CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT 2010/2011

Coca-Cola Enterprises

COMMITTED TO 2020:

SHAPING A SUSTAINABLE FUTURE IN EUROPE

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Front cover feature: The front cover shows our biogas truck, which is powered by gas from a landfill site, delivering to customers in London. It has around two-thirds less CO_2e emissions than a regular truck and we plan to introduce another 14 trucks over the next two years to our fleet.

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This report has been printed on 9 Lives paper.

About this report

Reporting boundaries and standards

This is Coca-Cola Enterprises' sixth annual Corporate Responsibility and Sustainability (CRS) Report and our first as a European business. It replaces CCE's 2009 Corporate Responsibility and Sustainability Report and contains a full year of data from January 1, 2010 to December 31, 2010 for our business operations in six European territories: Great Britain, France, Belgium, Luxembourg, The Netherlands and Monaco. It also includes illustrative case studies and business activities from 2011.

This report is a statement of our European data over the last year and charts referring to the last four years represent only our legacy European territories. This means that previously reported corporate data may differ significantly as it also contained our North American business which was sold in October 2010. Therefore, unless otherwise indicated, the environmental and workplace data in this report covers all operations owned or controlled (production, sales/distribution, combination sales/production facilities, administrative offices and fleet) for Great Britain, France, Belgium, Luxembourg, The Netherlands and Monaco. In some places, as referenced, it also includes introductory data for our newly acquired business operations in Norway and Sweden and workplace data for our headquarters in the United States. We aim to integrate Norway and Sweden fully into our 2011/2012 report.

Our carbon footprint is calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. An operational control consolidation approach was taken to determine organizational boundaries. Data is consolidated from a variety of sources, including our manufacturing facilities, fuel use information and estimated cold drinks equipment energy use, and is then analyzed centrally. This report includes data covering the emissions from our whole business (but does not include Norway, Sweden and our United States office locations), divided into three 'scopes':

- **Scope 1:** the fuel we use for manufacturing, our own fleet of trucks, vans and cars and our process and fugitive emissions
- **Scope 2:** the electricity we use at all our sites
- **Scope 3:** the electricity used by our coolers and vending machines at our customers' premises, our business travel by rail and air and the fuel used by our third party distributors.

Our Scope 1 and 2 emissions are independent of any greenhouse gas trades. We have set 2007, the year when we first calculated our corporate footprint, as our baseline year.

Additionally, the water use data in this report refers to production facilities, where we have the greatest water use, and energy data includes only the distribution impacts of beverages that we distribute but do not produce, such as Ocean Spray products. All financial data in this report is in U.S. dollars, unless otherwise stated.

This report has been verified by SGS (see page 41) and is aligned with the Global Reporting Initiative (GRI), self-assessed at level B+. The report also serves as our Communication on Progress (COP) for the United Nations Global Compact and the water stewardship chapter serves as our COP-Water, as part of our endorsement of the UNGC CEO Water Mandate.

Determining materiality and boundaries of responsibility

Coca-Cola products are made by over 300 bottling companies worldwide on behalf of The Coca-Cola Company, which creates and markets brands and trademarks and manufactures syrups and concentrates. Licensed, independent bottling companies such as Coca-Cola Enterprises (CCE) purchase these items and produce and package beverages to sell and distribute to retail and wholesale customers. Our relationship with The Coca-Cola Company therefore influences the way we work and how our spheres of responsibility and our material issues are determined.

There are seven areas of focus for the Coca-Cola system which are key to its sustainability. Each focus area has a set of measurable goals and targets, and collectively these make up the 'Live Positively' platform.

As the local manufacturer and distributor of Coca-Cola products in Western Europe, Coca-Cola Enterprises' own sustainability focus areas are aligned with 'Live Positively' and we work closely with The Coca-Cola Company to deliver against these commitments. The national and local demands of our countries and communities sometimes require our own approach, goals or targets within this framework. Our seven commitments are shown opposite.

FTSE4Good

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

We welcome feedback on its contents.

COMMITMENT 2020

Energy conservation/climate change: Reduce the overall carbon footprint of our business operations by an absolute 15 percent by 2020, as compared to our 2007 baseline.

Water stewardship: Establish a water-sustainable operation by protecting our water sources, minimizing our water use and replenishing the amount of water used in our beverages.

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

Community: Make a positive social, economic and environmental contribution to the communities in which we operate.

Active Healthy Living: Support active healthy living through physical activity programs, nutrition education, and by providing a wide choice of products.

Workplace: 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.

In addition, there are issues such as sustainable agriculture that, while important to our business and its long-term sustainability, have varying impacts across the Coca-Cola system. The management of these issues is led at a global level by The Coca-Cola Company and we support this work as it applies to our territories (see page 23 – Replenishment in our supply chain).

Material information – where to find it

CCE's CRS programs are communicated in a number of ways in a variety of publications. This report is a summary of our key initiatives. We also provide Coca-Cola system reports in each country, which give more detail on how we work in each of our territories. Additionally, The Coca-Cola Company provides reports and resources which provide further information on some of the global issues that touch our business.

This report

This report aims to provide a concise overview of the progress CCE has made against our CRS commitments in 2010 and our ambitions for the future. It includes information on our business, our governance and management of CRS, our stakeholders and the work we are doing in each focus area. It contains a summary GRI Index and indices showing our compliance with The UN Global Compact and its CEO Water Mandate.

Online – www.cokecce.com
On our corporate website we cover the same issues as in this report, based on our CRS focus areas. Here we sometimes provide further detail and case studies, for example on our carbon footprint. On our website you can also find our CRS-related policies and direct weblinks to other policies and documents in this report as well as a detailed GRI index.

Country reports
Each of CCE's territories produces a Coca-Cola system report in conjunction with The Coca-Cola Company. Each of these reports gives local examples of how CCE's CRS commitments are being brought to life in our communities. These reports can be found online at each of the following websites:

Great Britain: www.cokecorporateresponsibility.co.uk

France: www.coca-cola-rse.fr

Belgium and Luxembourg: www.cocacolabelgium.be

The Netherlands: www.coca-colanederland.nl

Norway: www.coca-cola.no

Sweden: www.coca-cola.se

The Coca-Cola Company

The Coca-Cola Company provides many global sources of information to detail its 'Live Positively' commitments. These include its website, www.thecoca-colacompany.com, which contains many corporate codes and policies which inform CCE's own approaches to CRS. Referenced in this report in particular is The Coca-Cola Company's work on water replenishment and sustainable agriculture, further details of which can also be found on its website. The Coca-Cola Company's 2009/2010 Sustainability Review, found at http://www.thecoca-colacompany.com/citizenship/index.html, contains a summary of the global Coca-Cola system sustainability work.

IT'S OUR COMMITMENT...

...to be the leader in Corporate Responsibility and Sustainability in the food and beverage industry in Europe. In 2009, we created 'Commitment 2020', a set of goals and targets in key areas where we believe we can make the most difference to our company and the world around us. Today, as a European business, we are reviewing these commitments and listening to our stakeholders to understand how we can continue to make progress towards our leadership aspirations. We know the path to sustainability is a long one and we have a long way to go. We look forward to your views and support.

This report illustrates our progress along this journey so far...

For more information visit: www.cokecce.com

Message from John Brock

This is an exciting time in the history of Coca-Cola Enterprises and we enter this new era with Corporate Responsibility and Sustainability at the very core of our business.

A new era for Coca-Cola Enterprises

This is an exciting time in the history of Coca-Cola Enterprises. In October 2010 we completed a transaction with The Coca-Cola Company (TCCC) by acquiring their bottling operations in Norway and Sweden and selling our North American operations to TCCC. We enter this new era with a solid history of success, a platform for continued growth and a strong heritage as The Coca-Cola Company's pre-eminent strategic bottling partner in Western Europe.

Even at this time of transition, Corporate Responsibility and Sustainability (CRS) remains at the forefront of our priorities. We are a signatory to the UN Global Compact and its CEO Water Mandate and we have recently signed a 'business call' for the European Union to adopt a 30 percent emissions reduction target by 2020. CRS is integral to everything we do and is built on the belief that we can continue our growth trajectory in a responsible and sustainable way. In this – our first CRS Report as a European business – we hope to show you how.

In recent years, we have made significant strides and are proud of our progress, but we also recognize the challenges that are ahead of us. Our stakeholders' expectations are rising and they want more from us – increased transparency, better results and a renewed exploration of how we can be part of the solution to some of the pressing environmental and social issues facing our territories.

As we entered this expanded European operating environment, we asked a number of stakeholders to tell us what sustainability leadership entails – now and in the future – and how we should shape CCE's journey. They told us that we must embed CRS deeper into the heart of our business, that our responsibilities extend beyond our immediate operations and exist throughout our value chain, and that we should choose an area for leadership in which we can begin to challenge current business models. Above all, we know we need to be more visionary, expanding our influence beyond the concept of 'reducing our impacts' and exploring ways to drive true change.

These conversations helped us expand our thinking around sustainability leadership, and we are now working to understand what this means for our business and our communities. In fact, we do not believe that striving to be the most sustainable company in the beverage industry is enough any more. We want to be the CRS leader within the food and beverage industry. To begin this next part of our journey, we are developing a new CRS vision in response to these challenges, encapsulating how we aim to grow our business sustainably in the coming decade. We will then set new goals and targets in each of our focus areas to make this vision a reality, revising our established 'Commitment 2020' metrics. We aim to achieve what is right for our business and also for our communities, and I look forward to sharing our new commitments and targets with you later in the year.

By now, most organizations realize that sustainability is not a niche pursuit or something that is 'nice to do'. There are real benefits to being a sustainable, responsible company. For CCE, CRS drives operational efficiencies and effectiveness and helps create better relationships with our suppliers and customers. Our commitment to sustainability addresses the expectations of policymakers, NGOs and other stakeholders, and helps us build a company for which our employees are proud to work.

We are committed to CRS, and to 2020 and beyond. We look forward to continuing our CRS journey in Europe with you.

John Brock
Chairman and CEO
Coca-Cola Enterprises, Inc. (CCE)

The path to leadership

We want to be the leader in Corporate Responsibility and Sustainability within the food and beverage industry. In early 2011 we asked our stakeholders what we need to do to get there.

(From left to right, seated at table)
Hubert Patricot, Executive Vice President and President, European Group, CCE; John Brock, Chairman and CEO, CCE; and Graham Baxter, Director of Global Programmes, International Business Leaders Forum, Roundtable Chairman.

Now is the right time to evaluate what we must do to continue on our leadership path in Europe.

Our ambition is to be the leader in Corporate Responsibility and Sustainability within the food and beverage industry. In early 2011, we convened a group of 25 key stakeholders from our European territories using telepresence technology to tell us what they believe leadership entails, and what CCE needs to do next to get there. Their counsel, along with benchmarking studies and advice from regular advisors, is now guiding the development of our new 'Commitment 2020' goals and targets.

What is sustainability leadership?

- **A holistic approach** – integrating sustainability thinking into core business models
- **Taking broad responsibility** – up and down the value chain
- **Having a compelling vision** – of a sustainable future
- **Strong leadership** – from the CEO, supported by strong governance
- **Development of innovative solutions** – to global problems, through research and development
- **Leading edge aspirations** – leaders will aim high and set targets that they may not at first know how to achieve; their goals aim to meet the greater needs of society
- **Transparency** – leadership is a journey and honest communication along the way builds credibility
- **Focusing on material issues** – leaders focus on where they have expertise, but must demonstrate best practice across all areas
- **Collaborating and networking** – with experts and other businesses to deliver what society needs.

What does CCE need to explore?

- Articulating a strong, memorable CRS vision

"Being a leader is something to be demonstrated, judged by a clear vision and backed up by action."

- Developing stronger targets in priority focus areas

"We're talking about 2020 and what will be demanded of companies in 2020 is significantly greater than what is required today."

- Expanding our work to reduce impacts up and down the value chain

"It will be important to identify the various elements in the value chain where greater sustainability is needed and the responsibilities of the companies involved."

Quotes are from participants in our stakeholder roundtable

CCE Commitment 2020 Roundtable: participants from across our territories met via telepresence.

Message from Hubert Patricot

2010 was a great year for CRS in Europe. We have made considerable progress against key targets and are proud of what we have accomplished.

4%

volume growth while reducing our overall carbon footprint by 35,600 tonnes CO_2e

Operational successes this year

Our strong work on Corporate Responsibility and Sustainability throughout 2010 has helped us bring added value to our suppliers, our customers and decision makers throughout our territories. In particular, we hosted our first ever Supplier Sustainability Summit, bringing together representatives from our top 50 suppliers to discuss how we can work together to innovate and reduce our impacts throughout our value chain. We believe that developing partnerships with stakeholders such as these across our territories will be key to meeting the challenges along our CRS journey.

Three key areas of progress during 2010 demonstrate how we are working towards industry leadership and creating a step change in our business:

- **Energy conservation/climate change:** In 2010, we reduced our overall carbon footprint by 35,600 tonnes CO_2e (four percent) from 2009, while growing our volume by four percent. We invested $8.1 million in making our cold drinks equipment more efficient and installed 2,800 doors on our open-fronted coolers, reducing the emissions from each cooler by around 50 percent. This industry-leading practice is changing the way that soft drinks are sold throughout our territories.
- **Water stewardship:** We are succeeding in driving down the amount of water we use to make our products. In 2010 we used an average of 1.42 liters of water to produce one liter of product, down from 1.51 liters/liter in 2009. This exceeded our target one year ahead of schedule.
- **Sustainable packaging/recycling:** We introduced PlantBottle, a fully recyclable PET bottle made from a blend of petroleum-based materials and plant-based materials, on some products in Norway and Sweden and will introduce this in Great Britain, France and Benelux in 2011. In early 2011, we also announced our $7.75 million investment in a joint venture with ECO Plastics to develop a new purpose-built recycling facility in Lincolnshire, Great Britain. This will be one of the biggest plastic reprocessing facilities in Western Europe and a step change, we believe, in the British plastics reprocessing industry. When fully operational in 2012, the facility is expected to double the amount of recycled PET available in the country at present – a demonstration of our commitment to creating a low-carbon future. It will also help us ensure that we have the greenest bottle at the 2012 London Olympic Games, made from a combination of PlantBottle and 25 percent recycled PET.

Looking to the future

Our CRS business planning helps us develop programs which meet the needs of our business and our stakeholders. In 2011, we introduced 'carbon allowances' for each of our business units, providing guideline limits for carbon emissions, and driving our reductions yet further. We are looking for new innovation and ideas and are excited to learn from the sustainability successes of our colleagues in Norway and Sweden as we integrate their businesses. We know there are challenges ahead related to the environmental and social issues facing our planet, from climate change to public health. We want to be part of the solution and are excited to set new goals and targets to make this happen.

We need your partnership and collaboration and will share our progress with you.

Hubert

Hubert Patricot
Executive Vice President and President, European Group
Coca-Cola Enterprises, Inc. (CCE)

Where we operate

Coca-Cola Enterprises in Europe

Our countries of operation
In 2010 we added the Coca-Cola bottling operations in Norway and Sweden to our existing European territories – Great Britain, France, Monaco, Belgium, Luxembourg and The Netherlands.

17 – manufacturing sites

Serving 165 million people across seven countries in Western Europe, Coca-Cola Enterprises (CCE) is one of the world's largest independent bottlers of Coca-Cola beverages.

7 – countries

★ CCE European Headquarters
▫ Country head offices
▪ Bottling plants

Figure 1: Coca-Cola Enterprises in Europe – key statistics

2010 DATA	Great Britain	France	Belgium & Luxembourg	Netherlands	Norway	Sweden	TOTAL
Employees per country	4,600	3,000	2,600	850	1,400	850	**13,300**[1]
Number of manufacturing sites	6	5	3	1	1	1	**17**
Carbon footprint ('000s metric tonnes CO_2e)	476[2]	99	107	113	n/a	n/a	**794**[3]
Water use ratio (liters water to make 1 liter product)	1.36	1.33	1.76	1.48	2.47[4]	1.86	**1.42**[5]

1. Please note we also retain an office of 160 people at our headquarters in Atlanta **2.** Great Britain is our largest market and has carbon-intense electricity **3.** Not including Norway and Sweden
4. Norway's water use ratio is higher as we use water to wash our refillable plastic bottles **5.** Not including Norway and Sweden – to be added in 2011

Our business at a glance

CCE is one of more than 300 bottling companies that produce and distribute Coca-Cola products as part of the world's largest beverage distribution system.

Our business

In 2010, Coca-Cola Enterprises sold its North American operations to The Coca-Cola Company and acquired The Coca-Cola Company's bottling operations in Norway and Sweden, adding to our existing operations in Great Britain, France, Belgium, The Netherlands, Luxembourg and Monaco and creating a European beverage business. Our operations within Europe have achieved year-over-year growth in volume and operating income for the last five years. Including the contributions of Norway and Sweden in the fourth quarter of 2010, we sold approximately 11 billion bottles and cans (or 560 million physical cases) throughout our territories during 2010 and generated approximately $6.7 billion in revenues and $810 million of operating income. We remain a public company incorporated and headquartered in the United States and publicly traded on the New York Stock Exchange under the symbol CCE. In May 2011, we announced CCE's secondary listing on the NYSE Euronext in Paris. We are committed to continuing our success in Europe and creating more opportunities for European investors to benefit from our long-term growth plans.

$6.7 billion
in revenues

11 billion
bottles and cans

1.42 liters
average water use to make 1 liter of product

$810 million
operating income

Figure 2: Our impacts –
the manufacturing and distribution process

Our supply chain

95 percent of our products are made from concentrates supplied by our brand owners. The rest are finished products that we distribute. Our sweeteners, juices, mineral waters, carbon dioxide, fuel and packaging materials come from a range of approved suppliers. We purchase sugar directly, but our low calorie sweeteners are already contained in the concentrates we buy. We are looking at ways to reduce the carbon and water impacts of these raw materials in our supply chain.

Our business

We use water, energy and packaging materials to produce our beverages. We are focused on increasing our operational efficiencies and minimizing our waste. The distribution of our products uses fuel, so we are looking for new, low-carbon ways to get our products to market. As an employer of approximately 13,500 people, we provide jobs and pay taxes in the countries and communities in which we operate.

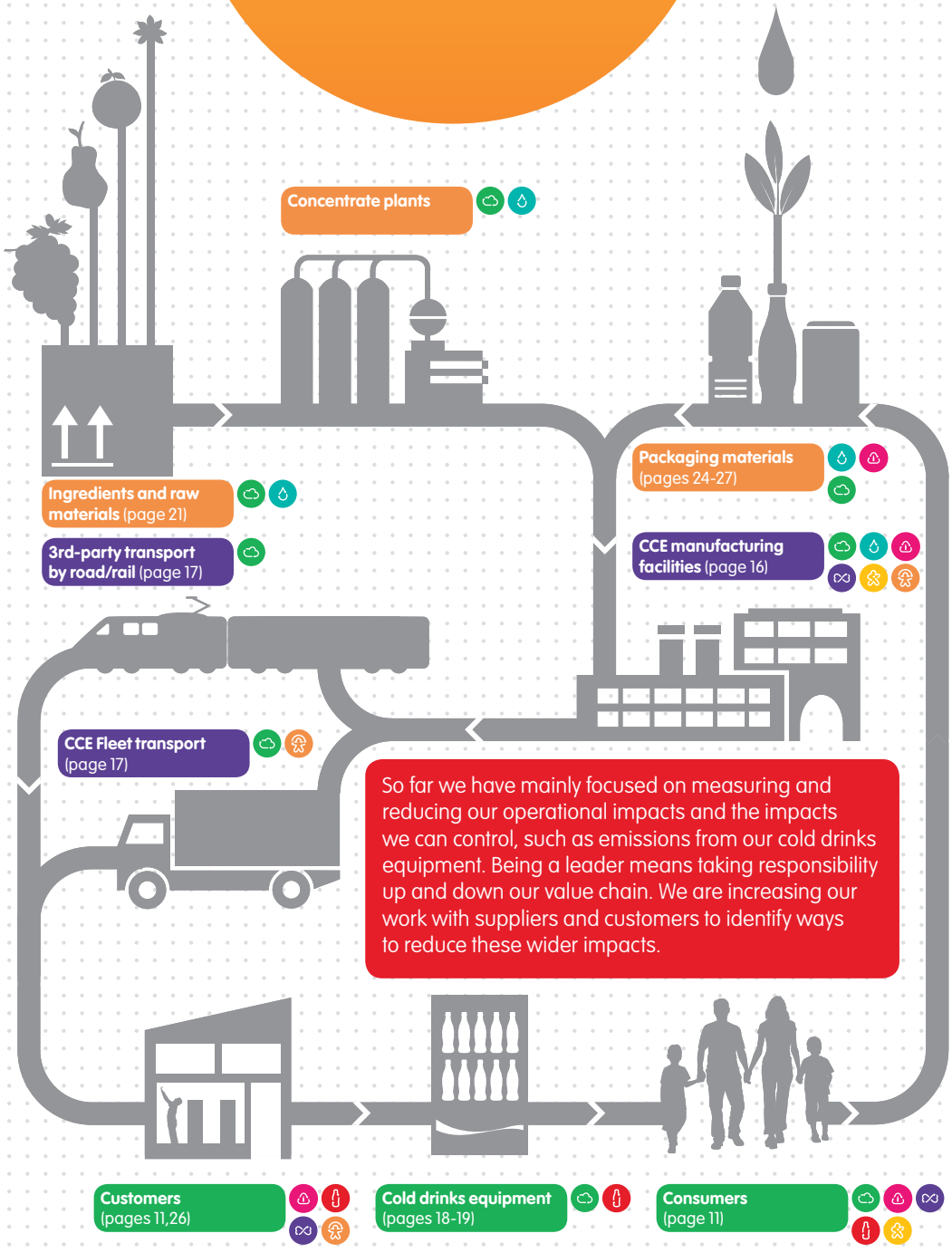
The marketplace

Our wide range of products reflects the changing needs and demands of our consumers across our territories. Refrigerating our products uses energy, so we are increasing the efficiency of our coolers on our customers' premises. Our empty packaging becomes waste unless it is collected for recycling, so we are working to increase recycling rates across our territories.

13,500

employees

Our business has environmental and social impacts across the life cycle of our products, from the sourcing and use of raw materials and ingredients, to the manufacturing of our products, to their disposal. We aim to reduce our impacts at each stage of our value chain and to make a positive difference to the communities in which we operate. Figure 2 shows the different impacts of our business at each stage of the value chain, and identifies where, in the remainder of this report, you can read about how we are seeking to reduce them.



So far we have mainly focused on measuring and reducing our operational impacts and the impacts we can control, such as emissions from our cold drinks equipment. Being a leader means taking responsibility up and down our value chain. We are increasing our work with suppliers and customers to identify ways to reduce these wider impacts.

165m

consumers

90%

volume from brands owned by The Coca-Cola Company

Our products

Coca-Cola Enterprises (CCE) manufactures and distributes some of the most popular beverage brands in the world.

Our portfolio of beverages includes some of the most recognized brands in the world: Coca-Cola, Diet Coke, Coca-Cola light, Coke Zero, Fanta and Sprite, as well as a growing range of water, juices and juice drinks, sports drinks, energy drinks and ready-to-drink teas. We strive to offer the leading brands in each of these categories. While beverages owned by The Coca-Cola Company and its affiliates represent more than 90 percent of our volume, we distribute several brands for other franchise partners, such as Capri Sun and Ocean Spray. The Coca-Cola Company is our primary strategic partner.

Product category[1]	Sparkling soft drinks									
Brand	Coca-Cola	Diet Coke/ Coca-Cola light	Coke Zero	Fanta	Sprite	Dr Pepper	Schweppes	Fernandes	Lilt	
Country										
Belgium & Luxembourg	■	■	■	■	■					
France[2]	■	■	■	■	■					
Great Britain	■	■	■	■	■	■	■		■	
Netherlands	■	■	■	■	■	■	■	■		
Norway	■	■	■	■	■					
Sweden	■	■	■	■	■					

Product category[1]	Juices & juice drinks (continued)							Energy		
Brand	Fanta Still	Mer	5-alive	Appletiser	Innocent	Kuli (still)	Oasis	Burn	Monster	
Country										
Belgium & Luxembourg	■							■	■	
France[2]	■							■	■	
Great Britain			■	■			■		■	
Netherlands								■	■	
Norway		■				■		■		
Sweden		■			■			■	■	

Top 5

—

during 2010, our top five brands by volume were: Coca-Cola, Diet Coke/Coca-Cola light, Fanta, Coca-Cola Zero and Capri Sun

	Waters and enhanced waters								Juices & juice drinks		
	Tab X-tra	Urge	GLACÉAU vitaminwater™	Chaud-fontaine	Bonaqua	Rosport	Schweppes Abbey Well	Viva	Minute Maid	Capri Sun	Ocean Spray
			■	■		■		■	■	■	
			■	■					■	■	■
			■				■		■	■	■
			■	■					■	■	
	■	■			■				■		
			■		■				■		

	Sports		RTD teas & coffees		Squash
	Powerade	Aquarius	Nestea	Chaqwa	Kia-ora
		■	■		
	■		■		
	■				■
		■	■		
	■		■	■	
	■			■	

	Nalu	Relentless	Urge Intense
	■		
		■	
			■

1. As defined by Canadean
2. Including Monaco

$2.6bn

spent with over 12,000 suppliers in 2010. Of this, 90 percent was spent in our countries of operation.

Stakeholders

A wide range of stakeholders influence and are influenced by our business. We listen to their views and use them to shape the way we operate and plan for the future.

Did you know...?

CCE was ranked #1 in the Food and Beverage industry in Newsweek's 2010 Green Rankings. We are also listed on the FTSE4Good index of socially responsible companies.

Who are our stakeholders?

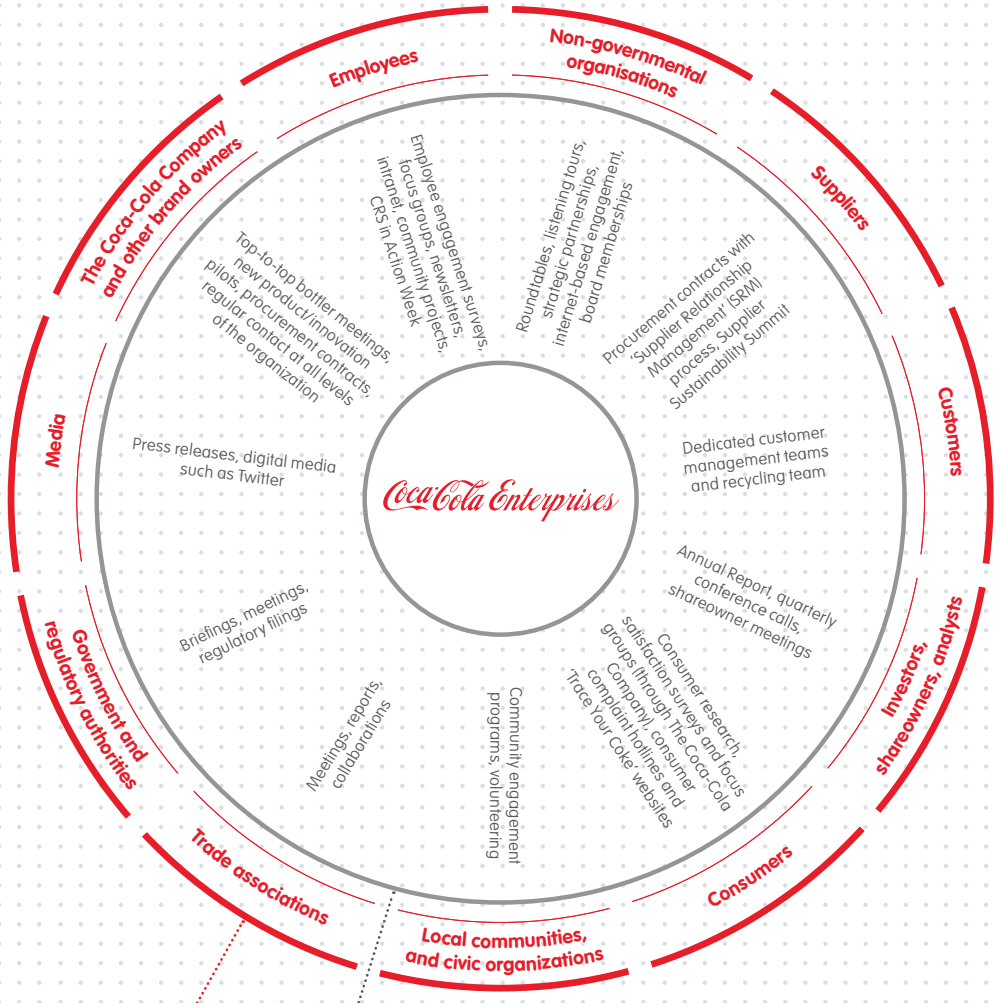
At the beginning of our CRS journey, we mapped our stakeholders into key groups (see Figure 3). We are currently reviewing this landscape within Europe to see how we can better understand and incorporate our stakeholders' views and ensure that we align with their expectations.

While all our stakeholder groups are important, we have focused our CRS engagement on our employees and on subject matter experts who have been able to provide valuable insight into how we can improve our efforts.

>1m

customers, from small independent retailers to large international chains

Figure 3: How we work with our stakeholders



Our key collaborations in 2010 include:

Non-Governmental Organizations

We are a signatory to the UN Global Compact and its CEO Water Mandate and work closely with the International Business Leaders Forum (IBLF). We also work with the World Wildlife Fund as part of The Coca-Cola Company's global partnership and we maintain a wide range of relationships with national NGOs such as those involved in packaging recovery (see page 27). In 2010, we convened a roundtable with water experts from academia and NGOs in North America and Europe to discuss our water stewardship approach and our replenishment target. In 2011, we aim to convene a further three roundtables on different topics material to our business.

Employees

In 2010, we launched a partnership with the University of Cambridge Sustainability Leadership Program and developed a tailored sustainability course into which we enrolled more than 80 members of CCE's senior management with the aim of embedding CRS further into our decision-making. In 2011, we will continue to run more courses. We also held our third 'CRS in Action Week' (see case study opposite).

Suppliers

We spent more than $2.6 billion with over 12,000 suppliers in 2010. Of this, 90 percent was spent in our countries of operation and 96 percent within the EU. We expect all our suppliers to adhere to our Supplier Guiding Principles (SGPs), a set of standards that includes health and safety, human rights, labor, environment and business integrity. We also incorporate environmental criteria into our Supplier Relationship Management process, which covered 80 percent of our 2010 spend with suppliers. We are looking at ways to work with our suppliers to encourage innovation throughout our value chain (see case study opposite).

Customers

Our customers range from small independent retailers to large international chains and we seek to be their most valued supplier. We set annual targets for customer satisfaction and measure our performance using surveys such as those by the Advantage Group. In 2010, for the fifth consecutive year, we remained the top supplier in the Advantage Group rankings of most valuable fast-moving consumer goods suppliers in Great Britain. In 2010 we also received the #1 rating in Benelux and the #2 rating in France.

We want to continue to meet our customers' expectations. In 2010, we worked with the Institute of Grocery Distribution (IGD) and asked design agencies, packaging experts and retailers to think about 'The Store of the Future'. We sought to examine shopping in 10 to 15 years' time and the role of technology in the shopper experience. The final report suggested that CRS will remain very important to ensure that our products meet our customers' evolving environmental needs.

Consumers

The Coca-Cola Company leads on consumer engagement and research, monitoring brand performance and consumer trends, and CCE operates consumer response centers to monitor consumer feedback and product issues. In 2010, we received 82,539 consumer contacts, of which 16 percent were product quality-related. This represents 1.23 product quality complaints per million units sold, six percent lower than the previous year. Our consumers want to know more about our products, our ingredients and where they are made. In 2010, we introduced 'Trace your Coke' in Great Britain, Benelux and France – a website that allows consumers to receive information about a product, where it was produced and its carbon footprint by selecting the brand and package type and entering a code printed on the pack.

Engaging our suppliers: Sustainability Summit 2010

In 2010, we held our first ever Supplier Sustainability Summit, attended by representatives from 50 of our top suppliers to discuss our goals, targets and the ways we can work together. This meeting demonstrated our commitment to CRS to our supply chain and created an opening for innovation and collaborative dialogue. The meeting helped us develop a number of key CRS projects, from piloting 'Eco-Combi' trucks in The Netherlands (see page 14) to harmonizing the colors of our bottle caps. We held a second meeting in 2011, focused on reducing carbon in our supply chain.

A workshop at our 2010 Supplier Summit

Engaging our employees: CRS in Action Week

To celebrate Coca-Cola Enterprises' commitment to Corporate Responsibility and Sustainability, we held 'CRS in Action Week'. From 11 to 15 October, 2010 we engaged in community and environmentally focused activities across all our countries. This was launched via a video message from our Chairman and CEO and employees were involved in a wide range of initiatives – from bike races to river and beach clean-ups; from healthy eating to workshops turning waste packaging into works of art. The week was well-received by our employees and communities and we are planning another week of action in 2011.

Employees removing litter in France

Governance

CCE's vision is to be the best beverage sales and customer service company. Our Operating Framework outlines the strategic priorities that will help us drive consistent, long-term, profitable growth and CRS is a key pillar of this framework.

Our governance structure

We are committed to doing business responsibly and strive to maintain a leadership position in the consumer goods sector in Europe, recognizing that this is a journey, not a destination.

We are embedding CRS into our everyday decision-making processes. Our strategy is guided by the CRS Committee of the Board of Directors[1] which meets five times a year to review our progress. The committee also oversees the capital expenditure allocated from a specific CRS budget designated for CRS projects and technologies. These funding decisions are not required to meet our internal rate of return standards. We assess the financial costs and environmental and reputational benefits of each project and provide this information to our senior leadership. They then allocate capital on a fully-informed basis. The committee is chaired by Cal Darden, former Senior Vice President, U.S. Operations, United Parcel Service, Inc. The other members are John Brock, our Chairman and CEO; Curt Welling, President and Chief Executive, Americares Foundation; and Véronique Morali, Chairman of Fimalac Développement and Vice Chairman, Fitch Group, Inc.

Our leadership team also participates in The Coca-Cola Company's European System CRS Board, a pan-European leadership group which includes other Coca-Cola bottlers. This group meets bi-annually to evaluate policy on matters of strategic environmental and social importance to our business. Outputs from these meetings influence our own internal policy and decision-making.

Our CRS Advisory Council is a cross-functional body of senior managers who chair Steering Groups for each CRS focus area. They meet five times per year to review progress, discuss challenges and identify the future direction and priorities for CRS at CCE and report back to the CRS Board Committee. The CRS Advisory Council is chaired by Laura Brightwell, Senior Vice President of Public Affairs and Communications.

Supporting our CRS Advisory Council is a network of CRS managers and an Environmental Stewardship team that manages quality, environment, safety and health across our operations. Members of this team also participate in the Global Coca-Cola Environment and Safety Council.

Risk management and business planning

Social and environmental risks are strategic business risks and are assessed annually. Risks that could adversely affect our business and financial results are disclosed in the Form 10-K found in our company's Annual Report and quarterly financial reporting. These risks include health and wellness trends, cost or limitations of raw materials, adverse weather, and global climate change[2]. As the Executive Leadership Team (ELT) member responsible for CRS, Laura Brightwell is accountable for CRS risks. CRS is also one of the performance objectives that determine the variable compensation of all members of the ELT.

In recent years we have enhanced the development process for any major project, product or new investment, to consider its impact on our CRS commitments. CRS is incorporated in each Business Unit's business plan and we have compiled a five-year Long Range Plan for CRS at CCE.

Figure 4: Operating Framework

Ethics and compliance

We are committed to a culture of ethical behavior across all roles and geographies.

At CCE, we follow the RIGHT Way model of ethical values. Our actions, decisions and behavior must always maintain Respect, Integrity, Good judgment, Honesty and Trust. These values are the foundation of our Code of Business Conduct and we aim to embed them in everything we do, every day.

Our revised global Code of Business Conduct is the cornerstone of our Ethics and Compliance program and helps us comply with the U.S. Foreign Corrupt Practices Act and the recent UK Bribery Act. The Code outlines the behavior we expect of every employee and identifies 12 guiding principles. These include promoting health and safety in the workplace, complying with anti-corruption laws and upholding our environmental commitments. Our Code is one of the ways we comply with the 10 universal principles of the UN Global Compact, which CCE signed in 2007. It is published on our website and intranet and all new employees are informed of the Code during their inductions.

CCE's Compliance and Risk organization aims to foster and enhance the ethical environment throughout CCE by embedding ethics and compliance into risk management and monitoring compliance with the Code of Business Conduct. Our Compliance and Risk program provides training, communication and change management related to the Code of Business Conduct and other key risks.

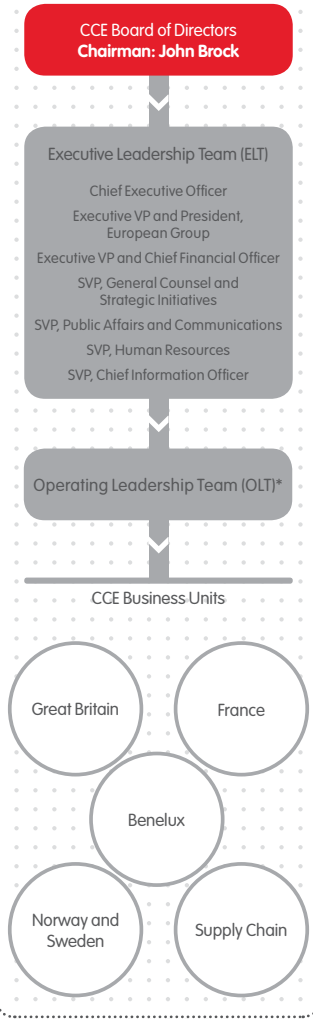
For our Code to be effective, employees must feel confident in raising concerns or questions without fear of retaliation. CCE has an Ethics and Compliance hotline to report such violations[3]. Employees are also encouraged to speak to their manager or to call or email the Ethics and Compliance office to discuss concerns or to report suspected violations. All reported incidents are investigated appropriately and all activity is reported to the Audit Committee of the Board of Directors and reviewed by our new Code of Business Conduct Violation Review Committee to evaluate trends and ensure consistent application of the Code of Business Conduct.

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. Sixteen of our 17 production facilities now have these standards in place.

Guiding our management systems are a series of overarching corporate policies which we review periodically. This year, we have again reviewed our Environmental Policy to further align it with the expectations of our stakeholders.

Figure 5: CCE operational structure



*Support functions represented on OLT and throughout the business units

Figure 6: Management systems coverage

Focus Area	Standard	Number of facilities in compliance[4]	% of facilities in compliance
Quality	ISO9000	16	94%
Food Safety	ISO22000	16	94%
Environment	ISO14001	16	94%
Occupational Safety	OHSAS18001	16	94%

CCE CRS Governance (from left to right)
Cal Darden, Chair, CRS Board Committee
Laura Brightwell, Chair, CRS Advisory Council
Véronique Morali, Member, CRS Board Committee
John Brock, Chairman and CEO, and member of CRS Board Committee
Curt Welling, Member, CRS Board Committee

1. Further details of our Committee and its members can be found at www.cokecce.com **2.** More details on our climate change risks can be found in our submission to the Carbon Disclosure Project, www.cdproject.net **3.** In all countries except France **4.** Includes all owned manufacturing production plant facilities only and does not include our co-packer partners, distribution-only operations or commercial facilities (e.g. Cold Drinks Operations or Vending sites). Also includes manufacturing operations in Norway and Sweden.

Low-carbon distribution

We now have five 'Eco-Combi' trucks in our Dutch fleet. These improve the carbon efficiency of our deliveries by transporting 38 rather than 26 pallets at once, reducing CO_2e emissions by 20 percent per pallet.

ENERGY CONSERVATION/ CLIMATE CHANGE

Introduction

Climate change, caused by man-made greenhouse gas emissions, is considered by many as the greatest threat to our planet. We recognize the effects that a changing climate could potentially have on the sustainability of our business and supply chain: threats to water availability, increased energy prices and regulation could cause additional costs and reduce our ability to manufacture and distribute our products. We want to minimize our climate impacts by reducing our emissions, increasing our efficiency and changing the way we source and use energy[1].

Our 2010 progress

	2007	2008	2009	2010
Operational carbon footprint (metric tonnes CO_2e)	795,760	850,438	830,802	**795,181**
Direct energy used in operations (MWh)	203,088	223,352	221,887	**218,033**
Natural Gas (%)	88.73%	83.62%	83.32%	**84.66%**
LPG (%)	11.27%	14.33%	14.30%	**14.24%**
Light Fuel Oil (%)	not reported	0.59%	0.16%	**0.19%**
Diesel (%)	not reported	1.46%	2.22%	**0.92%**
Indirect energy used in operations (MWh)	328,777	324,273	321,216	**319,139**
Electricity (%)	100%	100%	100%	**100%**
Energy used in cold drinks equipment (MWh)	1,234,078	1,588,036	1,471,943	**1,439,269**

1. For more detail on our climate risks, refer to the CCE Form 10-K **2.** See 'About this Report' section for more detail on footprint boundaries. **3.** A variety of methodologies were used to measure each part of this footprint. More detail can be found on the CRS section of our corporate website, www.cokecce.com. **4.** Our 2010 data includes acquisition of our Morpeth, Great Britain plant (Abbey Well), in-sourcing of pre-form manufacture at our Wakefield plant and enhancements to our Cold Drinks Equipment source data. These additions equate to less than 5% of our total carbon footprint. Initial calculations suggest that to incorporate these data improvements into our original 2007 baseline would increase it to an estimated 809,000 tonnes. Additionally please note that because we use anaerobic waste water biogas at Wakefield, Great Britain, this generated emissions of 137.4 metric tonnes of CO_2e in 2010. We do not include this in our footprint but report it separately, in alignment with the WRI/WBCSD Protocol.

Our commitment

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

Our energy conservation/ climate change strategy

This chapter concentrates on the way we are reducing carbon within our own operations – the manufacturing, distribution and cooling of our products.

However, over the last few years we have been working to better understand the carbon embedded in our value chain because our product carbon footprinting work has highlighted that our supply chain is where most of our carbon impact lies. Our initial calculations of our value chain carbon footprint show that packaging is responsible for the largest part of that footprint and that cooling accounts for the second-largest part. Our work on sustainable packaging (pages 24–27) shows how we are reducing the carbon footprint of our packaging.

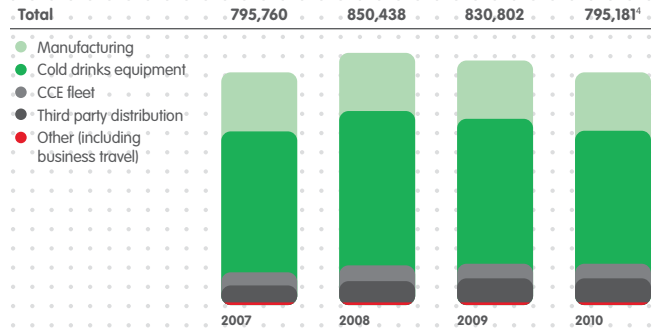
Reducing our emissions

Our emissions reduction program is based on our greatest operational carbon impacts. In 2010, we invested $10.4 million of capital expenditure on carbon reduction projects. We have focused mainly on our cold drinks equipment, but have also worked to improve efficiencies in manufacturing and distribution.

OUR CARBON FOOTPRINT

In 2010, using the WRI/WBCSD Greenhouse Gas Protocol, we measured the carbon footprint of our business, not including Norway and Sweden, at just over 795,000 metric tonnes of CO_2e[2]. This represents the emissions we generate in our manufacturing processes, facilities, fleet, and by our cold drinks equipment[3].

Our carbon footprint 2007–2010 (metric tonnes CO_2e)



Initial indications are that the addition of CCE Norway will increase our carbon footprint by approximately 13,000 tonnes, and CCE Sweden by 12,500 tonnes[5].

Our 2010 emissions by scope and source

		Greenhouse Gas (tCO_2e)[6]					
		Carbon Dioxide (CO_2)	Nitrous Oxide (N_2O)	Methane (CH_4)	Hydrofluoro-carbons (HFCs)	Total (scope) (tCO_2e)	% Footprint
Scope[7] (tCO_2e)	1 Direct emissions (e.g. fuel)	112,636	76	444	255	**113,411**	14%
	2 Indirect emissions (e.g. electricity)	98,187	n/a	n/a	n/a	**98,187**	12%
	3 Related 3rd Party emissions (e.g. cold drinks equipment)	582,587	62	934	n/a	**583,584**	73%
	Total (GHG)	793,409	138	1,379	255	**795,181**	

We are growing our business but not the carbon it produces. During 2010 we reduced our carbon footprint by 35,600 metric tonnes of CO_2e in comparison with 2009, while increasing sales volume by four percent.

Figure 7: Estimated carbon emissions across our value chain

	CCE supply chain (1.4m metric tonnes CO_2e)[8]		CCE operations (795,000 metric tonnes CO_2e)		
	Ingredients	Packaging	Manufacturing	Distribution	Selling – cooling and vending
% CCE core business emissions	–	–	22%	16%	62%
% CCE value chain emissions (estimated)[9]	16%[10]	48%[11]	7%	6%	23%

5. We are currently aligning the methodologies by which the Norwegian and Swedish carbon footprints are calculated and we will include their carbon emissions in our 2011 footprint calculation, in accordance with our Base Year Recalculation Policy. **6.** Please note, all numbers are rounded so may not add together to create totals. We do not have PFCs or SF6 emissions. **7.** 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 cold drinks equipment, 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. **8.** This number is estimated and has not been subject to external verification. **9.** Not including Norway and Sweden **10.** Based on carbon footprint modeling for bulk ingredients (e.g. sugar), and does not include flavor components. **11.** Based on life cycle analysis data for our main packaging types.

Manufacturing

Our manufacturing operations make up 22 percent of our core business emissions and around 80 percent of this comes from energy used at our manufacturing and distribution sites. In 2010, we used nearly two percent less energy in our manufacturing operations than in 2009 – a total of 494,000 megawatt hours (MWH), down from 504,000 MWH – while increasing production volume. We have achieved this reduction through monitoring energy use, planning and training, energy-efficient technologies, and investing in renewable energy.

Energy use monitoring, planning and training

We believe you can't manage what you don't measure, so in 2010 we improved the systems by which we monitor energy. Each facility's environmental data is reviewed regularly by senior management and we want to develop even greater awareness at plant level. Two key initiatives in 2010 helped us to do this:

Monitoring and targeting (M&T)
We have placed energy meters on production lines and energy-intensive equipment such as bottle blowers, compressors and chillers. These tell us where energy is being used and how efficiently the equipment is working, and help us to identify energy-reduction strategies. We installed M&T systems throughout Great Britain[12] in 2009 and in 2010 invested $1.8 million to install the technology in five further facilities. We aim to reduce site energy consumption by around three percent year-on-year. We are also using M&T systems to reduce water use (see page 22) and will extend the systems to monitor losses of carbonation CO_2, also known as 'fugitive CO_2'.

'esKO' training:
We have participated in 'esKO' – a Coca-Cola system-wide energy-saving program. In 2009, six of our manufacturing facilities[13], along with other Coca-Cola bottling plants in other countries, undertook in-depth energy use assessments. Our findings informed a catalogue of best-practice energy-efficiency examples for European bottling plants. In 2010, we held a series of training workshops for environmental, maintenance and engineering managers on how to use the catalogue and identify future efficiency opportunities, supplementing our existing environmental training.

CRS Masterplans

In 2010, each site mapped its energy and water use and developed a CRS Masterplan to identify short, medium and long-term projects to reach our currently established energy, water and waste best practices by 2014. Each plan includes projects such as strategic equipment replacement, optimization procedures, refurbishment and awareness training for employees.

Reducing our energy use in Sidcup, Great Britain

In our facility in Sidcup, Great Britain, we have invested $125,000 to replace our standard fluorescent light tubes with new Light Emitting Diode (LED) technology. Each new LED uses a quarter of the energy of a fluorescent tube, so will save 416 MWH of energy per year, (one percent of Sidcup's total usage) and around 197 tonnes of CO_2e. As LEDs last longer, we will also make annual maintenance savings of around $6,000. We have also installed a Ground Source Heat pump at our Sidcup plant. This technology uses the cooling properties of the cold water in the aquifer beneath our plant to cool compressors and bottle blowers instead of using energy from the grid for refrigeration. We estimate that it will produce year-on-year carbon savings of around 1,612 tonnes and save us $300,000 in energy costs per year.

Monitoring energy at our Sidcup, Great Britain, plant.

Energy-efficient technologies

We are rolling out new, energy-efficient technologies where possible. In 2010, we focused our investment on new lighting, compressed air and heat recovery.

Compressed air
We use compressed air throughout our bottling plants for running our machinery and drying bottles and cans before we add labels. However, the process is expensive and energy-intensive. In 2010, we commissioned a survey of compressed air leakages across all our sites to identify problems and make repairs. We identified around 4,700 tonnes of CO_2e savings and formed the '100 Percent Club' for sites that have repaired all their leaks.

Lighting
Over the last two years we have invested in lighting improvements. Depending on the location and its lighting requirements, we have installed new technologies such as energy-efficient bulbs and sensors, intelligent lighting systems and Light Emitting Diodes (LEDs). These projects will save approximately 560 tonnes of CO_2e per year. We continue to investigate new technologies such as sun pipes which we are piloting at our plant in Milton Keynes, Great Britain.

Heat recovery
Following successful pilots, we are also expanding our use of heat recovery. This works by piping heat energy from boilers to be reused for other production processes, to reduce our use of natural gas.

12. Except for Abbey Well (Morpeth), which is our newest site. **13.** Ghent, Chaudfontaine, Clamart, Grigny, Sidcup and Wakefield. **14.** This equates to 0.6% of our 2010 mileage in France.

Renewable energy in our facilities

Although renewable energy technologies tend to be more expensive than traditional fossil energy sources, we believe they will have a part to play in helping us to meet our carbon reduction targets. By adopting such technologies at an early stage, we can reduce costs in the longer term.

We are exploring the most suitable renewable and low-carbon energy solution at each site, depending on geography and location. We are investigating a water turbine at Chaudfontaine, Belgium along with wind turbines in Northampton, Great Britain and Dongen, The Netherlands and solar panels on our factories at Edmonton, Great Britain and Marseille, France. We hope to invest in combined heat and power, which would allow us to use waste heat from energy generation in our own processes in Wakefield, Great Britain. To implement these projects we must first meet individual planning-related requirements at each site.

Employee spotlight

Darren O'Donnell
Logistics Asset Manager
Uxbridge, Great Britain

"I'm proud to have helped put CCE at the forefront of green vehicle technology. I was given the task of reducing carbon emissions from our transport fleet in Great Britain and investigated a number of options. Biogas gives us maximum emission reductions without compromising our operations. We now have one biogas truck, powered by gas from organic waste at a landfill site. This produces up to 65 percent less emissions than a normal truck. We now plan to introduce another 14 of these environmentally-friendly vehicles over the next two years and are the first operator in the British logistics sector to be running dedicated biogas trucks."

Our river transport trial in The Netherlands.

Transportation

Transporting our products currently accounts for 16 percent of our core business emissions. We are working to improve the efficiency of our own vehicles and those of our distribution partners, and to optimize our logistics network and routes to market.

Reducing emissions from our fleet

We are piloting different engine and fuel technologies across our geographies, assessing their capabilities and rolling out those best suited to our needs. In The Netherlands we have introduced five new 'Eco-Combi' trucks (see page 14).

In Great Britain, we are trialing biogas-powered vehicles (reported to achieve up to 65 percent CO_2e savings across the life cycle of the vehicle) as well as investigating the ways in which aerodynamics and stop-start engine technology can save fuel. In Belgium, we piloted hybrid vehicles using Renault technology in 2009 and are continuing to investigate new alternative technologies to find the best solution for our markets.

We are also working to reduce the environmental impacts of the vehicles in our conventional fleet. Trials indicated that 'eco-driving' techniques, such as early gear changes, speed limiters and minimal braking could achieve fuel savings of five to ten percent, so we will roll out training to our drivers. We have significantly improved the emissions from our corporate car and van fleet by introducing CO_2 caps for cars, providing green choices to our employees and selecting only best-in-class energy-efficient vans.

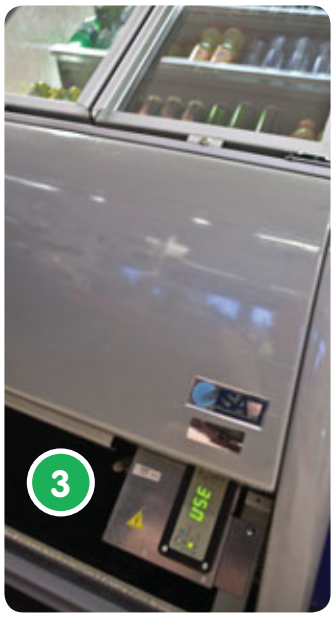
Third-party fleet

Most of our deliveries are carried out by third-party haulers. In partnership with them we saved 900,000 road miles and 3,300 tonnes of CO_2e emissions in 2010. Our partnerships have also helped us increase the use of other modes of transport such as rail in Great Britain and France and river in The Netherlands. A river transport trial showed we could reduce our CO_2e emissions by up to 20 percent per pallet, so we plan to carry out further shipments in 2011. In France, more than eight percent of our transport miles are now by rail. In 2011, we aim to increase this by a further 125,000 miles, to 10 percent of miles travelled in the country.

Backhauling and network optimization

We are also expanding backhauling with customers and suppliers in Great Britain and France – an arrangement by which customers or suppliers use empty vehicles on a return journey to collect or move product. For example, we introduced backhauling with Carrefour in France on two routes, to their warehouses in Bassens and Libercourt. Backhauling in France saved 780 deliveries, 122,500 miles[14] and 210 tonnes of CO_2e in 2010.

Network optimization has brought real carbon benefits. Through improved network planning in France, for example, we have been able to remove about two and a half miles from every trip, saving approximately 260,000 miles and 443 tonnes of CO_2e per year. Through better route strategy, production changes, and warehouse expansion and planning, we will continue to create network and distribution efficiencies.



Technology used to improve the efficiencies of our coolers.

Our cold drinks equipment

Our cold drinks equipment makes up the greatest proportion (62 percent) of our core business emissions. At the end of 2010 we had approximately 490,000 coolers, vendors and fountain machines in the marketplace in our territories[15], operated by our customers on their premises.

Existing coolers

We are working to improve the efficiency of our existing coolers by in-market retrofits, so that we do not take equipment out of service, or by refurbishment at one of our four service centers[16]. We are driving carbon reductions across our existing coolers in several ways:

1. Fitting doors – We have approximately 21,000 open-fronted coolers across our territories. By fitting doors, we can reduce energy use by up to 50 percent. In 2010, we fitted 2,800 doors and in 2011, we aim to fit a further 7,500, to reach nearly half of our open-fronted fleet.

2. Lighting improvement – We are replacing standard fluorescent lighting with long-life LEDs which can be up to 80 percent more efficient. We fitted 15,700 LEDs in 2010.

3. Energy management devices (EMS55) – Our intelligent 'EMS-55' device recognizes patterns of use and responds by shutting off lights and adjusting temperatures when the cooler is not being opened regularly. In this way it can reduce energy consumption by up to 35 percent per cooler. In 2010, we fitted 24,275 EMS devices and we aim to install a further 43,500 in 2011 so that by the end of the year, we will have fitted devices to 28 percent of our total cooler fleet.

Vending machine programming

We can also program certain vendor models to use energy more efficiently. In 2011, we will program over 4,800 of these, to reach seven percent of our total vendor fleet.

15. Not including Norway and Sweden **16.** We have four cooler refurbishment centers in our territories; Milton Keynes (Great Britain); Londerzeel (Belgium); Dunkirk and Courtaboeuf (France)
17. Pending commercial viability and technology availability **18.** Excluding Norway and Sweden

Carbon allowances: Driving accountability for carbon reductions

Encouraging accountability for the carbon implications of our business decisions is one of the ways in which we can encourage our employees to meet our carbon goals. As a result, we developed 'carbon allowances' for all our business units in 2010 and rolled these out in early 2011. We have set a maximum emissions target for each country, and our Energy Conservation/Climate Change Steering Group will work with each business unit to develop a carbon reduction plan based on its annual business plan.

New coolers

We have set high standards for the new coolers that we buy and install in our customers' premises. For example, all our new coolers that have a cubic capacity of over 250 liters of product now come with our intelligent EMS device pre-installed.

HFC-free

We have also committed ourselves to removing hydrofluorocarbon refrigerants (HFCs) from our equipment. HFCs can be powerful greenhouse gases if leaked to the environment or released when equipment is disposed of incorrectly. Our equipment is maintained by our technical centers and our field engineers. In addition, we have systems in place for safe disposal and we no longer purchase equipment that contains insulation with HFCs. We want to ensure that our coolers use HFC-free refrigerants instead, which are found in the natural environment and present no significant risk to the climate. Our challenge is the availability of this equipment. Working with suppliers, we aim to purchase 100 percent HFC-free coolers by January 2013[17]. In 2010, we bought over 12,500 HFC-free coolers, approximately 50 percent of all our new purchases[18] and four percent of our total fleet. In 2011, we intend to purchase a further 16,000 HFC-free coolers.

Other cooling innovations

We are constantly looking at new ideas and opportunities to reduce the carbon footprint of our cooling equipment. Among other initiatives, we have started to investigate ways in which we can reduce the energy used to cool fountain drinks in venues such as pubs and cinemas.

Looking to the future

We are reviewing our carbon reduction goal in 2011, looking at our carbon impacts beyond our immediate operations and the demands of our stakeholders and policy makers.

Did you know...?

We are committed to recycling and reusing our equipment – we refurbished 46,000 coolers in 2010, more than the 31,000 that we bought new.

Refurbishing coolers at our Milton Keynes center.

Working with others – global partnerships

We are working in support of climate policy at global, national, industry and local levels. In 2009, we joined more than 950 companies from more than 60 countries in signing the Copenhagen Communiqué and in 2010 we signed the follow-up Cancun Communiqué. These are definitive statements from the international business community to pursue an equitable deal on climate change, agreed during the 2009 United Nations Climate Change Conference in Copenhagen, Denmark and the follow-up meeting in Cancun, Mexico in 2010.

More recently, we have signed a 'business call', organized and supported by The Climate Group, WWF and the Cambridge Programme for Sustainability Leadership, for the European Union to adopt a 30 percent emissions reduction target by 2020.

We've signed The Cancun Communiqué

WATER STEWARDSHIP

6%

Improvement in water efficiency 2009–2010

Savings...

Our new bottle washer in Clamart cleans around 80 percent of all our returnable glass bottles in France. Its spraying system and water flow management uses less than half the water of the previous machine, saving 36,750 m³ of water per year.

Introduction

Water is one of the planet's most precious resources. It is the main ingredient in our products and we also use it for cooling, washing and rinsing at our manufacturing plants. Although Europe is widely seen as a water-abundant continent, we face issues of water quality and sometimes scarcity in some of our countries of operation as well as further away in the countries from which we source ingredients such as sugar. These problems are likely to be influenced by climate change. We aim to act as responsible stewards of water and to reduce the impacts of our business on the world around us.

Our 2010 progress[1]

	2007	2008	2009	2010
Water use ratio (average liters of water per liter of product produced)	1.64	1.57	1.51	**1.42**
Total water use (billion liters)	8.79	8.64	8.66	**8.37**
Volume of water municipal discharged to treatment plants (m³)	2,683,117	2,462,988	2,347,720	**2,167,038**
Volume of water treated by CCE treatment plants (m³)[2]	873,735	842,296	762,467	**586,570**
% water discharged meeting aquatic life standards	100	100	100	**100**

1. Not including Norway and Sweden **2.** Includes water from three of CCE's water treatment plants (Chaudfontaine, Ghent and Marseille) which discharge directly to a watercourse. Our wastewater treatment plant at Wakefield discharges processed water to the municipal treatment system.

"Over the last five years we have increased our production by around 12 percent, yet reduced our overall use of water by five percent. Our operations in Great Britain and France are the most efficient in the global Coca-Cola system."

Our commitment

Establish a water-sustainable operation by protecting our water sources, minimizing our water use and replenishing the amount of water used in our beverages.

Our water stewardship strategy

In 2009, we calculated the water footprint of Coca-Cola produced at our Dongen plant in The Netherlands[3]. The results showed that a 500 ml plastic (PET) Coca-Cola bottle has an embedded water footprint of 35.4 liters of water[4]. Of this, 99 percent is used in our supply chain, and 76 percent specifically for the growing and refining of sugar beet. Although the footprint varies depending on the calculation methodology, it is clear that our water impacts extend beyond our business and into our value chain.

In early 2010, we conducted a roundtable with stakeholders and water experts to discuss the development of our overall water strategy. We heard that our approach should be risk-based and that over time we should develop our focus beyond protecting our own water sources and reducing our operational water use to reducing and safeguarding the water in our supply chain. While our present focus is on increasing our operational water efficiencies (see page 22), we are also beginning to investigate ways in which we can reduce our water use impacts across our whole value chain (see page 23).

Protecting our water sources

We aim to sustain high quality water sources and to minimize our impacts on local communities and ecosystems. In 2009, we started a series of Source Water Vulnerability Assessments (SVAs) at all our production facilities. We investigated the likelihood that our water sources will be affected by quality and scarcity issues and assessed potential water risks to our business, the local community and the ecosystem. Less than 20 percent of the water we use comes from groundwater withdrawal on-site and these on-site wells are licensed by government. The remaining 80 percent of the water we use comes from municipal sources. Our SVAs found no critical issues in terms of water availability. Nevertheless, water stress could worsen over time in some of the heavily populated areas where we manufacture our products.

Our vulnerability assessments have informed the development of technical Source Water Protection Plans (SWPPs) for each production site in conjunction with water providers, government agencies and community organizations. At the end of 2010, we had completed SWPPs at all sites except Morpeth, Great Britain, and Oslo, Norway, where the work will be completed in 2011. In 2011, we will implement these plans at each site and will update them every two years, engaging our local communities and stakeholders each time.

Working with partners to inform our water stewardship strategy

Many external influences inform the ongoing development of our water stewardship strategy. Our Water Roundtable brought together representatives from water-focused 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 on water policy in our countries of operation – one example being the Federation House Commitment which asks the food and beverage industry in Great Britain to reduce its water use by 20 percent by 2020. We submit data and participate in water-efficiency benchmarking and the sharing of best practices with other beverage companies at the Beverage Industry Environmental Roundtable (BIER).

Figure 8: Water use in our value chain

	CURRENT FOCUS	FUTURE FOCUS
Stage	**Manufacturing**	**Supply Chain:** Ingredients, Packaging
Water use	1%	99%

3. A pilot study in conjunction with The University of Twente and the Water Footprint Network.
4. Footprint did not include the flavoring contained in the concentrate.

Reducing our water use

We are a significant user of water, using 8.37 billion liters in 2010. Although we cannot reduce the volume of water in our products, we can focus on making our cleaning and manufacturing processes more efficient. Over the last five years, we have increased our production by around 12 percent, yet reduced our overall use of water by five percent, highlighting the success of this work. We measure the water efficiency of our operations by calculating the water we use to create one liter of product – a term we call our 'water use ratio'. On this basis, CCE's operations in France and Great Britain were the most efficient in the global Coca-Cola system in 2009.

Our 2020 target is to achieve an average water use ratio of 1.3 liters of water to produce one liter of beverage. In 2010, we used 1.42 liters/liter, down from 1.51 liters /liter in 2009. This marks an improvement of nearly six percent (14 percent since 2007), exceeding our 2010 target and meeting our 2011 target ahead of schedule.

We have set a new 2011 target of 1.38 liters/liter for our operations excluding Norway and Sweden and 1.44 liters/liter including Norway and Sweden. A target below 1.3 liters/liter may require the use of more energy and we could face a trade-off with our energy reduction goal. We will continue to investigate how to achieve water efficiencies below this benchmark on a consistent, low energy basis. At the end of 2010, seven of our facilities had already achieved efficiencies of less than 1.4 liters/liter.

Employee spotlight

Xavier Brelle
Environment Manager
Grigny, France

"With technicians Stéphane Marle and Philippe Brun, I led a 'water mapping' project at our Grigny plant to reduce our water use ratio. We measured and recorded our water consumption around the plant to see which areas needed improvement, then introduced water-saving projects such as reducing water in our rinsers. We also installed 13 new water meters on-site, connected to a monitoring device, to alert us when we were using too much water. By the end of 2010, our water use ratio was 1.32, down from 1.49 in 2008, and our plant saved about 39,400 m³ of water compared to 2009."

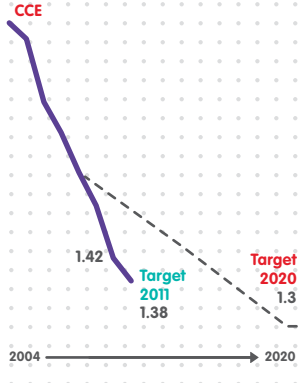
New technologies
Key to reducing our water use is the implementation of new, efficient technologies in our plants. In 2010, we developed CRS Masterplans which prioritize potential short, medium- and long-term projects in each plant (see page 16) and spent $1.5 million on implementing proven technologies across our business, as well as piloting new technologies to achieve even greater efficiencies. These included:

- Dry lube – We are now using a dry lubricant, rather than soapy water, to move containers along production lines and are testing its use on glass bottle lines.
- Air rinsers – Where we install new lines or replace machinery, we will introduce ionized air instead of water to rinse pre-blown bottles and cans. Approximately 30 percent of our plastic bottle and can lines now use air rinsers.
- Recycle and reclaim loops – We are improving our 'Clean in Place' (CIP) sanitation systems which allow us to recover and reuse rinsing water for further cleaning processes. We are also trialing other CIP techniques such as the use of cold rather than hot water, new cleaning chemicals and blowing with air. We are testing Electro Chemically Activated water (ECA), which works by electrolyzing salt added to water to create an acidic cleaning solution. Pilots show that ECA reduces energy use by 80 percent, chemical use by 90 percent and water use by 25 percent.
- Bottle washers – We have installed a new bottle washer at our Clamart, France facility which handles approximately 80 percent of all our returnable glass bottles in France. With its improved spraying system and water flow management, it uses 7.5 m³ of water per hour, compared to 18 m³ per hour in the previous machine. This means we save around 36,750 m³ of water per year.

Monitoring and targeting
We have enhanced the way we monitor our water use to identify new efficiencies. By installing systems similar to those used for energy monitoring (see page 16), we can assess our water use in real time. In 2010, we installed water metering technology at five plants. In 2011, in Dongen, The Netherlands, we will pilot software which links the meters to give a comprehensive view of efficiencies. If successful, we will roll it out further.

Figure 9: Growing our business but using less water 2006–2010 (excluding Norway and Sweden)

Figure 9: Growing our business but using less water 2006–2010 (excluding Norway and Sweden)



Recycling the water we use

Our water use ratio 2020 target of 1.3 liters/liter is made up of one liter of water that goes into our beverage and 0.3 liters that is wastewater. Although we aim to reduce this wastewater, it is our responsibility to treat this water to a level that supports aquatic life before we return it to the municipality or ecosystem.

In 2010, we treated 100 percent of our wastewater to these high standards. The majority of our production facilities divert their wastewater back to municipal water treatment plants after it is pre-treated on-site[5]. However, four of our facilities have on-site wastewater treatment plants. Last year, we discharged a total of 2,753,608 m^3 to the environment at standards supporting aquatic life. Of this, 2,167,038 m^3 was treated by municipal wastewater treatment stations, and 586,570 m^3 by our own treatment plants[6].

Replenishing and protecting our watersheds

Our business depends on clean water and healthy watersheds and we aim to replenish the water we use in our beverages by working with our employees, engaging with local communities and collaborating with Non-Governmental Organizations (NGOs).

Each year, the Coca-Cola system quantifies and publishes the impact of its community water partnerships around the world, to show progress against its target of replenishing 100 percent of the water it uses in its finished beverages by 2020. The current estimate is that projects implemented by the end of 2010 will provide a benefit of approximately 42.8 billion liters/year, representing 31 percent of the target. In 2011, we will develop a replenishment strategy to enable us to quantify and include CCE projects in this calculation.

Replenishment in our communities

Although not yet contributing to this overall goal, the key replenishment and watershed protection projects we carried out across our territories in 2010 are:

- Protecting aquifers – In Chaudfontaine, Belgium, CCE is working as part of a public-private partnership with the municipality, regional authorities and the University of Liege, to protect the natural hot spring from pollution. We identified the contamination risks such as filling stations, fuel tanks, cattle farms and sewerage systems and the Walloon Region supported us in implementing 300 local protection measures between 2008 and 2013.
- Protecting aquifers – In Dongen, The Netherlands, where our water comes from an on-site well, CCE has worked with the province of North Brabant to assess how best to protect the groundwater. A 25-year protection zone has been introduced to regulate new boreholes in the vicinity. The aim is to reduce the likelihood of aquifer contamination from surface pollution and to ensure that groundwater extraction is carefully regulated.
- Reforestation – CCE's Marseille manufacturing site is located in the French village of Les Pennes-Mirabeau. The local forest, the Massif de la Nerthe, has suffered recent fire damage and has lost some of its ability to retain rainwater. In November 2009, we signed an agreement with the Pennes-Mirabeaux city authorities and the French National Forest Authority to reforest badly burnt areas by planting around 2,000 trees in two hectares to help to retain rainwater and reduce run-off.
- Participating in clean-up initiatives – We support local community water needs by cleaning up waterways, river banks and beaches. We participated in a wide range of clean-up activities in 2010 with key activities in France and Sweden (see page 32).

Replenishment in our supply chain

Following our water footprint study in The Netherlands (see page 21), The Coca-Cola Company has led a second phase of validation work, in partnership with our sugar suppliers. By using specific, rather than public, sugar beet farming data, it emerged that less water was required for irrigation than previously thought. This reduced the original water footprint calculation of a 500 ml PET bottle of Coca-Cola from The Netherlands by nine percent[7].

As a next step, The Coca-Cola Company has begun further work in Europe on a water footprint sustainability assessment covering the environmental impacts of refined sugar from sugar beet[8]. It is engaging with European stakeholders and beet sugar suppliers for consultation and advice. CCE will continue to work with The Coca-Cola Company in this area, and will ensure that this work informs the development of our replenishment strategy.

Looking to the future

We will review our water stewardship goal and targets in 2011, developing a replenishment strategy informed by stakeholder feedback we have received and working with The Coca-Cola Company to address the wider impacts of water use in our value chain.

Did you know...?

In 2010, we treated 100 percent of our wastewater to levels supporting aquatic life before returning it to the environment.

Coca-Cola and WWF's Water Saver toolkit

The 'Water Saver' tool developed by The Coca-Cola Company (TCCC) and the World Wildlife Fund helped us to reach our 2011 water efficiency target a year early. Each participating plant must record water use and production data daily and send it for external review every week, to raise awareness of the importance of saving water. The tool benchmarks each plant and identifies its optimal water performance based on product and packaging mix, then provides improvement suggestions. As a result of our success in using the tool, TCCC has asked us to share best practices with other bottlers.

5. We treat our water by neutralising the acidity, removing solids or oils, and regulating any organic pollution in the water (Chemical Oxygen Demand) before returning it to the municipality for further treatment. **6.** Excluding Norway and Sweden. **7.** Further information from a report by The Nature Conservancy and The Coca-Cola Company: "Product Water Footprint Assessments: Practical Application in Corporate Water Stewardship", 2010. **8.** In six countries in Europe – Great Britain, France, Spain, Benelux, Romania and Greece.

21 tonnes

of packaging was collected at 20 of the biggest festivals in Great Britain, France and Belgium in 2010. Our new recycling program engaged volunteers from CCE and 'Vinspired', a youth volunteering organization, who collected 840,000 bottles and cans over the course of the summer.

SUSTAINABLE PACKAGING /RECYCLING

Introduction

Our packaging plays a vital role in delivering our beverages safely to our customers and consumers. It also remains our most visible and high-profile environmental issue. It can be carbon-intensive and, while our packaging materials can be recycled, our packages all too often end up in landfill.

In 2010, we used a total of 396,752 tonnes of packaging materials of different types across our countries of operation[3].

Our packaging footprint[1]

Materials used	Tonnes
Aluminium	42,650
Steel	48,044
Plastic[2]	170,902
Glass	66,744
Secondary packaging (cardboard)	68,412

Our 2010 progress

Key performance indicator	2007	2008	2009	2010
Packaging materials avoided (metric tons)	N/A	6,800	4,782	**5,300**
Avoided packaging as a % of total used	N/A	1.8%	1.3%	**1.3%**
Recycled PET content (%)	Start of program	5%	10%	**17.9%[4]**
CCE recycling rate (production facilities)(%)	95.8%	98.4%	99.3%	**99.5%**

1. Not including Norway and Sweden. **2.** Includes PET, HDPE, LDPE, LLDPE, PE and PP types of plastic. **3.** Not including Norway and Sweden **4.** Total percentage for December 2010 **5.** Derived from sugar and by-products of its production. **6.** For further information, see Alupro's website: http://www.alupro.org.uk/facts-and-figures.html **7.** Depending on the type of plastic being recycled and reprocessed.

Our commitment

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.

Our sustainable packaging/recycling strategy

Packaging is responsible for nearly half the carbon emissions across our value chain (see page 15) and we want to reduce this impact. In 2010, we studied our packaging from source to disposal, looking at where we can intervene most effectively to reduce our impacts. Our findings have informed our strategy and we are now working at every stage in the process to reduce the embedded carbon in our packaging (see Figure 11).

Sustainable materials

Key to developing sustainable packaging is ensuring that the materials we use come from sustainable, renewable sources. PET is one of the most recycled types of plastic, but is still sourced from non-renewable fossil fuels. We are therefore seeking new ways to use renewable materials instead.

PlantBottle

In 2009, The Coca-Cola Company introduced PlantBottle, an alternative to fossil-fuel based PET. A fully-recyclable PET bottle made from a blend of petroleum-based materials and approximately 30 percent plant-based materials[5], it is chemically and physically identical to traditional PET. Because of its sustainable component, it also has a lower carbon footprint than traditional PET. By 2020, we intend that all PET bottles will be made from a combination of recycled PET (rPET) and plant-based materials.

In 2010, we launched PlantBottle for selected Bonaqua bottles in Norway and on Coca-Cola products in Sweden. Our bottles are made half from PlantPET and half from recycled PET. 30 percent of the PlantPET is plant-based material. We are conducting a life cycle analysis to see how its carbon footprint differs from our regular Bonaqua bottles. In 2011, we will be launching PlantBottle with 22.5 percent plant-based material for our small PET Coca-Cola products in Great Britain, Benelux, France and Sweden.

Using recycled materials

Where possible, we aim to use recycled materials in our packaging. These tend to have lower carbon footprints; for example, it takes 95 percent less energy to produce recycled aluminum than aluminum from bauxite ore[6]. The current availability of recycled aluminum or steel means that the maximum level in each can is around 50 percent. Our suppliers, the can manufacturers, are trying to increase this figure by improving can recovery rates.

The market for recycled PET is less developed, so rPET is not available in such large quantities and is more costly. However, it takes around 60 percent[7] less energy to produce rPET than virgin PET – so, by increasing the rPET content of our bottles, we can significantly reduce their carbon footprints. In 2010, we invested $0.78 million of our CRS capital expenditure on technology related to rPET in our plants and in December 2010 we reached an average of 17.9 percent rPET in our PET packaging across our territories. We will continue to invest to meet our targets of 22.5 percent rPET by 2011 and 25 percent by 2012.

Sustainable secondary packaging

We are seeking opportunities to introduce Forestry Stewardship Council (FSC) certified cardboard for our secondary packaging. We will convert Capri Sun and corrugated trays in Great Britain to FSC-certified cardboard in 2011.

"We want to focus on the carbon impacts of our packaging across its life cycle. This approach will help us reduce the carbon footprint of each pack at each stage from design to disposal, and will ultimately define the packaging of the future."

Figure 11: Our packaging and recycling value chain

	1 →	2 →	3 →	4 →	5
Stage	Sourcing our packaging materials	Turning our materials into packaging	After the disposal of our packaging	Recovering discarded packaging	Reprocessing our packaging waste
Our focus	Sustainable materials	Reduce and redesign	Influence consumer behavior	Recovery	Reuse and recycling

Reduce and redesign

Our aim is to reduce the weight of our packaging without compromising its quality. We do this through re-design and call this process 'lightweighting'. Avoiding the use of materials reduces our packaging carbon emissions and also our costs.

Our bottles and cans
In 2010, we met the target we set in 2008 to reduce the amount of packaging we use by 35,000 tonnes. We aim to remove a further 25,000 tonnes by 2014. Our 2010 lightweighting initiatives focused on reducing the plastic in our bottle closures, the thicknesses of our bottle walls and the amount of glass in our glass bottles. By introducing shorter closures on PET bottles, for example, we remove plastic from both the closure and the bottle neck, saving 5,600 tonnes of material per year.

Secondary packaging
In 2010, we trialed the removal of cardboard trays from our cases of PET bottles to meet both our own and our customers' packaging reduction requirements. The success of this trial means that in 2011 we will remove these trays from our small PET packages, saving 3,350 tonnes of cardboard per year, or 15 percent of the corrugated cardboard used by our business. Initial calculations show that this will reduce the carbon footprint of a 500 ml bottle of Coca-Cola by around five percent.

Influence consumer behavior

To meet our goal of recovering the equivalent of 100 percent of the bottles and cans we place on the market, we must raise consumer awareness of the need to recycle. Our research identified that most of our bottles and cans are thrown away when people are at home, not when they are on-the-go, so our greatest opportunity to recover more material is by encouraging recycling at home.

In Belgium and Holland, the household recycling infrastructure is well established and packaging recovery and recycling rates are over 80 percent in both markets. In Great Britain and France, however, the use of 'at home' recycling schemes is much lower and recycling rates for PET bottles are less than 50 percent in both countries.

A key part of our strategy is to work with our customers and other stakeholders and use our brands to inspire, motivate and incentivize recycling, focusing on Great Britain and France. Awareness-raising initiatives, undertaken in 2010 with our customers and other partners include:

- Event recycling – Our new recycling program at 20 of the biggest festivals in Great Britain, France and Belgium aimed to increase the recycling of packaging, and encourage event-goers to change their behavior. Our efforts in Great Britain were awarded the 'Best Sponsor Activation' award at the 2010 UK Festival Awards.
- 'Recyclo-Man' – Working with the French restaurant chain, Leon de Bruxelles, we developed a 'Recyclo-Man' table set for children in their restaurants and provided prizes for the 'Recyclo-man' recycling quiz.
- Monoprix – Working with Monoprix in France, we launched an online campaign to encourage 'at home' recycling. This offered shoppers a small kitchen can/bottle compactor if they purchased Coca-Cola products.
- Plastic Hero – In The Netherlands, we have been working to improve the recovery of our small PET bottles by influencing consumers to recycle by taking a leadership role in the successful Plastic Heroes campaign.

In 2011, we aim to expand these programs further, bringing bespoke initiatives to major retailers across our European markets. We will roll out a series of campaigns with a single focus – improving consumer behavior at the point of disposal.

Partnering for change
To reduce the quantities of used packages being sent to landfill, particularly in Great Britain and France, we must increase recovery rates by investing and partnering with others to develop the recovery infrastructure. Our studies showed that the greatest opportunity to recover material lies at home, so we want to work with policy-makers and regulators to improve household recycling programs and make them simple for people to understand and use.

Employee spotlight

Steve Neeson
Production Planner
Uxbridge, Great Britain

"For five days last summer I volunteered to help spread the recycling message at the rock festival, Sonisphere, near London. I worked with other CCE volunteers to encourage festival-goers to swap their used PET bottles for recycled PET 'swag' such as torches and T shirts. We also collected rubbish, talked to people about the importance of recycling and created a 'recycle garden' with furniture made out of bottles. Over the weekend, we collected more than six tonnes of cans and PET bottles, swapped 23,800 bottles for 2,260 items, and hosted 1,683 people in our recycle garden. It was a great experience, and I came away feeling I'd helped to make a real difference."

Lightweighting

'Coca-Cola reduces its impact through lightweighting. You can add something through planting flowers'.

In Belgium, the Coca-Cola system launched its first ever shopper promotion related to lightweighting. The 'Plant a Flower' campaign gave consumers packets of flower seeds when they purchased Coca-Cola products, linking our packaging reduction work with encouraging consumers to add something back.

Packaging recovery

CCE's focus has been on working with existing national recovery systems such as Fost Plus in Belgium, Nedvang in The Netherlands, Eco-Emballages in France, Returpak in Sweden, Norsk Resirk in Norway and WRAP, DEFRA and Valpak in Great Britain. We believe that taking a leadership role is the most effective way to raise recovery rates in each of our countries of operation.

On a smaller scale, we are working with other partners to install packaging recovery infrastructure. Our on-the-go Recycle Zone program provides branded bins for consumers to recycle beverage packages in public areas such as shopping malls, concert arenas and transport hubs. In 2010, we added more than 80 further zones through partnerships with customers such as Centerparcs and Merlin and at the end of March 2011, we had 130 zones in place. We have also established a Recycle Zone in France at the Louvre Museum and will launch additional zones in other key locations in 2011.

We are also working to recover and recycle waste materials from our own sites and to encourage our employees to recycle. Over the last few years we have invested in our own recycling infrastructure in offices and facilities and we now recover 99.5 percent of all the waste generated at our facilities.

Reuse and recycling

To close the loop and turn the material collected through recovery programs back into bottles and cans, it must be recyclable. Additionally, the infrastructure and technology must be in place to re-process waste bottles and cans into high quality material for new beverage packaging.

Recyclability
Over 99 percent of the packaging we put into the marketplace is recyclable. Sometimes, however, the infrastructure may not exist locally to recover or process our packaging, so it is not deemed 'fully recyclable'. In countries such as Belgium and The Netherlands, the waste processing stream is well-developed and able to recycle a wide range of products. In others where the recycling technology does not exist, we are looking at modifying our packaging materials so they can be reprocessed.

This year we improved the recyclability of GLACÉAU vitaminwater™ bottles, adding an extra 957 tonnes of plastic to the regular recycling stream. We continue to investigate ways to make other packages – from pouches to Tetrapak – more easily recycled.

Investing in the recycling and reprocessing infrastructure
The existence of a processing infrastructure to recycle the material we collect is the determining factor in ensuring bottle-to-bottle recycling in our territories.

Recycling rates vary by material. Aluminum and glass, for example, both have established recovery and recycling systems. As the market for recycled plastic is less developed, particularly where recycling rates are low, we find it more difficult to obtain the quality, food-grade, recycled PET that we need to increase the recycled content in our PET packaging.

We are working on a long-term strategy to close the recycling gap, focusing on Great Britain and France where the PET reprocessing infrastructure is least developed. The current supply of rPET in Great Britain is insufficient for our purposes, so we source food-grade rPET from continental Europe. In the meantime, 75 percent of Britain's waste plastic packaging is exported for reprocessing. By intervening in the industry and supporting new reprocessing infrastructure, we believe we can improve the plastics recycling industry in these countries and generate enough rPET to meet our target of 25 percent in all our bottles by 2012 (see case study). We have already started to purchase baled PET bottles for processing into rPET for use in our bottles.

Nick Brown of our recycling team at the ECO Plastics facility.

PET reprocessing joint venture in Great Britain

In March 2011, CCE announced a joint venture with ECO Plastics to develop one of the biggest plastic reprocessing facilities in Western Europe. Our $7.75 million investment, when operational, will make a step change in the plastics reprocessing industry in Great Britain by producing 25,000 tonnes of rPET annually, more than doubling the amount of high quality rPET produced in the country at present. The facility will supply CCE with enough high quality rPET to include 25 percent rPET in all our plastic packaging in Great Britain by 2012.

"This investment builds on the public's enthusiasm for recycling and will make it easier for them to buy recycled plastic products such as the famous Coca-Cola bottle. Coca-Cola and ECO Plastics' efforts are an innovative blueprint for the future, and show how producers can take responsibility to step up to this challenge."

Lord Henley
Waste Minister, Department for Environment, Food & Rural Affairs (DEFRA)

Looking to the future

We will review our Sustainable Packaging and Recycling goal and targets in 2011, looking in particular at how we can reduce the carbon footprint of our packaging across its value chain. Our challenge will be to define and introduce the sustainable packages of the future.

99.5%

of the waste produced at our facilities is recovered.

PRODUCT PORTFOLIO

33%

of our product portfolio is low- or no-calorie products

+10

new brands since 2008, across all our territories including Norway and Sweden

Introduction

We are continuously expanding our product range to offer more choice and convenience, meet new consumer requirements and serve different lifestyles and occasions (see pages 8–9). All our beverages have their place in a balanced diet, but we recognize there are concerns about sugar levels in some of our drinks.

Low- and no-calorie products already make up a third of our portfolio, and we believe that we can do more to develop these options further. At the same time we want to inform consumers about the health and hydration benefits of our portfolio and the ingredients and calories they contain through clear nutritional labeling and responsible sales and marketing.

Our 2010 progress[1]

Key performance indicator	2007	2008	2009	2010
% no-calorie products (<5 cal per 250 ml/8 oz)	30.8%	35.3%	34.4%	**33.0%**
% low-calorie products (<40 cal per 250 ml/8 oz)	31.2%	35.5%	34.6%	**33.4%**
Products containing juice	34.1%	40.8%	39.6%	**41.2%**
% of our products from packs that are 250 ml or less	18.2%	19.5%	19.8%	**20.8%**
% of our products from packs that are 500 ml or less	59.7%	65.1%	65.2%	**66.3%**
% of our products with added vitamins, minerals or other nutrients	2.9%	3.3%	2.3%	**4.1%**
% volume with nutritional, caloric, or Guideline Daily Amounts (GDAs) labels on front of pack	85%	95%	97%[2]	**97%[3]**

Our commitment

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

Our product portfolio strategy

Coca-Cola Enterprises manufactures and distributes beverages owned by other companies. We proactively manage our portfolio of products in several ways: by introducing new brands, by selecting a wide range of products, by encouraging our brand owners to develop new products to meet new or emerging consumer trends and by ensuring we distribute all our brands consistently.

Our strategy focuses on three pillars:

- Developing our portfolio: introducing new products, accelerating the growth of lower-calorie and functional products and providing package sizes to suit every occasion in a balanced diet and active lifestyle.
- Nutritional labeling: labeling our products to educate consumers about the ingredients and calories they are consuming.
- Responsible sales and marketing: engaging with parents, nutritionists and educators to limit beverages in schools and to give clear caloric information to consumers.

Developing our portfolio

From 2008 to 2010, we broadened the range of products we offer to consumers in all CCE territories, including Norway and Sweden. Through innovation, reformulation, acquisition and new distribution agreements, we launched more than 10 new brands and 50 new packages[4] (small packs, multipacks and more) to meet consumers' needs.

Our core sparkling brands such as Coca-Cola, Fanta and Sprite represent around half (56 percent) of our product portfolio[5] and the rest is composed of waters, sports drinks, functional drinks and energy drinks. These categories are still emerging. Nearly half (43 percent) of our 2008–2010 volume growth came from drinks which make up what we call our 'Active and Balanced Choices' portfolio. This includes beverages such as Diet Coke, Coca-Cola light, Coke Zero, juices, stills and waters.

FIGURE 12: The brands we have begun to manufacture or distribute over the last three years by country

Categories	Product	Country
Sparkling soft drinks	Caffeine Free Coke Zero	
	Dr Pepper	
	Schweppes	
Functional waters	GLACÉAU vitaminwater™	
Energy	Monster	
	Urge Intense	
Sports	Powerade Zero	
Juices and stills	Ocean Spray	
	Capri Sun	
	Innocent	
	Fanta Still	
Waters	Abbey Well	
Hot beverages	Chaqwa	

"43 percent of our volume growth from 2008–2010 came from drinks which make up our 'Active and Balanced Choices' portfolio. This includes beverages such as Diet Coke, Coca-Cola light, Coke Zero, juices, stills and waters."

1. Data for CCE legacy territories only – Great Britain, France and Benelux 2. Does not include waters which do not require GDA labeling 3. Does not includes waters which do not require GDA labeling 4. Our term for these is 'Brand Pack Variants' or BPVs – which we use to distinguish not only between our different brands but also the packages in which they are sold 5. In terms of Brand Pack Variants (BPVs) – see above

Figure 13: Our portfolio of products 2010
(by type of product)

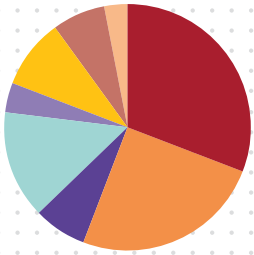
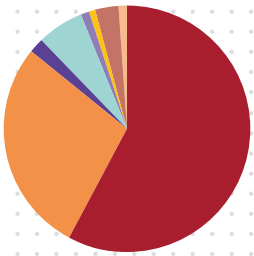


Figure 14: Our portfolio of products 2010
(by volume)



Employee spotlight

Olivier Dexemple
Still Drinks Europe
Portfolio Manager
Paris, France

"Many people associate Coca-Cola Enterprises with our cola brands, but we also sell a wide variety of juices and fruit drinks with a huge range of nutritional and health benefits. In the last year, I have worked on new distribution agreements for these products, expanding the distribution of Ocean Spray (a cranberry-based fruit drink) and other fruit drinks such as Capri Sun, GLACÉAU vitaminwater™ and Fanta Still. I am proud that this work is beginning to drive our sales, contributing nearly half of our business growth in 2010."

No- and low-calorie beverages
Low- and no-calorie products now make up 31 percent of the total volume of drinks we sell, or 33 percent of our product portfolio. We can increase this percentage by introducing reformulated versions of our popular drinks; by substituting new, natural low-calorie sweeteners from natural sources; by growing sales of our existing low-calorie products, particularly our Light Colas; and by ensuring consistent distribution of low- and no-calorie products alongside regular soft drinks.

We are also introducing low- and no-calorie fitness and energy drinks such as Powerade Zero (see case study page 31) which provides functional benefits without the calories.

Functional benefits, added vitamins or minerals
Since 2008, we have extended the number of drinks with added vitamins, minerals or other nutrients (GLACÉAU vitaminwater™, for example) and drinks that provide functional health benefits such as Ocean Spray. In some cases, by removing ingredients such as caffeine, we have created new products offering new functional benefits. Caffeine Free Coke Zero was launched in France in 2010 and is being rolled out in Belgium in 2011. We are also continuing to introduce GLACÉAU vitaminwater™ across our markets.

Removing artificial colors, flavors and preservatives
We are increasing our use of natural ingredients. GLACÉAU vitaminwater™ is naturally flavored and free of artificial colors and preservatives, and we are working with our brand owners to reformulate other beverages to meet consumer demands. Our reformulated Fanta Still uses Truvia, a Stevia-based, zero-calorie natural sweetener, so that it now contains 30 percent less sugar and no artificial flavors or colors. We are also continuing to expand our range of juices and juice drinks such as Ocean Spray and Minute Maid.

New package sizes
Another way we provide choice and help consumers manage their calorie intake is to offer smaller-sized packages. Around 21 percent of our products are now available in package sizes that are less than 250 ml – our 150 ml cans, for example – and we are looking to expand this. We have also limited cup sizes for fountain beverages in France and Belgium, where we no longer sell branded cups larger than 500 ml in restaurant chains, leisure parks and most cinemas. We are discussing similar proposals in Great Britain.

Our Sweeteners

Our low- and no-calorie sweeteners provide our consumers with the benefits of sweetness without the calories. They are chosen on taste, quality and the requirements of the markets where we operate. Recently, the Coca-Cola system has started to develop low-calorie sweeteners from nature, such as Truvia, from the Stevia plant. We are already using Truvia in some beverages in France.

97%
of our eligible products have GDA labels

Powerade Zero in Great Britain

Powerade Zero is a good example of how we are adapting our portfolio to meet new consumer needs and encourage active, healthy living. Research showed that 52 percent of consumers who reject sports drinks do so because they claim they contain too much sugar. In November 2010, CCE launched Powerade Zero in Great Britain – the first calorie-free fitness drink enhanced with minerals including sodium, to hydrate and replenish the body without adding calories. Powerade Zero contains only natural flavors and has no added preservatives. We are launching it in France in 2011.

Nutritional labeling

To make the right personal choices, consumers need to know what their food and drinks contain, and how this information relates to a balanced diet. Our 'Guideline Daily Amount' (GDA) labeling now covers 97 percent of all the drinks we sell, by volume (except waters which do not require GDA labeling), up from 85 percent in 2007. We are discussing the introduction of GDA labeling on Monster products with the brand owner.

We also provide extra information about ingredients and nutrition on our pack labels to help consumers. Our energy 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 (the Capri Sun 100 percent juice range and the Appletiser juice range, for example) this information is highlighted on the pack and on the brand website.

We work together with The Coca-Cola Company to play an active part in the ongoing policy dialogue on nutritional labeling at both EU and national levels.

Responsible sales and marketing

We follow The Coca-Cola Company's Global Responsible Marketing Policy and we do not market any products directly to children under 12. We respect the requirement for the school classroom to be free from commercial influences. CCE worked with the Union of European Soft Drinks Associations (UNESDA) to develop a set of industry commitments that restrict beverage sales in schools throughout our territories.

Depending on local concerns and legislation, each country has different policies on the distribution of our products in schools. 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 limiting the products we can sell, in Great Britain. In Belgium and Luxembourg, we provide only waters and juices and non-branded cooling equipment to primary schools and a wider range of products in secondary schools. During 2010, sales of our products in schools represented less than one percent of our total sales volume. Independent monitoring in previous years verified high levels of industry compliance.

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

Looking to the future

In 2011, we will review our portfolio strategy and work with The Coca-Cola Company to develop specific commitments regarding the nutritional content of our products.

COMMUNITY

'Clean the beaches'

In Sweden, we are partnering with Städa Sverige (Clean Sweden). Together, we invite sports clubs to keep their local beaches clean in return for funding for new equipment. These clean-up events were supported by 150 of our own employees who cleaned areas in the Haninge municipality. In 2011, we are adding more beaches and educational events to the program.

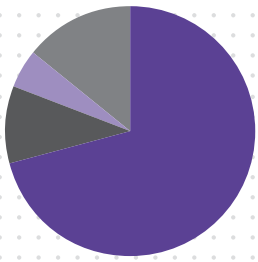
30 tonnes

of litter collected from 140 beaches by 1470 volunteers across Sweden in 2010

Introduction

We want to be a good corporate citizen and to have a positive impact wherever we manufacture and sell our products. Accordingly, we have a wide portfolio of community programs, developed in conjunction with local needs and demands. CCE's bottling operations have a long history in Europe. Over the last 20 years, our individual bottling plants have built strong relationships with surrounding communities. We aim to ensure that stakeholders understand Coca-Cola is a local product, made by local people.

Figure 15: Type of community investment contribution



- Cash contributions – **71%**
- Employee volunteering – **10%**
- In-kind giving (product or service donations) – **5%**
- Management overheads – **14%**

In 2010, CCE invested $4.3 million in the communities in which we operate.[1]

Our 2010 progress

Key performance indicator	2010
Charitable donations	$298,761
Community investments	$3,609,177
Commercial initiatives	$423,220
Total community investment	**$4,331,159**

1. Not including the United States.

Our commitment

Make a positive social, economic and environmental contribution to the communities in which we operate.

Our community strategy

Our community engagement strategy is closely aligned to our seven CRS focus areas and tailored to the needs of our local communities. Our community investment activities focus on topics such as education, diversity, active healthy living and recycling.

In 2010, we worked with Professor Ethan Kapstein of INSEAD and external stakeholders to understand the breadth of our contribution and the socio-economic impact of the Coca-Cola system in four of our countries of operation. Results showed that our business is a major contributor to the communities in which we are located and highlighted the significant economic effects of the jobs we provide, the taxes we pay and the business we generate through our value chain.

This work provides a baseline for further development of our corporate community strategy. In the next year, we aim to align our community work across our territories, so we can measure our progress against our targets.

Investing in charitable and community causes

In 2010, we invested $4.3 million to support a range of community initiatives aligned with our CRS focus areas.

Great Britain
In Great Britain, our focus has been on education. Key initiatives include:

Education Centers: we run three centers at East Kilbride, Wakefield and Edmonton which offer visits to over 20,000 secondary school students per year. Guided by qualified, CCE-employed teachers, students connect what they learn in the classroom with real life business and manufacturing practice. We will open a fourth center at Sidcup in 2011.

The Real Business Challenge: we work with local partners to deliver an enterprise education competition in which students from secondary schools form small companies and work to develop new soft drink product concepts. Our employees volunteer to mentor the groups. We hope to engage 100,000 students in 2011.

France
In France, we have focused on youth from underprivileged backgrounds. Key initiatives include the Passport to Employment program which brings high school students and recent graduates from underprivileged backgrounds to CCE offices and prepares them for job interviews (see page 38).

Benelux
In Belgium and The Netherlands, CCE and The Coca-Cola Company together have focused on promoting a stronger sports culture (see page 35). CCE also makes numerous contributions each year to a variety of social activities and causes. These include support for the King Baudouin and Queen Paola Foundations in Belgium and various community groups.

Norway
In Norway, our focus is on encouraging diversity, fostering culture and improving our local environment. To this end, we have entered into strategic collaborations with NGOs such as the Norwegian Red Cross.

Sweden
In Sweden, our focus has been on providing opportunities for people to find their way into the workplace as well as supporting environmental clean-up activities.

Employee volunteering

We encourage informal volunteering as part of our community initiatives and our CRS in Action Week (see page 11). Last year we recorded approximately 12,000 employee volunteering hours. In 2011, we will pilot an official volunteering program in Sweden.

Making a positive economic impact

At the end of 2010, we employed around 13,500 people, paying salaries and benefits of $900 million and taxes of $929 million. In addition, our business supports many more jobs throughout our value chain. Our work with Professor Ethan Kapstein of INSEAD and external stakeholders showed that a key part of our value generation in our countries of operation, is the fact that we pay above average salaries.

Students at our Real Business Challenge.

"Our work with Professor Ethan Kapstein of INSEAD and external stakeholders shows that our company has a significant impact on each of the economies where we operate – a 'ripple effect' exists that goes way beyond our gates. Our business and its communities are deeply interdependent."

External commentary
Professor Ethan B. Kapstein, INSEAD

"Coca-Cola also creates 'public goods' that benefit entire societies. These include the training it provides its workers, the philanthropic activities that are vital to so many people, and the contributions that the company makes to support sports teams at every level."

Wellbeing at work

We are developing an Employee Wellbeing Program (see page 39) which will support the work that we are doing in our communities to encourage active, healthy living. We are currently auditing all our current programs and will build on this platform.

ACTIVE HEALTHY LIVING

Our on-site gym in Sweden being used for aerobics

Introduction

Helping people to manage their caloric intake by providing a wide range of products addresses half their energy balance. To maintain a healthy body weight, people must also expend the excess calories they consume through physical activity. We aim to encourage active living by making sport and fitness activities accessible, and demonstrating their importance in a healthy lifestyle.

Participants in a Powerade-sponsored event in Great Britain

Our commitment

Support active healthy living through physical activity programs, nutrition education, and by providing a wide choice of products

Our active healthy living strategy

Our active healthy living strategy is linked to our community strategy (see page 33). It is still under development, but we intend to build on the work already in place to invest in community-based sports programs in the countries where we operate and develop ways to educate our consumers about our products' place in an active and healthy lifestyle.

Encouraging physical activity

Most of our brands are aligned with healthy living and sports initiatives. Through the power of the Coca-Cola brand, we will be encouraging consumers to take part in street games, in partnership with the StreetGames charity, in the run-up to the London 2012 Olympic Games. Other brands also play important roles in sports. In Great Britain, for example, Powerade is the official hydration partner of the Great Events series (which includes the Great North Run the world's largest half-marathon) along with Team GB, the Rugby Football Union and the Football League.

We also have a wide range of active, healthy living initiatives across our territories. These include:

Great Britain
For the past two years, in advance of the London 2012 Olympic Games, Schweppes Abbey Well water, the official water of the Games, has offered consumers a free swim on presentation of a 'Schwim' cap from an Abbey Well 500 or 750 ml bottle. Five hundred swimming pools nationwide have been involved. Between 2009 and 2010, over 100,000 free swims have been given away and 120 swimming teachers have been trained.

France
Our Rennes by Night program keeps designated playing fields and swimming pools open until 3 a.m. to encourage inner-city teenagers to take part in sports and fitness activities.

The Netherlands
We support Mission Olympic, the largest secondary school sports platform in The Netherlands with over 150,000 participants aged 12–18. It aims to encourage Dutch youth to compete in school competitions in 16 different sports. Two hundred schools currently participate. By 2012, we aim to increase the number to 300 – half of all Dutch secondary schools.

Employees and their families participate in the Velothon.

Encouraging cycling in Brussels, Belgium through the Velothon

In 2010, CCE and The Coca-Cola Company organized their fifth annual 'Velothon' in Belgium. This event was part of CRS in Action Week and was scheduled during 'Car Free Day' in Brussels. Approximately 900 employees and their families cycled a route of either 15 or 30 kilometers around the city and participated in activities along the way, from painting and football to visiting a children's farm.

"We want to encourage active healthy living in our communities. We are still developing our program and will build on the grassroots work that we already undertake in every country where we operate."

Belgium and Luxembourg
CCE sponsors several sporting programs, in particular the Special Olympics, which gives disabled athletes opportunities to train and participate in sports events. From January 1, 2010 we introduced a five euro fee for non-student visitors to the Coca-Cola European Visitors Center in Antwerp and have donated this money to the Special Olympics. CCE also supports the French (ADEPS) and Flemish (BLOSO) national sports associations, which train coaches and organize sporting events for their linguistic communities, and helps to fund the Sports for Youth program (Jeugdsport Fonds Camille Paulus Program) which encourages teenagers to participate in organized sport.

Norway
We aim to encourage active, healthy lifestyles through campaigns such as 'Gi Jernet' ('Never Give Up') and grassroots sponsorships, as well as programmes using our sports drinks such as Powerade.

Sweden
Through our 'Clean the Beaches' project, we help to provide equipment to sports associations across the country (see page 32) and are also working on initiatives that support our employees to lead active, healthy lives.

Nutritional education

As part of our focus on active healthy living, we are investigating ways to build on our existing educational tools and develop a nutritional education program for our communities. We hope to implement this strategy in 2012.

WORKPLACE

13,500

At the end of 2010 we had approximately 13,500 employees, of whom 96 percent were full time.

Our workforce

In 2010, we employed approximately 11,000 people in Great Britain, France, Belgium, The Netherlands, Monaco and Luxembourg. Our acquisition of the bottling operations in Norway and Sweden expands the number by approximately 1,400 in Norway and 850 in Sweden. We also have an office of approximately 160 people in our U.S. headquarters.

Introduction

The essence of a sustainable company lies in its people. Attracting, developing and maintaining a highly talented and diverse workforce is one of our three strategic business priorities, as set out in our Operating Framework (see page 12) and a fundamental part of our Corporate Responsibility and Sustainability (CRS) agenda.

Our workforce profile

		2009	2010
Workforce	Total employees	11,000	**13,500**
	Full-time employees	95%	**96%**
	Voluntary turnover	n/a	**6.5%**
Learning and development	Average training days per employee	–	**3**
Gender	Females in workforce	23%	**23%**
	Females on Board of Directors	23%	**30%**
	Females in executive roles	9%[1]	**25%[2]**
	Females in management roles[3]	n/a	**32%**
	Females in non-management roles[4]	n/a	**21%**

		2009		2010
Age	Age profile of workforce	n/a	<20	**1%**
			20–29	**19%**
			30–39	**34%**
			40–49	**31%**
			50–59	**13%**
			60+	**2%**
	Board of Directors Members over 40	100%		**100%**
Ethnic diversity	Ethnically diverse members of the Board of Directors[5]	23%		**17%**

Our commitment

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.

Our workplace strategy

Within our workplace, we focus our CRS efforts on three key issues:

- fostering a diverse and inclusive culture
- working towards achieving world-class safety status in our manufacturing and sales operations
- developing a wellbeing program to encourage our employees to 'Live Positively'.

Fostering a diverse and inclusive culture

We are encouraging diversity and inclusion throughout our business by working in four key areas: building an infrastructure to support diversity; recruiting a diverse workforce; retaining and developing our employees; and ensuring equal opportunities for all who work at CCE.

Building an infrastructure to support diversity
We have established a European Diversity Council and Business Unit Diversity Councils in Great Britain, France, Benelux and our EU Supply Chain, chaired by vice presidents and general managers. The councils embed our diversity vision throughout CCE.

On a more informal basis, we also encourage employee resource groups to support diversity. In France, our female employees have formed 'Elles@Coca-Cola', to share ideas and experiences with other professional women at CCE and The Coca-Cola Company. During 2011, we are encouraging the creation of a women's resource group in every country where we operate and are assisting the formation of similar groups for other communities in our workforce. We are also working to embed diversity into our broader training programs such as those dealing with values and leadership development.

Focus on gender
In 2010, our total workforce was 23 percent female. Improving the representation of women is a top priority across CCE, particularly in our leadership and commercial and operational roles where women have historically been under-represented. As a result, we have introduced manager toolkits and coaches to support women returning from maternity leave. We have also piloted listening groups in parts of Great Britain to provide support and advice on achieving a balance between motherhood and the workplace. Our efforts are showing results: in 2010, approximately 36 percent of our newly hired or promoted employees were women. In France, we hope to achieve the Gender Equality Label in 2011, a certification awarded by the French government that recognizes companies which tackle discrimination, work to improve equal opportunities and promote diversity.

Recruiting from a wide cross-section of the communities we serve
We have enhanced our recruitment procedures to ensure applications from a diverse pool of candidates and we advertise specifically to minority groups. For every open leadership position at CCE, our goal is to have at least one female on every candidate list, as well as on the interview panel and to work with our external recruitment partners to achieve this balance.

We have also upgraded our careers website to provide a more comprehensive overview of the variety of careers we offer. Our new corporate advertising features CCE employees, focusing on their diversity as well as their passion and achievements. In 2009, we launched our University Talent Program (UTP) to recruit the best graduate talent and develop a pipeline of future leaders for our business across all our territories. The program provides structured training in the skills needed to develop a successful career at CCE. In 2010, we recruited 19 graduates of which half were female.

Left to Right: Donna James, Véronique Morali, two of our four female board members.

"At CCE, maintaining a diverse workforce and an inclusive culture is one of our three strategic business priorities. We want to create an engaged workforce that thrives on all forms of difference."

Setting an example of diversity in our boardroom

Our Board of Directors was placed top for its diversity in the 'Women in the Boardroom 2010 Georgia Public Companies Study[6] by the Atlanta-based Board of Directors' Network (BDN). Our four female board members include Véronique Morali, who was recently appointed President of the Women's Forum for the Economy and Society[7], and Donna James, who was appointed chairwoman of the National Women's Business Council by President Obama in 2010. Ms. James also received the BDN's 2010 Lettie Pate Whitehead Evans Award in recognition of her outstanding corporate contributions at board level, in her community, and in helping other women achieve their full potential in the business world.

1. Percentage of women on the European Executive Committee in 2009, as reported in 2009 CRS Report. **2.** Percentage of women on the Executive Leadership Team at CCE. **3.** Percentage of females Grade 101 and above. **4.** Percentage of females below Grade 101. **5.** Based on official U.S. definition of diversity. **6.** An organization of women and men representing boards of directors, corporations, government agencies, academia, the legal and financial professions, not-for-profit organizations, and the media who seek to influence companies to further the advancement of women in the boardroom and executive suites. **7.** The forum promotes the ideas and visions of women on critical global economic and social issues.

Retaining and developing a talented workforce
Our voluntary turnover rates are already low, averaging 6.5 percent[8] across CCE. However, we want to do more to retain and develop our talent, particularly by providing competitive benefits and continually enhancing our development and training programs. Providing excellent learning and development opportunities strongly underpins our diversity objectives.

- Promotion/succession planning
  Our six-monthly Talent Management Review (TMR) process ensures that diverse talent is developed and prepared for succession. Managers have the opportunity to highlight talented employees and prepare appropriate development plans for them, creating a pipeline of good, diverse candidates ready for leadership positions. Where this is lacking, we work to recruit a wider variety of candidates to reflect the communities in which we operate.
- Learning and development
  In our 2009 engagement survey (see case study above), our employees asked for more learning and development opportunities. Throughout 2010, we invested $14.5 million in training and resources, delivering an average of three days per employee. To ensure the right mix of coaching, feedback and on-the-job training to meet our employees' career goals, we will strengthen our individual development planning process in 2011. This will include an online portal to allow employees and managers to identify personal development opportunities which also support the needs of the wider team identified through TMR. We will also be expanding our leadership training, providing tools to help managers improve their people-management skills. In 2010, we provided 10,860 hours of specific leadership training.

  In addition to formal training, we piloted formal and informal mentoring programs in 2010. We identified candidates through TMR and provided training for mentors. We also piloted specific commercial training and in 2011 will establish a 'Commercial Academy' for our customer managers, field sales teams and marketing employees to focus on customer planning, relationship building, selling and negotiation skills.
- Compensation and benefits
  We seek to cater for our employees' diverse needs at work, at home and in retirement – all part of our 'Total Rewards' strategy.

  Our health and welfare benefits and retirement plans vary according to the different eligibility rules, market practices and social security arrangements in each country. Our plans are funded by our general assets, asset-holding trusts and insurance contracts. We seek to reward employees competitively and benchmark our compensation on a regular basis.

  We are also introducing new policies which allow our employees flexibility in the way they work and the ways we can communicate with them. We have enhanced our 24-hour HR portal, 'HeRe Online', to allow employees to view their payslips, enroll for benefits and set performance objectives online. In 2010, we also gave every employee a CCE email address, accessible from any computer, and launched digital signage to communicate with our plant-based employees. We will continue to add new tools and to simplify processes, from contract changes to onboarding, in 2011.

Providing equal opportunities
We strive to offer a work environment that is fair and safe – one that encourages open and honest dialogue, in which all employees are treated with dignity, respect and honesty. As a signatory to the UN Global Compact, we commit to supporting internationally recognized human rights within our own workplace and in those of our suppliers, as set out in our Supplier Guiding Principles[9]. The majority of our employees in Europe are covered by collectively bargained labor agreements and we support their right to membership of relevant trade unions. In 2010, we experienced labor disruptions at two of our sites in France and Belgium; in each case, we worked with employees and union representatives to find a mutually satisfactory outcome.

Employees are encouraged to raise their workplace concerns or issues through a variety of channels – online, by speaking to our team of HR professionals, or through our 24-hour confidential Ethics and Compliance hotline. We are reviewing our corporate Diversity and Equality Policy and will publish a revised version in 2011.

Measuring our progress – Engagement

High engagement scores are a good indicator of a diverse and inclusive culture. In 2009 we conducted our first global engagement survey to measure our employees' "commitment and connection" to CCE'. We had a great response: 76 percent of our employees told us what they thought about working at CCE, an increase of 14 percentage points on our engagement index from the previous survey. Their comments have informed our action plans and human resources strategy for 2011. In particular, employees wanted more communication with leadership, more development opportunities, and continued strong commitment to CRS and we are responding to these requests. We will conduct a second survey in 2011 to measure progress over the last two years towards our destination of world-class engagement scores.

Recruiting from underprivileged communities in France

We are working in partnership with the French Government on three key projects to promote equal opportunity and social diversity. Each year our 'Passport to Employment' program helps prepare 2,700 young people, mainly from deprived areas, for the world of work. The 'Hope for the Suburbs' program allowed us to recruit 14 percent of our new employees from underprivelaged communities between 2008 and 2010. We have also increased the number of apprenticeships we offer by 60 percent in the last two years, encouraging youth employment. This work was commended by François Fillon, French Prime Minister, in 2010.

8. This breaks down per country as follows: Great Britain, 6.5%; France, 3.9%; Belgium, 3.8%; The Netherlands, 6.7%; Luxembourg, 8.6%; Sweden, 17.2%; Norway, 12%. Data for the United States is not available because of the transaction. These figures do not include turnover of temporary or seasonal workers. **9.** See www.cokecce.com, 'Doing business with CCE' tab, for details of our Supplier Guiding Principles: www.cokecce.com/pages/_content.asp?page_id=248

Employee spotlight

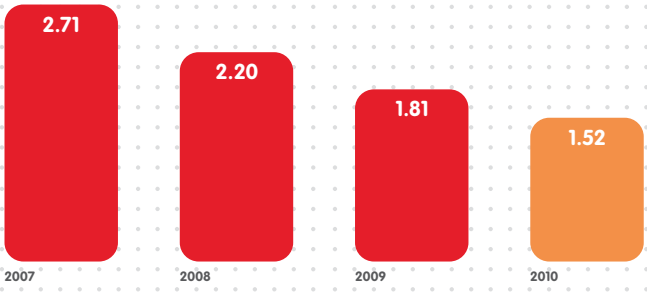
Laurence Vanparis
Manufacturing Manager
Dunkerque, France

"I wanted to acknowledge International Women's Day by holding a debate about the importance of women in industry at our Dunkerque plant. Representatives from two leading women's organizations in France – 'Women in Industry' and 'Women Business Heads' – joined the forum. The event was a huge success and helped us to celebrate the rise in the number of women now working at our Dunkerque plant. Twenty women have been recruited from 2007 to 2010."

Recognizing diversity in Norway

In December 2010, CCE in Norway was nominated 'Best Norwegian Diversity Company 2010' by the Norwegian Directorate for Integration and Diversity. Because our employees in Norway come from 46 countries, our bottling plant in Oslo houses dedicated prayer rooms, offers canteen menus to suit different religions and provides flexible working hours that respect employees' religious celebrations and holidays. We also provide Norwegian language training to non-native speakers during work time which has had great results since its launch one year ago.

Figure 16: Lost Time Accident Rate 2007–2010



Number of lost time accidents per 100 full time equivalent employees

Working towards achieving world-class safety status

Providing safe and healthy working environments is fundamental to our sustainability and success as a business.

We aim to work to the highest safety standards and 16 of our 17 production facilities and three commercial regions are certified to Occupational Health and Safety management system OHSAS 18001. We are working closely in all countries to achieve a consistent, high level of safety performance across our business.

In 2010, our lost time accident rate was 1.52 accidents per 100 full-time-equivalent employees in our business as a whole, with a rate of 1.13 in our production facilities and 1.78 among our sales force. There were no fatalities. Our ultimate goal is to achieve zero accidents (see Figure 16). We are focusing our efforts on the root causes of accidents: manual handling, slips, trips and falls and contact with stationary or moving objects. Because back injury accounts for the greatest number of lost time incidents, we have an ergonomic program and mechanical aids to reduce physical lifting. We are also extending our tailor-made behavioral-based safety program across all territories, building management and employee involvement and accountability.

We are also focusing on driving safety. We have a number of initiatives across Europe such as an online driver risk assessment program and a safe driver program to address priority risks in our fleet of branded vehicles and company cars. For each role in our company, we conduct safety risk assessments and develop targeted, needs-based safety plans, campaigns, toolkits and training. We have in place a safety governance process and in each of our production, sales and distribution facilities, we have health and safety committees that implement our safety programs at a local level.

Developing an employee wellbeing program

In 2010, we investigated the health profile of our workforce, including instances of absence and other trends. We wanted to understand how we, as an employer, can better help our employees to live healthy, active lives. As a result we developed a company-wide strategy and three-year action plan to support our employee wellbeing vision: 'To promote a culture of wellbeing that empowers and encourages our employees to 'Live Positively'.

In 2011, we are launching a series of workforce wellbeing programs to supplement many of our existing initiatives. These include flu vaccinations, on-site gyms or discounted gym memberships and more. We aim to combine these into a single corporate 'wellbeing' program and to include initiatives such as an Employee Assistance program which provides confidential advice on issues ranging from stress to financial concerns. These initiatives will be tailored to cultural differences in each country.

Looking to the future

We will continue to strengthen our workplace focus area over the coming year, supported by new initiatives and policies which underpin diversity and equality, safety and wellbeing at CCE.

GRI

The summary table below shows where CCE's information and data corresponding to the Global Reporting Initiative's G3.0 Guidelines can be found. Page numbers refer to pages in this Corporate Responsibility and Sustainability report. Information disclosed on the Inside Front Cover is labeled 'IFC'. Where information is disclosed in the Annual Report and 10-K (AR) and Proxy Statement (PROXY), it is also labeled accordingly. A full GRI index is available online at www.cokecce.com

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2.3	13
2.4	IFC
2.5	5, AR
2.6	6, AR
2.7	5, 8–9, 28–29, 30–31, AR
2.8	5, 6, 8–9, AR
2.9	IFC, 2
2.10	11, 37, 39
3.1	IFC
3.2	IFC
3.3	IFC
3.4	IFC
3.5	IFC
3.6	IFC
3.7	IFC
3.8	IFC
3.9	IFC, 5, 15, 37

Indicator	Location
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4.3.	PROXY
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* partial compliance

CEO Water Mandate

Communication on Progress-Water (COP-Water)

CCE signed the UN Global Compact's CEO Water Mandate (CEOWM) in early 2009. This public-private partnership helps us develop and implement water sustainability policies and practices. Endorsing companies are required to report progress annually against its six core principles. Our progress detailed in the report is indexed opposite.

THE GLOBAL COMPACT
WE SUPPORT

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3. Collective Action	21, 23, 33
4. Community Engagement	21, 33
5. Public Policy	21
6. Transparency	20–23, 33

Assurance Statement

SGS United Kingdom Ltd's report on sustainability activities in the Coca-Cola Enterprises, Inc. Corporate Responsibility and Sustainability Report for 2010/2011

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS United Kingdom Ltd was commissioned by Coca-Cola Enterprises, Inc. (CCE) to conduct an independent assurance of the Corporate Responsibility and Sustainability Report 2010/2011. The scope of assurance, based on the SGS Sustainability Report Assurance methodology, included text and selected 2010 data in accompanying tables of this report as described below.

The information in the Corporate Responsibility and Sustainability Report 2010 of CCE and its presentation are the responsibility of the directors and the management of CCE. SGS United Kingdom Ltd has not been involved in the preparation of any of the material included in the Corporate Responsibility and Sustainability Report 2010/2011. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below with the intention to inform all CCE's stakeholders.

The SGS Group has developed a set of protocols for assurance of sustainability reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines (2006) and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending on the reporting history and capabilities of the Reporting Organization. This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of content veracity and systems for reporting and collation of data from sites and through to corporate level, with particular focus on data related to the following KPIs:
  - Carbon Footprint – see separate verification statement against WRI GHG Protocol for detailed findings
  - Water Use Ratio
  - Internal recycling and recovery rate
  - Lost Time Incident Rate; and
- evaluation of content veracity and systems for reporting at corporate level, with particular focus on data related to the following KPIs:
  - % Recycled PET used
  - % products made available with no/low calorie content
  - Females in Workforce.

Alignment with the Global Reporting Initiative Sustainability Reporting Guidelines (2006) was not included in the assurance.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees at European Headquarters (Uxbridge, UK), visits to a sample of operational sites (Ghent, Belgium; Grigny, France; Stockholm, Sweden; Wakefield, UK) and interviews in person and/or by telephone with personnel responsible for country-specific reporting in all operational locations (Belgium, France, Netherlands, Norway, Sweden, UK). Documentation and records were reviewed and validation was conducted where relevant, including the observation of the Commitment 2020 Roundtable in March 2011. Additional interviews and site visits were conducted for verification of greenhouse gas reporting, as detailed in our separate verification statement (available on www.cokecce.com). Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

VERIFICATION/ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Corporate Responsibility and Sustainability Report 2010/2011 and within the scope verified is accurate, reliable and provides a fair and balanced representation of CCE's sustainability activities in 2010. The assurance team is of the opinion that the report can be used by the reporting organization's stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The Foundation Principle of Inclusivity

The inclusion of all stakeholders is fundamental to the AA1000 standards and an organization needs to demonstrate that it identifies and understands stakeholders, their capacity to engage, and their views and expectations.

- The report includes a stakeholder map and gives a good description of the boundaries of the organization, its responsibilities and the delineation between The Coca-Cola Company and CCE – an important delineation which demonstrates the understanding of the clouding of perception by stakeholders.
- There are excellent examples of the inclusion of key stakeholder groups in the direction of future strategy at a top line level and in internal engagement. It would be good to see this engagement expanding to other stakeholder groups and mirrored in stakeholder engagement at all levels of the organisation in future reporting.
- The production of country reports is a good indicator of the commitment to embedding the CSR across the company and encouraging each country to address the local material issues. The production this year can be used to evaluate how well the reports reflect corporate practice.

The Principle of Materiality

To make good decisions and actions an organization and its stakeholders need to know the issues that are material to the sustainability performance of the organization. A material issue is an issue that will influence the decisions, actions and performance of an organization or its stakeholders.

- The report reflects the well-developed systems for identifying and prioritizing material issues at the top level. Good practice is noted in working with various agencies for independence of view and to inform decisions and work has been carried out on benchmarking and leadership. The development and review of material issues is ongoing which is reflected in the report and future reports should follow through feedback from stakeholder engagement.
- The report includes all key material issues and these have been addressed in the report at an appropriate level. Key indicators are mapped back to the main material issues and performance. The test will be how the organization addresses these issues going on from here.
- CCE wants to be a leader in sustainability and future reporting and performance need to show that this is a constant programme that takes into account the changing sustainability context and maturity of issues and stakeholder concerns.

The Principle of Responsiveness

Responsiveness is how an organization demonstrates that it responds to its stakeholders and is accountable to them.

- CCE has the governance and management structure to translate feedback from stakeholders into action. Sustainability management throughout the countries where the organization has sites is developed and reporting by each country will demonstrate how well this is working.
- The organization has carried out stakeholder engagement at all levels and future reporting needs to follow through to demonstrate how they have responded, the outcomes and to expand on the links from stakeholder feedback to the resulting actions and decision making.
- Key indicators and goals have been developed to reflect material issues and are clearly linked to the company vision. Future reporting should demonstrate how these are used proactively to achieve the leadership position they aim for.

A detailed internal management report with results and recommendations against this standard has been provided to CCE.

Signed:
For and on behalf of SGS
United Kingdom Ltd

Jan Saunders
UK Systems and Services
Certification Business Manager
June 2011
WWW.SGS.COM

AA1000
Licensed Assurance Provider
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STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS United Kingdom Ltd affirm our independence from Coca-Cola Enterprises, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders. The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with IRCA (Certified Sustainability Assurance Practitioner) and IEMA (Environmental Auditor).

United Nations Global Compact

CCE is a signatory of the UN Global Compact and has committed to supporting its ten principles in the areas of human rights, labor, environment and anti-corruption. Opposite is an index detailing where you can find our progress against these principles within this report.

Principle	Page
Principle 1: Support and respect protection of internationally proclaimed human rights	11, 13, 32–33, 38, 39
Principle 2: Make sure business is not complicit in human rights abuses	11, 13, 38
Principle 3: Uphold freedom of association and right to collective bargaining	11, 38
Principle 4: Support elimination of all forms of forced and compulsory labor	11, 38
Principle 5: Support effective abolition of child labor	11, 38
Principle 6: Eliminate discrimination in employment and occupation	36–39
Principle 7: Support a precautionary approach to environmental challenges	11, 14–19, 20–23, 24–27
Principle 8: Undertake initiatives to promote greater environmental responsibility	14–19, 20–23, 24–27
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	16–19, 22–23, 25
Principle 10: Work against all forms of corruption, including extortion and bribery	11, 13, 38

Further resources

Governance

CCE Environmental Policy: http://www.cokecce.com/assets/uploaded_files/CCE_Environmental_PolicyMay2011.pdf

CCE Code of Business Conduct: www.cokecce.com/assets/uploaded_files/2010-business-conductofcode.pdf

CCE Annual Report and Form 10-K: http://media.corporate-ir.net/media_files/irol/11/117435/2010AR.pdf

Charter for the CRS Committee of the Board of Directors: http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Nji1NDI8Q2hpbGRJRD0tMXxUeXBlPTM=&t=1

UN Global Compact: www.unglobalcompact.org

CCE 2011 Proxy Statement: http://media.corporate-ir.net/media_files/irol/11/117435/2011Proxy.pdf

Energy conservation/ climate change

BIER Beverage Industry Sector Guidance for Greenhouse Gas Emissions Reporting: www.bieroundtable.com

Carbon Disclosure Project: www.cdproject.net

Carbon Trust: www.carbontrust.com

Cancun Communiqué: http://www.cpsl.cam.ac.uk/pdf/the%20Cancun%20Communique%2016_11.pdf

CCE Greenhouse Gas Verification Statement 2010: http://www.cokecce.com/assets/uploaded_files/FinalGreenhouseGasVerificationStatement_Coca-ColaEnterprises.pdf

Water stewardship

The Coca-Cola Company 2011 Water Replenishment Report: http://www.thecoca-colacompany.com/citizenship/pdf/replenish_2011.pdf

Product Water Footprint Assessments: Practical Application in Corporate Water Stewardship, Sept 2010: http://www.thecoca-colacompany.com/presscenter/TCCC_TNC_WaterFootprintAssessments.pdf

Sustainable packaging and recycling

Vinspired: http://vinspired.com

Eco-Emballages: www.ecoemballages.fr

Fost Plus: www.fostplus.be

Nedvang: www.nedvang.nl

Plastic Heroes Campaign: www.plasticheroes.nl

Returpack: www.returpack.se

Norsk Resirk: www.resirk.no

DEFRA (Department for Environment, Food and Rural Affairs): www.defra.gov.uk

Waste and Resources Action Program (Courtauld Commitment): www.wrap.org.uk

Recycle Zone: www.recycle-zone.co.uk

Recycling at The Coca-Cola Company: www.livepositively.com/recycling

Product portfolio

European Food Safety Authority (EFSA): www.efsa.europa.eu

International Sweeteners Association: www.sweeteners.org

Association of European Beverages Associations (UNESDA): www.unesda.org

The Coca-Cola Company product website: http://www.virtualvender.coca-cola.com/ft/index.jsp

The Coca-Cola Company Great Britain Responsible Marketing Charter: http://www.coca-cola.co.uk/about-us/responsible-marketing.html

Truvia: www.truvia.com

Appletiser: http://www.appletiser.co.uk

Capri Sun: http://www.capri-sun.co.uk

Community

Education Centers: www.cokeeducation.co.uk

The Real Business Challenge: www.therealbusinesschallenge.co.uk

King Baudouin and Queen Paola Foundations: http://www.kbs-frb.be/index.aspx?LangType=1033

http://www.sk-fr-paola.be/

Norwegian Red Cross: http://www.rodekors.no/oslo

Sweden Beach Clean Up: www.strandraddare.se

Active healthy living

Live Positively: www.livepositively.com

Schweppes Abbey Well Schwim Free: www.schwimfree.co.uk

ADEPS: www.adeps.be

BLOSO: www.bloso.be

Mission Olympic: www.missionolympic.nl

Coca-Cola European Visitors Center: http://www.cocacolabelgium.be/Bezoek-ons-European-Visitors-Center

Gi Jernet: http://wn.com/Gi_jernet

Workplace

CCE careers: careers.cokecce.com/careers.aspx

UN Global Compact: www.unglobalcompact.org

Board of Directors Network (BDN): www.boarddirectorsnetwork.org

The Board of Directors Network Women in the Boardroom 2010 Georgia Public Companies Study: http://www.boarddirectorsnetwork.org/docs/2010_study.pdf

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