

**COCA-COLA GB AND
COCA-COLA ENTERPRISES LTD**



Corporate Responsibility Review 2008/09

**Assurance statement and
commentary**

Corporate Responsibility Review 2008/2009: assurance statement and commentary

Assurance statement

Corporate Citizenship is a specialist consultancy advising businesses who seek to improve their social, economic and environmental performance. Coca-Cola GB and Coca-Cola Enterprises Ltd (jointly referred to in this statement as Coca-Cola) have commissioned us to provide external assurance and a commentary on their *Corporate Responsibility Review 2008/2009*.

The scope of our assurance

The assurance provides the reader with an independent, external assessment of the report and, in particular, with how it corresponds with the AA1000 standard. It is intended for the general reader and for more specialist audiences who have a professional interest in Coca-Cola's corporate responsibility and sustainability performance.

Coca-Cola is entirely and solely responsible for the contents of the report, Corporate Citizenship for its assurance. As noted above, our assurance is confined to the online Corporate Responsibility Review 2008/2009. A commentary is included in the print version of the Corporate Responsibility Review 2008/2009. A detailed note of our assurance methodology appears at the end of this statement.

Opinion and conclusions

In our opinion, this year's report provides a fair account of the progress Coca-Cola is making in living out its commitments to corporate responsibility and sustainability. In forming our opinion and making our comments, we have had regard to the principles underlying the international assurance standard AA1000 (2003) notably concerning materiality, completeness and responsiveness. Where we believe significant gaps exist in meeting these principles, they are identified below.

Commentary

Progress in 2008

We believe Coca-Cola provides an engaging and accessible account of its corporate responsibility performance and commitments.

The business demonstrates a strong focus on its most significant or 'material' impacts, informed by an independent study involving a robust process of internal and external stakeholder review and analysis. These issues are centre stage in its reporting, addressing important questions such as carbon emissions, packaging waste, water consumption, responsible marketing and nutrition labelling.

The business also demonstrates an understanding of its impacts across the life-cycle of its products. Conducting a carbon footprint exercise, for example, has helped determine how best to tackle carbon emissions and the impacts associated with refrigeration. Coca-Cola's approach to packaging encompasses not only innovation and product design but also raising awareness among consumers to recycle more.

Coca-Cola Enterprises Ltd. has strong systems in place to measure, monitor and report on the environmental impacts of its operational sites around the country. This has helped the business achieve good progress in improving its energy, water and waste performance, with clear targets moving forward. In particular, in setting an absolute reduction target for CO₂ emissions, the company has demonstrated an understanding of the wider policy debate and the need for absolute cuts in CO₂ to adequately address the threat of climate change.

Looking forward

We believe stakeholders' understanding of Coca-Cola's impacts can be strengthened in the following areas.

Nutrition in context

The materiality assessment identified nutrition as a top-tier issue for the business. Public concern is increasing about the role that diet and nutrition play in health, while the rise in obesity indicates a growing imbalance between calorie intake, energy expenditure and physical activity. Coca-Cola lists a range of initiatives, such as reducing sugar content in its products. To answer completely the challenging questions posed by stakeholders, future reports would benefit from a more in-depth discussion of the issues involved. For example, the report could show the relative contribution of Coca-Cola's products to typical daily diets.

Sustainable agriculture

The report describes work being undertaken at a global level by the parent company on sustainable agriculture. Future reports should demonstrate its importance in the context of UK purchasing (e.g. for raw materials such as sugar), and show how the business intends to address this.

Balanced reporting

The report does well to identify some examples where the complexity and difficulties in implementing corporate responsibility initiatives are acknowledged. We believe stakeholders would benefit from more of this type of discussion. For example, smaller pack sizes can help to achieve portion control, but can lead to higher packaging, water and energy impacts. How does Coca-Cola identify, discuss and manage these kinds of trade-offs and dilemmas?

Economic impacts and business context

For a complete picture of social, environmental and economic impacts, it is helpful for stakeholders to understand the financial performance of the business and the challenges in the wider market in which it operates such as regulatory pressures, rising raw material costs, competitive pressure on prices and trends in consumer spending. Future reports could do more to reflect this wider context and the challenges it poses for business and sustainability strategies.

Goals and targets

Coca-Cola has a set of targets underpinning much of its environmental work, guided by global policies such as the 2020 Commitments. We believe that a clearer sense of long-term goals on other issues such as nutrition and sustainable agriculture would enable stakeholders to understand better the direction of travel, judge current performance and assess the systems in place to achieve these goals.

On goals such as 'water neutrality', the report would benefit from more discussion of what such a goal means in practice, the challenges the business faces in achieving it and how it might overcome these.

Corporate Citizenship

London

18 November 2009



Methodological notes

The assurance work was commissioned in May 2009 and was completed in November 2009. Detailed records were kept of meetings, assurance visits and correspondence relating to the materiality, completeness and responsiveness of the report, as well as to technical matters relating to the accuracy and presentation of data. A team of three, led by an associate director, undertook the assurance and commentary process. A second director acted as adviser to the group. The team has a variety of professional and technical competencies and experience. For further information please refer to our website www.corporate-citizenship.com.

Our external assurance and commentary process for Coca-Cola's Corporate Responsibility Review 2008/2009 has involved, but not been limited to, the following elements:

- Based on an understanding of the unique Coca-Cola system and how it operates in the UK, seeking clarity on the business' approach to and understanding of corporate responsibility and sustainability;
- Reviewing the materiality assessment carried out by SustainAbility in April 2009 and supplementing this with further independent analysis where appropriate;
- Analysis of stakeholder engagement activity carried out by SustainAbility and other organisations on Coca-Cola's behalf and supplementing this with further independent analysis where appropriate;
- A review of national published sources of information about the views and opinions of external stakeholders, including media and special interest groups;
- Benchmarking against peers and competitors and internationally recognised standards to identify the basis on which to judge Coca-Cola's performance;
- Understanding the systems and processes by which environmental data is managed, collected and reported;

- Checks on a sample basis of elements of the report's contents, including selected performance measures, to underlying records, data sources and systems, with a particular focus on energy, water and waste data;
- Examination of the report at set stages in its development and testing of the assertions on a sample basis, drawing from evidence and supporting documentation and one-to-one interviews;
- Meetings and discussions with Coca-Cola managers covering a range of topics, but with a focus on management and governance of corporate responsibility within the business, nutrition, energy/carbon, water and packaging. We also conducted a site visit to the largest manufacturing site at Wakefield.

Assertions and data in the report were checked and verified on a sample basis, but our work did not extend to a complete audit of the report's contents. We have not been responsible for the preparation of the Corporate Responsibility Review 2008/2009 nor in devising the internal management and reporting systems that yielded the data contained therein.

The opinions expressed in this external assurance statement and commentary are intended to extend understanding of Coca-Cola's non-financial performance and should not be used or relied upon to form any judgments, or take any decisions, of a financial nature.

Corporate Citizenship is a leading assesor of corporate responsibility reports. The company is a member of AccountAbility (Institute for Social and Ethical AccountAbility).



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