

SUSTAINABILITY @CCA

Corporate Responsibility Report

2010

CCA
COCA-COLA AMATIL



SCOPE OF THIS REPORT

This Sustainability Report covers our activities from August 2008 to May 2010 with environmental, workplace and community data covering the calendar years 2008 and 2009. Unless otherwise stated it includes the beverage bottling, sales and distribution activities in the five countries in which we operate and also covers SPC Ardmona, Grinders Coffee, Neverfail Springwater and Peats Ridge Springs. The manufacturing of our alcoholic ready-to-drink beverages, predominantly Jim Beam and Cola, is included in Australia beverages.

The company's Australian beverage business constitutes around 80% of CCA's Group business, and this report reflects that contribution.

Quirks, our equipment division, and the original Bluetongue Brewery in Newcastle (our new, much larger Bluetongue Brewery facility will be opened on the NSW Central Coast in 2010) have not been included in this report.

In this report, we have reported more fully in a number of areas, including measurement of Scope 1 and 2 greenhouse gas (GHG) emissions across the Group.

The content of this report is consistent with the global framework for corporate social responsibility established by The Coca-Cola Company (TCCC) under four pillars of Environment, Marketplace, Workplace and Community.

CONTACT INFORMATION

Director Media and Public Affairs:

Sally Loane

Sally.loane@anz.ccamatil.com

Manager, Investor Relations:

Kristina Devon

Kristina.devon@anz.ccamatil.com

For any queries, comments or suggestions email

aus.sustainability@anz.ccamatil.com



BOTTLED WATER

CCA has invested an initial \$45 million in new technology, called "blow-fill", to enable us to produce the lightest PET plastic bottles in Australia. ... [Read more](#)

7.6% IMPROVEMENT IN CCA AUSTRALIA'S WATER USE RATIO 2008 - 2009

10% IMPROVEMENT IN ENERGY USAGE RATIO ACROSS THE CCA GROUP FROM 2006 - 2009

FROM 2006-2009 THE VOLUME OF BEVERAGES PRODUCED ACROSS THE CCA GROUP HAS INCREASED WHILE ABSOLUTE WATER USE HAS DECREASED.



COMMUNITY

In all the countries in which we operate, CCA contributes to the economic and social development of local communities and the protection of the local environment - both through our day to day business activities and through a raft of voluntary philanthropic contributions.

Our Coca-Cola Foundations, established and funded in Australia, Indonesia and Papua New Guinea by CCA in partnership with TCCC, are the centrepieces of our corporate...

... [Read more](#)

Business

The 2009 East Coles ASX Top 100 survey of fund managers and stockbrokers placed CCA in the Top 10 in Australia for three categories - Best Company Overall; Clarity of Strategy and Green, Social and Corporate Governance.

CCA was ranked third in 2009 in The Wall Street Journal Asia 200 Survey, which recognises companies which excel in innovation, long-term vision, quality, corporate reputation and financial reputation.

CCA was awarded the 2008 International Bottler of the Year award by US publication, Beverage World.



AWARDS

Marketplace

In 2010, Mount Franklin was named as one of Australia's Top 10 Most Trusted brands, by Millward Brown. Of the Top 10, Mount Franklin came 7th, and was one of only two Australian brands. The other one was Woolworths, at 10th, and all the other brands were global.

In 2009, CCA was named the Number One Overall Supplier for all consumer goods companies in Australia by The Grocery Performance Monitor, independently surveyed by The Advantage Group.

CCA was named 2009 Woolworths Supplier of the Year for suppliers with a turnover of \$50 million and above. Finalists in the award, which recognises businesses which excel in sales, profit and customer services, included Nestle, Unilever and Kraft.

CCA's Bluetongue Premium Lager won the Best Craft Beer Award at the 2008 Australian Liquor Industry Awards.

SPC Ardmona became a Top 10 Supplier to Woolworths and Coles in 2008.

CCA won several significant Customer Service Awards in 2008, including the APCO Supplier of the Year Award and the AACS Supplier of the Year Award for Beverages.

CCA won the 2009 Supplier of the Year Award at the annual Foodland Supplier of the Year Awards.

CCA's Convenience and Petroleum division was named winner of the 2009 Supplier Partnership Award by the New Sunrise Group. CCA was also recognised for our support of the New Sunrise Group community during times of need, particularly throughout the Victorian bushfires and Queensland floods.

CCA New Zealand won several significant Top Supplier Awards in 2008, including the Supreme Supplier at the Progressive Enterprises Supplier Awards and the Gold Award for Customer Service at the CRM Contact Centre Awards.

CCA New Zealand also won the Supplier of the Year at the 2008 Coalface Petroleum Channel Awards.



AWARDS

Environment

CCA Australia won the Beverage Packaging Action Award and the Retail Packaging Action Award in the 2009 Packaging Evolution Awards, recognising the excellence of its recycling program and partnership with Westfield and Oporto.

In 2009, CCA's water saving efforts were recognised by Australia's leading water authorities. In NSW, Australia's peak water authority organisation, Water Services Association of Australia (WSAA) launched a major report at CCA's Northmead operation, and in Victoria, the Minister for the Environment and Climate Change, the Hon. Gavin Jennings, launched the state EPA's EREP program, an initiative for business and industrial water savings, at CCA's Moorabbin operation.

CCA Australia was named a finalist in the Prime Minister's Waterwise Award at the 2010 Australian Water Association Awards. CCA's submission was recognised for displaying significant innovation in terms of delivery and engaging staff, stakeholders and the general community.

In 2009, CCA New Zealand received a joint award for Excellence in Environment Management as part of the prestigious Packaging Council of New Zealand Awards.

CCA Indonesia's East Java team was awarded the 2010 Surabaya "Green Office" competition, an initiative of the Surabaya Municipality.



AWARDS

Workplace

CCA's new Eastern Creek Distribution Centre was awarded the 2009 Manufacturing Logistics and Storage Award by the Supply Chain and Logistics Association of Australia in recognition of the high degree of efficiency and innovation within the facility.

CCA's Northmead High Bay automated Distribution Centre won the Logistics Association of Australia's Award for Excellence in Supply Chain Management and Distribution for 2009 at the annual SMART Supply Chain Industry Dinner.

CCA's Northmead High Bay DC also won the Australian Institute of Building for Professional Excellence (\$10 million-\$50 million category) at the 2009 Industry Awards.

CCA was awarded the Technology Application award at the 2009 Mercury Logistics Award in recognition of the use of innovation and technology at the Northmead High Bay warehouse.

CCA's Eastern Creek distribution centre won the Urban Taskforce Australia's 2009 Development Excellence Award. The judges commented that the building design presented a modern form shaped to portray a 21st century business.

CCA Australia received the 2009 Rob Goffee Talent Management Award from the Australian Human Resources Institute for the introduction of an organisational capability review. This review has also been implemented in New Zealand, Fiji, Indonesia and Papua New Guinea.

In 2009, CCA Fiji was recognised for its efforts in returning the business to growth with a System Alignment for Growth Award at the annual Pacific Island Bottlers' Conference, which included delegates from American Samoa, the Cook Islands, Fiji, New Caledonia and Samoa.

CCA Indonesia won the CIO Asia 2009 Award for a regional enterprise that has excelled through creative and innovative IT projects. CCA Indonesia won the award for the ROAM system (Real Time Online Application for mobile users) a sales telecommunications platform which is operated by the company's sales teams and their customers on their mobile phones. The project is on track to generate large cost savings and replaces 8.3 million paper-based transactions every year.



AWARDS

Community

CCA received a certificate of recognition from the Defence Reserves Support acknowledging its ongoing support of the Australian Defence Force Reserves.

Brad Draper, who works in CCA's Supply Chain and Logistics warehouse team in Queensland, was presented with a medal for Outstanding Bravery in the 2009 Pride of Australia awards. Brad rescued an elderly woman from her home which was burning down.



MESSAGE FROM CHAIRMAN AND GROUP MANAGING DIRECTOR

"Sustainability: forms of progress that meet the needs of the present without compromising the ability of future generations to meet their needs." (UN World Commission on Environment and Development).

The major sustainability focus for CCA during the global financial crisis, which began in 2008 and accelerated in 2009, was to protect our business and our people. We pledged to maintain our growth trajectory, to keep investing in our business when many around us were downsizing, and not to have one single retrenchment as a result of external economic conditions.

At the start of one of the toughest trading periods in recent history, we asked our teams to focus on the importance of prudent financial management, to increase sales, and crucially, to deliver on our commitment to our customers to grow their businesses during the downturn.

Keep Your Mates in a Job

Senior management also rolled out the message to "Keep Your Mates in a Job" urging people to work leaner and smarter during the downturn without compromising customer service, so as to ensure that there would be no jobs lost as a result of the GFC.

We delivered on both commitments. Our 2008 and 2009 results both showed double-digit earnings growth and both set new records. The 2009 full year result saw earnings before interest and tax increase by 10.3% to \$787.3 million and net profit after tax increase by 11.1% to \$449 million on Group trading revenue of \$4.4 billion. CCA has now delivered double digit growth in earnings per share in 15 of the last 18 halves. We have also delivered value to our shareholders with consistent growth in total shareholder return, well ahead of the ASX 100. In dollar terms, a \$1000 investment in CCA shares in 2004 was worth \$2600 at the end of 2009, compared to just \$1470 in an investment in the ASX 100 over the same period, assuming all dividends received were reinvested.

We did not shed any staff in Australia as a result of the GFC, a pledge we have also committed to in 2010. We believe this was the most important message we could send to our people during a very uncertain time. From a cultural and performance aspect, this commitment to our people has repaid the business in spades. In 2009, despite the challenges we all faced, CCA in Australia recorded an increase in employee engagement.

And we delivered on customer service. In 2009, an independent survey, the Grocery Performance Monitor conducted by The Advantage Group, awarded CCA the number 1 overall supplier. This is the biggest survey of its kind for fast moving consumer goods (FMCG) companies.

As well, during 2009 CCA rolled out a crucial new technology platform, the \$65 million OAiSys, or One Amatil Information System, with no negative impact on service levels. Not one customer order was delayed during the cut-over period – again, a remarkable effort.

Reputation and Trust

When it comes to reputation, we understand that trust in our company is not based solely on our ability to deliver strong financial results. Our stakeholders include not only our shareholders, customers, consumers, suppliers and our staff, but the entire community. We strive to build trust not only because of our sound financial management and good corporate governance, but also because we are a company that aims to do the right thing across a broad spectrum of community life.

We are very proud that in 2010 our premium springwater brand, Mount Franklin, was one of the Top 10 Most Trusted brands in Australia in a survey by Millward Brown. Mount Franklin was only one of two Australian brands to make the Top 10. We know that not only do Australians trust the quality of Mount Franklin springwater, but that they have engaged deeply with Mount Franklin in our four-year long "pink lids" campaign which has raised \$1 million for breast cancer research.

We're also improving our understanding of the value of sustainability to our business and our stakeholders. A survey in 2009 of our senior executives helped us identify the major sustainability issues we face as a business, and also told us that our customers, suppliers and shareholders, and our own people, are increasingly interested in how we are actively addressing some of the major sustainability issues like energy and water use and beverage container recycling.

With this in mind CCA continues to invest in major commitments in the areas of the environment and community that will deliver step-changes in sustainability. This is mirrored by our major shareholder The Coca-Cola Company, which has substantially stepped up its



A handwritten signature in dark ink, appearing to read 'David Gonski'.

David Gonski AC
Chairman

A handwritten signature in dark ink, appearing to read 'Terry Davis'.

Terry Davis
Group Managing
Director

global environmental program.

Light-weight bottles

In 2009 the CCA Board approved plans for a \$45 million investment into a technology called “blow-fill” which allows us to manufacture our own PET plastic bottles in our operations, using significantly less PET resin. The first stage in Northmead, our major Sydney operation, will begin in the second quarter of 2010 and we’re aiming to make the lightest weight PET beverage bottle in Australia. These “eco-bottles” will save us around 1000 tonnes of PET resin in the first year alone, and will be a step-change in how we are dealing with the issues of bottles, recycling and waste. Put simply, we’re using less raw materials and we don’t have to transport empty bottles on the roads.

Solar energy

Another major investment in helping lower our carbon footprint was the installation of 670 solar panels on the roof of our new automated Distribution Centre at Eastern Creek in Sydney in 2009. The panels, one of the largest rooftop industrial installations in Australia, generate more than 148 megawatts of clean renewable energy every year and supply more than 15% of the Distribution Centre’s needs. This is a good result, particularly when the Australian Government has a long-term goal of ensuring that 20% of the nation’s energy needs will be supplied by renewables.

More water and energy savings

Our \$120 million Bluetongue Brewery, which opens in the first half of 2010, will deliver world’s best practice environmental standards, with a \$6.5 million investment into water and energy saving technology. The water treatment plant will enable water reuse while also providing renewable energy to the brewery via an anaerobic methane reactor which converts organic content into biogas, renewable energy which will be used to power one of the Brewery’s boilers. “Flash pasteurisation” and plastic and stainless steel conveyors to minimise continuous water lubrication will further reduce water and energy use.

Our excellent water efficiency practices continue across the Group with water use ratios (the amount of water we use to make a finished litre of beverage) consistently improving. In fact, CCA’s water efficiencies in Australia in 2008 and 2009 have resulted in a remarkable achievement – while the volume of beverages produced has increased significantly, the total amount of water used to make these beverages has dropped.

In Australia in 2009 the water use ratio was 1.57 litres per finished beverage litre, or L/FBL, just under our target of 1.58 and one of the lowest national ratios for water efficiency CCA has achieved in the past five years and one of the lowest in the global Coca-Cola system. Many of our facilities, including Northmead, Eastern Creek and Bluetongue Brewery have large rainwater harvesting tanks.

Business Leads Recycling Solutions

We firmly believe that the best way to maximise recycling of beverage bottles is not through the establishment of a Container Deposit regime, a complex system which will cost potentially \$500 million a year to run and put a tax on every bottle of Coke, water and beer. Instead we support the National Packaging Covenant, a partnership between industry and government at all levels to decrease the environmental impact of packaging. The Covenant, which has 700 members, has increased national recycling rates steadily from 39% in 2003 to 57% in 2008, with a target of 65% recycling by 2010.

We have deepened our engagement with our major customers by partnering with them on public place recycling systems to encourage our consumers to recycle their beverage bottles and cans. In November 2009 the Federal Minister for the Environment, Peter Garrett, launched a joint Westfield, Coca-Cola, and Packaging Stewardship Forum recycling project which will see 600 tonnes of beverage containers recycled in Westfield shopping centres across Australia in the first year of operation.

Indonesia

As one of the largest Australian-owned businesses operating in Indonesia, we recognise how important it is to not only invest in our business and our 8000 people there, but to also invest in social capital to improve the environment and health of our local communities. In 2007 we decided to tackle one of the nation’s most obvious environmental problems – litter and pollution. What started as a one-day event on Kuta Beach, our first Bali Beach Coastal Clean Up Day, has now grown into a daily cleaning operation on no less than five Bali beaches - Kuta, Legian, Seminyak, Jimbaran and Kedonganan – which are kept clean by four Coke tractors, three garbage trucks and 60 beach clean up crew.

We’re also assisting the clean-up of the polluted Jakarta canals. Partnering with a local NGO called Green Monster, CCA has created the Jakarta Waterways project to educate people about the need to recycle their waste and dispose of it properly.

People

While we’re encouraging our consumers to recycle and protect the environment, we’re

doing it ourselves at CCA workplaces. Sustainability September@CCA, a national event to drive sustainable practices and innovation across the Australian workplace, was stronger in 2009, its second year of operation, with staff participating in three national activities. This included an E-waste drive which collected 9.5 tonnes of old computer equipment and a cooler maintenance program where more than 3,000 employees cleaned 4,500 fridges saving 400 tonnes of greenhouse gas emissions. In partnership with Landcare Australia, staff planted more than 3,000 trees in NSW, Queensland, South Australia and Victoria.

Diversity continues to be an area of ongoing focus for CCA and we have a number of initiatives in place to attract and retain a diverse workforce, including the Embracing Difference Council. The Council, a group of CCA managers, are developing a framework for all areas of diversity - not only for gender, but also for ethnicity, disability and Indigenous Australians. CCA has progressively improved a number of policies to help support diversity including its Flexible Working Policy, Recruitment and Selection Policy and Parental Leave Policy.

Marketplace

We recognise our community's concerns with the long-term health implications of an increasingly overweight population, and as a business we're using our innovation skills and knowledge of the market to address them.

CCA's Remote Communities Strategy is aimed at encouraging consumers to choose low-kilojoule drinks and water. It has been rolled out across the Northern Territory and north Queensland with major buying groups and is also starting in Western Australia. Sales figures are showing early success with this strategy with people increasingly choosing our spring water and low-kilojoule beverages. For example, in 2009 Northern Territory community store sales of our non-sugar range increased by 18% and bottled water by 19% while Queensland sales of our non-sugar range increased by 46% and bottled water by an impressive 74%.

We have also listened to our consumers who want smaller portions, introducing multi-packs of 200ml cans of Coca-Cola, Sprite and Fanta into supermarkets in late 2008. These "mini cans" with just 100 calories have been a success, with Australians buying 30.6 million cans in 2008 and 2009. Our beverages now have labels on the front which show the number of kilojoules and a Daily Intake guide.

Community

Our major philanthropic support to our communities continues under our Coca-Cola Foundations in Australia, Indonesia and Papua New Guinea. As well, CCA continues to be a generous donor of food and beverages to charities and community events, and to victims of natural disasters. In the 24 hours after the disastrous 2009 Victorian bushfires, we donated almost \$1 million worth of food, beverages and funds to the bushfire victims and emergency services personnel. Our staff at CCA and SPC Ardmona also raised approximately \$140,000 through our workplace donation program, which was matched by the company, taking the total to just over \$280,000. We also continue to supply large quantities of bottled water to state emergency services and various state government departments, including schools, in the event of water contamination or weather events.

Food and beverage manufacturing

The importance of the food and beverage manufacturing industry is not well acknowledged. It is Australia's largest manufacturing sector with an annual turnover of \$100 billion – four times the size of the automotive industry. With 315,000 employees, it's also Australia's largest manufacturing employer and provides a significant source of jobs in rural areas. CCA, as one of Australia's largest food and beverage manufacturers with 6000 employees in Australia, is a significant player in the sector.

We have urged Governments that reform is needed, particularly in tax incentives and accelerated depreciation. For example, manufacturers like CCA need the ability to write off the cost of new investment over 3-5 years irrespective of the lifetime expectancy in order to invest in state-of-the-art technology.

CCA will continue to contribute to best practice in our industry and continue to take an active part in the national and global debate as to how business can promote sustainable development.

David Gonski AC

Chairman

Terry Davis

Group Managing Director

ABOUT CCA

Coca-Cola Amatil (CCA)

An ASX Top 50 listed company, CCA is one of Australia's largest premium branded beverage and food companies and one of the world's top five Coca-Cola bottlers.

CCA operates non-alcoholic and alcoholic beverage businesses in Australia and New Zealand and non-alcoholic beverage businesses in Indonesia, Papua New Guinea and Fiji. CCA owns Australia's largest premium packaged fruit and vegetable company, SPC Ardmona.

Total number of operations, covering all alcoholic, non-alcoholic and food operations:	38
Total number of distribution centres:	164
Total number of employees:	approximately 15,000
Total trading revenue:	2008: \$4,091.4 million 2009: \$4,403.8 million
Total volumes of non-alcoholic beverages sold:	2008: 534.1 million unit cases 2009: 555.1 million unit cases
Estimated number of consumers CCA has access to:	265 million
Total number of active customers (including alcohol):	approx 750,000
Total number of employee shareholders (Australia) in 2009:	5750

The major brands we produce, sell and distribute include Coca-Cola, Coca-Cola Zero, diet Coke, Sprite and Fanta, Mount Franklin, Pump, Pumped, Neverfail Springwater, Powerade Isotonic, Kirks, Glaceau vitaminwater, Mother energy drink, Goulburn Valley fruit juices, smoothies and flavoured milks, Deep Spring, Grinders Coffee and SPC Ardmona and Goulburn Valley packaged fruit and vegetable products. Our brands in New Zealand include all the Coca-Cola brands, L&P, Keri juices and Kiwi Blue springwater. In Indonesia, as well as the Coca-Cola brands, we produce Frestea, Ades water, Minute Maid juices and Extra Joss energy drink, and Nature's Own water in Papua New Guinea.

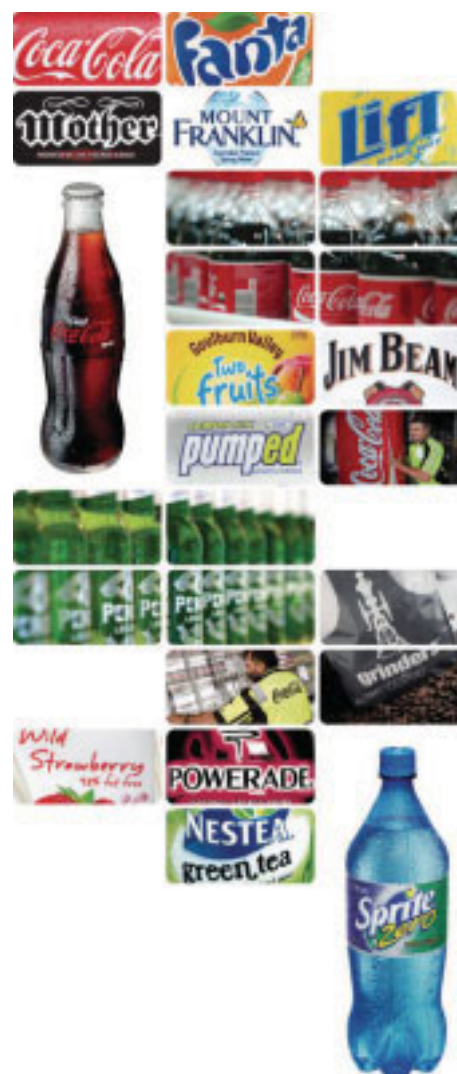
CCA's alcoholic beverages business is conducted through Pacific Beverages, our 50:50 joint venture with global brewer SABMiller. The premium beer range includes Bluetongue, Peroni Nastro Azzurro, Peroni Leggera, Grolsch, Pilsner Urquell, Miller Genuine Draft and Miller Chill, along with a spirits portfolio which includes Jim Beam, Courvoisier Cognac, Canadian Club, Makers Mark, The Macallan, Teacher's, The Famous Grouse and Laphroaig whiskeys. Russian Standard Vodka joined the portfolio in 2009 along with Bols and Galliano liqueurs. CCA also manufactures, sells and distributes Jim Beam and Cola and Jim Beam & Zero Sugar Cola alcoholic ready-to-drink beverages (ARTDs).

In the first half of 2010 Pacific Beverages' new Bluetongue Brewery will be commissioned, with an initial capacity of 50 million litres and world-class sustainable water and energy initiatives.

In 2008 CCA delivered a record net profit after tax of \$404.3 million, before significant items, an increase of \$38 million, or 10.4% over 2007.

In 2009 CCA delivered another record profit after tax of \$449 million, an increase of \$44.7 million, or 11.1% over 2008.

For more detailed information on our business, see our Full and Half Year Results statements, Annual Reports and Shareholder Reviews at www.ccamatil.com.au.



STRATEGY & MANAGEMENT

As CCA broadened its business and product portfolio even further in 2008-2009, we continued to strengthen our approach to sustainability, deepen our engagement with stakeholders and further embed sustainability considerations into operational and business planning processes. While we publically report our sustainability work and targets to a number of voluntary agencies and have done so for several years, with the advent of new legislation in Australia in the lead-up to the Carbon Pollution Reduction Scheme (or Emissions Trading System), we are now mandated to report our direct carbon dioxide equivalent (CO₂-e) emissions to the Federal Government. This was completed in September 2009 under the National Greenhouse and Energy Reporting Act.

In 2008 CCA was mandated to report on EEO (Energy Efficiency Opportunities) for the first time. We have also been reporting the mandated National Pollution Inventory since 1999.

As a leading fast-moving consumer goods company with a strong focus on responsible manufacturing, CCA has set continuous improvement targets for quality, environment, food safety and OHS performance for several years.

Environmental sustainability, particularly in the largest part of our business, the Australian beverage operations and our new Bluetongue Brewery, is an integral part of our business strategy. Our achievement in the past four years of becoming one of the most efficient users of water in the global Coca-Cola System for beverage manufacturing is testament to our long-term commitment.

We will continue to reduce our direct environmental impact and focus on co-operative activities with our customers through our customer sustainability managers in the Australian business. You can view our policies (Environment Policy; Purchasing Policy and Water Policy - Australia at <http://www.ccamatil.com.au>).

We are guided by purchasing policies - CCA's Purchasing Policy (www.ccamatil.com.au) the SPC Ardmona Approved Supplier Program and The Coca-Cola Company's Supplier Guiding Principles (http://www.thecoca-colacompany.com/citizenship/supplier_guiding_principles.html). These are TCCC's "social compliance" or "social responsibility" guidelines which state that all suppliers to TCCC will comply with local law, including in respect of collective bargaining, wages and benefits, working hours and overtime, safe working conditions and the environment.

While energy costs are a very small component (3%) of CCA's production costs, energy reduction is a key component of business plans in Australia and NZ, and increasingly in Indonesia, Fiji and PNG.

Water efficiency is a crucial priority with annual targets set throughout the beverage operations. In 2009, CCA beverages in Australia achieved the best water use efficiency ratio for the past three years, using just 1.57 litres of water to make one finished beverage litre (L/FBL). This was achieved despite an increase in volume of beverages produced, and also while producing a very diversified portfolio of beverages, many of which require more water use.

Governance

At CCA, the Board of Directors is committed to achieving the highest standards in the areas of corporate governance and business conduct. The main corporate governance principles and practices followed by CCA, established in the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Recommendations, 2nd Edition" can be found in our Annual Reports (www.ccamatil.com.au).

Board Directors

In 2008 and 2009 CCA's Board consisted of eight members - seven non-executive directors and one executive director. In 2008 they were David Gonski AC (Chairman, a non-executive director and independent from TCCC); Jillian Broadbent AO, Wal King AO, David Meiklejohn and Mel Ward AO (all independent non-executive directors); Irial Finan and Geoffrey Kelly (TCCC's nominees and non-executive directors) and Terry Davis (CCA's Group MD and an executive director). In 2008 Catherine Brenner joined the Board as a non-executive director. In October 2009 Irial Finan retired from the Board and was replaced by Martin Jansen as a TCCC nominee and non-executive director. Mr Jansen is CEO of Coca-Cola China Industries Ltd.

Board Committees

To assist its deliberations, the Board has established five main committees, which apart from routine matters, act primarily in a review or advisory capacity. These are:

- Related Party



David Gonski, AC

Chairman, Non-Executive Director (Independent)



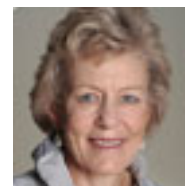
Terry Davis

Group Managing Director, Executive Director



Catherine Brenner

Non-Executive Director (Independent)



Jillian Broadbent, AO

Non-Executive Director (Independent)



Martin Jansen

Non-Executive Director (Nominee of TCCC)



Geoffrey Kelly

Non-Executive Director (Nominee of TCCC)



Wal King, AO

Non-Executive Director (Independent)



David Meiklejohn, AM

Non-Executive Director (Independent)

- Nominations
- Audit & Risk
- Compensation
- Compliance and Social Responsibility

CCA reports key sustainability metrics under our four pillars - Environment, Marketplace, Workplace and Community - to the Compliance and Social Responsibility Committee of the Board. Each quarter the Group reports to the Committee on compliance with relevant laws, including occupational health and safety, environmental protection, product safety and trade practices. With social responsibility, the Committee reviews policies and reports and makes recommendations to the Board, where appropriate, on quality standards, political donations, community sponsorship and support and relevant social issues such as obesity and environmentally sustainable initiatives.

For a full overview of CCA's corporate governance principles, including Senior Executives' performance evaluation, Director selection, independence and induction, Code of Conduct, and CCA's Policy on Trading in CCA shares, share ownership and dealings, see our Annual Reports www.ccamatil.com.au.

Political donations

CCA supports Australia's democratic process in a bipartisan way and donates even-handedly to the major political parties in Australia - the Liberal/National Party coalition and the Australian Labor Party - in both State and Federal arenas. All donations are disclosed on www.aec.gov.au.

Diversity

CCA reports on Diversity initiatives across the CCA Group within this Report and welcomes the ASX Corporate Governance Council amendments to Corporate Governance Principles & Recommendations, which will require listed entities to adopt and disclose their diversity policy including measurable objectives relating to gender. Once these guidelines are finalised, CCA will report within these particular requirements.

Internal and External Standards

CCA's environmental risk management and climate change response is supported by the maintenance of our ISO 14001:2004 certified environmental management systems (EMS). These are in place across the Group for key beverage manufacturing operations with a specific emphasis on continual improvement. See www.iso.org.

The Australian and New Zealand beverage operations are ISO 14001 certified. Four out of five of Neverfail Springwater's operations are currently ISO 14001 certified. The remaining Neverfail facility along with CCA's operation in Fiji are currently preparing for certification by the end of 2010.

A number of CCA's major production operations in Australia, New Zealand and Fiji are certified to ISO 9001 and FSSC 22000 (ISO22000:PAS220) with the remaining soft drink and juice operations working towards certification by the end of 2010. Note: Food Safety System (FSSC) Certification 22000 standard meets the requirements of the Global Food Safety Initiative (GFSI), which is the most influential interest group for food retail companies, reference www.fssc22000.com and www.mygfsi.com.

The Management System for safety has been rewritten to be ISO 18001 and AS 4801 compliant for Australia. We aim to investigate and prepare a certification plan for Safety (ISO 18001) in 2010.

Verification

Third party audit and verification of our integrated management systems (Quality, Environment and Safety) is currently performed by LRQA (Lloyds Register Quality Assurance) which audits against The Coca-Cola Management System (TCCMS) requirements which has incorporated all of the key elements of ISO 9001 (Quality): ISO 14001 (Environment) and ISO 18001 (Safety) management system standards.

Product Labelling

We meet all regulatory standards and comply with the Australian New Zealand Food Standards code. We are committed to clear labelling of ingredients, nutritional content and country of origin.

To help our consumers make more informed choices we voluntarily introduced the Australian Food and Grocery Council's Daily Intake (%DI) Guide in a "thumbnail" format on the front of pack of our beverages in Australia and New Zealand. The %DI is a guide for energy intake, as set out by the National Health and Medical Research Council and is

based on an average adult daily diet of 8700 KJ. The thumbnail label also indicates the number of kilojoules contained in the beverage per serve.

Product Quality

We aim to provide customers and consumers with the highest quality beverages and food, and it is our policy to meet or exceed regulatory requirements.

In manufacturing, CCA relies on policies and procedures, robust management systems and proven technologies along with trained people to ensure that our products exceed all company standards and legal requirements prior to leaving our facilities.

Age of stock in the market and process variability during manufacturing are our top product quality concerns. A focus on process control, through the introduction of on-line process control and monitoring systems and the introduction of the "Coke Best Fresh" program were key components of the strategy introduced to improve the quality of our products. The "Coke Best Fresh" program recognises that handling and storage of our products after manufacture can impact on their quality and ultimately influence the experience our customers have.

In 2008 the major NSW Northmead beverage plant environmental and safety performance data was independently reviewed and confirmed as compliant by BECO, a leading Dutch environmental audit company.

Quality data across the Group is reported quarterly to the CCA Board.

Reporting

CCA regularly participates in independent surveys, which assess our commitment to environmental, social and community initiatives.

Dow Jones Sustainability Index (now called the Australian SAM Sustainability Index)

Launched in 1999, the Dow Jones Sustainability Index was the first global index to track the financial performance of the leading sustainability-driven companies worldwide. The index assesses leading companies based on a set of economic, environmental and social criteria.

CCA has been included in the portfolio of sustainable companies since 2002. In 2008 and 2009 CCA was named as "Cluster Leader" for the Food, Beverage and Tobacco Industries.

The index is prepared by Sustainability Asset Management (SAM). To find out more about SAM please visit www.aussi.net.au

Government reporting is undertaken as required, and includes:

Energy Efficiency Opportunities Assessment & Reporting Schedule

The program encourages large energy-using businesses to develop greater energy efficiency through improving the identification, evaluation and implementation of cost effective energy savings opportunities. All CCA operations in Australia and NZ have undergone an EEO level 3 and level 2 energy audits respectively. To find out more about EEO please visit www.energyefficiencyopportunities.gov.au

The National Greenhouse and Energy Reporting Scheme

CCA is one of 233 Australian companies which had annual greenhouse gas (GHG) emissions in excess of 125 kilotonnes for the first reporting year (2008) and were consequently obliged to report under the National Greenhouse and Energy Reporting Act (2007). This information, covering Scope 1 GHG emissions (direct emissions, or the release of GHG into the atmosphere because of activities at a facility), Scope 2 GHG emissions (indirect emissions, or the release of GHG at a facility because of energy consumption used in heating, cooling etc) and total energy consumption, will help to provide input into formation of the Carbon Pollution Reduction Scheme, or Emissions Trading Scheme, which is still under review.

In February 2010, the Department of Climate Change published data collected from Australian companies, including CCA, from July 2008 to June 2009.

For Scope 1, or direct emissions, CCA emitted 52,911 tonnes of CO₂, placing it at 173 out of 233 companies. For Scope 2, or indirect emissions, due to energy purchased off-site (primarily electricity) CCA emitted 126,119 tonnes of CO₂, placing it 125 out of 233 companies. To find out more about NGERs go to <http://www.climatechange.gov.au>

National Pollutant Inventory (NPI)

The NPI provides the community, industry and government with free information about substance emissions in Australia. The NPI shows emissions estimates of 93 toxic substances and the source and location of these emissions. CCA has been fulfilling its mandatory reporting obligations in this area since 1999. To find out more please visit www.npi.gov.au

Carbon Disclosure Project

The Carbon Disclosure Project (CDP) provides a secretariat for the world's largest institutional investor collaboration on the business implications of climate change. Through the CDP, many institutional investors collectively sign a single global request for disclosure of information on Greenhouse Gas Emissions.

In 2006, CCA Australia voluntarily participated in the CDP for the first time and we have participated every year since then. In 2008 information from the entire CCA Group was included. CCA's CDP report outlines the key issues and challenges CCA may face as a result of climate change and details measures included in 2008 and 2009 Climate Leaders Index we are taking to address these. To visit the CDP go to www.cdproject.net

National Packaging Covenant

CCA was a founding member of the Australian National Packaging Covenant (NPC), a joint initiative set up in 1999 between government and industry to manage the environmental impacts of consumer packaging. CCA submits an Action Plan report to the NPC every year. For further information see www.packagingcovenant.org.au

CCA is also a signatory to the Packaging Accord in New Zealand, where we have joined forces with government, industry, waste management and other non-government organisations as members of the Accord.

STAKEHOLDER ENGAGEMENT

As an ASX Top 50 company with a market capitalisation of more than \$8 billion, more than 15,000 employees and access to 265 million consumers through over 700,000 customers across our Group, our engagement with all of our stakeholders is crucial.

CCA's many stakeholders include consumers, customers, employees, shareholders, suppliers and local communities, as well as non-government organisations and other groups which have an interest in the products we make and sell. These include health and environment organisations, water experts, regulators, bureaucrats and local, state and federal governments.

We use many avenues to engage and communicate with our stakeholders and listen to their advice and feedback. One of the most important public engagement opportunities with our stakeholders is our Annual General Meeting (AGM), which is held in May each year in Sydney. All of our shareholders are invited to attend and ask questions of the Board, either directly or through the Australian Shareholders Association.

We are members of many different industry and policy-building organisations, including in Australia, the Australian Food and Grocery Council, the National Packaging Covenant, the Water Stewardship Initiative, DrinkWise Australia, the Australian Beverages Council, the Australasian Bottled Water Institute, as well as global environmental organisation The Nature Conservancy.

In New Zealand we are a signatory to the National Packaging Accord, and have membership of the NZ Food and Grocery Council, Keep NZ Beautiful, the NZ Business Council for Sustainable Development, the Environmental Beverage Action Group - Glass Packaging Forum, the NZ Juice and Beverage Association and the Packaging Advisory Council.

In Indonesia our membership bodies include the Soft Drink Industry Association, the Food Communication Forum, the Coalition of Food and Beverage Producers of Indonesia and the Coalition of Indonesia Philanthropy.

The sustainability challenges we face under our four pillars include water stewardship, which we define as the efficient use of water and sustainability of water sources, packaging and recycling, energy and carbon reduction, consumer health, employee development and health, and engagement and project development with our customers, suppliers and communities.

By consulting with a wide range of our stakeholders on these challenges, we are identifying and developing appropriate strategies in order to create value for our business and for the wider community.

As a major shareholder in CCA (approximately 30%) and supplier of beverage concentrate for the trademark Coca-Cola beverages, The Coca-Cola Company (TCCC) is an important stakeholder. As one of the largest Coca-Cola bottlers in the world, we work closely with TCCC as part of the global Coca-Cola System, in areas which include marketing and product innovation, product quality and sustainability. We partner with TCCC on many projects, including tree-planting days with Landcare Australia and we jointly fund and manage our Coca-Cola Foundations in Australia, Indonesia and Papua New Guinea.



Group MD Terry Davis addresses business function for the Indonesian President Susilo Bambang Yudhoyono. March 2010.

Photograph: Ian Waldie

Stakeholder	Engagement
SHAREHOLDERS 44,686 shareholders (as at March 2010)	<p>CCA's shareholders are encouraged to make their views known to the company and to directly raise matters of concern. Shareholders are encouraged to attend CCA's AGM and to ask questions, which can be submitted by completing the form accompanying the notice of meeting or by emailing CCA at anz_investor_relations@anz.ccamatil.com. The questions and their answers are posted on the Company's website. CCA's communication policy (available at www.ccamatil.com.au) requires that shareholders be informed about strategic objectives and major developments. CCA is committed to keeping shareholders informed and improving accessibility to shareholders through: Australian Securities Exchange (ASX) announcements; company publications (including the Annual Report and Shareholder Review); the AGM, the company website (www.ccamatil.com.au); the investor relations contact number (61 2 9259 6159); and a suggestion box on the website.</p>
CONSUMERS 265 million people	<p>While The Coca-Cola Company is primarily responsible for interaction with consumers (www.sustainability.thecoca-colacompany.com) CCA supports consumer response and information through our Consumer Information Centres.</p> <p>In Australia the CIC is an independent function which captures consumer feedback which is then distributed through the company. Other consumer information is on myCCA, company websites, consumer hotlines; 1800 025 123 on product labels, 13 COKE and dietary information (%DI) on product labels. In 2009 the CIC received nearly 97,500 contacts, about products ranging from Coca-Cola to SPC Ardmona brands. The CIC responds in detail, by phone, email or in writing, to all consumer inquiries within 24 hours or the next business day where possible. Consumer information is delivered to the business and shared with the global Coca-Cola System via regular monthly reporting. CIC: free call 1800 025 123; fax 02 9436 8715 or via email to consumer_information@anz.ccamatil.com.</p> <p>CCA Australia undertakes extensive consumer research, using independent third parties for the continuous tracking of the health of our brands all year round. Every three years we undertake a major market study to better understand how the beverage landscape is changing, to help us keep track of changing consumer behaviours, competition and identify any emerging trends.</p> <p>In New Zealand CCA responds to both customers and consumers through the National Customer Centre. The team of approximately 50 employees, provides 24 hour cover for all calls using a combination of internal resource (12 hrs/day, 6 days/week) and an external call management provider. The Consumer Information Centre (CIC) is the independent function within the National Customer Centre which captures consumer feedback and ensures prompt and appropriate response for product queries. In 2009 the CIC received over 16,100 contacts. The CIC responds in detail, by phone, email or in writing, to all consumer inquiries within 24 hours. Consumer information is delivered to the wider business via regular monthly reporting. CIC: free call 0800 505 123; fax 0800 Cokefax or via email to nzl.coke@anz.ccamatil.com.</p> <p>CCA Indonesia has a Customer Service Team, with 13 employees handling customer, consumer and internal relations calls. In 2009, 375,000 contacts were received, of which 63% were via phone and answered within 10 seconds. All contacts from customers, consumers and employees are logged. The contacts are: 0800 100 COKE; SMS Centre - 0812 112 COKE; ncc@sea.ccamatil.com; Fax- 8833 0136 and www.coca-colabottling.co.id (Contact Us section).</p>
CUSTOMERS 700,000 businesses across the Group	<p>CCA responds to both customers and consumers in Australia through the National Customer Centre, Coke Connect (13COKE) and online at mycca.com.au. The team, of more than 300 employees, covers 24 hours a day, seven days a week.</p> <p>The Customer Care team at the National Customer Centre receives 1.4 million calls annually and answers them within an average of 13 seconds, with 80% of all calls answered within 20 seconds. The Sales team calls customers on an agreed day and time to take orders, sell new products and ensure they have enough stock available for customers. All calls from customers are logged and monthly reports are produced and distributed</p>

through the business.

CCA's OAisys \$65 million technology platform roll-out will include the expansion of the customer relationship management system in Australia in 2010.

New Zealand

CCA responds to both customers and consumers in NZ through the National Customer Centre. The team of approximately 50 employees, provides 24 hour cover for all calls using a combination of internal resource (12 hrs/day, 6 days/week) and an external call management provider for the balance.

The Customer Care team at the National Customer Centre receives 850,000 calls annually. From an Inbound call perspective, 90% of all calls received are answered within 15 seconds. The Outbound Sales team calls 60% of our customers according to a scheduled day and time to take orders, sell-in new products and ensure that they have enough stock available for consumers.

95% of all calls are logged in a Customer Management system, with reports available to the wider business.

Indonesia

The CCA Indonesia Contact Centre comprises a Customer Service Team, with 13 employees handling customer, consumer and internal relations, such as: CDE services, internal trade opportunity, consumer response and messaging services. In 2009, CCAI received 375,000 contacts, 63% of which were received by phone and answered within 10 seconds.

A Centralized Order Team, with 17 employees processes all orders from customers. In 2009, 87,000 orders from 5000 customers were placed. There is a continuous focus on process improvement.

The Contacts are toll Free - 0800 100 COKE; SMS Centre - 0812 112 COKE; ncc@sea.ccamatil.com; fax 833 0136 and Website - www.coca-colabottling.co.id.

CCA holds major customer events, including an annual brand experience customer week, as well as brand launches, including the 2009 launch of Peroni Leggera in 2009, the 70th anniversary celebrations at CCA's operation at Thebarton in South Australia and the 50th anniversary celebrations at Moorabbin in Victoria.

CCA is building on our existing strong position as a preferred partner with the establishment of numerous co-operative sustainability projects with major customers. For instance, our Remote Communities Strategy, where we work with community stores including Outback Stores to increase the availability and take-up of water and sugar-free soft drinks, has been successfully rolled out in the NT, WA and North Queensland.

CCA in Australia, NZ and Indonesia won many major customer service awards in 2008 and 2009. CCAI won a Chief Information Officer (CIO) Award for Asia Pacific for "Project ROAM" a mobile phone ordering system; CCANZ won the 2008 APCO Supplier of the Year Award as well as "Supreme Supplier" at the Progressive Enterprises Supplier Awards.

Australia's Grocery Performance Monitor, conducted independently by The Advantage Group, and the biggest survey of its kind for FMCG suppliers, awarded CCA Australia the Number 1 Overall Supplier in 2008, for all consumer goods, not only the beverage sector.

Some of CCA's major customers are subjecting CCA to environmental assessments as part of their various processes to ensure socially responsible supply chains.

EMPLOYEES more than 15,000 staff

Across the Group we communicate with our employees via a wide range of internal delivery systems including the intranet, newsletters, DVDs and emails, as well as conducting employee engagement surveys and holding long service award ceremonies and business road shows. In Australia CCA produces daily intranet news stories and CCA News; holds regular social events and provides opportunities for volunteering and donating to charities, as well as lifestyle programs like the City to Surf fun run. CCA Australia and New Zealand conduct the annual "Sustainability September" program, where all staff can participate in sustainability events like collection of e-waste, recycling and tree-planting at our operations. In NZ in

	<p>2009 during Sustainability September all staff were offered a half day paid time off to collect litter in their local communities as part of Keep New Zealand Beautiful Clean up week with 250 volunteering to help. Social events included Luau nights, Christmas parties at the Zoo Round the Bays Auckland fun run and the Christchurch City to Surf.</p>
<p>COMMUNITIES CCA is a local business in every country in which we operate and are a major employer in dozens of local communities across the Group.</p>	<p>We engage with our communities through a wide range of projects and events, many of them centred around environmental sustainability. For example, in Indonesia CCA's inaugural Coca-Cola For Bali Coastal Clean Up event in July 2008 grew throughout 2009 to become a daily cleaning operation on five Bali beaches. In Jakarta we are tackling canal and waterway pollution with NGO Green Monster, and we are delivering fresh water to remote Bali villages under our "Water for Life" project.</p> <p>Our \$2 million community engagement program at Northmead resulted in Parramatta Council's renovation of the Arthur Phillip Reserve, as well as a multicultural book library in Darcy Rd Public School and an "artists-in-residence" program.</p> <p>CCA and its staff, through our workplace giving program "Thirst For Giving", as well as volunteer events and other fund-raising, donate millions of dollars worth of funds, food and beverages to communities in need. These include the Victorian bushfires in 2009, annual donations to Foodbank Australia, clean up days in New Zealand and staff volunteering to cook for Ronald McDonald House families. Our Coca-Cola Foundations in Australia, Indonesia and PNG fund scores of community organisations and local charities.</p> <p>CCA has developed many valuable and long-term partnerships with community organisations, including Keep Australia Beautiful, New Zealand Best Towns, Landcare Australia and The Nature Conservancy.</p>
<p>SUPPLIERS: Companies supplying ingredients, packaging, equipment and services.</p>	<p>CCA's Supplier of the Year awards recognise our best suppliers. Our close work with Australia's state-based water authorities on mandatory water management programs have seen CCA win awards across the country for best practice in water savings and water management. We have also worked closely with TCCC on purchasing new, more energy-efficient fridges under the eKOfreshment Sustainable Refrigeration program. We are guided by purchasing policies - CCA's Purchasing Policy (www.ccamatil.com.au), the SPC Ardmona Approved Supplier Program and the TCCC Supplier Guiding Principles (http://www.thecocacola.com/citizenship/supplier_guiding_principles.html). These are TCCC's "social compliance" or "social responsibility" guidelines which state that all suppliers to TCCC will comply with local law, including in respect of collective bargaining, wages and benefits, working hours and overtime, safe working conditions and the environment.</p> <p>We are also working with our transport suppliers on more efficient deliveries and routes. SPC Ardmona works closely with its fruit and vegetable suppliers, mostly growers, to manage their annual intake. SPCA works under the Preferred Supplier Scheme where individual growers are ranked according to their long-term performance as suppliers with a focus on quality, quantity and consistency.</p>
<p>GOVERNMENTS - all levels across the Group</p>	<p>CCA engages directly and regularly with all levels of government and bureaucracies on many issues across the Group. The Coca-Cola System in Australia regularly makes submissions to various Productivity Commission, Senate and Government inquiries, for example the Henry Review into Tax Reform, and the Inquiry into Food Labelling Law and Policy.</p> <p>CCA in Australia and New Zealand also engages with politicians and bureaucrats via several industry organisations, including the Australian Food and Grocery Council and the Australasian Bottled Water Institute. CCA is also represented on some of these bodies, including the Sustainability Committee of the AFGC and the National Packaging Covenant Industry Association.</p> <p>CCA Indonesia also engages with political leaders across the board, most particularly at the local governor level.</p> <p>In Australia, CCA donates in a bipartisan, even-handed manner to the major political parties to demonstrate our support of the democratic</p>

process. All our donations are available to view on the Australian Electoral Commission website www.aec.gov.au

FOUR GLOBAL PILLARS

Environment

Commitment	Priority	Progress we have made	Targets
<p>To conduct business in ways that protect and preserve the environment and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes.</p>	<p>Water Stewardship</p> <p>To make more beverages with less water, protect watersheds and ensure our water use and our water sources are sustainable</p>	<ul style="list-style-type: none"> Water efficiencies in CCA's Australian beverages operations in 2008 and 2009 resulted a remarkable achievement - while volume of beverages has increased significantly, the total amount of water used to make these beverages dropped. The water use ratio in 2009 in Australia - 1.57 L/FBL, which was just below the 2009 target of 1.58 L/FBL - achieved one of the best water efficiency ratios in the Coca-Cola global system for non-alcoholic beverages. In 2009 CCA's Moorabbin operation registered a water use ratio of 1.34 L/FBL, the best result of all CCA's soft drink operations in Australia. Bluetongue Brewery has installed a \$6.5 million waste water treatment plant to save water and energy. CCA Australia has annual national and facility-based KPIs and targets for water efficiency. All supply chain team leaders and managers have water use/management as a KPI in performance plans. Each state in Australia competes for the annual State of the Nation Award based on business performance, including water as a KPI for environment. Quarterly water use ratios across the Group are reported to the Compliance and Social Responsibility Committee of the CCA Board. Every groundwater, or spring water source is subjected to stringent hydrogeological assessment processes. 	<ul style="list-style-type: none"> 1.56 L/FBL (Australian beverages) Bluetongue Brewery will aim to achieve best practice water use ratios of 2.2 to 2.3 L/FBL for beer production Continue to investigate alternative methods to guarantee the on-going sustainability of our groundwater sources
	<p>Packaging & Recycling</p> <p>We see packaging as a resource, not waste. We will continue to reduce the amount of packaging we use and ensure it is recyclable.</p>	<ul style="list-style-type: none"> CCA Australia invested \$45 million in "blow-fill" technology to manufacture Australia's lightest PET plastic beverage bottles in 2010. CCA Australia initiated public place beverage container recycling projects with major customers including Westfield, Hoyts, Wet 'n' Wild and Oporto in 2009. The national Westfield beverage recycling project will see 600 tonnes of bottles and cans diverted away from landfill each year and into recycling. rates of recycling of in-plant solid waste improved across the Group in 2008 and 2009. 	<ul style="list-style-type: none"> Use less packaging Continue to "lightweight" our packaging Save 1000 tonnes of PET resin in the first year of "blow-fill" bottle manufacture in NSW Continue to drive public place

		<p>recycling programs with customers</p> <ul style="list-style-type: none"> • Continue to support the National Packaging Covenant's targets
<p>Energy & Climate</p> <p>We will improve energy efficiency and reduce our carbon footprint</p>	<ul style="list-style-type: none"> • In 2009, in partnership with BP Solar, Goodman International and the Blacktown Solar Cities Program, CCA installed 670 solar panels on the roof of its new Eastern Creek Distribution Centre, which deliver 150 megawatt hours of clean, renewable energy, or more than 15% of the DC's energy requirements annually. • The 110-kilowatt solar photo-voltaic system is the largest in an industrial setting in Australia. • Bluetongue Brewery's new \$6.5 million wastewater treatment plant will provide renewable energy via an anaerobic methane reactor which converts organic content into biogas. • CCA's Australian headquarters will relocate from Circular Quay to "The Ark" in North Sydney, a new Green Building Council of Australia 5-star rated building in June 2010. • CCA reported its carbon and energy use data under the National Greenhouse and Energy Reporting (NGER) Act in 2010. • Every CCA facility measures energy used and carbon emitted (by measuring the amount of carbon emitted in grams, to produce one litre of finished beverage, or FBL) on a monthly basis, and the metrics are reported to the CCA Board every quarter. • Contributed to Australia's Earth Hour by turning off our iconic Coke sign in Kings Cross, Sydney. 	<ul style="list-style-type: none"> • Continue roll out of energy-efficient cold drink equipment • Aim for the Eastern Creek DC to achieve the Green Building Council of Australia's Industrial Green Star Building Accreditation • Continue to make CCA's internal energy reduction targets (measured as MJ/FBL produced or megajoules per finished beverage litres produced) and internal targets for reducing carbon emissions ratios across our product portfolio (measured as grams of carbon dioxide equivalent per finished beverage litre or gCO₂-e/FBL produced) an integral part of annual business planning processes

FOUR GLOBAL PILLARS

Marketplace

Commitment	Priority	Progress we have made	Targets
<p>To provide products and services that meet the beverage needs of consumers. In doing this, we provide sound and rewarding business opportunities and benefits for our customers, suppliers, distributors and local communities.</p>	<p>We will provide a beverage for every occasion and ensure they are of high quality. We will ensure our products are marketed responsibly and that accurate information about them is readily accessible.</p>	<ul style="list-style-type: none"> • Our portfolio of non-alcoholic beverages now consists of more than 80 products, and we are continually responding to consumer needs for a greater choice, many with fewer kilojoules, more nutrients and in smaller portion sizes • Introduced smaller portion sizes - including the 200 ml "mini-cans" which have less than 100 calories a serve in 2008 • Kilojoule counts and % DI (dietary intake) labels on all beverages in Australia and NZ • Provided a non-sugar alternative for every sparkling beverage with sugar • Diet beverages and water represented 34% of our volume sales in 2009 compared with 25% in 2005 • CCA in Australia became the first country in the world to introduce Peroni's new low-carbohydrate beer, Peroni Leggera in 2009. • SPC Ardmona invested in new range of packaged fruit and vegetables fortified with calcium, fibre and vitamins • Grinders coffee went organic in 2010, with the addition of a blend of certified organic free-trade coffee FIX • Our Remote Communities Strategy is increasing uptake and availability of water and non-sugar beverages in indigenous communities in the NT, WA and North Queensland. • The Coca-Cola System in Australia adopted a policy of not marketing any products to children under 12 in 2000. • In our Pacific Beverages alcoholic beverages business we adhere to the same core principles of responsibility as our partner SABMiller • Pacific Beverages is a member of DrinkWise 	<ul style="list-style-type: none"> • Aim to reduce total kilojoule content of non-alcoholic beverage portfolio • Further increase proportion of non-sugar beverages • Continue to offer consumers choice in packaging, portion sizes and beverages options

FOUR GLOBAL PILLARS

Workplace

Commitment	Priority	Progress we have made	Targets
<p>To foster an open and inclusive work environment where a highly motivated, productive and committed workforce drives business success through superior execution.</p>	<p>We will make CCA an even safer workplace, commit to further diversity, and ensure our people are inspired to be the best they can be.</p> <p>We will make CCA an organisation where GREAT PEOPLE DO GREAT THINGS TOGETHER.</p>	<ul style="list-style-type: none"> • "Keep Your Mates in a Job" was rolled out at the start of the global financial crisis, with the pledge from senior management that no jobs would be lost as a result of the external economic environment • Successful roll-out of CCA values and culture programs with the emphasis on five key behaviours - Customer Centric, Collaborative, Empowering, Communicative, Initiating. • Development of Group OHS Policy and Management Standards which deliver consistent safety and health standards. • Leadership development programs across the range of businesses • Improvements in employee engagement scores across Group • In PNG we maintained our leadership role with HIV/AIDS treatment and prevention via workplace management and prevention policies offering testing, education and health campaigns • In PNG, the free supply of mosquito nets was continued to employees in 2008 and 2009 resulting in malaria cases being reduced by 43%. 	<ul style="list-style-type: none"> • Continuation of the pledge that no jobs will be lost at CCA as a result of external economic environment in 2010 • To further increase diversity • To continue assisting our developing markets with programs to prevent HIV/AIDS and malaria • To continue building sustainability initiatives through our workplace with the annual event Sustainability September

FOUR GLOBAL PILLARS

Community

Commitment	Priority	Progress we have made	Targets
To invest time, expertise and resources to provide economic opportunity, improve the quality of life and foster goodwill in our communities through locally relevant initiatives	Though our Coca-Cola Foundations, philanthropic programs and our local operations we will continue to support local communities and ensure their economic sustainability	<ul style="list-style-type: none"> The Coca-Cola Foundations in Australia, Indonesia and PNG directed approximately \$2.4 million to community projects in 2008 and 2009 In 2008 CCA donated \$8.9 million, and in 2009 \$9 million to community projects across the Group through philanthropic giving and beverage and food donations. CCA and SPC Ardmona donated \$1 million worth of food, beverages and funds to the Victorian bushfire funds CCA and SPCA employees followed this up with cash donations to the bushfire appeals of \$140,000, which was matched by the company bringing the total to just over \$280,000 CCA and SPCA donated a total of almost \$3 million worth of food and beverages to Foodbank Australia in 2008 and 2009 Mount Franklin donated a total of \$1 million to the National Breast Cancer Foundation in the four years to the end of 2009 CCA Papua New Guinea and Nature's Own water donated K100,000 to HIV/AIDS programs in 2008 SPC Ardmona provided more than \$8 million worth of drought assistance to growers in the Goulburn Valley in 2009 SPCA is the principal donor to the United Way Goulburn Valley Community Fund In Indonesia, the inaugural Bali beaches clean-up day has grown to daily cleaning of five Bali beaches, with four Coke tractors and 60 staff CCA Indonesia is also tackling pollution in the Jakarta waterways, establishing organic farms and safe drinking water to remote villages in Bali. In New Zealand CCA staff volunteer for a growing range of clean up activities and charities, including NZ Spring Clean Week and Keep New Zealand Beautiful activities 	<ul style="list-style-type: none"> Raise the level of participation to the Thirst For Giving matched workplace giving program at CCA Australia Increase staff volunteering Become more active in key community initiatives

WATER STEWARDSHIP

The efficient use of water - the primary ingredient in our beverages, and also used in our manufacturing processes - is a major focus for sustainable practices throughout CCA's Group operations.

CCA began to focus on maximising water efficiency in its Australian operations in 2005, when cities and rural regions were under severe water restrictions during one of the worst droughts in 100 years.

Several years of stringent water saving strategies under CCA's National Environmental Policy and our Environmental Management System (EMS), including investment of approximately \$6 million in capital infrastructure, technology and research and development projects, has resulted in consistently good and sustainable national water efficiency ratios across the Australian beverage business.

In fact, CCA's water efficiencies in Australia in 2008 and 2009 have resulted in a remarkable achievement - while the volume of beverages produced has increased significantly, the total amount of water used to make the beverages has dropped. This demonstrates a "decoupling" effect between product volume increases and the amount of water used, in absolute terms.

When it comes to groundwater, or spring water we use for our bottled water brands, CCA Australia has invested approximately \$8 million over the past few years in capital equipment and new technology to ensure the long-term sustainability (water quality and quantity) of our spring water sources.

Why are we so focused on saving water? Not only does it reduce costs - purchase, treatment and disposal costs - but it brings huge benefits to our communities, from reducing consumption of a natural resource, reducing demand for energy and chemicals and providing a more sustainable environment.

Saving water in our operations means we also reduce greenhouse gas emissions - by decreasing our energy demands for pumping and treating water and wastewater.

The Coca-Cola Company (TCCC) is also focused on water efficiency on a global scale. Since 2005, the Coca-Cola global system has engaged in more than 250 Community Water Partnership (CWP) projects in more than 70 countries. In 2009, a total of 54 CWP project activities were completed, and 33 new projects were initiated. The range of projects includes watershed protection; expanding community drinking water and sanitation access; water for productive use, such as agricultural water efficiency; and education and awareness programs.

In 2007, TCCC set an aspirational, long-term goal to return to nature and communities an amount of water equal to what is used in its beverages and their production by 2020. TCCC has partnered with The Nature Conservancy and the Global Environment & Technology Foundation (GETF) to better understand how to quantify the water benefits from both watershed restoration activities and increasing community access to clean water.

For further information see http://www.thecoca-colacompany.com/citizenship/water_main.html.

Benchmarking

We measure beverage production as the number of litres of water used to produce one litre of finished beverage (L/FBL). This is a calculation of all water used in beverage manufacture, from the water in the beverages, to the water used in onsite bathrooms, rinsing bottles and washing down trucks.

In 2006 CCA's Australian water use ratio was 1.55L/FBL; in 2007 it was 1.59 L/FBL; in 2008 it was 1.69 L/FBL and in 2009 1.57 L/FBL, which was just below the target of 1.58 L/FBL.

The slight increase from 2006 to 2008 was due in part to an expanded product portfolio, where beverages like iced teas, sports drinks and juices require more water to maintain a consistently high standard of product quality, and also the fact that CCA's state operations now make a full range of products, which necessitates more rinsing in between production runs. However the environmental upside of more localised production is that we save on interstate transport costs and associated fuel and carbon emissions.

The business has worked through these production changes, and is now back to achieving targets for water use ratio.

CCA has installed "dry-lube" or waterless lubrication on all 26 Australian production lines, as well as on two lines in New Zealand, resulting in annual water savings of 95 million litres.

Every year we set targets for water efficiency, particularly in Australia, our biggest market and the world's driest inhabited continent.

These results for CCA Australia are one of the best, if not the best, in the global Coca-Cola System, where the average ratio is 2.43 L/FBL.



Management

CCA has annual national and facility-based KPIs and targets for water efficiency. All supply chain team leaders and managers have water use/management as a KPI in performance plans.

Each state in Australia competes for the annual "State of the Nation Award" based on business performance, including water as a KPI for environment.

In 2007, CCA established a national program called "Innov8" to share new ideas. Through this program, 55 water saving programs were initiated in 2008 and 2009 - including a water reclaim project, water recovery optimisation, vacuum pump water recycling and massive rainwater tank harvesting projects - saving 53 megalitres (or 53 million litres) of water in the beverage production process.

Our programs in every state rely on a close working relationship with water suppliers and agencies.

CCA's leadership in water saving has resulted in awards and commendations from water authorities across Australia, many of which have cited CCA's local operations as best practice case studies and featured them in their advertising campaigns.

Governance

Quarterly water use ratios across the Group are reported to the Compliance and Social Responsibility Committee of the Board.

CCA has a public Environment Policy (www.ccamatil.com.au) which governs the Environment Management System and water management system, and a Water Policy which governs sustainable management of groundwater used for bottled spring water.

Empowering Employees To Make Change - Australia

Implementing projects big and small in our plants improves water efficiency. We deploy a multi-layered approach to ensure ideas can be acted upon and resourced.

Local Innovation

In 2007, CCA Australia established a national program called Innov8 to foster new ideas. To deliver this, we built a database called "Edison" for our people to swap, "steal" and discuss water saving ideas. Through "Innov8", 55 water saving projects were initiated in 2008/09.

Local Engagement and Education

Each Australian state in our business competes for the Managing Director's annual *State of the Nation Award* based on business performance in people, environment, customer service and results. The importance of water is demonstrated by its inclusion as the KPI for environment, assessed quarterly by a balanced scorecard and reported back to the sites by the Managing Director.

The balanced scorecard (quantifying water projects in cost savings) means our people understand how their projects are saving water by volume and contributing to the company's cost reduction program. In the third quarter of 2009, savings were more than \$200,000 - using a true cost of water calculation that accounts for most of the costs of water.

In 2008/09, WA implemented *Pirates Stealing Shamelessly*, intended for people to purposely 'raid' the Edison database for ideas in other states and implement them. The program won this year's internal award for Best State Innovation Theme under CCA's Innov8 Awards.

Victoria's water efficiency program is delivered with the Environment Protection Authority's EREP program, which saved almost \$70,000 and approximately 25 megalitres of water. Other state programs and themes included "Slow the Flow", "Every Drop Counts", and the "Green Scene".

Recognition

In 2009 CCA's water saving efforts were recognised by two of Australia's leading water authorities in NSW and in Victoria.

In NSW, the peak water authority organisation, Water Services Association of Australia (WSAA) launched its report, *Meeting Australia's Water Challenges - Case studies in commercial and industrial water savings*, at CCA's Northmead operations in Sydney. The Northmead operation has two massive underground water harvesting tanks, which store up to 2 megalitres or 2 million litres, of rainwater and stormwater. The WSAA Report found that Australian industry is meeting the challenge of saving water, with a reduction of water consumption of 4.6% from 2007-2008. For further information see www.wsaa.asn.au

In 2009 in Victoria, the Minister for the Environment and Climate Change, the Hon. Gavin Jennings, launched the state EPA's EREP program, an initiative for business and industrial water savings at CCA's Moorabbin operations, the company's most water-efficient soft drink plant in Australia with a water use ratio of 1.34 L/FBL.

In 2010, CCA Australia was selected as a finalist in the Prime Minister's Waterwise Award at

the 2010 Australian Water Association Awards. CCA's submission was recognised for displaying significant innovation in terms of delivery and engaging staff, stakeholders and the general community.

Bluetongue Brewery

One of the most innovative sustainability projects is the \$6.5 million wastewater treatment plant at our new \$120 million Bluetongue Brewery on the Central Coast of NSW, commissioned at the end of the first half of 2010. The water treatment plant will utilise the latest technologies available including anaerobic (methane reactor), aerobic (membrane biological reactor) and reverse osmosis treatments to produce high quality reusable water. This recycled water will be channelled into the general maintenance of the brewery including wash down and cleaning, boilers, refrigeration, staff amenities, fire water top-up and landscaping.

The methane reactor will convert organic content into biogas, a renewable energy source which will power one of the Brewery's boilers. "Flash pasteurisation" and plastic and stainless steel conveyors to minimise continuous water lubrication will further reduce water and energy use.

Bluetongue's master brewers will be aiming to achieve world's best practice water use ratios of 2.2 to 2.3 L/FBL for the beer production.

Wastewater Treatment

Our operations are subject to TCCC requirements on wastewater treatment, which states that all wastewater discharged will meet applicable regulatory requirements, maintain an effluent quality that will have no adverse effects on fish or aquatic life in receiving waters and to maintain and operate treatment facilities efficiently.

CCA Australia's beverages plants meet the TCCC requirements, the only exception being CCA's plant at Waikerie in South Australia, which will be compliant by the end of June 2010. CCA is aiming for all Group operations to be compliant by the end of 2010.

SPC Ardmara is currently undertaking an extensive review of the wastewater treatment system at its Kyabram manufacturing site. During 2009 SPCA received a fine by the EPA for non-compliance relating to an odour discharge. This review will address treatment quality, water security, and allow for further water reduction programs at the site. Results of the review are expected in mid 2010.

Public Policy and Education

CCA's focus on water sustainability has seen the establishment of its National Water Scholarship. In 2010 CCA is again running the scholarship program through the National Centre for Groundwater Research and Training. The scholarship will be awarded in the first half of 2010 with the student's work to begin in the second half.

Bottled Water

In the past few years in Australia in particular there has been considerable media hype and, we believe, unjustified criticism of bottled water. The bottled water industry has been criticised for allegedly contributing to landfill, depleting water sources and contributing to higher levels of tooth decay in children. One NSW country town attracted global headlines for instigating a so-called "ban" on the sale of bottled water.

CCA Australia is a major producer of bottled water brands including Mount Franklin, Neverfail Springwater, Peats Ridge and Pump. In Indonesia we produce Ades water and in New Zealand Kiwi Blue and Pump.

In 2009 the Australasian Bottled Water Institute (ABWI, of which CCA is a member) undertook research into consumers' attitudes towards bottled water. The research, conducted by Auspoll, found that the waste associated with bottled water was not a major environmental concern for survey respondents. In fact, no respondents linked bottled water as contributing to a major environmental problem in Australia today.

However survey respondents were aware of the issue of plastic bottles ending up in landfill as waste. CCA, as an industry leader, is investing million of dollars in several major projects to ensure less raw materials are used in the manufacture of PET plastic bottles, and that beverage containers are recycled on a mass scale.

PET Plastic, Recycling and Landfill

While PET bottles make up a tiny fraction of material going into landfill in Australia - less than 0.3% - (source: Packaging Stewardship Forum and Plastic and Chemical Industries Association, PACIA 2007 National Plastics Recycling survey), we accept that as producers of bottled water, we have a responsibility to do our very best to ensure that our packaging is increasingly "lightweighted" and recycled.

CCA has invested an initial \$45 million in new technology, called "blow-fill", to enable us to produce the lightest PET plastic bottles in Australia. This is a step-change in packaging in this country, and will enable CCA to



save 1000 tonnes of PET resin in the first year of operation, at just one facility. The lighter weight PET bottles are fully recyclable, and will also contain up to 20% recycled material.



CCA, along with the Packaging Stewardship Forum, is also investing in several long-term, large-scale recycling projects with some of our major customers, including Westfield, Nando's, Oporto, Hoyts and Wet 'N Wild. Westfield is installing beverage recycling bins in 35 of their shopping centres across Australia, which will enable 600 tonnes of beverage containers, bottles and cans, to go into recycling and not landfill.

- 40% of Australian bottled water is sold in 9 or 15 litre containers (like Neverfail Springwater) which are refilled 30-40 times over the life of the bottle, and are fully recyclable at the end.
- 60% of Australian bottled water is sold in PET packs of varying sizes. PET in Australia has a recycling rate of 43% (Source: PACIA).
- All CCA beverage containers are recyclable - they are not litter, but a resource that can be recycled into a huge range of products, like textiles, carpets and furniture.
- 41 recycled plastic bottles represent enough energy savings to run a refrigerator for an hour. To run it for a month requires 1 tonne of plastics to be recycled (source: www.lgsa-plus.net Local Government Sustainable Chain Purchasing).

Water Use

- Each year the total bottled water industry in Australia uses approximately 600 million litres (or megalitres - ML) of water sourced primarily from underground springs and aquifers. To put this in perspective, the total amount of water used in Melbourne is 1200 megalitres per day. In other words, in *one* year the entire bottled water industry in Australia uses half of the volume of water that Melbourne uses in just *one day*.
- The groundwater or spring water used to supply the total bottled water industry in Australia is estimated to be just under 0.01 per cent of the groundwater allocated for use in Australia each year (Source: ABWI). The mining and agricultural industries are the biggest users of the groundwater allocation.

Water Sources

CCA is committed to ensuring the sustainability of all our water sources under our Water Policy (www.ccamatil.com.au). CCA has invested \$8 million into infrastructure, expert hydrogeologists and technology to ensure our water sources are sustainably managed. Every potential water source undergoes a stringent hydrogeological assessment process.

CCA purchases most of our spring water from farmers and landowners who hold water licences, and who sell it to us on the open market, just as they would sell any other crop.

CCA Australia's water use ratio for bottling water is around 1.3 litres per finished beverage litre (L/FBL), one of the best water efficiency ratios in the global Coca-Cola System.

Carbon Footprint

We believe that Australian bottled water has one of the lowest carbon footprints of any commercially produced beverage, as it is not heated, cooled or processed in any way.

Transport kilometres are also kept as low as possible. CCA sources water for its bottled water products from underground water sources which are within approximately two hours drive from our bottling facilities in each state in Australia.

Recycling beverage containers reduces the consumption of non-renewable sources of energy and raw materials - and greenhouse gas (GHG) emissions.

Quality and Purity

All of CCA's water brands contain groundwater, or spring water, none of them contain tap water.

CCA invests more into water quality than any other bottled water company. We are a member of the Australasian Bottled Water Institute (ABWI) and our water is subjected to annual technical audits by ABWI approved auditors.

In 2009, Mount Franklin, CCA's premium spring water brand, achieved ABWI's "Highest Standard of Excellence" with more than 95% compliance (a pass mark is 70%).

ABWI defines purity in spring water as less than 250 milligrams of Total Dissolved Solids (TDS) per litre. Mount Franklin has less than 200 mg/l of TDS. The Food Standards Code does not regulate the use of the word "pure" stating in its User Guidelines that consumers expect a product described as "pure" to be uncontaminated and unadulterated.

Most Trusted Brand

In Millward Brown's February 2010 survey of Most Trusted brands, Mount Franklin was 7th in the Top 10, and one of only two Australian-owned brands on the list.

CASE STUDIES



BLUETONGUE BREWERY

Bluetongue Brewery, owned by Pacific Beverages, a 50:50 joint venture between CCA and global brewing giant SABMiller, will open in the first half of 2010 on a 10 hectare site on the Central Coast of NSW. The Brewery will be NSW's second largest brewery with an initial capacity of 50 million litres in stage one and full production capacity of 100 million litres in stage two.

Both CCA and SABMiller (www.sabmiller.com) are leaders in maximising water efficiency and environmental sustainability in their respective global operations, and water use ratios will be a primary focus for sustainable practices at the Bluetongue Brewery.

Pacific Beverages submitted a comprehensive Water and Energy Efficiency Program to the NSW Government which was a condition of project approval.

There are six key areas of focus for Bluetongue Brewery's environmental policy: water and energy consumption; product packaging usage; water generation, atmospheric emissions and considered land use.

Water and energy KPIs are measured and reported globally by SABMiller, and Bluetongue's water and energy KPIs will be benchmarked quarterly with breweries in SABMiller's global operations.

Water

Bluetongue Brewery will strive to achieve the international best practice benchmark for water use ratio which is between 2.2 and 2.3 L/FBL - in other words, we will aim to use between 2.2 and 2.3 litres of water to produce one litre of finished beer.

The plant has been designed for optimum water use, combined with a sophisticated \$6.5 million wastewater treatment system to treat wastewater to the highest standards, utilising MBR (membrane biological reactor), anaerobic treatment (methane reactor) and RO (reverse osmosis) technologies. The aim is to reduce water consumption to as low a level as possible and to produce high quality reusable water. The treated water will be reused throughout the Brewery, including cleaning, rinsing, warmers, washdown, boilers, refrigeration, staff amenities, fire water top-up and landscaping.

Energy

As well as a comprehensive array of technology, including high efficiency motors, variable speed drives and insulated pipework, to deliver the maximum energy savings throughout the Brewery and at every stage of the brewing process, the wastewater treatment process will generate biogas, which will be captured and used as an energy source for the generation of steam for the beer making process. The use of biogas not only consumes a waste product but also reduces natural gas consumption.

Other environmental initiatives

- "Flash pasteurisation" instead of the traditional "tunnel pasteurisation" process will be utilised, which significantly cuts water and energy use.
- Production lines will not use water for lubrication of conveyors.
- Fuel for forklifts will be compressed natural gas, not LPG, creating a less polluting exhaust.
- Spent grains and spent yeast from the beer making process will be made available for feedstock.
- All packaging waste materials (cardboard, plastic, glass) will be separately collected for recycling as the Brewery strives for a zero quantity to landfill waste management system.
- The use of recycled water wherever possible in place of domestic water supply (except for use in the beer).
- Extensive natural light and natural ventilation throughout the Brewery buildings.



MOORABBIN, VICTORIA OPERATION

Each state in our Australian business competes for the Managing Director's annual *State of the Nation Award* based on business performance in people, environment, customer service and results. The importance of water is demonstrated by its inclusion as the KPI for environment, assessed quarterly by a balanced scorecard and reported back to the sites.

In 2009 CCA's Moorabbin operation not only won State of the Nation, but it was the most water-efficient of all of CCA's Australian operations - with a water use ratio of 1.34 L/FBL.

The achievement was driven by employees and managers, who installed several water-efficiency projects throughout the plant, including:

1. Large PET fill room water reclaim project: water from the pump seal and pre- and post-fill rinsers is reclaimed so that this clean water can go back into the process. The project cost \$66,000; the water saved was 11 million litres (11 Megalitres) annually and the cost saved was \$33,000 annually.
2. Small PET Line Water Recovery Optimisation: Elimination of overflow losses from rinser reclamation system through increased awareness, engagement and procedural development. The project cost \$1,250; the amount of water saved annually was 12 million litres and the cost saved was \$36,000.
3. Can Line Conveyor lubrication control: Install control measures on Can Line to stop water based lubricant when conveyor/filler is not operating. The project cost \$1000; saved 123,000 litres per annum, a saving of \$350 per annum.

In December 2009, Victorian Environment Minister the Hon. Gavin Jennings marked the one year of EREP - Environmental Protection Authority Victoria's environmental initiatives program - by launching the EREP anniversary at CCA's Moorabbin operations.



INDONESIA - CLEAN WATER PROJECTS

As one of the largest Australian businesses in Indonesia, with some 8000 staff and 10 manufacturing facilities, CCA is not only investing in our business, but also investing in social capital, through our local Coca-Cola Foundation Indonesia and through our wholly-owned bottling business, Coca-Cola Bottling Indonesia.

The inaugural Bali Beach Coastal Clean Up Day began in 2008 and has now grown to the

point where CCA in Indonesia cleans five Bali beaches every day, using 60 staff and three Coke tractors. In 2010 we purchased a boat to assist with another big cleaning project, some of the polluted Jakarta waterways, where we are being assisted by local NGO, Green Monster, and several local government agencies.

While tackling the most obvious environmental issue in Indonesia - litter and pollution - we are also working closely with our local communities in a wide variety of projects. With our commercial and social responsibility partner Quiksilver, we're building a Sea Turtle Hatchery on Kuta Beach, where tourists and locals will be able to release thousands of baby sea turtles to enjoy the cleaner waters. We are also helping schoolchildren in Bintan, Central Sumatra, plant 1000 mangrove trees along the Sebong River.

Tipi Jabrick, one of Indonesia's best pro-surfers has signed up as our corporate social responsibility ambassador, and will assist us with a number of sustainability projects throughout Indonesia.

Partnering with Padjajaran University we've set up an organic farm in West Java, assisting locals with training, farming and business skills as they grow organic chilli, tomato, mustard green and paprika crops for the domestic market. In Central Sumatra, we're supporting local small entrepreneurs with micro-loans and drinks carts for beach vending. This gives us great brand presence and assists people into a small business.

As well, our "Water for Life" project which began in early 2010 is delivering supplies of fresh water into remote villages in Bali.

ENVIRONMENT

PACKAGING AND RECYCLING

"Making plastic products from recycled materials uses 30% less energy than fossil fuels. Recycling just one 600 ml PET Coke bottle saves twice its weight in greenhouse gas emissions" - CCA's recycling messages at a Queensland Cowboys Fan Day in Townsville in 2009 (Source: Australian Food and Grocery Council).

Packaging plays a crucial role in ensuring the quality, safety and convenience of all our food and beverage products. Proper packaging prevents waste and protects our food and beverages from contamination and spoilage.

However, once empty, the same packaging is criticised as a waste problem.

Of all the waste generated in Australia, beverage packaging makes up less than 3% (source: Packaging Stewardship Forum) however we understand that both sustainable packaging and responsible recycling remains a big challenge.

At CCA we recognise that everyone - consumers and manufacturers - have a part to play in the proper recycling and disposal of packaging.

We are working hard to make our packaging more sustainable - most of our drink containers are 100% recyclable, and all of our new product packaging must be recyclable.

In 2010 we undertook a step-change in the sustainability of our packaging. New \$45 million "blow-fill" technology installed in our Northmead, NSW plant in 2010 enables us to design and manufacture PET plastic beverage containers from "pre-forms" with the aim of making the lightest PET plastic bottles in Australia. In the first year we will save around 1000 tonnes of PET resin in the Northmead facility alone. Not only will the bottles be lighter, the caps will be shorter, also saving PET resin. The project will also reduce empty bottle storage and handling and truck movements.

As well, when developing new products in our New Product Development process, CCA also uses PIQET (Packaging Impact Quick Evaluation Tool) to calculate the environmental impact of packaging systems through the packaging life-cycle, from extraction of raw materials through to the end of waste management.

We see packaging as a valuable resource, not as waste or litter. Every PET bottle, for example is a resource that can be recycled into other goods, like a pair of board shorts, a polar fleece, a carpet or a picnic table. Large home and office containers, like Neverfail Springwater's bottles are reused 30-40 times over their life before the plastic is crushed and reused in the automotive industry. The aluminium in our cans can be recycled *ad infinitum*.

The Coca-Cola Company's global system is also focusing on more sustainable packaging. Globally, innovations include in the US, the Dasani "Plantbottle" a PET plastic bottle made from a blend of petrochemical-based materials and up to 30% plant-derived, renewable materials. In Japan, Coca-Cola launched the "I LOHAS" in a new "ecoru shiboru" ("environment squeeze") bottle, the lightest weight bottle of its size in Japan. For further information see The Coca-Cola Company's 2008-2009 Sustainability Review "Live Positively" at www.sustainability.thecocacola.com

Less Packaging, More Recycling

CCA has a sound track record in this field. In 1994 we were the first company in the world to package a food-grade product using recycled content in PET.

Since 2004, CCA's PET beverage containers have been "lightweighted", or made using less plastic, saving more than 21,000 tonnes of PET, or 625 million bottles. Glass bottles have also been "lightweighted" by 5 grams saving an estimated 450 tonnes of glass.

In 2010 we will aim to manufacture Australia's lightest beverage bottles with new "blow-fill" technology at our Northmead operations, and save 1000 tonnes of PET plastic resin in the first year of operations. This is equivalent to 8000 tonnes of CO₂ emissions saved.

PET plastic bottles for Mount Franklin, Deep Spring, Kirks and all Coca-Cola trademark brands will be 9% to 15% lighter, and will be in the marketplace in 2010.

CCA's Australian beverage business has committed to increasing internal recycling rates of packaging waste generated in our manufacturing plants in Australia, New Zealand, Indonesia and PNG.

In 2009 CCA Australia's operations achieved excellent results, sending 93.6% of solid waste generated to recycling, avoiding landfill.

In New Zealand in 2008 our local operations set a tough target of achieving 99% waste minimisation across all five of their manufacturing plants and within 12 months two sites reached and surpassed this stretch goal. Manufacturing plants in Christchurch and Putaruru achieved 99.2% and 99.4% respectively through team effort and innovation, receiving a joint award for Excellence in Environment Management as part of the prestigious 2009 Packaging



Council of New Zealand Awards.

In 2009 CCA's already high rates of waste recycled in our Group operations moved up to 90%.

SPC Ardmona

Improved quality of the organics waste generated from SPC Ardmona has allowed a further 12,430 tonnes of organics to be returned to farmers as stock feed in 2009, bringing the amount of waste being sent to landfill down to 9% of the total manufacturing waste generated for SPCA.

Some examples of recycling from SPC Ardmona's fruit and vegetable packaging plants in the Goulburn Valley include:

- All peach stones will be utilised as a renewable fuel source.
- Discarded wooden bins and pallets are being used in chip-board manufacture.
- Sugar dust from Kyabram site is being reused as stockfeed.
- Obsolete cartons are being used by a local Shepparton company.
- Obsolete labels which previously went to landfill are being recycled.
- Soiled plastic from processing which once went to landfill is now being recycled - saving 200 tonnes per year.
- Food wastage is reduced significantly - non-saleable cans are emptied, with the fruit and vegetables going to stockfeed and the cans are recycled.

SPCA has reduced its overall packaging to product ratio as reported in the National Packaging Covenant's 08/09 annual report to 1:7.65.

Packaging Stewardship Forum

CCA Australia is a leading member of the Packaging Stewardship Forum (PSF), (www.afgc.org.au/psf) which is a delivery organisation for industry recycling, resource recovery, litter reduction and education programs. The PSF is best known for its iconic "Do The Right Thing" campaign, with 23% of local governments across Australia taking the *Do the Right Thing* anti-litter message to their communities in 2010.

The PSF members include Australia's major beverage companies and their packaging suppliers, Amcor, Bundaberg Brewed Drinks, Schweppes Australia, Coca-Cola Amatil, Foster's, Golden Circle, Lion Nathan National Foods and Visy.

Some of the 2008, 2009 and 2010 projects undertaken by the PSF have included:

- PSF has a partnership with Bottlecycler, a machine which crushes glass bottles. Gold Coast and Wollongong Councils has seen an additional 4,700 tonnes of glass recycled annually from pubs, bars and clubs in Victoria, NSW and Queensland and increased the number of venues with access to recycling services by 11%. Crushed, recycled glass from beverage bottles are used throughout industry, particularly on roads. A Hobart council in February 2010 became the first council in Australia to utilise recycled glass in asphalt. Forty-five tonnes of glass - equivalent to 254,000 crushed beer stubbies - replaced 53 tonnes of natural sand for the Hobart road surface.
- PSF partnership with the WA Government, and support of National Packaging Covenant, has seen funding provided for a new glass processing plant in Perth. Expected to commence operation in June 2010, the new plant will process an additional 20,000 tonnes of glass annually, doubling the recycling rate of glass in WA.
- Projects with higher education institutions across Australia (26 in total) are providing access to bottle and can recycling to more than 52% of students and staff attending higher education institutions nationally, and recycling more than 300 tonnes of beverage containers annually.
- Projects with Australia's busiest airports and airline companies (13 in total) are providing access to recycling for 94% of passenger visits annually, and recycling more than 400 tonnes of beverage containers annually (as well as hundreds of tonnes of newsprint).
- 70% of Australia's largest sporting stadia have recycling systems in place and are recycling more than 200 tonnes of beverage containers and plastic cups annually.
- 40% of Australia's major exhibition and convention centres have recycling systems in place and are recycling more than 100 tonnes of beverage containers annually.
- 18 other large venues including Gold Coast Theme Parks, Flemington, Ascot/Belmont and Eagle Farm race tracks, Australian Institute of Sport, Sydney Opera House, Sydney Theatre Company with new recycling systems to recycle an extra 500 tonnes of beverage containers annually.
- New recycling systems installed across the Melbourne Metropolitan rail network and in key CBD stations in Brisbane to recycle more than 280 tonnes of beverage containers annually (as well as recycle thousands of tonnes of newsprint).
- Partnerships in place with Westfield, Lend Lease and Mirvac shopping centres (more than 50 centres) nationally to recycle an extra 1,000 tonnes of bottles and cans annually.

Collectively, the above projects will deliver an additional 27,500 tonnes of beverage containers for recycling annually (to June 2010), lifting the beverage container recycling rate from 47% to

50%.

CCA's Public Place Recycling

Australians are good recyclers - 90% of households have access to kerbside recycling and we recycle around 70% of the beverage containers we use at home. The recycling rate breakdown is:

- Glass - 56%
- Aluminium - 83%
- PET plastic - 69% (Source: AFGC)

The challenge for recycling comes when people are out and about. Here, because of a lack of public place recycling bins, the recycling rates are much lower:

- Glass - 17%
- Aluminium - 31%
- PET plastic - 17% (Source - AFGC).

Industry is stepping up public place recycling. Since 2004 when CCA launched the "Refresh Recycle Renew" campaign the company has invested significantly in public education and public place recycling.

In 2009 and 2010, CCA launched a number of new recycling projects with its major customers, including Westfield, Oporto, Nando's, Hoyts and Wet 'n' Wild on the Gold Coast. These projects joined CCA's existing, long-term Public Place Recycling projects with Taronga Zoo and Luna Park in Sydney, Australia Zoo on Queensland's Sunshine Coast, Mogo Zoo on the NSW South Coast, Jones Lang LaSalle in Australia Square and the MLC Centre in Sydney's CBD and Warner Village Theme Parks and Polar Bears International at Sea World on the Gold Coast, where CCA donated 5c for every PET bottle placed in the recycling bins (to the value of \$10,000) for Polar Bears International.

CCA's public place recycling is also used at public community events. In 2009 in Western Australia, Skyworks WA held a day-long event on the Swan River in Perth, attended by more than 400,000 people. As well as staff volunteers, CCA contributed \$10,000 towards recycling zones, hiring clean-up crew and prizes for recycling. Coca-Cola Recycling Zones collected 4.6 tonnes of material for recycling - up by 2.7 tonnes from 2008.

CCA's progress in public place recycling was independently recognised at the 2009 Packaging Evolution Awards where we were awarded the Beverage Packaging Action Award and the Retail Packaging Action Award.

In 2009 CCA New Zealand received a joint award for Excellence in Environment Management as part of the prestigious Packaging Council of New Zealand Awards for waste minimisation projects.

Public Policy

National Packaging Covenant

CCA is a founding member of Australia's National Packaging Covenant (NPC), a joint initiative established in 1999 between government and industry to manage the environmental impacts of consumer packaging, as well as highlighting the importance of packaging minimisation through the supply chain. The NPC has provided more than \$21 million in funding since 1999 to increase packaging recycling. The NPC and the responsibilities arising from its reporting requirements have fostered an important change within CCA's corporate culture over the past 4 years. New processes have been established and followed, with environmental impacts of new products now considered under NPC guidelines, in the early stages of the decision process.

Under the NPC, national recovery rates for waste have increased from 39% in 2003 to 57% in 2008, and the NPC's next stage, to be known as the Australian Packaging Covenant has set a national target for 2010 of 65% national recovery rate for recycling waste. This next stage will build on the success of the current model by focusing on away from home recycling and better packaging design.

CCA reports annually to the National Packaging Covenant, and in 2008-2009 reported that the company made two significant achievements in public place recycling during that reporting period.

These were:

- The development of a standardised public place recycling model.
- The piloting of a public place recycling program within Westfield shopping centres. The successful pilot in four Westfield sites in NSW in the first half of 2009 resulted in a joint agreement between CCA, Westfield and the Packaging Stewardship Forum to roll out beverage recycling facilities in 35 Westfield food courts across Australia in 2010. This will return more than 600 tonnes of beverage packaging material to recycling and away from landfill annually.

In 2008-2009 CCA improved the total content of packaging which can be recycled to 93.3%, an increase of 1.7% of recyclable materials used in 2007-2008.

National Waste Policy

In November 2009 Australia's environment ministers agreed to a new national policy on waste and resource management at the meeting of the Environment Protection and Heritage Council. State ministers supported the strengthened Australian Packaging Covenant to replace the National Packaging Covenant, due to expire in June 2010. It places greater focus on the sustainable design of packaging and will also provide more investment in workplace recycling, public place recycling and litter reduction projects.

Container Deposit Legislation (CDL)

The issue of Container Deposits in Australia, where the consumer pays extra for a beverage, then claims back 10 cents on the container at depots, has been considered a number of times by State Government Environment ministers at the Environment Protection and Heritage Council (EPHC) over the past few years.

However, the EPHC commissioned an independent study (by BDA Group and Wright Corporate Strategy) of the costs and benefits of CDL and other alternative approaches to managing packaging waste. The EPHC's independent study showed CDL to be very expensive.

The estimated cost of a container deposit scheme was \$492 million per year for 330,000 tonnes of additional recycling. This compares very poorly to the alternative cost of building on existing programs under the National Packaging Covenant, such as improved workplace and events recycling and public place recovery, which would cost just an additional \$25 million per year for 530,000 additional tonnes of recycled material.

A CDL scheme would add to families' grocery bills by lifting the price of all beverages (adding around \$3.30 to a case of soft drink and around \$4-5 onto a case of beer) and would be very damaging to the manufacturing and retail sectors.

A CDL scheme would also damage almost \$70 million worth of successful industry-led kerbside recycling and packaging waste programs in existence.

While CDL scheme proponents maintain that a return to the old-fashioned bottle deposit system would be popular with the public, extensive research conducted for the Packaging Stewardship Forum of the Australian Food and Grocery Council found that the majority of survey respondents, around 70%, preferred the option of building on existing programs, and not opting for container deposits.

CASE STUDIES



WESTFIELD

Every year, Westfield shoppers drink millions of serves of beverages as they visit the company's shopping malls and food halls across Australia. Up until now, they have been disposing of the bottles and cans into co-mingled rubbish bins, along with food scraps, paper and all other forms of waste.

In 2009 Westfield, in partnership with the Coca-Cola System and supported by Visy Recycling and Asset Link Services, trialled special recycling bins for beverage containers in four Westfield shopping centres in Sydney. For the first time, Westfield shoppers were able to separate glass and PET plastic bottles and aluminium cans from all the other waste.

Later in 2009, Westfield Group launched these recycling systems across 35 of their shopping centres nationally, in partnership with the Coca-Cola System, the Packaging Stewardship Forum and the National Packaging Covenant Industry Association. The system when rolled out

during 2010, will divert more than 600 tonnes of beverage containers - equivalent to 153,000 full shopping trolleys - away from landfill every year.

In launching the scheme, Minister for the Environment, Heritage and the Arts, the Honourable Peter Garrett welcomed the joint initiative and said it was a great example of businesses driving environmentally responsible initiatives. The MD of Westfield, Robert Jordan, the MD of CCA Australia, Warwick White, and the CEO of the Australian Food and Grocery Council Kate Carnell, said that the problem of waste and litter was not something only governments could fix with legislation, but instead was a community issue that relied on all of us, consumers, shoppers, industry and government working together to solve.



RECYCLING AT OPORTO

Jon Dee, Australian of the Year for NSW in 2009, and founder of Do Something, launched the first customised beverage recycling bins at selected Oporto outlets in Sydney in May 2009, and urged customers to recycle their beverage bottles and cans when they were out and about. The recycling bins were a partnership between the Coca-Cola System and Visy in the Oporto stores, many of which had already switched away from plastic bags to paper packaging for their food products.



RECYCLING AT WET'N'WILD

Each day, Gold Coast theme park Wet 'n' Wild Water World sends 1000 used beverage bottles and cans to landfill, a volume which over one year would stretch from the Gold Coast to Brisbane laid end-to-end. Now, the used bottles will be diverted from landfill and sent to recycling thanks to a public place recycling initiative by Warner Village across its four theme parks. The initiative, which was launched by the Queensland Minister for Tourism and Fair Trading, the Honourable Peter Lawlor in February 2010, installed 50 public place recycling bins through the Park. The project was another partnership between CCA, the Packaging Stewardship Forum of the Australian Food and Grocery Council, and the Queensland Government. The recycling bins at Wet 'n' Wild have the potential to divert six tonnes of waste (including beverage containers) from landfill annually, reducing the Park's carbon footprint by

34 tonnes every year. It is anticipated that 20 tonnes of beverage containers will be collected for recycling from the four Warner Village Theme Parks in Queensland annually - Wet 'n' Wild, Movie World, Paradise Country and Sea World. This will equate to a reduction in CO₂ emissions of 105 tonnes, equivalent to taking eight cars off the road each year.

Coca-Cola and Surf Lifesaving Queensland are partnering to encourage more recycling at Wet 'n' Wild, with Coca-Cola donating 5 cents for every bottle collected to Surf Lifesaving Queensland's education and training campaigns.



KEEP AUSTRALIA BEAUTIFUL CLEAN BEACHES AWARDS

Mount Franklin, CCA and Keep Australia Beautiful are doing their best to keep Australia's beaches clean and green, with Mount Franklin, CCA's premium spring water brand, sponsoring the Keep Australia Beautiful Clean Beaches Awards in 2009 - won by North Steyne Beach in Manly, NSW. CCA and Mount Franklin are proud to support local communities like North Steyne which protect and preserve coastal regions. CCA also worked hard with Manly retailers to increase recycling in the Corso area and surrounding beaches.

In 2010, CCA and Mount Franklin were proud to be Principal Sponsor of the Keep Australia Beautiful Clean Beaches Awards, and presented a special Mount Franklin award - a framed display of products made from recycled PET plastic including board shorts, thongs and caps - to the overall winner, South Port Beach, Noarlunga in South Australia.



SUSTAINABILITY SEPTEMBER@CCA

The internal staff recycling events across Australia resulted in CCA setting up 27 e-waste collection sites nationally, where 9.5 tonnes of e-waste (computers etc) were collected. Also, we collected 205 mobile phones for distribution to Mobile Muster for recycling.





INDONESIA - BALI AND JAKARTA

In 2008 and 2009, CCA Indonesia accelerated our program of corporate social responsibility in Indonesia, many of these focusing on the environment.

CCA Indonesia's inaugural Coca-Cola for Bali Coastal Clean Up day at Legian beach, Kuta, Sanur and Nusa Lembongan in July 2008 has now grown to the point where CCA Indonesia is now cleaning five iconic Balinese beaches - Kuta, Legian, Seminyak, Jimbaran and Kedonganan - every day, with the assistance of two Coke beach-cleaning tractors, three garbage trucks and 60 cleaning staff.

In 2010 alone, more than 600 tonnes of garbage has been cleared from the beaches, and we have set up 200 recycling bins on the beachfronts.

In Bali, we're partnering with Australian surfing company Quiksilver on a unique program, the Kuta Beach Sea Turtle Conservation program, where we're enabling sea turtles to be bred in captivity in a purpose-built aquarium on Kuta, then released into the cleaner waters.

We're also tackling the polluted Jakarta canals. Partnering with a local NGO called Green Monster, CCA has created the Jakarta Waterways project to educate people about the need to recycle their waste and dispose of it properly.

Other projects include organic farming and training in West Java in partnership with the Padjajaran University and mangrove tree planting in Central Sumatra with school children.



THE ROCKS CHRISTMAS TREE

Stunning chandeliers and an enormous backlit Christmas tree, all made of recycled beverage bottles were installed in Sydney's historic Rocks precinct over Christmas in 2009, delighting visitors and locals. The Sydney Harbour Foreshore Authority, which commissioned the eight-metre tall Christmas tree, asked CCA to supply thousands of unused and recycled PET plastic bottles of all shapes, sizes and colours, which are usually filled with the world's favourite soft drinks, including Coca-Cola, Sprite and Fanta. A team of eight people spent more than 650 hours creating and installing the Christmas tree and chandeliers using 18,000 bottles. The Christmas tree was set up on George Street at the gateway to The Rocks and the five chandeliers illuminated one of the precinct's most beautiful cobbled streets, Kendall Lane.



NEW ZEALAND RECYCLING

In 2008 Coca-Cola Amatil (N.Z) Ltd set a target of achieving 99% waste minimisation across all five of their manufacturing plants and within 12 months two sites reached and surpassed this stretch goal. Manufacturing plants in Christchurch and Putaruru achieved 99.2% and 99.4% respectively through team effort and innovation, receiving a joint award for Excellence in Environment Management as part of the prestigious Packaging Council of New Zealand Awards. Methods to cut the number of site waste bins emptied per year on site from 220 in 1999 to just 44 in 2008 in Christchurch (a 500% reduction) included appropriately labelling bins at the key rubbish generation and even recycling two different classifications of dust. Dust containing forklift rubber and woodchips swept off the warehouse floor was collected and used by the local City Council to help coagulate sewerage at the sewerage ponds. Lighter grade dust is collected and used as garden compost.

In Putaruru the installation of a plastics bailing machine increased recycling efforts 10 fold, consuming plastic wrapping, bubble wrap, courier bags and even meat pie wrappers. Tins and cardboard are recycled and food scraps are taken home for composting and pig food. Bathroom paper towels are collected and recycled as are the heavy duty versions used in equipment maintenance. Costs of disposing of solid waste from this manufacturing plant have been reduced from \$300 per month to just \$60.

Recycling and Music

Music was the medium, recycling was the message. CCANZ was part sponsor of a free hip hop concert in South Auckland attended by more than 4000 students aged 14 and above in July 2009. For the teens it was a chance to hear music from Kiwi musician Che Fu and a host of other popular local hip hop artists. For CCANZ it provided an opportunity to further educate young New Zealanders about recycling. Everyone attending was offered a free Coke Zero in a glass bottle which they were then encouraged to dispose of responsibly in CCANZ designed event recycling bins.

Aotea/Great Barrier Island Coastal Cleanup Event

Plastic debris and litter above the high tide line on the islands in Auckland's Hauraki Gulf is both an eyesore and an environmental problem. In 2009, through a sponsorship of an initiative generated by Sustainable Coastlines and the Waitemata Harbour Clean-Up Trust, CCA New Zealand played a significant role in helping clean up the west coast foreshore of Great Barrier Island.

More than 700 volunteers collected 2.8 tonnes of rubbish over a two-day period off the entire west coast of the Island. CCA NZ's Pump water brand provided sponsorship funds of \$NZ11,500 to provide branded T-shirts for the clean-up crew and to hire the ferry transport from Auckland to the Island - a three hours trip one way. Pump also supplied 1000 bottles of water to the volunteers. All the litter was taken to the Visy recycling centre for sorting.

Round the Bays Fun Run in Auckland

Every year CCANZ provides both product sponsorship and public place recycling at Auckland's annual Round the Bays fun run, which attracts 70,000 participants each year - New Zealand's largest fun run.

Annually, CCA NZ hands out 40,000 mini Pump bottles of water to thirsty runners as they passed across the finish line. In addition to this CCANZ also works with the event organisers to boost their recycling initiatives and increase the diversion of waste from landfill.

In both 2008 and 2009 branded event recycling bins were constructed at the finish line and in two corporate hospitality areas for the runners. Approximately 9 tonnes of waste is generated at the event, more than half of which is recycled.





CCA KIDS RECYCLING WORKSHOP

A group of 22 children tried their hands at turning unwanted and recycled beverage bottles and cans into art and objects d'art at a CCA workshop in our Richlands, Queensland facility during the September 2009 school holidays as part of Sustainability September@CCA. The children, aged from 5-12 learned the importance of the three Rs - Reuse, Reduce and Recycle. Reverse Garbage, an organisation which specialises in environmental education programs for schools, facilitated the workshop and showed the kids how to turn old Mount Franklin bottles and Coke cans into flowers, pigs and Star Wars characters.

ENVIRONMENT

ENERGY AND CLIMATE

While the switching off of the iconic Coca-Cola sign in Kings Cross every year for Earth Hour symbolises the Coca-Cola System's commitment to reducing its impact on the environment, CCA has also made many significant and practical infrastructure investments to save energy and carbon emissions.

In June 2010, CCA's Australian headquarters will relocate from Circular Quay to "The Ark" in North Sydney, a new Green Building Council of Australia 5-star rated building.

We clearly recognise that climate change has the potential to impact on the ongoing sustainability of our business, so we have been working diligently over the last decade to minimise the environmental impact of our operations and products.

Three major projects which we believe will deliver significant energy savings were undertaken in 2009 and 2010 in Australia.

1. In 2009, in partnership with Goodman International, BP Solar and the Blacktown Solar Cities Program, CCA installed 670 solar panels on the roof of its new Eastern Creek Distribution Centre. The 110-kilowatt solar photo-voltaic system produces 150 megawatts of clean renewable energy every year, which is more than 15% of the DC's energy needs, and saves approximately 150 tonnes of GHG annually.
2. CCA's "blow-fill" project, the in-house self-manufacture of PET plastic bottles from pre-forms to commence operation in 2010, will increase CCA's Scope 2, or indirect emissions as more electricity is required to make the bottles. However this will be more than offset by the use of more energy efficient bottle blow moulding equipment (which means less energy will be used to make each PET plastic bottle), savings in transport (the elimination of truck movements) and in-house fuel used in the handling and storage of empty bottles from our supplier.
3. Our new Bluetongue Brewery, open in 2010, has installed state-of-the-art water and energy saving technology which will enable water reuse while also providing renewable energy to the brewery via an anaerobic bio-reactor which converts organic content into biogas (methane), renewable energy which will power one of the Brewery's boilers. We expect 11% to 15% of the required heat energy will be generated by the biogas.

As well as a strict business focus on water efficiency which began in earnest in 2005, CCA Australia, as one of the country's largest manufacturers of beverages and food, has been accounting for carbon emissions, voluntarily reporting and identifying opportunities to reduce them since 1999 under the Australian Government's Greenhouse Challenge.

CCA also participates in the annual global Carbon Disclosure Project, a tool for global investors to get accurate information on energy and carbon data from the world's largest companies.

In 2010, CCA reported its carbon and energy use data under Australian law for the first time. In preparation for the Australian Federal Government's Carbon Pollution Reduction Scheme, or emissions trading scheme, new legislation, the National Greenhouse and Energy Reporting (NGER) Act mandated major companies, which owned facilities which met certain criteria, to publicly report their energy use and carbon emissions. (www.climatechange.gov.au).

In February 2010, the Federal Department of Climate Change published data for all Australian companies reporting under the NGER Act for the 2008-2009 financial year.

The data included Scope 1 greenhouse gas (GHG) emissions (defined as direct emissions from operations and owned fleet) and Scope 2, or indirect GHG emissions (defined as the emissions from purchased energy, mainly electricity) as well as total energy consumption.

CCA Australia (including both the Beverages and Food divisions) reported:

- Scope 1 (direct) emissions of: 52,911 tonnes CO₂, placing it 173rd out of a total of 233 companies.
- Scope 2 (indirect) emissions of: 126,119 tonnes CO₂, placing it 125th out of a total of 233 companies.
- Total energy consumption of: 1,394,100 GJ, placing it 170th out of a total of 233 companies.

For more detail on CCA's reported carbon emissions and energy use, please view the Carbon Disclosure Project on www.cdproject.net and results of reporting under NGER Act at www.climatechange.gov.au.

In New Zealand, the Government passed the Climate Change Response Amendment Act in November 2009, which set in place a market trading scheme for carbon emissions within New Zealand. The ETS will include the forestry, stationary energy, industrial processes, liquid fossil fuels, waste, synthetic gases and agriculture sectors and all six greenhouse gases (GHG) specified in the Kyoto Protocol. The individual sectors will be phased in up until 2015. There are currently no direct obligations for CCANZ, however we have undertaken to measure and



report on our carbon emissions from 2007. These reports are available by request from CCA NZ.

Management

CCA is working hard to understand and measure the climate impacts of our business and our value chain across the Group. While water savings remains our priority (see Water Stewardship) and energy costs presently represent just 3% of our owned operating costs, the NGER Act and impending Carbon Pollution Reduction Scheme has accelerated the implementation of energy saving projects within our operations.

CCA sets internal energy reduction targets (measured as MJ/FBL produced or megajoules per finished beverage litres produced) and internal targets for reducing carbon emissions ratios across our product portfolio, which we measure as grams of carbon dioxide equivalent per finished beverage litres or g CO₂-e/FBL produced). These targets are agreed internally and are an integral part of our annual business planning process.

Energy and carbon metrics for each of our manufacturing facilities (as with the other core metrics) are tracked using advanced monitoring technology. Results are presented to senior management on a monthly basis as a minimum as part of a Supply Chain balanced scorecard and every quarter to the CCA Board of Directors.

The scorecard performance for each state in Australia also forms the basis of a national competition for CCA's "State of the Nation" award, where states compete against one another under the four categories of Environment, People, Customer Service and Business Results.

While our first priority is to reduce our direct energy use and carbon emissions, CCA is working towards the measurement of the overall carbon footprint of the Australian beverages business. In the 2009 Carbon Disclosure Project CCA reported Australian and NZ Scope 3 emissions from cold drink equipment (www.cdproject.net).

SPC Ardmara is one of two participants in a Carbon Lifecycle Analysis targeting Australian brands manufactured in Victoria. The program is funded through Sustainability Victoria and is managed through the Australian Industry Group.

GHG Emissions

In 2008 CCA Group activities in its manufacturing operations produced an estimated total of 203,598 metric tonnes of CO₂-e across Scopes 1 and 2. In 2009 this increased to 205,065 metric tonnes, representing an increase of 0.7%. However this is against an overall production volume growth of 2.2%.

In 2008 the overall CCA Group carbon emissions ratio was 70.2g CO₂-e/FBL, and in 2009 it decreased to 69.2g CO₂-e/FBL produced, representing a decrease in Scope 1 and Scope 2 product carbon intensity of 1.5%. There has been therefore, some decoupling of carbon emissions from volume growth.

In 2009, CCA Group energy used due to our manufacturing operations increased by 4.9% verses 2008 usage. However the overall absolute energy use has decreased in the four year period from 2006 to 2009 by 6.8%.

The increase in energy used is not proportional to an increase in carbon because of fuel-switching projects, for example, a proportional shift away from electricity to using more natural gas as an energy source at SPC Ardmara. Natural gas is approximately 50% cleaner than electricity derived from coal in Australia, and represents fewer carbon emissions per unit of energy used.

Fleet

We have also measured the CO₂-e emissions of the fleet owned by CCA in Australia. The Australian measurement is included in our Australian Scope 1 data for NGER reporting.

In 2009, the total tonnes of CO₂-e emissions for CCA and SPCA-owned fleet was 15,794 tonnes.

Energy Saving Projects

In 2008 CCA Australia identified 24 energy-saving projects which saved 4,500 tonnes of CO₂.

Level 3 energy audits were conducted at seven major Australian operations in 2008, and level 2 energy audits have been performed at all five New Zealand manufacturing sites.

CCA has integrated energy use into our ISO 14001 Environment Management Systems and have improved capital approval processes to design energy efficiency into the project concept stage wherever possible.

For each major capital project an environmental impact assessment is performed.

Some energy-saving projects include:

Australia

Moorabbin, Victoria - improved compressor efficiency which saved 245 tonnes of CO₂-e.

Bayswater, Victoria - recovery of steam condensate back into the hot water boiler which saved

108 tonnes of CO₂-e. Kewdale - replacement of lights with energy-saving tubes which saved 885.6 tonnes of CO₂-e.

The 2008-2009 streamlining of logistics system in Sydney - reducing a large number of warehouses to two - has resulted in removing 26,000 large truck movements off Sydney's roads every year. The net effect is a 56% saving in carbon emissions, equal to an estimated 973 tonnes of CO₂-e per year.

The logistics system upgrade has also resulted in fewer forklifts operating in the warehouses - saving more GHG emissions in the form of 225,000 litres of fuel and 130 tonnes of LPG.

Indonesia

35 projects across all 10 facilities were completed. Most involved reduction of fuel consumption and installation of new technology to save energy, and resulted in a total reduction of 10% of energy use and saved 4900 tonnes of CO₂-e.

Fiji

Skylights were installed in production areas to save on energy costs and saved 8 tonnes of CO₂-e.

New Zealand

Several output-related energy efficiency projects were undertaken, including removal of stretch wrap on stable products in the high-bay warehouse.

SPC Ardmona

SPC Ardmona audited all three of its Victoria manufacturing sites. A total of 67 energy saving projects were identified with 8 commencing in 2009 and a further 48 under investigation in 2010. In total, it is estimated that these projects could save \$1.5 million and reduce GHG emissions by 21,000 tonnes annually.

Renewable Energy

One of the biggest renewable energy projects in an Australian industrial facility to date has been the installation in November 2009 of 670 solar energy panels onto the roof of CCA's new 30,000 square metre \$85 million Distribution Centre (DC) at Eastern Creek in Western Sydney. The project was supported by Goodman International, BP Solar and Blacktown Solar Cities group.

The \$1.2 million 110-kilowatt solar photo-voltaic system is the largest in an industrial setting in Australia. It produces 150 megawatts of clean renewable energy every year, which is more than 15% of the DC's energy needs, and saves 150 tonnes of GHG annually.

CCA has installed a digital screen in the workplace at the Eastern Creek DC where staff can watch the production of solar energy ticking over into the energy grid.

The DC which also has energy-saving lighting, water tanks to harvest 240,000 litres of rainwater, and many other energy saving initiatives, is awaiting approval for a green-star rating from the Green Building Council of Australia, and if successful, will be the first green-star rated industrial building in Australia.

Our new Bluetongue Brewery, open in 2010, has installed state-of-the-art water and energy saving technology which will enable water reuse while also providing renewable energy to the brewery via an anaerobic methane reactor which converts organic content into biogas, renewable energy which will power one of the Brewery's boilers.

Cold Drink Equipment

The cold drink equipment - the coolers, vending machines and fountain equipment that CCA places at customer premises are critical to our business strategy. They do, however, represent a significant source of indirect (Scope 3) emissions impacting the environment in a number of ways, including the use of insulation foam, energy and refrigerant in the cooling system. We are working on a number of projects seeking to improve the energy-efficiency of our cold drink equipment.

Known as The Coca-Cola System's "eKOfreshment" program it has ensured:

- All new equipment now contains HFC (hydrofluorocarbon)-free insulation, which avoids three-quarters of the direct (Scope 1) GHG emissions compared to our old equipment.
- Development and implementation of a proprietary Energy Management System (EMS) which delivers energy savings of up to 35%. CCA was the first bottler in the Coca-Cola Global System to globally launch the EMS for open front coolers for a major Australian customer.
- The final step was to develop equipment that utilises a natural refrigerant, CO₂, to cool the product. Ironically, while CO₂ is the main culprit in global warming, when used in cooling systems it is 1,300 times less potent a GHG than the main refrigerant currently in use - HFC-134a*

* It is important to note that the refrigerants in all our coolers are present in "closed loop systems" which means that only a very small percentage is ever actually released into the environment.

CASE STUDIES



BLUTONGUE BREWERY

As in all CCA's beverage operations, water and energy will be used as efficiently as possible in the company's new Bluetongue Brewery, due to open in 2010. Pacific Beverages, which owns Bluetongue Brewery, is a 50:50 joint venture between CCA and global brewing giant SABMiller, (www.sabmiller.com) both of which consistently demonstrate very high standards when it comes to water efficiency and environmental sustainability.

Bluetongue Brewery, on a 10 hectare site on the Central Coast of NSW, will be NSW's second largest brewery when it opens, with an initial capacity of 50 million litres in stage one and full production capacity of 100 million litres in stage two. Pacific Beverages submitted a comprehensive Water and Energy Efficiency Program to the NSW Government which was a condition of project approval.

There are six key areas of focus for Bluetongue Brewery's environmental policy: water and energy consumption; product packaging usage; water generation, atmospheric emissions and considered land use.

Water and energy KPIs are measured and reported globally by SABMiller, and Bluetongue's water and energy KPIs will be benchmarked quarterly with breweries in SABMiller's global operations

Water

Bluetongue Brewery will strive to achieve the international best practice benchmark for water use ratio which is between 2.2 and 2.3 L/FBL - in other words, it will use between 2.2 and 2.3 litres of water to produce one litre of finished beer.

The plant has been designed for minimum water use, combined with a sophisticated \$6.5 million wastewater treatment system to treat wastewater to the highest standards, utilising MBR (membrane biological reactor), anaerobic treatment (methane reactor) and RO (reverse osmosis) technologies. The aim is to reduce water consumption to as low a level as possible and to produce high quality reusable water. The treated water will be reused throughout the Brewery, including cleaning, rinsing, warmers, washdown, boilers, refrigeration, staff amenities, fire water top-up and landscaping.

Energy

As well as a comprehensive array of technology, including high efficiency motors, variable speed drives and insulated pipework, to deliver the maximum energy savings throughout the Brewery at every stage of the brewing process, the wastewater treatment process will generate biogas, which will be captured and used as an energy source in the generation of steam for the beer making process. The use of biogas not only consumes a waste product but also reduces natural gas consumption.

Other environmental initiatives

- "Flash pasteurisation" instead of the traditional "tunnel pasteurisation" process will be utilised, which significantly cuts water and energy use.
- Production lines will not use water for lubrication of conveyors.
- Fuel for forklifts will be compressed natural gas, not LPG, creating a less polluting exhaust.
- Spent grains and spent yeast from the beer making process will be made available for feedstock.
- All packaging waste materials (cardboard, plastic, glass) will be separately collected for recycling as the Brewery strives for a zero quantity to landfill waste management system.

- The use of recycled water wherever possible in place of domestic water supply (except for use in the beer).
- Extensive natural light and natural ventilation throughout the Brewery buildings.



BLOW-FILL - PET PLASTIC BOTTLES

In 2009 the CCA Board approved plans for a \$45 million investment into a new technology, called "blow-fill" which enables the in-house manufacture of PET bottles from "pre-forms" of PET resin in CCA's operations. The ability to manufacture bottles means we are able to make them using significantly less PET resin. The first stage of "blow-fill" will be at Northmead, our major Sydney operation beginning in the second quarter of 2010, and will enable CCA to deliver the lightest weight PET beverage bottle manufactured in Australia. The bottle caps will also be shorter, again, saving resin. These lightweight bottles will save 1000 tonnes of PET resin in the first year alone at Northmead. This is equivalent to 8000 tonnes of CO₂-e.

PET plastic bottles for Mount Franklin, Deep Spring, Kirks and all Coca-Cola trademark brands will be from 9% to 15% lighter and will be in the marketplace in 2010.

The change to in-house bottle blowing will increase CCA's Scope 2, or indirect emissions as more electricity is required to make the bottles. However this will be more than offset by the use of more energy efficient bottle blow moulding equipment (which means less energy will be used to make each PET plastic bottle), savings in transport (the elimination of truck movements) and in-house fuel used in the handling and storage of empty bottles from our supplier.



SOLAR PANELS AT EASTERN CREEK DISTRIBUTION CENTRE

CCA's 30,000 square metre \$85 million Distribution Centre at Eastern Creek, in Western Sydney, which was opened in 2009, has 670 solar panels on its massive roof, making it one of the biggest renewable energy projects in an industrial facility in Australia.

The project was supported by Goodman International, BP Solar and Blacktown Solar Cities group, was opened in November 2009, by the Chief Government Whip and Member for

Chifley, Roger Price MP, who praised the initiative as bringing together industry, business and communities in the better management of energy needs.

The \$1.2 million 110-kilowatt solar photo-voltaic system produces 150 megawatts of clean renewable energy every year, which is more than 15% of the DC's energy needs, and saves 150 tonnes of GHG annually.

CCA has installed a digital screen in the workplace at the Eastern Creek DC where staff can watch the production of solar energy ticking over into the energy grid.

The DC which also has energy-saving lighting control, which will save up to 577 tonnes of GHG emissions every year, water tanks to harvest 240,000 litres of rainwater, and many other energy saving initiatives, is awaiting approval for a green-star rating from the Green Building Council of Australia, and if successful, will be the first green-starred industrial building in Australia.

The Eastern Creek DC is part of CCA's multi-million upgrade of its logistics system in Sydney involving the Eastern Creek and Northmead distribution centres. The upgrade, which has streamlined a number of warehouses into two, has resulted in the removal of 26,000 large truck movements from the roads each year. The logistics system upgrade has also resulted in fewer forklifts in operation - saving 225,000 litres of fuel and 130 tonnes of LPG, again reducing GHG emissions. In total, CCA's fuel and energy savings at its Eastern Creek DC will result in a reduction in GHG emissions of up to 1000 tonnes per annum.



OPERATION CINDERELLA

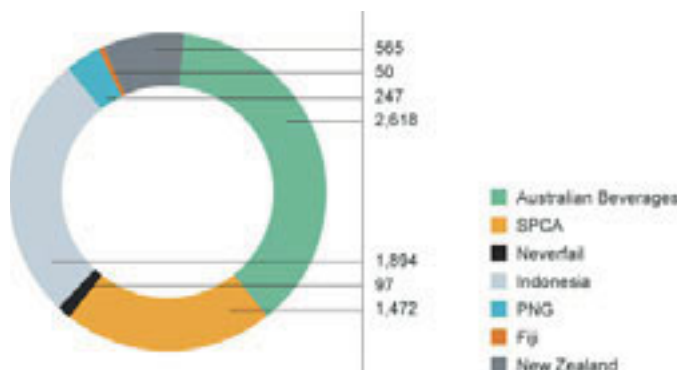
In 2009, as part of Sustainability September@CCA, a national employee awareness program to drive sustainable workplace practises, CCA in Australia instigated a national cleaning operation for the many thousands of fridges and coolers we have in the market, to make them more energy-efficient. By showing customers, including Nando's, Oporto and Subway, how to properly clean their Coca-Cola and Mount Franklin coolers we have been able to help them save around \$200 per year in energy costs, on average, per outlet. Over 3,000 CCA employees cleaned over 4,500 fridges saving 400 tonnes of greenhouse gas emissions.

ENVIRONMENT

METRICS

Water Stewardship

Total Water Usage 2009 (mL)

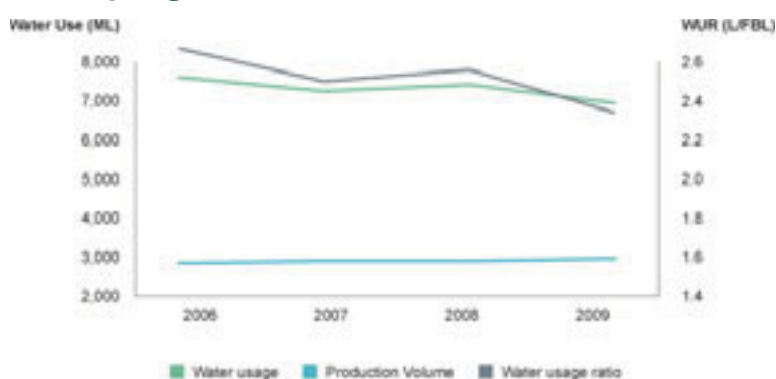


Water Use Ratio (L/FBL)



**7.6%
IMPROVEMENT**
IN CCA AUSTRALIA'S WATER
USE RATIO FROM 2008-2009

Decoupling of Volume Growth and Absolute Water Use



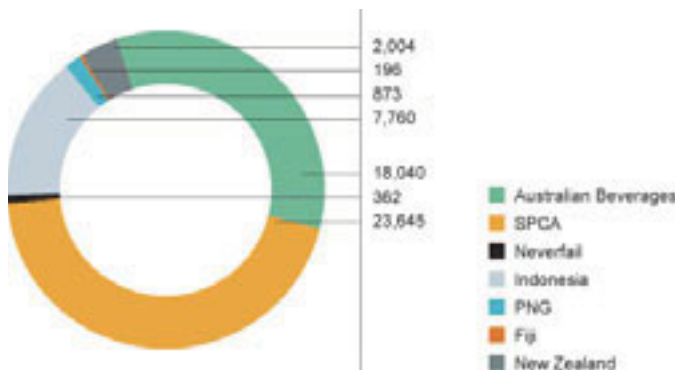
WHILE VOLUME OF CCA GROUP
BEVERAGES HAS INCREASED,
ABSOLUTE WATER USE HAS
DECREASED, SHOWING A
**MAXIMISATION OF WATER
EFFICIENCY PRACTICES.**

ENVIRONMENT

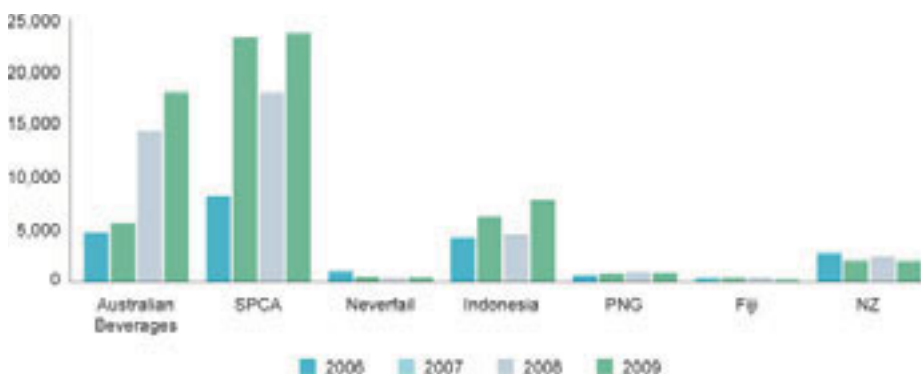
METRICS

Packaging and Recycling

Manufactured Solid Waste Generated 2009 (Tonnes)

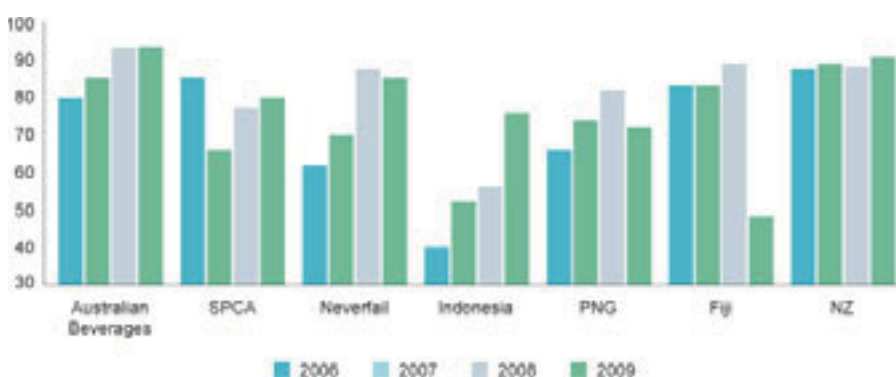


Tonnes of manufacturing Solid Waste Generated



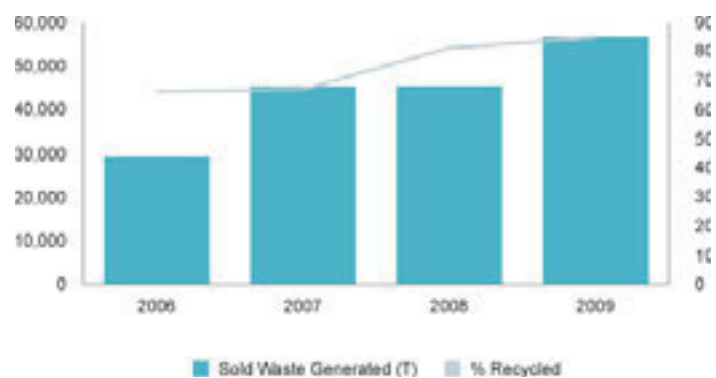
CCA AUSTRALIA'S VOLUME OF MANUFACTURING SOLID WASTE INCREASED MAINLY DUE TO CONSTRUCTION ACTIVITIES. THE FIGURE NOW INCORPORATES ORANGE PEEL WASTE WHICH IS 100% RECYCLED.

In-plant Solid Waste to Recycling



20% INCREASE
IN CCA INDONESIA'S SOLID WASTE SENT TO RECYCLING FROM 2006-2009

Manufacturing Solid Waste Generated and % Recycled

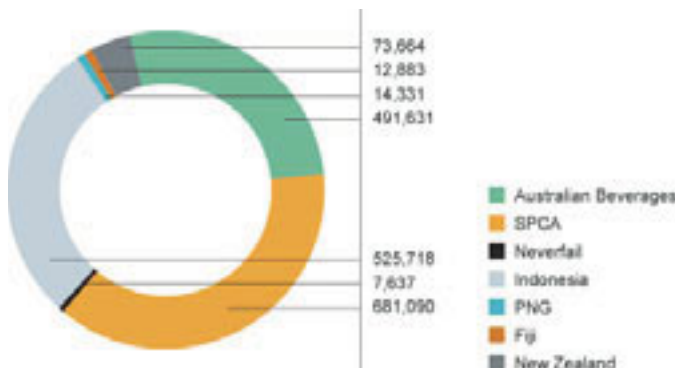


ENVIRONMENT

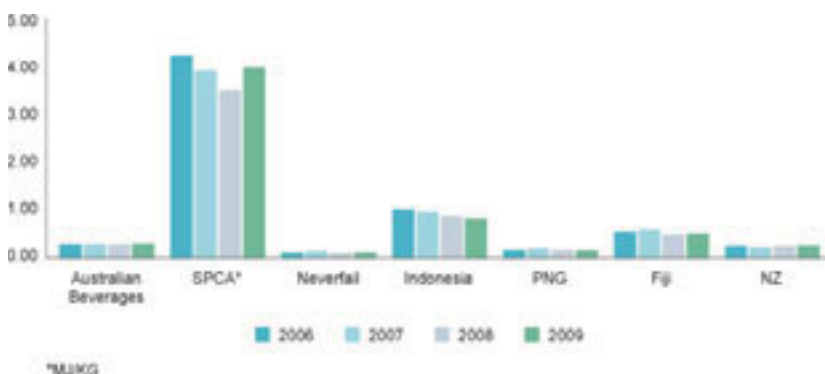
METRICS

Energy and Climate

Energy Used (GJ) 2009

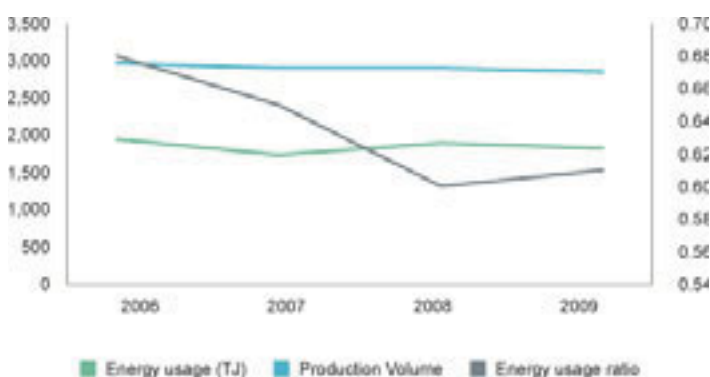


Energy Use Ratio (MJ/FBL produced)



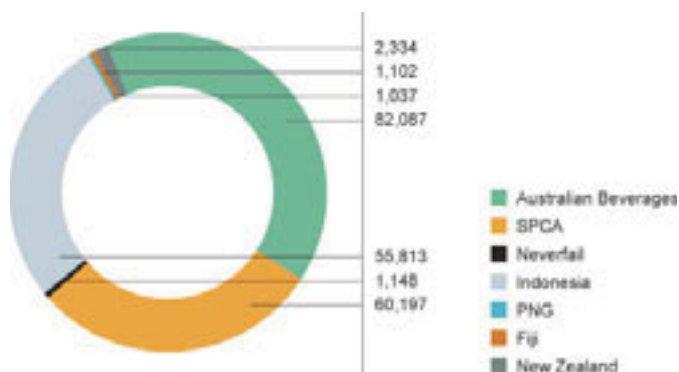
PRODUCTION OF BOTTLED WATER USES LESS ENERGY THAN ANY OTHER COMMERCIALY PRODUCED BEVERAGE OR FOOD CATEGORY

Energy Usage (TJ), Production Volume, Energy Usage Ratio

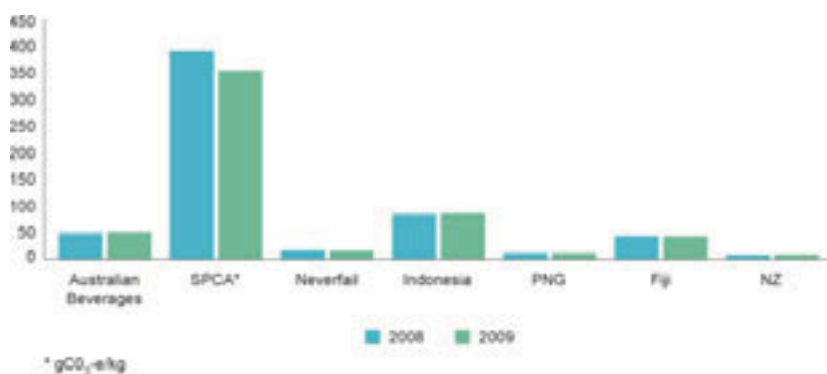


10% IMPROVEMENT IN ENERGY USAGE ACROSS GROUP FROM 2006-2009

Overall Scope 1 and 2 CO₂-e Emissions 2009 (Tonnes)

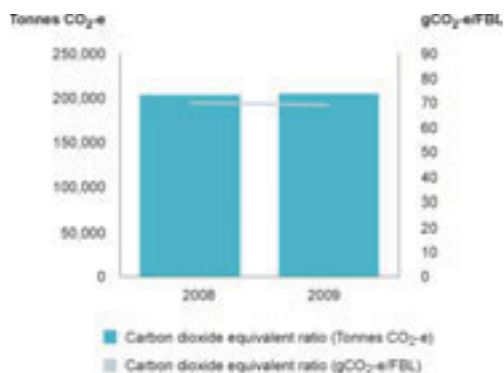


CO₂-e Efficiency Ratio (gCO₂-e/FBL produced)



**10%
IMPROVEMENT**
IN CARBON EFFICIENCY FOR
SPCA DUE TO FUEL-SWITCHING

CCA Scope 1 and 2 CO₂-e Emissions (Tonnes) and CO₂-e Ratio



**1.5%
IMPROVEMENT**
IN CARBON EFFICIENCY
RATIO FROM 2008 TO 2009
ACROSS GROUP

MARKETPLACE

CCA's millions of consumers across the Group now have the widest choice ever from our diverse range of more than 80 options - from a 200ml "mini-can" of Coca-Cola at less than 100 calories a serve, to a 600ml bottle of Australia's premium spring water Mount Franklin, or a Grinders coffee, a Glaceau vitaminwater, a Powerade No-Sugar or a 500ml can of Mother energy drink. A successful addition to the range has been the Goulburn Valley brands of fruit juices, smoothies and flavoured milk. In New Zealand Keri juices, Mother energy drink and Kiwi blue spring water are experiencing rapid growth, and in Indonesia, Minute Maid Pulpy Orange juice has also been a success.

In Australia our sales of low-kilojoule beverages and spring water continues to grow. In 2009 diet beverages and water represented 31% of our sales volume, while our marketing investment for diet beverages, spring water and fruit juice grew 19% in 2008 and 2009.

The diversification of our portfolio and the growth of the springwater market has also meant less kilojoules per unit case sold, and less kilojoules per head of population, in spite of the significantly increasing volume of beverages sold. In 2003, the kilojoule count per unit case of CCA beverages was 110,574 kilojoules, and in 2009 it is 105,813 - this is despite an increase in volume sold from 292 million unit cases to 345 million unit cases over the same period.

In Australia and New Zealand, our premium alcoholic beverages, especially Peroni Nastro Azzurro beer and Jim Beam and Cola ready-to-drink products proved increasingly popular in the marketplace. In fact Pacific Beverages' beer brands delivered strong volume growth of almost 50% in 2009 and now account for more than 9% of the Australian premium packaged beer market by volume and value (source: AC Nielsen Scan Track Liquor Database ended December 2009).

In 2009, Australia became the first country in the world to introduce Peroni's new low-carbohydrate beer, Peroni Leggera, which has been a considerable success. CCA began producing Jim Beam and Zero Sugar Cola in 2009.

SPC Ardmona's strong success in 2009 was due in part to increased sales of packaged fruit and vegetable products, including the new range fortified with calcium, fibre and vitamins.

Our Grinders coffee went organic in 2010, with the addition of a blend of certified organic free-trade coffee FIX to our traditional Italian offerings.

The expansion and diversification of the beverage and food products that CCA makes, sells and distributes to our 700,000 customers, who have access to more than 265 million consumers across the Group, has been one of the keys to CCA's continued growth and financial success since 2001.

As a major producer of food and beverages in Australia, New Zealand, Indonesia, Papua New Guinea and Fiji, CCA, together with The Coca-Cola Company, recognises public concern about health issues, particularly in relation to kilojoule-dense diets and the need for more physical activity. We recognise our responsibility in this area and we are helping consumers make more informed choices about what they eat and drink.

We are committed to offering a beverage for every lifestyle and for every occasion, which also makes sense for our long-term business growth. With both food and beverages, we are continually investing in product and pack size innovations, in innovative new products with new ingredients such as fibre, vitamins and minerals, and we are also investing significantly in voluntary initiatives, such as labelling information, new vending machines in Health Department locations across Australia, and innovative sales strategies, such as our Remote Communities Strategy, aimed at helping deliver positive outcomes to communities.

Non-alcoholic Beverages

Our portfolio of non-alcoholic beverages now consists of more than 80 options, and we are continuously responding to consumer needs for a greater choice, many with fewer kilojoules, more nutrients and in smaller portion sizes. We now provide a sugar-free option for most sparkling drinks and in 2008 we produced our smallest portion size, the 200 ml can of Coca-Cola, containing just 360 kilojoules. The "mini-cans" have been hugely successful, with more than 30 million cans sold in 2008 and 2009.

We have further expanded our range of sugar-free, low-kilojoule and functional options, including Kirks Sugar-Free, Coca-Cola Zero, Sprite Zero, diet Lift and Fanta Zero, Mount Franklin, Peats Ridge Springs, Pump, Neverfail Springwater, Glaceau vitaminwater, Goulburn Valley fruit juices and smoothies and Goulburn Valley flavoured milks.

Nestea Iced Tea was also reformulated in mid-2008 with 20% less sugar.



As well, Coca-Cola Australia was the first country in the world to ensure that Coca-Cola brand advertisements promote a sugar-free option.

Peroni Leggera, a low-carbohydrate option, and Jim Beam and Zero Sugar Cola were introduced to our range of alcoholic beverages in 2008 and 2009.

Independent Expert Advice

The Coca-Cola System's Coca-Cola Australia Health and Wellness Advisory Council, set up in 2004, was expanded in 2007 to include New Zealand experts. The Council provides independent advice on health and wellness issues, and members are selected from professional disciplines including nutrition and dietetics, dental health, public health and health and nutrition communications. Activities undertaken by the Advisory Council include a research review of the health effects of the two sweeteners most commonly used in diet drinks, regular reviews of product innovation opportunities, a nutrition policy and scientific reviews of relevant health issues.

Consumer Education

The Coca-Cola System has undertaken a number of initiatives to inform and educate consumers on how to better understand our product labels and address misinformation on artificial sweeteners.

Communication and education projects have included the development of a health and wellness website called Make Every Drop Matter which will transition to a broader sustainability platform under "Live Positively" in 2010, online communications and newsletters.

(www.thecoca-colacompany.com and www.livepositively.com)

Labelling

The Coca-Cola System supports greater transparency on labelling, and after a global search, committed to voluntarily implement the Australian Food and Grocery Council's Daily Intake (%DI) Guide for energy, as set out by the National Health and Medical Research Council. We have rolled out %DI "thumbprints" and kilojoule counts on the front of our beverage labels in Australia and New Zealand.

Through our industry bodies, the Australian Food and Grocery Council, the Australian Beverages Council and the Australasian Bottled Water Institute, we participate in public inquiries, such as the COAG Independent Review of Food Labelling Law and Policy in Australia and New Zealand.

Responsible Sales and Marketing

The Coca-Cola Company is responsible for consumer marketing. In 2000 the Coca-Cola System in Australia adopted a policy of not marketing any products to children under 12. This includes not advertising during television programs aimed at children irrespective of what time of day they are broadcast. (www.thecoca-colacompany.com/citizenship/responsible_marketing.html)

We also work with our customers to ensure they understand our policies on not marketing to children.

We continue to support the role of parents as the primary custodians of what their children eat and drink. In 2004 we voluntarily withdrew all sugar soft drinks from primary schools in Australia and New Zealand. In New Zealand, we led the creation of a voluntary industry agreement, in partnership with the health and education ministries, to withdraw all sugar soft drinks from the high schools that we directly supply by the end of 2009.

We also support the Australian Food and Grocery Council's self-regulatory system, "Responsible Children's Marketing Initiative 2008".

Sweetener Safety

Low and no-calorie sweeteners provide consumers with a useful tool for controlling and maintaining their energy intake.

All of the sweeteners used in our products meet strict regulatory standards and there is no evidence that proves high-intense sweeteners are related to cancer risk in humans. The leading food authority in Australia and New Zealand, Food Standards Australia and New

Zealand (FSANZ) has reviewed the evidence regarding the safety of sweeteners available in Australia and determined they are safe.

Acesulphame potassium (Ace-K) is used in approximately 90 countries, including Australia and has been subject of more than 90 studies confirming its safety. Acesulphame potassium is not metabolised by the body, so it contributes no kilojoules.

Aspartame is one of the most thoroughly researched food ingredients in use today, with more than 200 scientific studies confirming its safety as a low-kilojoule sweetener. It has been used for more than 20 years and regulatory agencies in more than 100 countries (including Australia and New Zealand) regard aspartame as safe. Aspartame is comprised of two amino acids which are also found in milk and meat.

Aspartame does contain phenylalanine and therefore should not be consumed by people with phenylketonuria, a rare genetic condition for which all Australian babies are tested at birth.

Caffeine

The caffeine in most carbonated beverages such as Coca-Cola and diet Coke, is about one-third of the level found in the same amount of coffee, and about one-half of what is found in tea. The amount of caffeine in our energy drink Mother is equivalent to an equivalent amount of instant coffee. However, these energy drinks do carry warning labels on the packs advising they are not recommended for children, pregnant or lactating women or individuals sensitive to caffeine.

Caffeine adds a bitter taste to the complex flavour of some soft drinks, and has been used for more than 100 years in many recipes.

Caffeine has been approved in Australia, the US and the European Union as a safe flavour. Caffeine is one of the most studied food and beverage ingredients, with centuries of safe use. Global regulatory agencies, including FSANZ in Australia and NZ consider the appropriate use of caffeine to be safe.

SPC Ardmona

SPC Ardmona, based in Victoria's Goulburn Valley, manufactures more than 2000 different products, some of which are exported to more than 30 countries. The fruit processing and packaging season is intense, and in the period from December to April each year, more than 80% of the year's product is produced.

In 2008 and 2009, many of the company's iconic brands were re-invigorated under the marketing slogan of "one more serve" of fruit and vegetables, in line with the Federal Government's message to Australians to include at least five serves of fruit and vegetables every day.

In 2009, a "fortified " range was added to the portfolio, with the aim of providing consumers with even healthier choices. A number of our popular packaged fruit products, including fruit salad, peaches and Two Fruits, were fortified with fibre, calcium and vitamin C.

SPC All Natural Jellies were also re-launched with fruit juice, not sugar. SPC Secret Veggies is a range of canned spaghetti with blended vegetables; SPC Get Real Fruit Bars were re-launched with an increased percentage (50%) of fruit and SPCA's main television advertising campaign focused on encouraging consumers to include more fruit in their children's diets.

Alcohol - Pacific Beverages

CCA is still a relatively small player in the alcohol market in Australia and New Zealand, but we recognise the public concern about excess consumption of alcohol, particularly among young people, and we take our role as a responsible corporate citizen in this field very seriously.

In this regard we have adopted the responsibility codes created by our Pacific Beverages partner, global brewer SABMiller (www.sabmiller.com). We are members of DrinkWise Australia, an educational and research body set up by the alcohol industry.

Public Policy

Henry Review into Taxation

CCA submitted two submissions to the Henry Review into Taxation in 2009, recommending a volumetric tax on alcohol. The current system of taxing alcohol in Australia is not an even

playing field - with draught beer and cask wine (which has an alcohol content of 14%) taxed at the lowest rate of 5-6 cents per standard drink; and alcoholic ready-to-drinks (ARTDs), which have an alcohol content of 5%, taxed at the highest rate of 84 cents per standard drink.

In its submissions CCA stated that the Federal Government could materially improve the efficiency and fairness of the taxation of alcohol by flattening the rates of taxation and bringing the taxation of all alcoholic products under one system.

National Preventative Health Taskforce (and the National Preventative Health Agency)

In 2009, the Federal Health Minister, the Hon. Nicola Roxon established the National Preventative Health Taskforce, an inquiry into Australians' health which focused on smoking, alcohol and obesity. The Taskforce Report recommended the establishment of a National Health Preventative Agency.

CCA actively supports the Prime Minister's and Health Minister's initiative to create a healthier country. We are committed to playing an active role in engaging with government, community and health professionals to provide constructive, effective and sustainable long-term solutions to address the problems created by obesity and alcohol abuse.

As one of the major beverage and food manufacturers in Australia, we are firmly of the view that self-regulation and government /private partnerships are the only way forward and initiatives such as more taxes and regulations are regressive.

As a business we are constantly reviewing our business practices and have made significant inroads to meet the needs and expectations of the community, including the voluntary withdrawal of sugar-sweetened and caffeinated beverages from primary schools since 2005, the reformulation of products and the development of innovative new products to provide choices for consumers - such as low or no kilojoule soft drinks; and voluntarily providing clear information on the nutritional composition of beverages through the % Daily Intake Guide (%DI) on the front and back of packaging.

However we recognize there is further work to do.

Product Quality

We aim to provide customers and consumers with the highest quality beverages and food, and it is our policy to meet or exceed regulatory requirements.

In manufacturing, CCA relies on policies and procedures, robust systems and proven technologies along with trained people to ensure that our products exceed all company standards and legal requirements prior to leaving our facilities.

Excessive age of stock in the market and process variability during manufacturing are our top ongoing product quality concerns. A continual focus on process control, through the introduction of on-line process control monitoring systems and the introduction of the "Coke Best Fresh" program were key components of the strategy introduced to improve the quality of our products. The "Coke Best Fresh" program recognises that handling and storage of our products after manufacture can impact on their quality and ultimately influence the experience our customers have.

Responding to Customers and Consumers

CCA responds to both customers and consumers in Australia through the National Customer Centre, Coke Connect (13COKE) and online at mycca.com.au. The more than 300-strong customer service team operates 24 hours a day, seven days a week.

The Customer Care Team at the National Customer Centre receives around 1.4 million calls annually and answers them within an average of 13 seconds, with 80% of all calls answered in 20 seconds. The Sales Team calls customers on an agreed day and time to take orders, sell new products and ensure they have enough stock available for their customers.

All calls from our customers are logged and monthly reports are produced and distributed through the business.

The Consumer Information Centre (CIC) is the independent function within the National Customer Centre which captures consumer feedback. In 2009 the CIC received nearly 97,500 contacts about products ranging from Coca-Cola to SPC Ardmona brands.

The CIC responds in detail by phone, email or in writing to all consumer inquiries within 24 hours, or the next business day wherever possible. Consumer information is delivered to the business and shared with the global Coca-Cola System via regular monthly reporting.

CIC: free call 1800 025 123; fax 02 9436 8715 or via email to

consumer_information@anz.ccamatil.com.

CCA's OAisys \$65 million technology platform roll-out will include the expansion of the customer relationship management system in Australia in 2010.

In New Zealand CCA responds to both customers and consumers through the National Customer Centre. The team of approximately 50 employees, provides 24 hour cover for all calls using a combination of internal resource (12 hrs/day 6 days/week) and an external call management provider. The Consumer Information Centre (CIC) is the independent function within the National Customer Centre which captures consumer feedback and ensures prompt and appropriate response for product queries. In 2009 the CIC received over 16,100 contacts. The CIC responds in detail, by phone, email or in writing, to all consumer inquiries within 24 hours. Consumer information is delivered to the wider business via regular monthly reporting. CIC: free call 0800 505 123; fax 0800 Cokefax or via email to nzl.coke@anz.ccamatil.com.

CCA Indonesia has a Customer Service Team, with 13 employees handling customer, consumer and internal relations calls. In 2009, 375,000 contacts were received, and 63% of them were received by phone and answered within 10 seconds, with an average 90% of all calls answered within 10 seconds. All contacts from customers, consumers and employees are logged. The contacts are toll Free - 0800 100 COKE; SMS Centre - 0812 112 COKE; ncc@sea.ccamatil.com; Fax- 8833 0136 and www.coca-colabottling.co.id (Contact Us section).

CASE STUDY



REMOTE COMMUNITIES STRATEGY

In 2006, our sales team in the Northern Territory came up with an innovative strategy, the Remote Communities Strategy, which was aimed at working with Indigenous store-owners to increase the availability and take-up of water and sugar-free soft beverages by consumers.

The aim of the Remote Communities Strategy was to increase the mix of low-joule and higher nutrition beverages from 30% to more than 50% of sales direct to store, using incentives like price and marketing, changing "red" Coke fridges to "white" Mount Franklin branded fridges, active promotion of bottled water; and actively engaging with leaders in the indigenous communities, in the health sector and with politicians.

By February 2010, the Remote Communities Strategy, a joint venture between CCA and The Coca-Cola Company, had been rolled out into almost 100 community food stores in remote indigenous communities in three states, the Northern Territory, Western Australia and Queensland. These partner stores include Outback Stores, the Arnhem Land Progress Association, IBIS Queensland, Retail Stores Operations Queensland and West Australian Buying Services.

Great results have been achieved in the year from 2008 to 2009 and include:

- Northern Territory community store sales of CCA's non-sugar range increased by 18% and bottled water by 19%.
- Queensland sales of CCA's non-sugar range increased by 46% and bottled water by 74%.

The Remote Communities Strategy was also supported by programs promoting health and

physical activity under the Coca-Cola Australia Foundation's "Healthy Bodies Healthy Minds" project and the AFL.

CCA has used the images of AFL and NRL stars Michael Long and Matt Bowen on marketing material urging consumers to "Choose Water".

We are also providing credits towards the purchase of items in community stores such as additional refrigerators for fruit and vegetables, public BBQs and sporting equipment.

WORKPLACE

One of the biggest challenges facing CCA in 2008 and 2009 was the global financial crisis, or GFC. At the start of one of the toughest trading periods in recent history, we asked our teams to focus on the importance of prudent financial management, to continue to increase sales, and crucially, to deliver on our commitment to our customers to grow their businesses during the downturn.

CCA senior management team, led by Group Managing Director Terry Davis and Australian MD Warwick White, pledged to not only maintain the company's growth trajectory and to keep investing when many other businesses were downsizing, but importantly for our people, not to have one single retrenchment as a result of external economic conditions.

Senior management rolled out the message to "Keep Your Mates in a Job" urging people to work leaner and smarter during the downturn without compromising customer service, so as to ensure that there would be no jobs lost as a result of the GFC.

We are proud to have delivered on both commitments. Our 2008 and 2009 results showed double-digit earnings growth and set new records. The 2009 full year result saw earnings before interest and tax increase by 10.3% to \$787.3 million and net profit after tax increase by 11.1% to \$449 million on Group trading revenue of just over \$4.4 billion. At full year 2009, CCA had delivered double digit earnings per share growth in 15 of the last 18 halves.

In 2009, an independent survey, the Grocery Performance Monitor conducted by The Advantage Group, the biggest survey of its kind for fast moving consumer goods (FMCG) companies, awarded CCA in Australia the number 1 overall supplier. This was a significant customer service measure and one CCA was delighted to win particularly during the period of economic downturn.

Employee engagement scores were at good levels across the Group for 2009, with some of them the highest ever reached, another positive indication of an engaged and focused workforce.

Our People

CCA believes that achieving our business priorities depends on our people and we recognise that great companies are built through highly engaged employees. Our people are a critical source of competitive advantage and what they achieve depends on the level of their engagement.

We measure this commitment to CCA in a number of ways

- increased engagement levels.
- lowered staff turnover.
- reduced customer service issues directly related to the behaviours of our people.
- a reduction in the number of workplace injuries.

We believe we have a positive culture driven by our core values - people, passion, innovation, customer, excellence, and citizenship.

We know that to create a workplace that engages people and attracts and retains the best talent requires a real commitment. With six Core Business Units we have headquarters in five countries, Australia, New Zealand, Indonesia, Papua New Guinea and Fiji, and employ some 15,000 people. Despite the diversity of our operations we have a number of core people strategies that are adopted across the CCA Group, including:

- **Developing strong leadership** - through leadership development programs and supported by coaching and mentoring.
- **Talent Management** - through our people capability reviews we identify successors for key roles and focus on individual development needs. Employees are actively encouraged to take up new opportunities.
- **Capability Building** - employees have individual development plans and our core programs are focused on building skills that will help us win in the market place and operate safely.
- **Health and Safety** - every country is bound by our CCA Group Occupational Health and Safety Standards, which have helped make CCA a safer place to work. These standards and progress are reviewed by the CCA Board's Compliance and Social Responsibility Committee.
- **Performance and Values** - In every country we have implemented recognition programs, as well as a "pay for performance" philosophy supported by strong performance management disciplines and competitive reward and incentive programs.

Culture and Values



Australia

The business has refined its focus towards alignment and support of the overall business strategy through the "One CCA - OUR CCA" ideal. This has at its core a combined cultural objective to be an organisation where GREAT PEOPLE DO GREAT THINGS TOGETHER. There is a specific focus on five key behaviours which we believe are crucial to our ongoing success - Customer Centric, Collaborative, Empowering, Communicative and Initiating.

New Zealand

CCA NZ has continued to drive a Values based culture and has achieved good success. In 2008 employee engagement around Values increased from the previous year and the Values initiative received a Merit award from the HR Institute of New Zealand.

Indonesia

A number of activities were undertaken to reinforce Values, including a Values socialisation program to more than 7000 employees and a "Values of the Month" program. A stronger emphasis was placed on Values within the Performance Management process and through Corporate and Employee events. The improvement in Employee engagement in 2009 showed that these initiatives are having a positive impact.

SPC Ardmona

In 2009 SPC Ardmona enhanced its Values recognition program with the introduction of a "Values Ambassador" Award. Employee Satisfaction scores against this driver improved from a total company perspective.

Talent Development

In 2009, the Employee Referral Program (ERP) became the most successful source of new talent acquisitions for CCA in Australia, providing 37% of all external hires for the year.

CCA continues to conduct Entry Level Programs that deliver high calibre candidates to CCA. Current Programs include Internships/Work Experience, Traineeships, Apprenticeships, External Studies Programs and Graduate Programs. Currently there are 59 apprenticeships underway and 14 graduates in programs across Corporate, Finance, Commercial Management and IT. Additionally CCA is currently sponsoring 104 employees in external studies.

CCA continues to invest in development programs across the Group, in order to develop future leaders across the business. In Australia, the Senior Leaders Program enables the development of executives in a bid to retain and develop leaders.

CCA offers a range of continuous development activities supported by the Individual Performance and Development Planning process. Further initiatives that continue to support talent development are the Organisational Capability Review, and a targeted mentoring program.

Leadership development

Australia

The "Leadership Learning" framework assists leaders to understand the core development activities and programs required for each level of leadership.

In 2009, 24 employees attended the Australian Emerging Leaders Program (ELP), a residential program where individuals can get an Action Plan to continue their own development. Of the 24 employees, 8 were successful in achieving a promotion following the program. A third of the ELP participants were female and overall, female participants had a higher rate of promotion (37.5%) than males (31.2%).

In total approximately 800 leaders attend various programs including a leadership induction program, coaching, sales business management programs and leading change.

New Zealand

In New Zealand the Excel development program for high potential, high performing employees continues with great success. Of the employees who have participated in the program, 64% have been promoted or have taken on greater responsibility in their role and 94% have been retained by the business. As well, 60 employees from the Supply Chain attended NZ's No Limits Numeracy and Literacy program in Auckland, Putaruru and Christchurch.

Indonesia

The graduate development program continues to provide a ready source of talent. In 2008, 52 graduates completed the Coca-Cola Graduate Program and in 2009 a further 51 graduates were recruited for the Program. In 2009, the first Technical Development Program was commenced, recruiting 15 graduates from local universities and technical colleges to pilot the program with the ultimate aim of an internationally recognized trade certification. Senior managers developed their training skills for the development of other managers, enabling the Indonesian business to maintain its average of conducting more than 30,000 training days per

year.

PNG

CCA PNG commenced a Graduate & Apprenticeship Program, where 18 graduates from Finance, Sales & Marketing and Mechanical/Electrical have undertaken a development program (38% of the graduates are female).

SPC Ardmona

SPC Ardmona increased the number of Leadership and Development Training programs in 2008.

Employee Education, Health and Safety

Australia

In 2009 CCA Australia had a contractor fatality. Brett Ambrust was killed at our Northmead manufacturing site while providing maintenance on a lift. As a result of this tragedy CCA has reviewed the contractor processes and procedures, implemented improvements where warranted as well as continuing to work closely with Workcover during their ongoing investigation.

ATLR increased during 2009. This was predominantly driven by an increase in the number of stress claims, each of which had a significantly higher level of days lost per injury. This increase has led to a number of actions including increased focus on our return to work procedures, increased amount of information to the HR teams on the handling of stress claims and a focus on building management information and development sessions on the management of stress and mental illness in the workplace.

CCA continues to offer a range of employee benefits including flu vaccinations, negotiated gym membership, daily fresh fruit and discretionary family and carers leave.

OH&S Training was undertaken by both permanent and contract employees.

During 2009 we conducted numerous training programs including inductions, toolbox talks, proactive risk assessments and systems training. Additional courses were also developed to address specific needs or hazards of individual business units or sites, with the utilisation of "Safety TV" - a series of safety videos.

In 2009, 375 employees attended a Superannuation Member Education Roadshow in conjunction with AMP, CCA's superannuation provider.

New Zealand

NZ had an increase in ATLR and LTIFR from 2008 to 2009, mostly due to three employees who were off work for a significant amount of time due to a car accident and ongoing back problems. While we made some progress in 2009 in the area of injuries caused by physical hazards we are now focusing on manual handling and safety culture, specifically addressing behaviour and decision making. Our 2010 action plans contain initiatives to reverse the injury trend. Another key 2010 initiative is ensuring employees return to work as soon as possible if they are injured either at work or outside of work.

The focus for 2008 and 2009 was on safety and wellbeing. A "wellbeing fund" was established for employees to seek funding to complete an individual or group wellbeing challenge, with the successful applicants required to contribute 50% of the costs. The activities ranged from Waka boat racing, touch rugby and soccer, Weight Watchers groups and individual sporting competitions.

Indonesia

During 2008 and 2009, there was an increased focus on Contractor Management Training due to two contractor fatalities, one in the first quarter of 2008 and one in the first quarter of 2009. As a result of these fatalities additional resources were added to the OHS area and Contractor Management guidelines, with clear accountabilities and stronger consequences for non compliance, were introduced along with OHS induction re-training for all contractors that work within our company.

In 2009, the Indonesian business introduced a country wide campaign to improve employee OHS knowledge. This campaign based on a dual strategy of "winning the hearts and minds" and on clear compliance guidelines, was supported with an extensive training program rollout, incorporating Internal Safety Auditor training, Safety Defensive Driving and Riding training, First Aid training, General OHS training, Emergency Response Program training and Earthquake response training as well as other general health and safety campaigns.

As part of the ongoing commitment to reduce traffic accidents regular defensive driving and motorbike riding awareness programs were run for all sales and delivery people and Business Development Representatives.

The focus on OHS resulted in the highest satisfaction response level of all questions included in the Employee Opinion survey with 91% of Employees strongly agreeing or agreeing that "workplace safety is considered important here".

In 2009 extensive external audit reviews were conducted with all manufacturing sites improving on their results from 2008 and receiving the Indonesian Government highest OHS rating of

"Golden Flag" for the mandatory Government OHS audits.

PNG

The free supply of mosquito nets to employees continued in 2009, resulting in malaria cases being reduced by 43%. A communicable disease policy was developed along with programs to improve cholera awareness. HIV/AIDS testing and awareness campaigns were continued in all major locations. All at risk employees were inoculated against cholera in early 2010.

Fiji

When the whole population of Fiji was required to collect Filariasis (parasitic and infectious tropical disease) tablets from Clinics around the country, CCA dispensed tablets to their employees, saving them from travelling to the centres and losing work time. Other workplace health initiatives included general health checks and volleyball competitions.

SPC Ardmora

A new Manufacturing and Logistics Training program was rolled out, recognising current employee competency and providing a training path to a Certificate in either Food Processing or Transport and Logistics. While 160 employees signed up in 2009, the program will be extended in 2010 to the engineering department and the Kyabram factory.

The Soft Tissue Centre program has continued at all manufacturing plants in the Goulburn Valley, enabling employees with minor injuries to be provided with treatment before they become bigger problems, which helped achieve a record low Average Time Lost Rate (ATLR) in 2009. The number of days lost has dropped from 295 days in 2008 to 95 in 2009. Employee injury rates in the SPC Ardmora business continued to fall with a 23% reduction from 2008 to 2009.

In 2008, employees at the Goulburn Valley sites were involved in a Worksafe Victoria pilot program "WorkHealth" which measured blood pressure, cholesterol, blood glucose and waist size.

Diversity

Diversity continues to be an area of ongoing focus. In Australia CCA has established the Embracing Difference Council, a group of managers from across the business who are developing a framework for diversity - not only for gender, but also for ethnicity, disability and Indigenous Australians.

CCA also welcomes the ASX Corporate Governance Council amendments to Corporate Governance Principles & Recommendations, which will require listed entities to adopt and disclose their diversity policy including measurable objectives relating to gender. Once these guidelines are finalised, CCA will report within these particular requirements.

The eight-member CCA Board has two female directors, Jillian Broadbent and Catherine Brenner. In Australia, the proportion of women employed was 26.4% in February 2009. These figures are also a reflection of the proportion of managers who are female. Females have strong representation in Finance and Corporate Finance with 71% and Marketing, Human Resources, Corporate and Legal with 69%.

Flexible Workplace

The Flexible Work Options Policy promotes work/life balance and provides opportunities for flexible work arrangements. Examples of work options include working from home arrangements, job share, variable hours and salary sacrifice arrangements that enable employees to purchase additional leave. In 2008 there was an increase of 16% in leave purchases, and an increase of 53% in 2009. Females represented 62% of those who purchased additional leave for the period.

CCA also has a strong maternity leave program. With a focus on re-introducing those on maternity leave back into the workforce only 5% have not returned to the organisation in 2008 and 2009.

CCA New Zealand is represented on the board of the Equal Employment Opportunities Trust by General Manager HR Kate Daly. The portion of women employed across CCANZ is 31% and the number of females in the Senior Management Team is 31%. The New Zealand Leadership Team has female representation of 43%.

In Indonesia, the first female Directors were appointed in positions of IT Director and Strategic Planning Director. Female managers increased by 50% from 48 to 72. For the past two years a total of 30 female students (compared to 19 male students) received scholarships from the Coca-Cola Foundation Indonesia through the Intentional Target of Female Scholarship Recipients (CCFI) program. During this period part-time working arrangements and the ability to acquire additional annual leave were introduced.

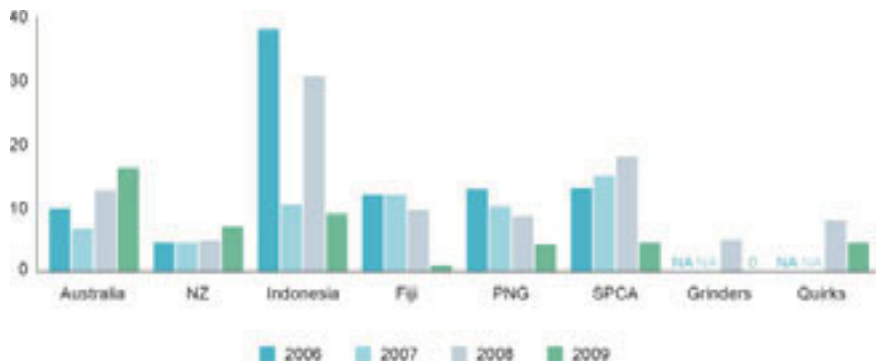
AHRI Talent Management Award

In November 2009, CCA was awarded the Rob Goffee Talent Management Award, an annual recognition from the Australian HR Institute. The award recognises outstanding people management initiatives / strategies in the acquisition, development and retention of talent

within an organisation. The people management initiative categories were required to meet five specific criteria and also needed to have the ability to be integrated within other organisational strategies and to have the potential for global application. Rob Goffee, Professor of Organisational Behaviour in the London Business School, judged the award, and CCA's Organisation Capability Review process (OCR) and its approach to Talent Management came in ahead of Intercontinental Hotels and McDonald's Australia. This was CCA's first entry into the AHRI Awards.

CCA Workplace Metrics

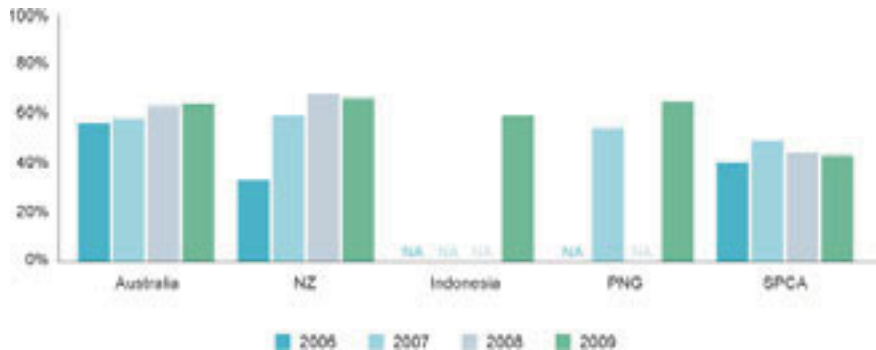
Metrics ATLR



LTIFR



Employee Engagement



CASE STUDIES





ANDREW MCAULEY INSPIRATION AWARD

Andrew McAuley joined CCA in 1996 as an IT specialist. Outside work, Andrew was an experienced and highly regarded adventurer, winning Australian Geographic's Adventurer of the Year title in 2005. Andrew trained on the water every day, paddling his kayak from his home near the Blue Mountains right into Circular Quay, and parking it in the basement car park. He paddled 850 kilometres to the Antarctic Circle, completed three crossings of Bass Strait, including the first ever direct, non-stop crossing in 35 hours. He paddled 530 kilometres over seven days and nights to cross the Gulf of Carpentaria, sleeping in his kayak and battling encounters with sea snakes and sharks. He climbed in the Himalayas, Patagonia, Europe and New Zealand. Tragically, in January 2007, Andrew was lost at sea with New Zealand in his sights on what was to be the first solo kayak crossing of the Tasman, leaving his young family, wife Vicki and son Finlay.

We asked CCA staff to think about who inspired them, and who reached above and beyond the everyday, like Andrew. The inaugural winner in 2008 of the Andrew McAuley Inspiration Award was former Pacific Beverages marketing manager Andrew "Max" Walker, who is currently working for Peroni in London. Max raised funds for Tour de Cure and was also involved in the Big Brother Big Sister mentoring scheme.

Our 2009 winner is Ricardo Housham, CCA's area manager for Operations at Mentone in Victoria. Ricardo was selected from an excellent field of nominees for his work in assisting troubled families in his home country of New Zealand as well as Thailand.

As a chief of a Maori tribe, and a minister, Ricardo has helped many troubled families put their lives back on track by supporting them to come to Australia to make a fresh start. His only condition is that they must have \$500 in their pockets and a return airline ticket they can cash in when they have proven that they have made a personal change in three months. Ricardo has assisted at least 45 troubled families over the past 11 years.

After a holiday in Thailand, Ricardo returned home with a goal to help break the cycle of prostitution that plagues the country. He did this by visiting villages and building relationships with the Thai people. Since 2005, Ricardo has continued to build these relationships and engage supporters to provide assistance that keep children at school and provides their mothers with other employment.

Darren Richter, CCA's Mentone Distribution Centre manager, who nominated Ricardo for the Award said his colleague was "a great example of how each one of us can make a difference when you truly care about people."



CCA GRADUATE PROGRAMS

CCA has been a sponsor of school leaver and graduate programs at the UNSW and UTS in Sydney since the mid 1990s. Both programs target school-leavers with good UAI scores and with a history of leadership and external interests. Students apply and are interviewed before final results are known and, as sponsors, we are involved in this selection process.

When HSC results are available, successful applicants are offered positions on the course and a scholarship of about \$15,000 per annum. UTS offers a three year course with two six month placements in sponsors' work places, and the UNSW has a four year program with three six month placements in sponsors' work places.

The cost of being a sponsor for 2010 is \$61,500 per annum per position for the UTS program and \$67,000 for UNSW.

The sponsor commits to taking a student for the first 6 months and another for the second 6 months of the year (i.e. the equivalent of a full time employee). At CCA, students are given good supervision and integrated into a work team. They are highly sought after and mostly placed in the Australian business, including Northmead finance, Group reporting, Commercial Management-Non-Alcoholic Beverages and Licensed divisions.

At the end of the program, sponsors are eligible to recruit graduates and CCA has been active in this process since 1998.

By 2010, a total of 17 graduates have been employed and 12 retained. Three more recruits start in May, 2010. The successful applicants are offered a two year program comprising 4 x 6 month rotations in various parts of our business, one of which is away from Sydney (i.e. New Zealand, or interstate). Two of CCA's longest serving graduates are currently in a manager's role and a senior analyst role.

The program is building an excellent reputation within CCA through its students and graduates, and CCA is committed to the program because we believe in the value of attracting the best and brightest people into our organisation, and retaining them. An alumni group has been formed that meets regularly with the aim of encouraging those who have completed the program and graduates currently on the program to mix and share ideas and knowledge.



SUSTAINABILITY SEPTEMBER@CCA

In 2008 CCA introduced a national employee awareness program in Australia - Sustainability September@CCA - to drive sustainable practises and innovation in the workplace, where people could receive information about sustainability and come up with their own ideas for saving water and energy, recycling, healthier lifestyles and assisting charities.

In 2009, CCA ran these national activities:

1. E-Waste recycling drive and Mobile Muster: this workplace benefit program gave our employees the opportunity to bring in items from home as well as raise awareness of the E-Waste issues in Australia. Each state worked with a local E-Waste recycler and nationally we collected over 9.5 tonnes of E-Waste including TVs, monitors, printers and keyboards. In addition to this, 250 mobile phones were recycled through the Mobile Muster program.
2. Recycling awareness campaign: An internal spotters competition called "Caught Red Handed" was run throughout September to educate employees about recycling and why it is important to CCA. Employees that were "caught" recycling around the workplace were issued with a recycling fact sheet and quiz to enter into a competition which was a fun and engaging way to impart knowledge to our staff. Over 500 employees entered into the competition. In addition to this initiative, 250 new recycling bins were rolled out to CCA sites across Australia and New Zealand.

3. "Project Cinderella": A cooler cleaning maintenance program rolled out by our sales force and volunteers to assist our customers refrigeration equipment to run at optimal efficiency thus reducing their energy costs and carbon footprint. Over 3,000 employees cleaned over 4,500 fridges saving 400 tonnes of greenhouse gas emissions.
4. CCA also partnered with Landcare Australia, with staff volunteers planting more than 3,000 trees in NSW, Queensland, South Australia and Victoria.
5. Assisted by the Parramatta City Council, the Green Thumbs Coke Nursery was launched at Northmead, providing an opportunity for staff to grow and plant native trees in local parks or at home. To mark the month's activities and the launch of the Coke Nursery, a tree-planting ceremony was held on Northmead's 13.5 hectare grounds, and tree and bush planting were carried out on the site through September around the Toongabbie Creek Walking Track - rebuilt by CCA, and the CCA sponsored boardwalk.



NEW ZEALAND SPRING CLEAN WEEK

As part of CCA New Zealand's Sustainability September in 2009, all staff were offered a half day paid time off to collect litter in their local communities. The initiative was an outstanding success with 250 volunteers lining up for action. Armed with clean up kits consisting of rubber gloves and rubbish bags our people collected more than 1000 bags of rubbish from roadsides, beaches and harbour foreshores.

Wellington staff picked up litter along the shores of Porirua harbour, Auckland staff collected rubbish from Tamaki Drive, a team from Hamilton picked up waste from the river banks at Totara Park and Christchurch staff scraped up 100 bags of rubbish from the banks of the Heathcote River.

CCA NZ has been a proud partner of Keep New Zealand Beautiful for more than two decades. Since 2004 the company has encouraged staff to participate in 'Clean up Week' in their own time, in 2009 they took it one step further by offering staff time out of their working day to participate.

Also, staff at CCA's Putaruru plant collected a pallet of E- waste, including computer screens and keyboards for recycling as part of national E-Day.

Other company wide initiatives during Sustainability September included free breast or diabetes checks and free workplace seminars on budgeting, safety, energy efficiency, climate change and environmental management targets.





THEBARTON, SOUTH AUSTRALIA'S 70TH AND MOORABBIN, VICTORIA'S 50TH ANNIVERSARIES

Great milestones require great celebrations and when CCA turned 70 in South Australia in 2009, scores of Coke veterans gathered in Adelaide for the party, and a book "The Real Thing - 70 Years of Coca-Cola in South Australia" by historian Peter Donovan was launched.

Victoria's Moorabbin operation turned 50 in 2009, and staff and their partners celebrated in style at a gala dinner at Peninsula Docklands, where the "Top Gun" Award, the annual John Pemberton Award and 30+ Service Awards were presented.



HIV/AIDS AND MALARIA PREVENTION IN PAPUA NEW GUINEA

In 2008 and 2009 CCA Papua New Guinea continued its work in fighting against HIV/AIDS in both the general community, and in the CCA workplace, which began with its HIV/AIDS Workplace Management and Preventative Policy programs in 2005, which involved voluntary testing and staff awareness programs.

CCA took the HIV/AIDS awareness message to consumers on its bottled water brand, Nature's Own. For every 600ml or 1.5 litre bottle of Nature's Own water that was purchased, a donation of 10 toea was made to the CCA campaign. In 2008, Group Managing Director Terry Davis was on hand to present a cheque of K100,000 from the Coca-Cola PNG Foundation to the National AIDS Council.

CCA PNG's on-pack message was similar to the very successful on-pack HIV/AIDS awareness messages employed by the Coca-Cola Africa Foundation, and also those used for the Mount Franklin and Keri Blue "pink lids" campaigns to raise awareness and fund-raising for breast cancer research in Australia and New Zealand.

Since 2007, CCA in PNG has been distributing mosquito nets to staff as part of a malaria prevention program. The decision to give every member of staff a family sized mosquito net resulted in an immediate decrease in incidence of malaria - 23% in the first quarter of 2008, mainly in Lae, where more than half the PNG staff are employed. By 2009, the malaria incidence had been reduced by 43%.

COMMUNITY

In all the countries in which we operate, CCA contributes to the economic and social development of local communities and the protection of the local environment - both through our day to day business activities and through a raft of voluntary philanthropic contributions.

Our Coca-Cola Foundations, established and funded in Australia, Indonesia and Papua New Guinea by CCA in partnership with TCCC, are the centrepieces of our corporate philanthropy and each year fund a range of diverse community projects.

CCA Australia has a matched workplace giving program, Thirst For Giving, through which staff can donate to 11 charities. CCA matches every employee dollar donated up to a limit of \$1000 per employee, per year.

CCA Indonesia has significantly stepped up its commitment to social responsibility, investing in a wide range of community programs across the country, from the daily cleaning of Bali beaches, setting up mobile education centres in villages, establishing organic farms and providing remote villages with water under the "Water For Life" program.

On a local level, our own people right across the Group are generous with their time and money, donating to many charities and causes they organise with their fellow employees both in and outside the workplace. Some of our people sit on charity boards and community organisations in their own time.

The staff fund-raising for the late Brett Armbrust, who died tragically in an accident at Northmead in 2009, was a great example of the generosity of our people. CCA matched the staff donations and a cheque for almost \$45,000 was presented to Brett's widow.

Our powerful brands work hard too, with Mount Franklin, Kiwi Blue, Neverfail Springwater and Nature's Own not only creating consumer awareness of health issues, but also contributing funds to causes like breast cancer and kidney research and HIV/AIDS prevention.

CCA and SPC Ardmona also continued their long-term commitment to donating food and beverages to the needy, via Foodbank Australia, and in direct emergency donations in the wake of natural disasters.

In 2008 CCA donated a total of \$8.9 million in philanthropic funds and product donations across the Group. This represents 1.6% of CCA's Group pre-tax profit.

In 2009 the total was \$9 million across the Group. This represents 1.4% of CCA's Group pre-tax profit.

This calculation does not take into account all the extra personal fund-raising done in CCA's workplaces, or the volunteer hours staff put in to charities and the community.



Community Investment and Coca-Cola Foundations

We define community investment as supporting initiatives and partnerships that are relevant and valuable to local communities.

The Coca-Cola Foundations

The Coca-Cola Australia Foundation

CCAF is an independent charitable trust funded by the Coca-Cola System in Australia and devoted to improving the lives of marginalised youth. It distributes \$1 million annually to fund three major national projects and up to 20 local community programs. The three national projects supported in 2008 and 2009 are Beyond Empathy, a mentoring and leadership program designed to break the welfare cycle for young people through arts, multi-media and community development programs (www.beyondempathy.org.au), the Australian Literacy and Numeracy Foundation (www.alnf.org) and OzGreen, which assists young people to tackle critical ecological and social challenges in their communities (www.ozgreen.org.au).

In 2008 and 2009, the Foundation funded approximately 60 organisations across Australia with community grants (at around \$10,000 per grant.) The grants went to groups including Youthoria in Port Lincoln; the Glendyne Youth Mentoring program in Wide Bay, Queensland, the Sunrise Foundation in Victoria, Pathways Foundation in NSW, Cool Camps in Tasmania, Riding for the Disabled in WA, the Australian Children's Music Foundation, the Broome Aboriginal Media Association; Anglicare in SA; Vision Australia in Sydney and Youth Off The Streets in NSW.

The Coca-Cola Australia Foundation also funds healthy lifestyle programs in remote Aboriginal communities under the Healthy Bodies Healthy Minds and Healthy Lifestyle Carnival sports events, which we run in conjunction with our Remote Communities Strategy.

Choose Water

Facts, fun and footy was the order of the day for 40 indigenous kids who took part in a CCA workshop promoting healthy lifestyle choices. The workshop, held in early 2010 in the Belyuen

community in the Northern Territory, 130 km from Darwin, ran for three hours at the local school and included a rugby league clinic with North Queensland Cowboys players, discussions promoting healthy lifestyle choices and reading books.

North Queensland Cowboys indigenous players Matt Bowen, Michael Bani, Obe Geia and Ty Williams gave up their time to participate in the clinic with the children. CCA has used the hero status of Matt Bowen on our Coca-Cola Australia Foundation "Choose Water" posters which are part of our Remote Communities strategy to encourage people to choose healthy lifestyles in the Northern Territory and north Queensland.



CCA has been running AFL and rugby league football clinics, or Healthy Lifestyle Carnivals, in remote communities as a successor to our original \$120,000, three-year long Healthy Bodies Healthy Minds program which ran from 2007-2009 in the Northern Territory's Tennant Creek. Funded by the Coca-Cola Australia Foundation, the program was a collaborative week-long event delivered by our Foundation partners to empower and inspire young people in Tennant Creek through a program of music, photography, dance, art and film-making, with sport and physical fitness, as well as nutrition and health education, and reading and writing.

Participants in the second Healthy Bodies Healthy Minds program that ran in June 2008 were the CCAF, CCA, SPC Ardmara, Beyond Empathy, Blueearth Institute, AFL Queensland and the Australian Literacy and Numeracy Foundation. One of the most successful projects of the week was the Julalikari Youth Development Unit's short film, "Footy Dreaming" which tells the Dreamtime story of how Aussie Rules came to Tennant Creek.

The third program in May 2009 saw Beyond Empathy and Blueearth make the trip to Tennant Creek again to help run a week-long program for local children and young people. Over the week, the team delivered workshops and programs including song writing; a dance program run by stars of "So You Think You Can Dance" Trav Ross and Lamb, "Expression sessions" with DJs and Blueearth active lifestyle sessions.

Blueearth and Beyond Empathy have now established ongoing programs in Tennant Creek and the Barkly Region. Leaving this legacy is a pleasing result as this was one of the aims of the original three-year long Healthy Bodies Healthy Minds program.

The Healthy Lifestyle Carnivals part of the project, funded by the CCAF and activated by the AFL Northern Territory, was implemented in Groote Eylandt, Gove, Tiwi Islands, Barkly and Tennant Creek, Wadeye, Katherine, Jabiru and Alice Springs from March to May, 2008. To participate in the Healthy Lifestyle Carnivals, children had to attend school during the prior weeks. More than 500 children participated in the football games and presentations from local police, nutritionists, drug and alcohol professionals.

The Coca-Cola Foundation Indonesia

The CCFI was established in August 2000 by Coca-Cola Bottling Indonesia (CCBI) and TCCC to "elevate the level of education and the quality of human resources in Indonesia".

The Foundation funds a large range of programs, including the successful Learning Centres in 31 public libraries in 14 provinces throughout Indonesia, which benefits a potential five million people. The Foundation provides support including books, computers, audio-visual learning aids and skills training and story telling, as well as capacity building to improve the services of the Learning Centres. Essentially, the libraries have developed from mainly book lenders to interactive centres of learning for communities. One example is the Cilacap Library staff who regularly visit the correctional centre on Nusakambangan Island with books and computers for the inmates as part of their rehabilitation program. The Malang Library routinely holds painting exhibitions, motivating young local artists to exhibit there.

Other Foundation programs include the Cinta Air ("Love Water") water conservation project which assists communities with fresh drinking water at a local level, the Go Green School program for environment education, Goodwill Scholarships for tertiary education, creative writing workshops and health education programs. Some established projects include the Setu Water project, where the Foundation has built water tanks to assist local farmers with irrigation and their long-term ability to remain on the land producing crops.

The Foundation also funds the Micro-Enterprise Development Program which helps lift people out of poverty by providing micro-loans, some as little as \$AUS100, to enable people to establish sustainable businesses.

One successful example is the cassava chip business in Jolontaro village in central Java, where 450 families produce a local delicacy, cassava chips from their homes on a daily basis. Laffudin, one of the cassava chip producers, has established a successful enterprise using

financial skills he learned during Foundation Micro Enterprise Development training sessions. Laffudin sells 100 kg of sweet and spicy cassava chips every month to nearby cities.

For further information view www.coca-colafoundation-ind.org.

Coca-Cola PNG Foundation

The Foundation funds a range of initiatives, partnerships and programs in the field of HIV/AIDS prevention. In 2008 the Foundation donated K100,000 to the National AIDS Council of PNG. CCA took the HIV/AIDS awareness message to consumers on its bottled water brand, Nature's Own. For every 600ml or 1.5 litre bottle of Nature's Own water that was purchased, a donation of 10 toea was made to the CCA campaign

Thirst For Giving

In Australia, workplace giving, where employees donate to nominated charities direct from their pre-tax salary, is relatively new. In 2009 approximately \$20 million was raised from businesses across Australia.

CCA's workplace giving program has been running for five years, and employee donations are matched by the company dollar-for-dollar to a limit of \$1000 per employee, per year.

These charities are our partners:

Mission Australia, CanTeen, Royal Flying Doctor Service, Australian Children's Music Foundation, WWF, Big Brother Big Sister, Youngcare and Children's Hospitals in NSW, Victoria, Queensland, SA and WA.

In 2008 the total figure donated to the charities was \$109,498, and in 2009 it was \$102,102 (50% employee contribution plus the 50% company matching.) This total has dropped slightly because of a decrease in participation. We are working hard to reverse this.

SPC Ardmoma

SPC Ardmoma is the biggest donor to the United Way Goulburn Valley Community Fund which raises funds locally to distribute locally, donating \$15,000 per annum. In 2008, SPC Ardmoma introduced a Workplace Giving Program and 162 employees signed up donating a total of \$8,000, which was matched by SPC Ardmoma.

Other Community Investment

The Australian Council of Agricultural Societies Scholarship Program

This program rewards young Australians working or studying in the field of agriculture who are contributing to their local communities. In 2008, there were 33 scholarships offered across the country for a total investment of \$113 672.

In 2009, CCA offered another 33 scholarships across the country for an investment of \$95,500.

SPC Ardmoma Home-Grown Scholarship Program

The Scholarship provides financial assistance for students in a science-based degree for four years and is designed to keep students in the Goulburn Valley area. The successful applicants get up to \$5000 per year and a total of \$20,000 for their tertiary studies. There was no award in 2008.

In 2009 Anthony Hill, a student in Robotics and Mechanics Engineering at Swinburne University, was the successful applicant. In addition to financial assistance, Anthony has undertaken a number of paid work placements during University holidays in SPC Ardmoma's Capital Engineering and Electrical Automation departments, learning hands on experience.

Drought Assistance

To assist farmers and fruit growers survive what has been described as the worst drought in 100 years, SPC Ardmona made \$8 million of assistance available in 2008-09. This took the form of interest-free loans to finance water purchases, subsidies and the purchase of temporary water entitlements for fruit and tomato growers.

Neverfail Springwater

John Hughes Big Walk 2009

Neverfail Western Australia made a difference to the lives of kids with cancer at Princess Margaret Hospital (PMH) by providing Neverfail Springwater to the John Hughes Big Walk participants in November 2009. The big walk was initiated by the Rotary Club of Mosman Park and encouraged people of all ages to exercise together while raising vital funds for the hospital's cancer ward.

Road Safety

Neverfail WA continues to support Road Safety in WA by distributing road safety material and banners at local marketing activities in metro and regional shopping centre promotions.

Indonesia - Eco-Education Mobile - small business assistance

In early 2010, CCA Indonesia set up an "Eco-Education Mobile" to operate with a community learning centre at Kopeng-Getasan. CCA Indonesia announced scholarships for seven students, and gave away 200 apple trees for planting in the Kopeng community.

CCA Indonesia is also supporting local small entrepreneurs in central Sumatra with micro-loans and drinks carts for beach vending. This gives us great brand presence and assists people into a small business.

Donations of Food and Beverages

"Please pass on to everyone at CCA and SPC Ardmona the heartfelt thanks of the Board and staff of Foodbank Australia and our state operations for the wonderful contribution you made in 2008 and 2009 in addressing hunger in Australia through your donations. Our thanks also reflect the gratitude of 2500 welfare agencies that distribute the food and the 60,000 people every day who would otherwise have gone hungry." - John Webster, CEO Foodbank Australia.

In 2008 and 2009 CCA and SPC Ardmona donated a total of 1.57 million kilograms of food and beverages to Foodbank Australia, worth approximately \$3 million.

In 2008 CCA and SPCA donated 580,000 kilograms of food and beverages to Foodbank Australia; and in 2009, this was significantly increased, partly because of our response to the Victorian bushfires, to a total of 993,000 kilograms of beverages and food.

Across the Group, CCA, as well as SPC Ardmona, donates a large amount of product, beverages, food and merchandise to many charities, fund-raising events and community organisations. In Australia some of these include the Pengana Goulburn to Citi Corporate Charity Ride, The NSW Spastic Centre's 20/20 Challenge; Wheelchair Athletics, Missionbeat, Mission Australia, Legacy, The Spastic Centre of NSW, the Leukemia Foundation, the Royal Flying Doctor Service, the Australian Theatre for Young People, the Asthma Bubble Ball, the Matthew Talbot Hostel Christmas Lunch, Landcare and Stewart House.

In Indonesia CCA donated beverages, noodles, rice and sugar to 120 orphans for Christmas in 2009 in South Sulawesi.

And in New Zealand, for Christmas 2009, CCA donated 5000 1.5 litre bottles of Coca-Cola to the Life Trust's Christmas Box Project which distributes 5000 Christmas hampers to under privileged families across New Zealand. It took 400 volunteers a full eight hours to pack the hampers and load them for distribution.

Neverfail Springwater and Channel 7 Telethon

Neverfail WA donated Springwater to volunteers in the phone room over Channel 7 Telethon weekend in October 2009.

Relief Efforts

2008 Victorian Bushfires

"It never ceases to amaze me the great things CCA does to help the community. Our donations reinforce my belief that I work for a great organisation, one that is compassionate and people-focused. I'm very proud to work at CCA" - Rose Milliken, Licensed Channel, CCA.

It was a terrible start to 2009 for the communities of rural Victoria which were devastated by bushfires, but when CCA and SPC Ardmona staff came to work after Black Sunday, all rallied to see what we could do. By lunchtime on Monday the company had committed in total, almost \$1 million worth of food, beverages and funds through our Coca-Cola Australia Foundation to

the emergency personnel, fire-fighters and survivors.

CCA and SPC Ardmona sent several semi-trailer loads of Mount Franklin and Neverfail Springwater, SPC Ardmona fruit, baked beans and juice to the fire relief centres - as well as 20 cases of Powerade for Melbourne hospital staff and Grinders donations from coffee sales.

As well, more than 200 CCA employees gave to the bushfires appeals from their pay - around \$115,000 - and SPC Ardmona employees donated another \$25,000. This was matched by the company, bringing our cash total to around \$280,000.

2009 Earthquake in West Java - Indonesia

CCA Indonesia and The Coca-Cola Company supplied 2000 cases of Ades water to the devastated communities and victims, as well as logistics assistance to deliver food and medicines.

2009 South Pacific Tsunami

In the aftermath of the tsunami that devastated parts of Samoa, American Samoa and Tonga in 2009, Air New Zealand arranged relief flights to affected areas and offered a small group of companies free freight to enable them to donate basic supplies. CCANZ immediately responded by sending a total of 6 pallets of Kiwi Blue and Pump water, 4 pallets to Samoa and 2 pallets to Tonga, a total retail value of approximately \$10,000.

As well, CCA NZ committed to sending more water, challenging spectators at a celebrity rugby match at Auckland's Eden Park to donate bottles of Pump or Kiwi Blue water which was matched by the company and transported to Samoa and Tonga.

Auckland staff also donated clothes, linen, towels and bedding. The response was so huge a truck load of much needed clothing and bedding was delivered to Auckland airport and flown to Samoa and Tonga the following week.

All of the goods donated by CCANZ and staff members were then distributed on the ground by UNICEF and the Red Cross.

2010 Indonesian Landslides

Early in 2010, landslides hit the Bandung region of West Java, killing and injuring many people and devastating the community. CCA in Indonesia donated 200 cases of Ades water and food to victims and rescue workers.

Environmental Initiatives

Indonesia - Bali Beaches Cleaning and Jakarta Waterways Project

As one of the largest Australian businesses operating in Indonesia, with some 8000 staff and 10 manufacturing facilities, CCA is not only investing in growing the business there, but is also investing in social capital.

We began in 2007, with the inaugural Bali Beach Coastal Clean Up Day, which has now grown to the point where CCA in Indonesia, in partnership with our commercial and social responsibility partner, Quiksilver, cleans five Bali beaches every day, using 60 staff, three garbage trucks, three Coke tractors and nearly 200 recycling bins.

In 2010, we purchased a boat to assist with another big cleaning project, some of the Jakarta waterways, where we are being assisted by local NGO Green Monster and several local government agencies.

While tackling the most obvious environmental issue in Indonesia - litter and pollution - we are also working closely with our local communities in a wide variety of projects. With Quiksilver, we're building a Sea Turtle Hatchery on Kuta Beach, where tourist and locals will be able to release thousands of baby sea turtles to enjoy the cleaner waters. We also helped schoolchildren in Bintan, Central Sumatra, plant 1000 mangrove trees along the Sebang River.

Indonesia - Organic Farming

Partnering with Padjajaran University and the Bandung Islamic University we've set up an organic farm in West Java near CCA Indonesia's bottling operations at Bandung, assisting locals with training, farming and business skills as they grow organic chilli, tomato, mustard green and paprika crops for the domestic market, as well as medicinal plants like temulawak, aloe vera and daun dewa.

Some of the related projects include an organic greenhouse inside the bottling operation's compound, a fishpond beside the greenhouse, where thousands of native fish have been released; a composting facility using tea leaf waste and tree planting for reforestation of the land around the bottling operations.

All of these projects, including the operation of the organic farm, will be under the supervision of the University experts, who will also supply education and training to our local Bandung community.

Fiji - Beach Cleaning

CCA Fiji staff volunteered to participate in the "Foreshore Clean Up" that was organised by the local council in Suva. Employees were provided with t-shirts, gloves and disposable bags so

that they could involve themselves. At the end of the clean-up CCA Fiji's expatriate managers Andrew Preece, Ross McMillan and Damian Ames provided a BBQ for all those who had joined in."

Landcare Australia

In 2006 CCA and TCCC entered into a three-year Silver partnership with Landcare Australia.

Since 2006 Coca-Cola South Pacific (CCSP) has been funding community watershed projects and engaging staff in volunteering through Landcare Australia. Coca-Cola International Foundation funding has delivered 10 Staff Volunteering activities and 11 Water Quality projects across Australia. Many of these projects protect and regenerate land around water sources, particularly those in the vicinity of our Australian operations.

Coca-Cola funding of Landcare Community Watershed Projects has included:

- Collection and propagation of 29,580 native plant seeds.
- Planting of 33,523 plants.
- Over 33 hectares of weed control.
- Rehabilitation of over 171 hectares of degraded land that are within catchments.
- 8.5 community training days.
- 31 events which include Coca-Cola staff volunteering days, community plantings days and project launches.
- Participation of over 290 Coca-Cola staff in on-ground environmental activities.
- Participation of a further 569 volunteers from Landcare groups and local community.

Australia and New Zealand: Beautiful Towns and Clean Beaches

CCA NZ is a sponsor of the Keep New Zealand Beautiful Best Town Award, which rewards and encourages Kiwis to beautify their local towns and reduce litter. The company also contributed to the 2009 Clean up Week in September 2009 which saw more than 250,000 Kiwis participate in New Zealand's largest annual clean up event. CCA NZ continues to provide representation and support on the Board of Keep New Zealand Beautiful as well as providing over 250 volunteers per year for Keep New Zealand Beautiful projects.

In 2008, 2009 and 2010 Mount Franklin was the principal sponsor of the Keep Australia Beautiful Clean Beaches Awards.

Through the Clean Beaches Awards, Keep Australia Beautiful is able to recognise local community and individual efforts that are helping coastal areas to become environmentally, economically and socially sustainable communities. The awards are sponsored by Mount Franklin Springwater, Coastalwatch and the Hungry Jack's 'Bag it & Bin it' program.

Mount Franklin is proud to support the Clean Beaches awards which recognise a range of community initiatives including beverage container recycling, in particular PET recycling.

Recycling Ruby

In 2008, CCA in Queensland developed a mascot, Recycling Ruby, to remind audiences at North Queensland Cowboys and the Gold Coast Titans rugby league teams to recycle their beverage bottles at games. CCA donated 10 cents for every bottle recycled in our Refresh Recycle Renew bins at the Dairy Farmers stadium in Townsville during the 2008 season, raising a total of \$10,000 for the Cowboys Community Fund. Recycling Ruby has featured throughout the 2009 and 2010 seasons.

New Zealand: Aotea/Great Barrier Island Coastal Cleanup Event

Plastic debris and litter above the high tide line on the islands in Auckland's Hauraki Gulf is both an eyesore and an environmental problem. In 2009, through a sponsorship of an initiative generated by Sustainable Coastlines and the Waitemata Harbour Clean-Up Trust, CCA New Zealand played a significant role in helping clean up the west coast foreshore of Great Barrier Island.

More than 700 volunteers collected 2.8 tonnes of rubbish over a two-day period off the entire west coast of the Island. CCA NZ's Pump water brand provided sponsorship funds of \$NZ11,500 to provide branded T-shirts for the clean-up crew and to hire the ferry transport from Auckland to the Island - a three hours trip one way. Pump also supplied 1000 bottles of water to the volunteers. All the litter was taken to the Visy recycling centre for sorting.

Round the Bays Fun Run in Auckland

Every year CCANZ provides both product sponsorship and public place recycling at Auckland's annual Round the Bays fun run, which attracts 70,000 participants each year - New Zealand's largest fun run.

Annually CCA NZ hands out 40,000 mini Pump bottles of water to runners as they passed across the finish line. In addition to this CCANZ also works with the event organisers to boost their recycling initiatives and increase the diversion of waste from landfill.

In both 2008 and 2009 branded event recycling bins were constructed at the finish line and in two corporate hospitality areas for the runners. Approximately 9 tonnes of waste is generated at the event, more than half of which is recycled.

Waste collection data from 2009 showed a 31% diversion from landfill was achieved through glass and PET bottles cans being placed in our bins for recycling.

Indonesia - Community Watershed Partnership Project

Indonesia is a country with a high rainfall, but more than 70% of Indonesians rely on water from potentially contaminated sources, and the Coca-Cola System's Cinta Air ("love water") community programs focus on programs which help deliver year-round, potable water into communities. As part of the global Community Watershed Partnership Program, USAID Indonesia and the Coca-Cola System in Indonesia (CCBI and TCCC) worked in partnership with the community in Bekasi, West Java, on a project centred which delivered a number of programs including clean water supply, health and sanitation initiatives like school hand-washing stations in schools, and water conservation practises.

PNG - Community Water Partnership

Like Indonesia, PNG has a high rainfall, but not everyone has access to safe drinking water which has a significant effect on the local communities - schools, for instance, have to shut when water isn't available. The Coca-Cola System in PNG has worked with the PNG Government, the PNG Water Board, Lae City Mission, Rotary Clubs and the Salvation Army on a Community Water Partnership project to evaluate community and plant source water in the Lae region, improve wastewater treatment, improve access to safe drinking water in villages and schools around Lae, increase hygiene and sanitation awareness particularly in relation to HIV/AIDS and provide purification and safe storage of water for the Angau Hospital's Care Centre for HIV/AIDS in Lae.

CCA has installed 8000 litre water tanks in 16 Lae district schools and built several ablution blocks at the new City Mission farm for young juvenile boys.

In 2009 we continued with the Community Water Project, partnering with the local Rotary Club, and CCA funded a further 13 water tanks, valued at K4500 for 13 schools in the Lae district.

Encouraging Healthier, Active Lifestyles

TCCC has a long tradition of supporting major global sporting events - the most famous being the Olympic Games. CCA has been a long-term sponsor of sport and recreation at national and local levels.

Champion of Champions Soccer at ANZ Stadium

"I am a coach of my daughter's U16 team that played the Champion of Champions final on Saturday and I want to thank Coca-Cola Amatil for your crucial involvement in making the day happen. Your staff were excellent in providing drinks...and supplying players with a DVD of their match reflects wonderfully on you." Mark Worthington.

In its agreement with ANZ Stadium CCA has the right to use ANZ Stadium on two occasions each year. In the past we have arranged a cricket match for our staff and customers, however in 2010 we approached Football NSW with an offer to play one of their Champion of Champions Grand Final days at the Olympic Stadium.

CCA has enjoyed a long relationship with Football NSW, the largest sporting organisation in Australia with 220 000 members, and the offer of the ANZ Stadium day provided a unique occasion for players. Football NSW arranged for the Girls Champion of Champions Grand Finals on the day. Seven games were played and everyone had a terrific time. The games were filmed and each player presented with a copy of their game. CCA received dozens of emails from participants and their parents thanking us for a great day.

SPC Ardmona

KidsTown Adventure Playground

This children's playground is an innovative and fun community project located in bushland between Shepparton and Mooropna. It relies on the generous support, donations and voluntary work of many local businesses, service clubs and individuals, and SPC Ardmona has committed to long-term support with approximately \$300,000 donated over the past 10 years.

SPC Ardmona also sponsored the Weetbix "Tryathalon" in 2008, which attracted 12,000

children across Australia to compete in physical activities.

New Zealand

Oscar Go Kids!

Our New Zealand team worked in 2008 and 2009 with OSCAR (Out of School Care and Recreation Foundation) to enhance the fitness of children participating in after-school care, through a program that provides regular exercise activities.

Community Engagement

We define community engagement as building relationships with key stakeholders in the communities in which we operate.

Other community initiatives include our long-standing and popular Plant Tours, which we conduct for school and community groups across our operations in Australia, Indonesia and Fiji, and which represent an investment of approximately \$50,000 in educational aids and product as well as administrative hours.

In New Zealand, CCA invests approximately 140 hours of time to bring the annual Coca-Cola Careers Expo to fruition in Dunedin, Christchurch, Wellington and Auckland.

Our Powerful Brands

Mount Franklin

Breast Cancer Research

By the end of 2009 Mount Franklin had donated over \$1million to the National Breast Cancer Foundation (NBCF) in a relationship that has spanned four years. Not only does the NBCF receive funds for breast cancer research, Mount Franklin's "pink lids" and marketing efforts have helped create mass awareness of breast cancer month and the importance of contributing to the cause.

In 2008 and 2009 during the month of October (Breast Cancer Awareness Month) Mount Franklin placed a huge 40metre x 12 metre banner on the CCA Sydney headquarters on Circular Quay with a picture of a "pink lid" Mount Franklin bottle.

The banner was suspended over three floors of CCA's building, making it visible from the Sydney Harbour Bridge where it was seen by millions of tourists and commuters, generating \$250,000 worth of exposure for the NBCF. Our Pink Ribbon breakfasts at Sydney's head office for the NBCF raised another \$10,000 in 2009 and we also conducted fund-raising activities with customers.

Sheep-shearing marathon

In 2010 Mount Franklin also helped shearer Aaron Hemley in Callawadda, Victoria, in his efforts to raise \$200,000 for an oncology unit at the Stawell Hospital. Aaron, who is also supported by the Wimmera Mail Times newspaper, is training for a world record shearing marathon.

Mount Franklin, one of the 10 Most Trusted brands in Australia (Millward Brown survey, 2010), agreed to donate \$5000 and Mount Franklin and Powerade Isotonic sports drinks to help Aaron achieve his goal in August 2010 - to shear sheep non-stop for 48 hours.

Nature's Own water

CCA took the HIV/AIDS awareness message to consumers on its bottled water brand, Nature's Own. For every 600 ml or 1.5 litre bottle of Nature's Own water with the red lids that was purchased, a donation of 10 toea was made to the CCA campaign. In 2008, Group Managing Director Terry Davis handed over a cheque for K100,000 from the Coca-Cola PNG Foundation to the National AIDS Council.

Kiwi Blue

Our New Zealand springwater brand "turned pink" for breast cancer research partnering with the NZ Breast Cancer Foundation from 2006-2009. The association involved both a donation of \$70,000 per year and an on pack promotion and competition for consumers. One in 9 New Zealand women are diagnosed with breast cancer each year and 650 will die from the disease. The \$210,000 dollars donated by CCANZ was put towards improving the survival rate of those affected as well as into general research into finding a cure.

Neverfail Springwater

Neverfail Springwater and Kidney Health Australia combined efforts for the third year running (the partnership started in 2007) to raise awareness of kidney disease and the health benefits of drinking water. Neverfail's "Drink to a Good Cause" red lids promotion raised the importance of drinking water in partnership with Kidney Health Australia for Kidney Health Week and raised \$10,000 in addition to Neverfail's contribution of \$40,000.

Community Investment

2008 Community Spend

Region	Charitable Gifts (in cash) including Foundations	Workplace Giving	Relief Efforts	Product & Merchandise Donations including Foodbank donations	Community Investment including drought assistance	Cause Related Marketing	Total
Australia	601,800	109,498	0	1,102,735	129,026	250,000	2,193,059
New Zealand	25,834			144,400	335,894	28,957	535,085
Indonesia	142,407			22,077	366,320		530,804
Fiji	99,243			17,067	100,991		217,301
PNG	59,386			4,878	278,547		342,811
SPCA				354,293	4,750,700		5,104,993
Total	928,670	109,498	0	1,645,450	5,961,478	278,957	8,924,053

2009 Community Spend

Region	Charitable Gifts (in cash) including Foundations	Workplace Giving	Relief Efforts	Product & Merchandise Donations including Foodbank donations	Community Investment including drought assistance	Cause Related Marketing	Total
Australia	537,808	102,102	231,848	1,604,747	75,270	250,000	2,801,775
New Zealand	70,023			153,641	474,849		698,513
Indonesia	118,193				719,067		837,980
Fiji	22,023			34,361	98,674		155,058
PNG	79,181			660	205,078		284,919
SPCA	1,000		50,000	1,069,674	3,159,560		4,280,234
Total	828,948	102,102	281,848	2,863,083	4,732,498	250000	9,058,479

CASE STUDIES



NORTHMEAD, SYDNEY

As part of its commitment to the local community around its largest NSW operation at Northmead, CCA is funding a \$2 million Community Benefits program for our neighbours. Since 2007, in a series of CCA West Newsletters and Open Days, we have been communicating with the local community about programs we're putting in place.

At a community open day in November 2008, CCA and the Parramatta Council informed locals about plans for the enhancement of Arthur Phillip Park, which include irrigation systems, play and exercise equipment, landscaping, picnic facilities and a better playing surface.

In 2009, CCA also launched two cultural programs for Northmead and surrounding suburbs, which are aimed at promoting an artistic and creative spirit in the community, especially at local schools.

In July 2009, in partnership with Darcy Road Primary School, we launched the Darcy Road Multi Language Library, which is a great resource for children and their families, particularly those who have come here as refugees. The Library's first project, in conjunction with Anglicare and Digi-ed, was the construction of a "claymation" film in the Sudanese Dinka language.

The next initiative under CCA's Community Benefits Program is Parramatta Council's "Artists-in-Residence" program, which got underway in the first half of 2010. The program is bringing artists and the local community together in an exchange of ideas, stories and history for produce a creative body of work unique to the Parramatta area. Activities include education programs, talks, seminars and forums.



NEW ZEALAND

Ronald McDonald House Christmas Dinner

Ronald McDonald House in Auckland is a 'home away from home' for families from all over New Zealand whose seriously ill children require potentially lifesaving treatment. In December 2008 the Human Resources team from CCANZ volunteered to cook a hot evening meal for the many parents who stay in this temporary accommodation while their child undergoes specialist medical treatment. The team also raised money for the food required to feed up to 200 people and to donate time on a Saturday before Christmas to cook and serve the meal.

A Bake and Sell was held alongside a BBQ at the Auckland cafeteria. The Sales team also provided prizes for a raffle and the combination of these three charity drives raised over \$1000. The team then put together a menu and allocated volunteers to the various meal courses. The Family Dinner evening was a great success with 13 of the HR team exhibiting their culinary skills to deliver a hot nutritious meal to very grateful parents.

Playground Heaven - Women's Refuge

In 2007, CCA NZ's Human Resources team in the Auckland suburb of Mount Wellington identified a local charity that needed help - the Women's Refuge - which offers temporary accommodation to women and children who have been subjected to domestic violence.

Toni Zinzan was the project champion in 2008, raising money through raffles and organising fellow CCA NZ staff to collect money at the local mall. The result was the construction of a children's playground at the Refuge. Competition at work kicked in and the Sales department decided to donate money normally allocated for customer Christmas gifts towards the project. This boosted the coffers by a further \$10,000 and expanded what Toni's team were able to offer. Three playgrounds were installed at three separate safe houses in the Auckland area. In addition the HR team nominated a Santa and bought and distributed Christmas gifts for the children.



SPC ARDMONA

The United Way Goulburn Valley Community Fund which raises funds locally to distribute locally, has been strongly supported by SPC Ardmona since its inception in 2001.

SPC Ardmona is now the biggest supporter of the Fund, donating \$15,000 per annum. As well, Andrea Watts, SPC Ardmona's HR manager, is on the board of the United Way GVCF, and one of the Fund's "workplace champions".

In 2008, SPC Ardmona stepped up its commitment to the community and introduced a Workplace Giving Program. One hundred and sixty two employees signed up in 2008, the first year, and donated a total of \$7,906.77, which was matched by SPC Ardmona. In addition, for the Christmas gift at the end of 2008 employees were given the choice of receiving a gift or donating the equivalent amount (\$25) to the GVCF. Almost half our employees opted to donate, raising another \$7600.

CCA and SPC Ardmona employees were also very generous with fund-raising in the wake of the disastrous 2008 Victorian bushfires, with SPC Ardmona employees donating almost \$25,000 from their own pockets.

In 2009 we also donated pallets of product to FareShare in Melbourne, a charity which "rescues" food and distributes to other charities, and Typo Station in country Victoria, a charity for disengaged youth.

SPC Ardmona has a Community Care committee made up of staff members, which oversees the company's donations and general corporate social responsibility. In 2009 donations of food products were made to approximately 69 different charities and causes, including Foodbank Australia, Ardmona Kidstown and the United Way GVCF.



INDONESIA

While the popular image of Bali is luxury resorts, villages in the Island's hills and highlands desperately need access to clean drinking water all year round. In September 2009 CCA Indonesia responded to this need under the company's "Water for Life" program, deploying two water trucks to remote villages, which by early 2010, had delivered 500,000 litres of clean water across the island, assisting more than 1500 people with their daily water requirements.

In March, CCAI's BaliNusa operation handed over another two water trucks to the Governor of Bali, I Made Mangku Pastika. Both units carry and deliver 3000 litres of clean water, every day to remote villages. CCAI's Water for Life program will continue to provide clean water in areas with limited water sources, including the regions of Karangasem, Buleleng and Singaraja.



PAPUA NEW GUINEA- COMMUNITY WATER PROJECTS

In 2008, CCA PNG initiated a community project which delivered clean drinking water to a number of schools in the Lae district. While there is a high rainfall, the water is not all captured, so water tanks at schools were seen as a first priority, and 16 schools were identified.

We continued with the Community Water Project in 2009 partnering with the local Rotary Club. CCA funded a further 13 water tanks, valued at K4500 for 13 schools in the Lae district.

GLOSSARY

Coca-Cola Amatil (CCA):	A Top 50 company listed on the Australian Stock Exchange and headquartered in Sydney which produces, sells and distributes Coca-Cola trademark brand products and other non-alcoholic and alcoholic beverages as well as food products in five countries - Australia, New Zealand, Indonesia, Fiji and Papua New Guinea.
The Coca-Cola Company (TCCC):	The world's largest beverage company. TCCC has a 30 per cent shareholding in CCA and is a supplier of beverage concentrate to CCA.
Australian Food and Grocery Council (AFGC):	The AFGC is the national body representing Australia's food and grocery products manufacturers. See www.afgc.org.au
ATLR:	Average Time Lost Rate.
Bottlers:	Businesses that manufacture, distribute and sell beverages of The Coca-Cola Company under a franchise agreement.
Carbonated soft drinks (CSDs) or sparkling beverages:	Effervescent non-alcoholic beverages such as Coca-Cola, Fanta and Sprite.
CO₂-e:	Carbon Dioxide Equivalent, or the universal unit of measurement used to indicate the global warming potential (GWP) of each greenhouse gas.
Coca-Cola Bottling Indonesia:	CCA's Indonesian operations, or CCA Indonesia.
Coca-Cola System or Coke system:	TCCC and its bottling partners. In this report the Coca-Cola System refers to joint initiatives of Coca-Cola Amatil together with TCCC.
Cold Drink Equipment:	Coolers, vending machines and fountain machines in the marketplace that cool beverages for immediate consumption.
Concentrate:	Base of a beverage, to which water and other ingredients are added to produce beverages. These are mainly supplied to bottlers by TCCC.
Consumer:	Person who drinks CCA beverages.
Customer:	Retail outlet, café, restaurant or any other business that sells or serves CCA beverages to consumers.
Energy usage ratio:	The measurement in grams of CO ₂ -equivalent per finished beverage litre of product, or gCO ₂ -e/FBL.
Foodbank Australia:	A not-for-profit organisation that sources and distributes food and grocery industry donations to welfare agencies, and is Australia's largest hunger relief organisation. See www.foodbank.com.au
Food Standards Australia New Zealand (FSANZ):	FSANZ is the statutory authority which develops food standards.
Fountain:	Equipment used in retail outlets to dispense beverages into cups or glasses for immediate consumption.
gCO₂-e/FBL:	Grams of carbon dioxide equivalent per finished beverage litre produced
gCO₂-e/kg:	Grams of carbon dioxide equivalent per kilogram of food produced.
GJ or GigaJoules (GJ):	A billion joules
Greenhouse gases (GHG):	Gases that absorb infra-red radiation in the atmosphere. There are six GHG under the Kyoto Protocol - carbon dioxide, methane, nitrous oxide, halogenated fluorocarbons, ozone, perfluorinated carbons and hydrofluorocarbons.

Group:	Describes the entire CCA operations across all geographic locations.
Joule:	A derived unit of energy
Lightweighting:	Reducing the amount of raw materials used to produce lighter packaging for beverage containers.
L/FBL:	Litres per Finished Beverage Litre - number of litres of water it takes to make one finished litre of beverage
LTIFR or Lost Time Injury Frequency Rate:	Number of lost time injuries per million hours worked.
MJ or MegaJoules (MJ):	One million joules
ML or Megalitre (ML):	One million litres.
National Packaging Covenant (NPC):	Australia's National Packaging Covenant is a joint initiative established in 1999 between government and industry to manage the environmental impacts of consumer packaging, as well as highlighting the importance of packaging minimisation through the supply chain. CCA is a founding member of the NPC.
Non-CSDs:	Non-carbonated, non-alcoholic beverages which include waters and flavoured waters, juices, sports and energy drinks and teas.
New Zealand Packaging Accord:	A voluntary initiative to decrease wasteful packaging signed by governments, recycling operators and the packaging and packaged goods industry.
PET:	Polyethylene Terephthalate. The material from which CCA's plastic soft drink bottles are made.
Plant:	A bottling facility, or operation, where beverages are produced.
The Coca-Cola Quality System (TCCQS):	The global quality management system of TCCC, aligned to the ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health and Safety) standards endorsed by key bottlers.
TJ or TeraJoules (TJ):	A trillion joules
Unit case:	A unit case is the equivalent of 24 8oz (237 ml) serves or 5.678 litres.
Water Use Ratio:	The KPI used by CCA to measure water use in the bottling plant, expressed in litres of water used per litre of produced beverage (Litres/Finished Beverage Litres - L/FBL)