven for wildlife in the Danube near Mohacz in Hungary. Overuse and human interventions have led to increased silt in the water resulting in negative impacts on local water quality and habitats.

The joint project with WWF Hungary, Coca-Cola and stakeholders with the support of an EU Life+ grant, will restore natural river flows, replant native species and provide valuable nesting grounds. The island will be integrated into the national park for a long-term heritage protection.

We aim to replenish water resources by giving back to nature and communities

ICPDR – THE GREEN DANUBE PARTNERSHIP

The Danube river system is the most international in the world, spanning 19 countries with over 80 million people. The river and its many tributaries are important for wildlife for commerce and for people.

In 2005, Coca-Cola set up the Green Danube Partnership with the International Commission for the Protection of the Danube River Basin (ICPDR) to take on this challenge.

The Green Danube Partnership is now active in 10 countries, with activities including conservation, awareness-raising and education. Governments, NGOs and educational bodies are all closely involved.

The annual Danube Day held on 29th June, is the world’s largest river festival. Thousands of people now participate actively in this celebration every year and many more hear its important message of water conservation.




www.danubeday.org

The Danube Box is a comprehensive new educational tool for teachers, covering all aspects of the river, from ecology to history. www.danubebox.org and www.icpdr.org



Coca-Cola's water stewardship across Europe



Europe: Working with the European Water Partnership on water stewardship

Great Britain: Thames 21 Clean-up

Germany: 350,000 children benefit from the Danube Box

Slovenia: 'Water's Forever' project aims to bring the river to life for young people

Austria: Danube Challenge for 9-13 year olds

Poland: Supporting the salmon restoration programme for the Vistula River Kropka Beskidu Fund for community projects

The Danube: The Green Danube Partnership with ICPDR and Coca-Cola Hellenic Protecting and Greening the Danube with WWF

Slovakia: Children join the Danube Challenge in Austria

Hungary: Ecosystem restoration and resource improvement at the 'Liberty Island'

Romania: Helped local communities to secure funding for local water supply and sanitation

Greece: Three-year system 'Mission Water' programme with GWP-Med, rainwater harvesting, clean-ups and awareness-raising activities

Spain: A2horra water saving advice sent to 14,000 clients Guadiana River Recovery

The Sava River: The Sava Partnership, with the International Sava Commission (ISC), The Coca-Cola Company and Coca-Cola Hellenic covering Slovenia, Croatia, Bosnia & Herzegovina and Serbia

Italy: Environmental education programme aimed at families in the local community of Monte Vulture, a theatrical water-tour across 30 cities and the distribution of 3,500 water-saving kits in schools

Croatia: River Gacka eco-tourism project

GUADIANA RIVER PROJECT



The Guadiana River Basin in Spain and Portugal, covering around 12% of the Iberian Peninsula, was once rich in wildlife. Much of the area has been degraded by human activities, including over-abstraction for agriculture, pollution, clearance of woodland, forest fires and building on flood plains.

Nevertheless, rare species such as the black stork and imperial eagle survive, as do areas of important habitats like cork oak pastures and chestnut forests. Coca-Cola Iberia is working with WWF and other partners in a project to improve the ecology of the most sensitive watersheds and create 'green corridors' between them.

This work is complemented by helping local people to understand the significance of water in their environment, and how to protect it.

WATER AWARENESS AND RAINWATER HARVESTING

Collecting rainwater from the roofs of buildings is an ancient technique, but still capable of an important contribution to water supply in areas where other sources are under stress.

The Coca-Cola Hellenic bottling company is working with the Global Water Partnership on a pilot project to harvest water from municipal buildings on the Cyclades islands, one of the driest parts of Greece.

Apart from developing water collection technology, the project is also training local technicians and providing educational programmes for local schools.



Identifying water use in the supply chain

Traditionally, our calculations of how much water we use have been based on the quantities required directly for our drinks and the bottling process. WWF challenged us to look at the issue more widely and investigate the water used in our supply chain, for example for growing sugar. We have since become one of the companies

leading the way on developing a 'water footprint' methodology (see box below) through our active membership of the Water Footprint Network. As part of this work we commissioned a research study from the University of Twente, with our bottler, Coca-Cola Enterprises. (See box below)

What is a water footprint?

A water footprint is the total volume of freshwater required, directly and indirectly, to produce something.

The operational, or direct, water footprint is the water required at the point of manufacture.

The supply chain, or indirect, water footprint is the water required to produce all the goods and services used in the supply chain.

A water footprint is composed of:

Blue water



This is water taken from surface water and ground water (rivers, lakes and aquifers).

Green water



This is rainwater used for growing crops, for example in soil moisture and evapotranspiration.

Grey water



This is an indicator for water pollution, for example through the use of fertilizer.

Water footprinting pilot

An initial study with our bottling partner Coca-Cola Enterprises helped us to identify the water footprint (WFP) of one of our most popular products: a 0.5 litre Coke in a PET bottle, produced at CCE's plant in Dongen in the Netherlands.

Significant outcomes from the study, using the current WFP methodology, were:

- Almost all of our total water footprint comes from water used indirectly by our supply chain in growing sugar beet and other natural ingredients and in producing packaging. This means that reducing our WFP will require collaboration with farmers and suppliers.
- Our operational water footprint is equivalent to the water in the drink (<1% of the total). Our existing strategies of treating wastewater mean that there is no grey water footprint in our operations.
- Nearly half of the total water footprint is rainwater used by crops. This will be difficult to reduce, but in most places has minimal environmental impact.

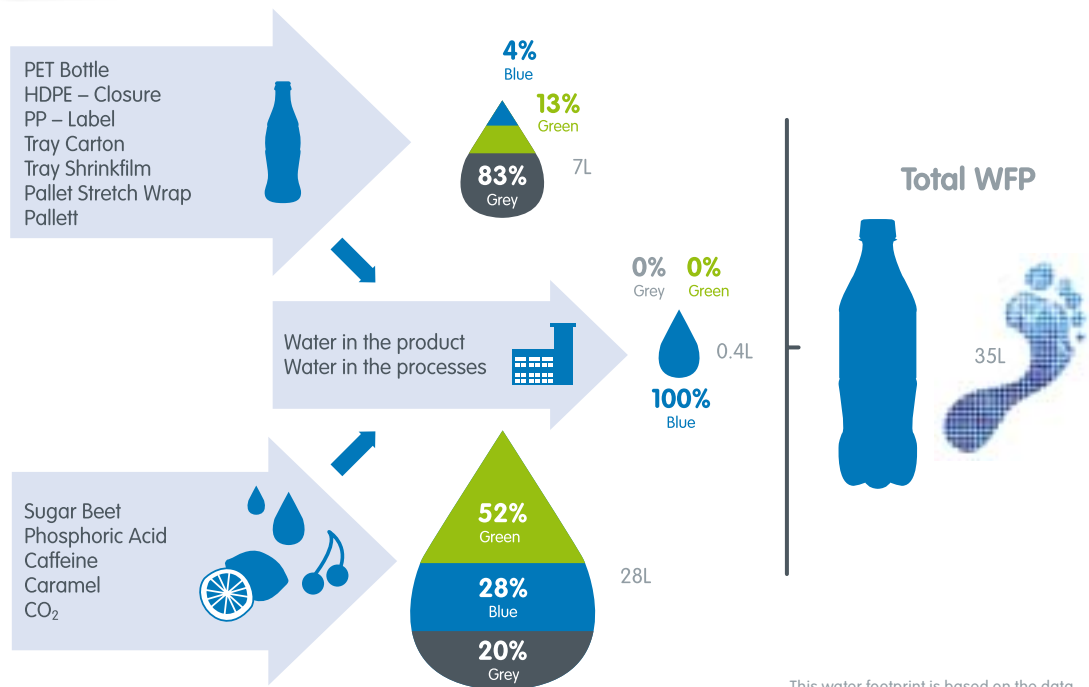
A second phase of the study will take a more detailed look at the water used in sugar growing and processing, including identifying any impacts on nature and communities.



Leading the way on developing a 'water footprint' methodology

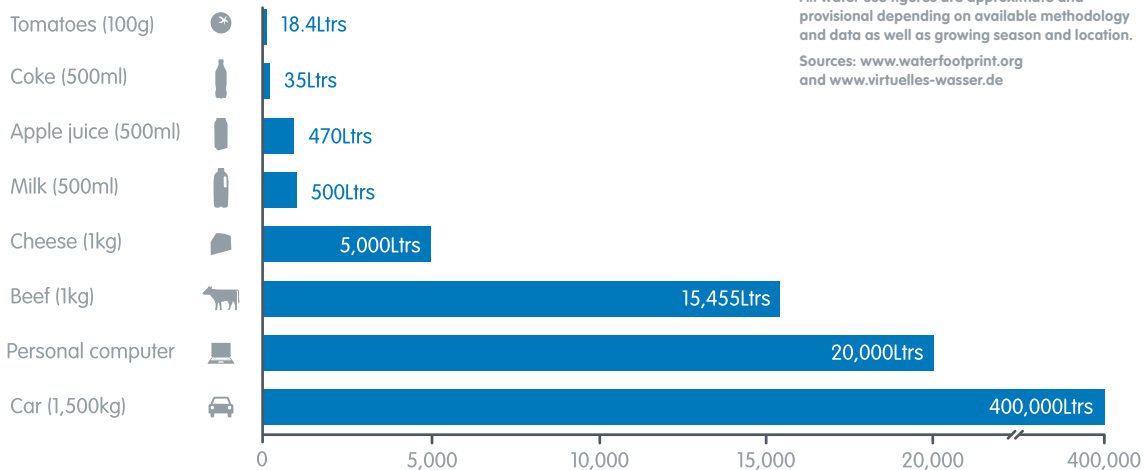


Breakdown of the water footprint



This water footprint is based on the data and methodology available at the time, based on local sugar beet supply and production.

Examples of water footprints for other products and services include:



All water use figures are approximate and provisional depending on available methodology and data as well as growing season and location. Sources: www.waterfootprint.org and www.virtuelles-wasser.de



LOOKING TO THE FUTURE OF WATER

“ People choose me because I make them feel great – refreshed, optimistic and happy. Those positive feelings won’t last if they have concerns about my environmental impacts. They need to know that I care especially about the way I use water – making every drop count.

No-one can live without water. It often appears to be a limitless resource, but in reality it is both under stress and under-valued in many parts of Europe and around the world. So using less water is an important goal for me and I believe I am making good progress, working closely with WWF.

My production plants are now among the most efficient and sustainable water users in the industry and they treat all their wastewater. Yet this will not be enough in the long term, especially in areas that might become more water stressed. So I am actively looking for ways to become ‘water neutral’. This would mean returning to communities and nature as much water as I use in my drinks, and in their production. To do that, I first need to understand how different sorts of projects, such as harvesting rainwater in Greece or protecting water resources in Hungary (see boxes on page 13 and 14), can benefit local water supplies.

Becoming ‘water neutral’ is not just a European goal. It is shared across my company, including in Africa and India. But the local dimension is particularly important in all this work. I won’t pretend that a drop of water saved in a wet part of NW Europe can balance out a drop used in the much drier South. Quite simply, where there are local water problems I need to find local solutions.

Beyond my own production processes, water footprinting is providing valuable information about the amounts of water used in growing the ingredients, such as juices and natural sweeteners, that go into my drinks. This enables me to assess where and how this use of water may be having an impact on the local environment, and to decide what actions I need to take. Any changes need to be made sensitively, thinking carefully about the communities and economies that may be affected. I also have to bear in mind that in some situations using less water might mean using more energy, which in turn would not be good news for carbon emissions.”



No-one can live without water.

It often appears to be a limitless resource, but in reality it is both under stress and under-valued



Energy Management and Climate Protection

From farm to glass, my products contribute about **one tenth** of **one percent** of total European carbon emissions.



My story

I know that all the activities that allow you to enjoy my products, from farm to glass, contribute about one tenth of one per cent to European carbon emissions. Most of this comes from cooling, packaging and manufacturing activities. I want to reduce carbon in all these areas, even though my business is growing.

But I think that the real break-through will come from doing my bit, helping my consumers to live low-carbon lifestyles and from advocating for a low-carbon economy for us all.



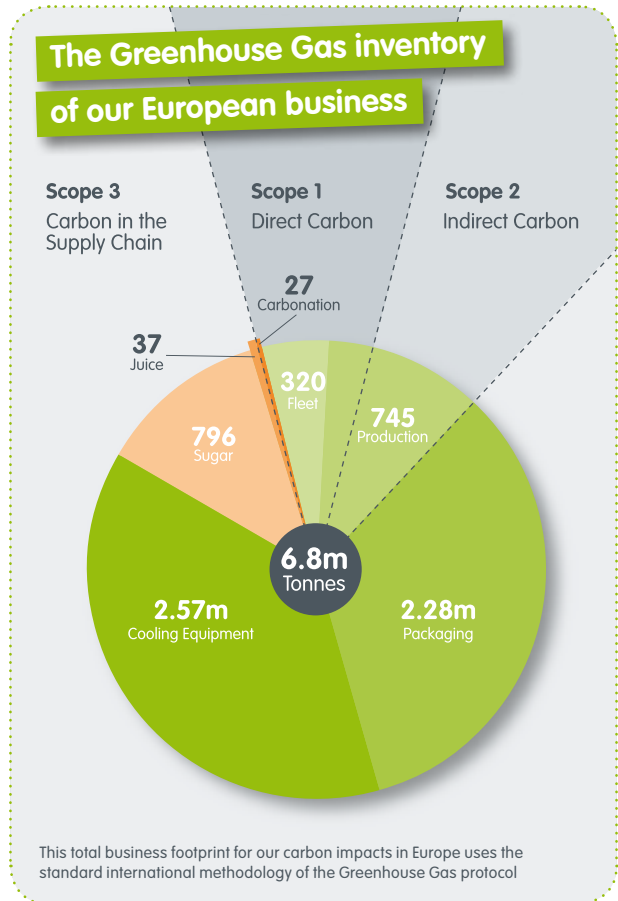
WHY DO ENERGY MANAGEMENT AND CLIMATE PROTECTION MATTER TO COCA-COLA?

There is an emerging global consensus that climate change is a major threat to our civilisation. Increased emissions of carbon dioxide and other so-called 'greenhouse gases' are the principal cause of climate change.

The battle against climate change must involve every business and every individual, and we want to set a good example.

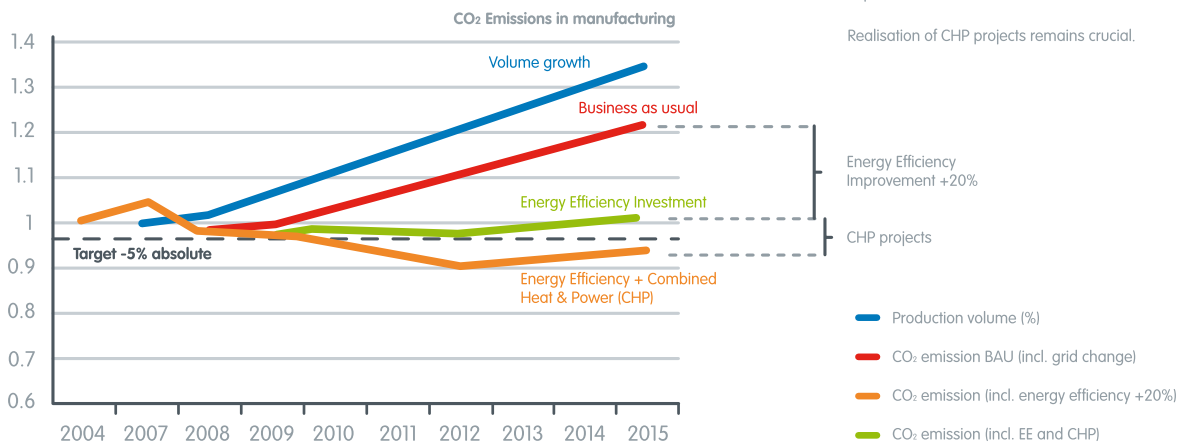
We are achieving sustained absolute reductions in the direct climate change impacts from our own operations, even though we are growing the business. We are also working hard with our suppliers and customers to reduce our indirect impacts from packaging and cooling.

In all these situations the major source of carbon emissions is energy use. Increasing energy efficiency saves energy, reduces carbon and lowers costs. But using more renewable and low carbon energy sources would help all of us to make a real difference to our carbon budget.



Carbon in manufacturing

Will we achieve -5% in manufacturing by 2015?



WHAT ARE OUR OBJECTIVES AND TARGETS IN EUROPE?

Manufacturing

- Our aim is to grow our business without growing our carbon. In Europe, we have committed to reduce the absolute carbon emissions in our manufacturing processes by 5% by 2015, against our 2004 baseline.
- We will improve energy efficiency in our plants by 20%, by 2015, thus significantly reducing our energy demand.

Cooling

- A significant part of our indirect carbon emissions come from the energy required in our cooling equipment to keep our drinks chilled and refreshing. By 2010, all our new coolers will be fitted with Energy Management Devices (EMDs), reducing energy use by up to 35%.
- The Hydrofluorocarbon (HFC) gases used in the cooling process are a potent greenhouse gas. Worldwide, all our new cooling equipment will be HFC-free by 2015. In Europe, already 70% of new coolers will use natural refrigeration in 2010.

We will decouple carbon emissions from business growth

WHAT ACTIONS ARE WE TAKING?

Growing the business, not the carbon

Our commitment to reducing carbon emissions goes beyond achieving greater efficiency in energy use. We are committed to making absolute reductions in our total carbon emissions. This is a much tougher target. It requires us to decouple energy use from business growth and will save about 300,000 tonnes of carbon between 2004 and 2015.

We have rolled out an Energy Saver Tool across our European sites, encouraging a community approach based on best practice. Also, all new capital projects at Coca-Cola Enterprises are evaluated for carbon and environmental impacts.

Utilising the heat and electricity from power generation leads to marked increases in efficiency. It is already clear that this Combined Heat and Power (CHP) generation will play a large part in achieving our 5% carbon reduction target. (See CHP box on page 23)



Our new cooling equipment will only use natural refrigerants

COMBINED HEAT AND POWER (CHP)

Combined Heat and Power (CHP) plants generate electricity by burning gas, but also make use of the heat from this process, which would otherwise be wasted.

This makes them very efficient. Coca-Cola Hellenic's pilot unit in Dunaharazti, in Hungary, cut the plant's carbon emissions by 43%, saving 18,000 tonnes of carbon and €400,000 in a single year.

Coca-Cola Hellenic is committed to building 10 more CHP units in Europe. In 2009, three new plants were completed in Romania, Italy and Northern Ireland.



We further reduce carbon emissions through efficient packaging and distribution

More efficient packaging

Our packaging makes a significant contribution to our carbon footprint. Developing lighter and more efficient packaging is important, as is greater recycling and use of recycled materials, (see details on page 32).



More efficient distribution

The Coca-Cola business model is based on local production at 120 sites and distribution centres throughout Europe. Transport contributes relatively little to our carbon footprint, but with our red trucks it is highly visible.

We are trialling hybrid diesel-electric delivery trucks in Brussels, Vienna and Berlin to see how they perform in urban traffic. We expect a fuel saving of around 30% compared to our conventional vehicles. Additional fuel savings of around 10% can be achieved through eco-driving training courses.

We are also working with our largest customers and other companies for logistical efficiencies and reduced truck journeys. In the UK, for example, Coca-Cola Enterprises uses 10% of Tesco's rail freight capacity and ASDA backhauls from the Wakefield factory. In France, CCE has worked with Danone and Kronenbourg to share full truck loads to Carrefour.



70% of new coolers in Europe will be HFC-free in 2010

Efficient and natural cooling

People want to be able to purchase our drinks chilled, so we offer them in more than two million coolers across Europe. Those machines have environmental impacts from refrigerant gases and energy use. We have been working since 2000 with Greenpeace to reduce all these impacts. We were also founding members of the 'Refrigerants, Naturally!' initiative. (See box)

In 2010, 70% of our new coolers in Europe and 30,000 of our existing coolers will be entirely free of HFC refrigerant gases. These are used in very small volumes but, if they leak, have a global warming impact 1,430 times greater than carbon dioxide. Instead, we are using natural substances, including carbon dioxide and hydrocarbons. HFC-insulation foam has been removed entirely for new units since 2006.

In December 2009, Coca-Cola made a worldwide commitment that by 2015 all of its new cooling equipment will be free of any HFCs. Together with Greenpeace and 'Refrigerants, Naturally!' we aim to move all major users of our cooling equipment to HFC-free equipment.

We are also making significant reductions in the energy required by our new coolers through fitting them with more efficient compressors, insulation, lights and Energy Management Devices (EMDs). The EMDs contain an intelligent software that recognises when the cooler is in use and switches it on for the minimum length of time needed. All these improvements should halve the total amount of electricity our new coolers consume.

REFRIGERANTS, NATURALLY!

Coca-Cola was a founder member of 'Refrigerants, Naturally!' – a global initiative of companies committed to combat climate change and ozone layer depletion by substituting harmful fluorinated gases ('F-gases', such as CFCs, HCFCs and HFCs) with natural refrigerants. The initiative is supported by Greenpeace and the United Nations Environment Programme (UNEP). It promotes a shift in the technology used for point-of-sale cooling, towards refrigerants that don't harm the ozone layer and have a nil or negligible climate impact, and with equal or better energy efficiency. Natural refrigerants are naturally occurring substances, such as Hydrocarbon (Propane, Iso-Butane) and carbon dioxide.

The campaigning NGO Greenpeace has praised the six member companies of 'Refrigerants, Naturally!' and is calling on other major companies to join the initiative, to achieve critical mass in the global cooling market.



www.refrigerantsnaturally.com



UNDERSTANDING THE CARBON FOOTPRINT OF OUR PRODUCTS

At a business level, we already have a good general knowledge of where we use carbon, and in what quantities. Our overall usage is going down as we adopt efficiency measures and seek renewable and low carbon energy sources. To go further, we recognise the need for better information at the product level and are leaders in the emerging technique of carbon footprinting. (See Recycling on page 34)

The next big question is how to communicate our carbon footprint information in a meaningful and engaging way. We are not convinced that product labelling is sufficient to encourage people to adopt more carbon-friendly lifestyles. So we are testing the benefits of different ways of providing Coke-style eco-information.

What is a carbon footprint?

A carbon footprint (CFP) measures the total amount of greenhouse gases emitted for each individual product during its whole lifecycle.

For a Coke, this would include sourcing and producing the packaging materials; growing and processing the ingredients; transporting them; manufacturing,

distributing and chilling the product to recycling the empty package.

However, depending on the methodology used, the available data and the national energy grid, the results can vary significantly.

Grams of carbon dioxide for our most popular products in the UK:



330ml Coke can



500ml Coke PET



2Ltr Coke PET



375ml Oasis glass bottle



330ml Diet Coke can



500ml Diet Coke PET



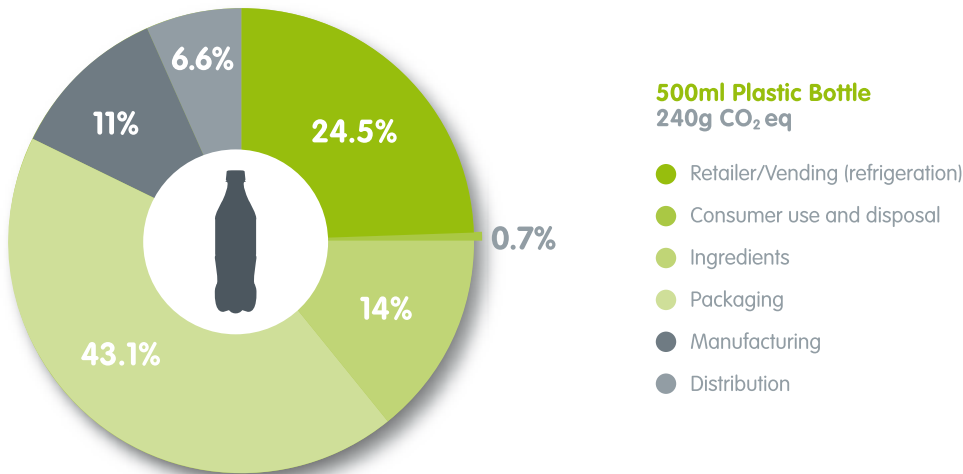
2Ltr Diet Coke PET



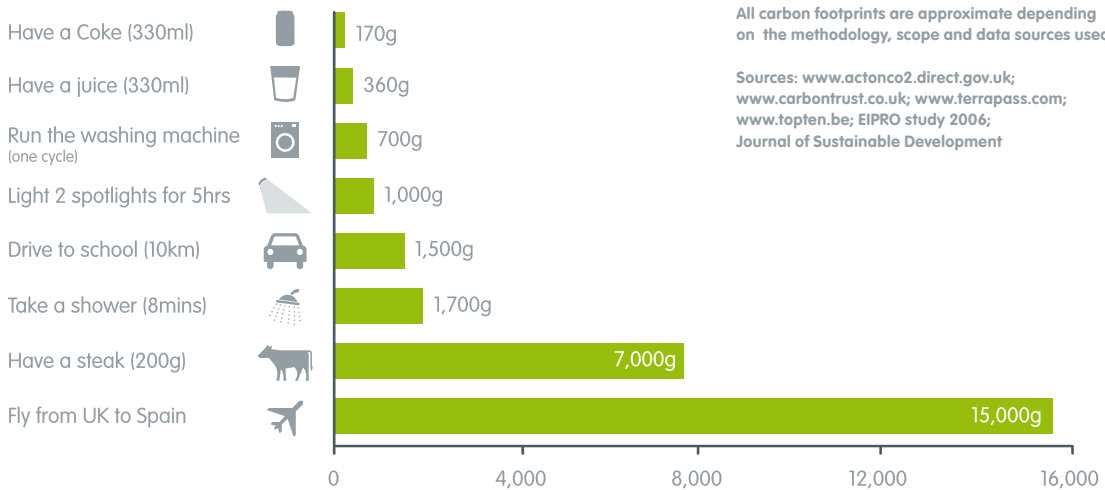
500ml Oasis PET

All figures are for UK products only, resulting from pilot project and certified by the Carbon Trust including the entire life cycle of the product according to PAS 2050

For a 500ml PET bottle of Coke, the carbon footprint for each step looks like this:



Examples of carbon footprints for other products and services include:



WORKING WITH THE CARBON TRUST

Coca-Cola Enterprises and the Carbon Trust led a ground-breaking carbon footprint study to develop a new methodology (PAS 2050), which has been driving the debate in the UK and in other countries.

We are working with the Carbon Trust and other stakeholders to work out how best to make product carbon footprinting a practical reality for businesses and brands.

The detailed results of this study are available on the Internet at www.cokecorporateresponsibility.co.uk

www.carbon-label.com
www.carbontrust.co.uk



LOOKING TO THE FUTURE OF ENERGY MANAGEMENT AND CLIMATE PROTECTION

“ Tackling climate change is surely a task for everyone, in all sectors of society. That’s why I signed the Copenhagen Communique, calling on world leaders to deliver an ambitious, robust, effective and equitable UN climate framework for reducing harmful carbon emissions.

I’m not only looking to others for action. I am intensely serious about reducing the carbon emissions for which I’m responsible. That’s why I have made a firm commitment, not just to be more energy efficient, but actually to reduce the carbon emissions from my production below their 2004 levels. I have also promised that, by 2015, I will only use natural refrigerants to stay chilled, even if that means developing and using a completely new technology.

But there are many important factors which are beyond my control. As an example, across Europe my carbon footprint can vary by as much as 80%, depending on where you find me. Why? Because national policies dictate whether the energy I need is generated in ways which have high or low carbon emissions, and because there are marked differences in recycling and recovery arrangements between countries.

I consistently argue for more and better action to encourage the global shift to renewable and low-carbon energy. This is the most effective way to achieve the benefits of economic

growth without the cost of increasing harmful carbon emissions. This shift, together with better recovery and recycling arrangements for packaging, would enable much greater reductions in my carbon emissions than any individual actions I could take. I also want to be careful that good decisions on carbon do not lead to an increase in other environmental impacts, such as water stress.

I hear a lot of suggestions that I should wear a carbon label, and I have given this a lot of thought. I certainly don’t object to the principle. After all, I’m proud of the way that my nutritional labelling, based on Guidelines Daily Amounts (GDA), helps consumers to manage their diet. Nor am I bothered about the numbers. Enjoying a Coke is not a carbon-intensive activity. But a label is only helpful if consumers are attuned to what it is trying to say. My research shows that most people don’t feel that way about carbon yet. So I prefer an integrated approach in which education about the issues goes hand in hand with providing information about the product. For now, my websites are the place to look for the numbers, while I continue to work with a wide range of partners on raising public awareness and encouraging action on recycling, as an important step towards reducing my carbon footprint. ”

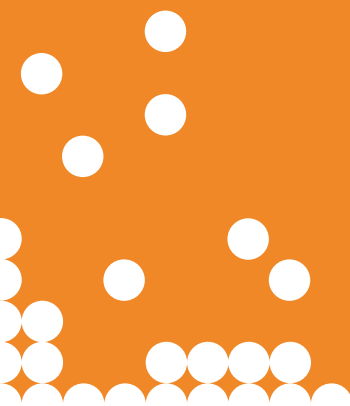


I am intensely **serious** about reducing the carbon emissions for which I’m responsible



Sustainable Packaging

Without packaging we could not supply beverages to our customers.





My story



.....

I care about packaging and believe that zero waste should be achievable. Of course my priority is to be safe and convenient, and to look cool as well as be cool. The key is to find better ways to treat my empty packaging

.....

as a valuable resource to be recycled, refilled and back on the shelves – or to come back in other uses – as quickly and easily as possible.



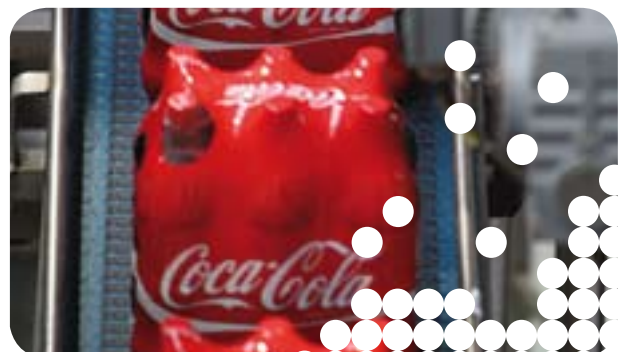
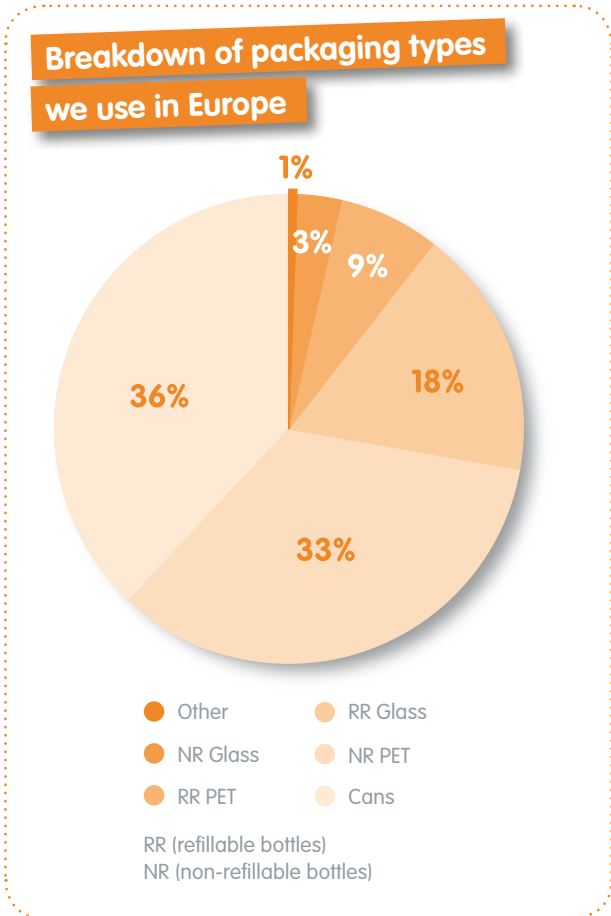
WHY DOES SUSTAINABLE PACKAGING MATTER TO COCA-COLA?

Packaging is essential to our business. Without it we could not supply people with drinks. It contributes to convenience, safety, practicality, hygiene and of course aesthetics too, with our contour bottle having iconic status. But we know that making packaging requires raw materials, energy and water. It is the biggest contributor to our carbon footprint.

The disposal of used packaging can also have impacts, if it is landfilled or ends as litter in the environment. All these impacts can be substantially reduced through our own actions and by working collaboratively and imaginatively with others. Ultimately, we would like to achieve 'zero waste'.

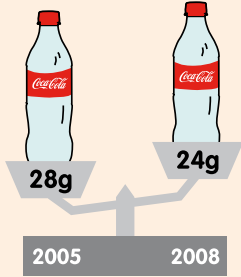
WHAT ARE OUR OBJECTIVES AND TARGETS IN EUROPE?

- Reduce.** To develop stronger and lighter packaging. By 2012 we will make a 25% reduction in the weight of packaging required for each litre of beverage, from a 2004 baseline. This will reduce both the resources we use and the carbon we emit. We are currently growing the business without increasing the total weight of our packaging or carbon emissions (see graph).
- Recover.** To treat all our packaging as a potential resource, not as waste. We already recover 63% of our packaging from the European market. We want to further increase this, working together with our industry partners. Where we have direct control, for example in our manufacturing operations, we aim to recover up to 90% of the industrial waste.
- Recycle.** To use more recycled content in our main packaging materials. On average, we already use about 42% of recycled material in our glass bottles and up to 51% in our aluminium cans. By 2012, we aim to increase our use of recycled PET (rPET) to 25% across Europe.
- Renew.** Using renewable resources for packaging is the future. With the PlantBottle™ bottle, we have launched a fully recyclable PET bottle made partially from plants, in the US and Denmark.

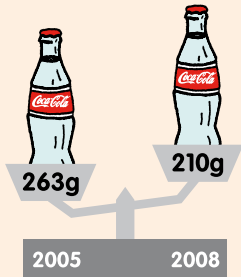


**Packaging redesign
weight comparison**

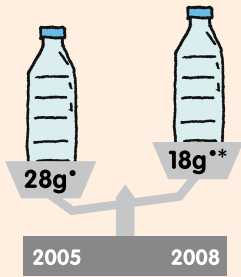
Carbonated soft drink PET 500ml



Glass 330ml



Still water PET 500ml



* Average weight

* Lowest achieved: 14g

Examples by Coca-Cola Hellenic

WHAT ACTIONS ARE WE TAKING?

Stronger and lighter packaging

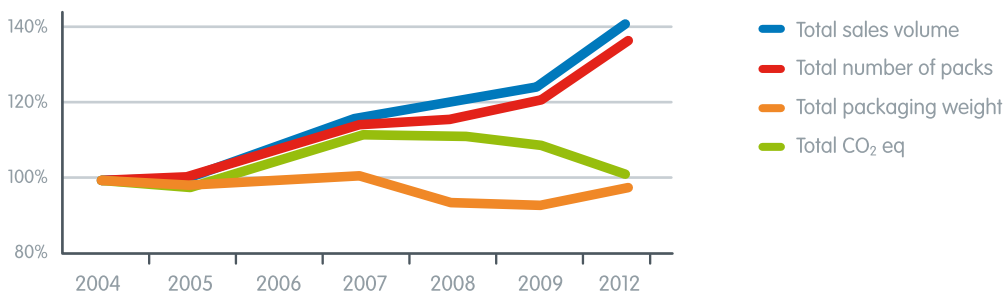
Taking weight and material out of packaging has a number of environmental benefits. It saves resources in manufacturing, it reduces the energy required for transport, and there is less material to recycle at the end of the process.

From 2004-2012, our business will grow by 40% but our package weight and its carbon emissions will not grow at all

We have been redesigning both the bottles and cans for our drinks and the secondary packaging, such as cardboard and shrink wrap, which we need when transporting them to our customers. In both cases we have had to strike a careful balance in ensuring that reducing packaging does not lead to increased waste from breakages or any risk to the quality and safety of our drinks. For example, carbonated drinks require stronger packaging than still drinks and juices.

These initiatives have been highly successful and will increase overall packaging efficiency by 25%. We project that between 2004 and 2012 we will have grown our business by 40% without increasing the total weight of packaging or packaging related carbon emissions. Compared to business as usual that will mean 390,000 tonnes less packaging material and about 600,000 tonnes less CO₂ emissions (equivalent to taking more than 10,000 cars off the road).

Weight of packaging per litre



Treating our manufacturing waste as a potential resource

Almost all the waste from our manufacturing sites has the potential to be recovered for beneficial uses. Initiatives to analyse waste and separate it into different streams for recycling, backed by staff training and investment in new equipment, are proving successful. This can also lead to cost savings through the sale of materials for recycling and in avoiding landfill charges. Many plants in Europe, including the UK, send 'zero waste' to landfill.



Using more recycled materials

Our packaging in Europe includes around 42% of recycled glass and 51% of recycled aluminium. This saves resources and energy, and helps to create new and stronger incentives for recycling as an alternative to landfill.

The increasing use of plastic (PET) bottles means that bottle-to-bottle recycling, to produce recycled PET, is a key focus for our efforts. Achieving 25% recycled PET content across our European business would avoid the use of 100,000 tonnes of new plastic. This would save resources, save oil and would also have a substantial climate change benefit because the carbon footprint of recycled PET is only 47% of new PET.

As more consumers start to sort their waste, there will be an increasing supply of clean empty PET bottles for direct recycling (closed loop). However, closed-loop PET recycling is complex and technically challenging, but Coca-Cola has taken a lead in finding solutions.

Recovering our bottles and cans delivers significant environmental benefits

Increasing the recovery of our packaging

Recovering our bottles and cans from consumers, for recycling, re-use, refilling or energy recovery delivers significant environmental benefits. In 2008, 63% of the 938,000 tonnes of packaging we used in the European market was recovered in these ways.

Of course, this is an average across Europe. At a country level the recovery picture varies and there is no one-size-fits-all solution. In Europe, there is a 'producer responsibility' for packaging waste. We are making strenuous efforts to reduce landfill and litter.

Our priority is to work together with other industries and with local and national governments to put cost-efficient recovery infrastructure in place. Coca-Cola has been a leading industry partner to establish packaging recovery organisations in 27 European countries. (See Waste Recovery Organisations box on page 34)

This has included financing research and development of technologies to produce food-grade recycled material; assisting EU authorities to design testing procedures and safety rules to allow recycled PET in contact with food; and investing heavily in both collection systems and recycling capacity. We believe we are now the largest user of recycled PET in the world.



WASTE RECOVERY ORGANISATIONS

In the EU, the Packaging & Packaging Waste Directive of 1994 sets binding minimum targets for member states for packaging recovery and recycling, which most countries have translated into national targets. Coca-Cola, together with other companies and the packaging industry, has set up local Waste Recovery Organisations to manage the collection and recycling of packaging in line with government targets.



In most countries, this is known to the consumer as the 'Green Dot' system, which features on all packages from producers that have paid the fees and are part of the collection and recycling scheme. Recovery Organisations set up and managed by the industry are generally an effective and cost-efficient way to increase the recycling of packaging.

Inspiring consumers to take action

Engaging consumers in recycling is an important challenge. We want to inspire people to make a real difference through their actions and help us to increase the amount of packaging recovered from the market. This means encouraging everyone to see that it is not cool to leave unsightly and damaging litter, and to actively sort packaging materials at home, for curbside collection and recycling. In many countries, local authorities also provide separate waste bins in public spaces, which avoid littering 'on the go' and increase recycling. For example, recycling the empty package can reduce the carbon footprint of a product by up to 40%.

Our initiatives to help in this area include recycling promotions at events and festivals (Belgium); Recycle Zones in public spaces (UK and France); Awareness Campaigns (UK) plus clean-up events, educational programmes and on-the-go recycling schemes for people when they are out and about. Across all these initiatives, we try to leverage the power of our brand and the positive, can-do attitude it inspires, to motivate our consumers to do the right thing.

RECYCLE ZONE/ANTI-LITTERING

Coca-Cola Great Britain has launched a strategic recycling initiative with Southampton City Council to install 50 new recycling bins in Southampton city centre. The 'Recycle Zone' partnership makes it easier for residents to recycle bottles and cans when they are out and about.

Southampton city centre has 15 double stainless steel bins, with the phrase 'Keep it Going. Recycle', and a further 35 dual recycling and litter bins located in parks and other central locations in the city. This builds on the work Coca-Cola Enterprises has been leading across the country over the past year in partnership with Waste & Resources Action Programme (WRAP) and recoup launching 'Recycle Zones' in shopping centres, theme parks, transport hubs and universities.

There are currently 40 other live Recycle Zones which to date have collected some 57 tonnes of material for recycling, with a further 40 zones planned by the end of 2011. The Recycle Zones are supported by a UK-wide advertising campaign, 'Keep it Going. Recycle' across print and outdoor media. Packaging accounts for the largest proportion of a drink's carbon footprint, underlining the importance for the business of using more recycled material in bottles and cans and of helping to increase consumer recycling levels.



keep it going. recycle

We have taken
the lead
 in finding solutions

RENEWABLE PACKAGING MATERIALS – PLANTBOTTLE™



One of the biggest challenges to achieve sustainable packaging is to develop renewable alternatives to fossil resources, for example the use of petroleum for plastics.

Coca-Cola is piloting a new PlantBottle™ made partially from plants, and 100% recyclable. It is currently made through an innovative process that turns molasses, a by-product of sugar production, into a key component for PET plastic.

Plant-based PET™ can currently replace up to 30% of the normal PET in a bottle, which reduces the use of oil and the carbon footprint of the package. Additionally the bottle can be recycled as normal and reused in new bottles. (See rPET box)

We are piloting the new PlantBottle™ in North America with Dasani waters and in Denmark with our three Coke brands. We are working with our suppliers and bottling partners to roll it out more widely.



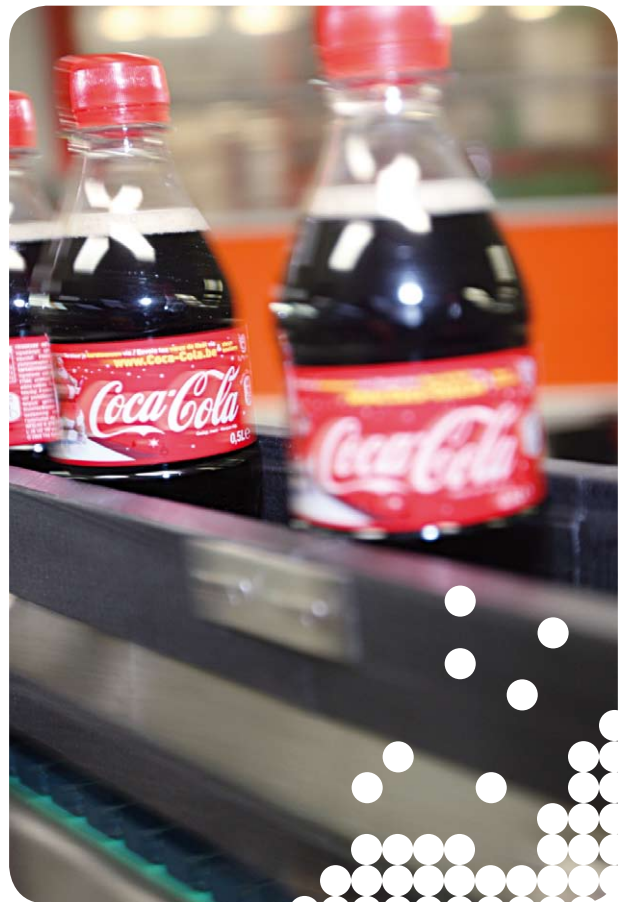
CLOSING THE LOOP – rPET

To achieve sustainable packaging we need to make it go further and reuse the resources as often as possible.

With rPET, there is a way of recycling PET bottles directly into new PET bottles through a process of washing, grinding and cleaning the plastics and then melting it back into new bottles. This requires effective collection systems (see recovery organisations box) and safe and efficient recycling facilities in Europe.

That's why Coca-Cola Hellenic has invested, together with other industry partners, directly in a PET-to-PET recycling facility in Austria.

In the future, we will work more closely with our key suppliers to ensure a stable supply of rPET to achieve our goal of using 25% rPET in new bottles in Europe by 2012.



Ultimately, our goal is to develop recyclable plastic bottles made from plant-based waste – there by turning waste into a resource



LOOKING TO THE FUTURE OF SUSTAINABLE PACKAGING

“ I want to find practical ways of ensuring that all the 33 billion packages I put onto the European market each year are valued as resources for future use, and not regarded as ‘waste’.

My long-term vision is to develop packaging that can be continually recycled, or made from new materials that are either renewable or don’t need oil. There are still technical challenges to be overcome, but I am leading the way in investigating the use of renewable plant-based materials for packaging. I am already piloting a ‘PlantBottle™’ that is fully recyclable, made from an innovative process that turns molasses from sugar cane into a key component for PET plastic.

My work on ‘lightweighting’ of packaging is going well and promising new ideas and technologies are being developed all the time. These should allow me to make further reductions beyond the 2012 target. But there are limits to what I can achieve without undermining the basic requirements for food packaging. I also need to allow for the trend towards smaller servings. These are important for portion control and convenience, but inevitably require more packaging for each unit of volume than their larger counterparts.

I believe the biggest gains in the recovery and recycling of drinks packaging will come through better systems for collection and recycling, and from engaging consumers. People really can make a huge difference. Recycling the empty package can help to reduce the carbon footprint of the product by up to 40% and almost all of my packaging can now be recycled. The fact that recovery rates are already as high as 97% in some countries shows what can be achieved. But the aim must always be to find workable and cost-efficient solutions that fit locally.

I know that recovery rates for the waste from my manufacturing plants can be further improved. Many of my plants in Europe are already achieving ‘zero landfill’ and the future should see the remaining sites getting close to this goal.

Finally, I still need to do more work with my various partners to understand all the complex linkages and interactions between packaging, energy-use, carbon emissions and water use. My work on carbon and water footprints will help me to make good decisions on the future of my packaging, weighing up all the costs and benefits to get the best overall outcome. ”

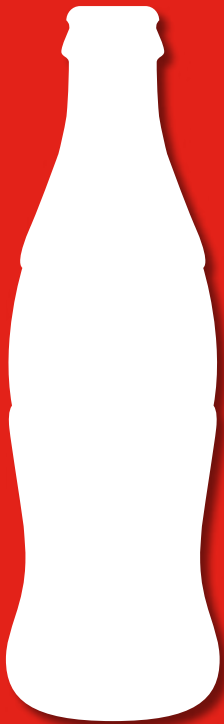


I am leading the way in investigating the use of renewable plant-based materials for packaging



**Thank you
for listening.**

If you would like to continue our conversation
email environnementeurope@eur.ko.com



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