



2007 Sustainability Report



The Coca-Cola Company Pacific Group



Dear Reader,

The Coca-Cola China System—with its nearly 33,000 direct employees, 37 production facilities, 900 local sales centers, 1.5 million customers, hundreds of millions of consumers of all ages and from all walks of life who regularly enjoy our beverages, extensive network of suppliers who provide the materials and services that we need to produce our beverages and run our business, and over 20 city or provincial level state-owned enterprises as shareholders in the local bottling operations—is part of the fabric of China and part of the local communities in which we operate.

With this privilege, there comes an obligation to help forge a sustainable future for the local communities where we live, work and do business. This responsibility is an innate part of our corporate culture and our values.

We strive to be responsible in our business operations, and also respond to community needs where our time and resources can make a meaningful impact. Sometimes these needs appear suddenly. While compiling this report, we were deeply saddened by the tragedy of the Sichuan earthquake. We are very much a part of the affected areas where we have employees, business operations and community programs. We responded immediately with monetary and in-kind donations, including drinking water for the victims and rescuers, and we are now working on a plan through which to support the recovery and reconstruction efforts moving forward.

This Sustainability Report summarizes under the headings of Workplace, Marketplace, Environment and Sustainable Communities how we went about undertaking our diverse responsibilities in 2007. This is the second such report that we have produced on our business in China. We hope that you find it informative, gain a sense of our commitment and see the progress we have made over the course of 2007.

Sincerely,

Paul Etchells
Deputy Group President, Pacific Group

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Scope of Report

Business Entities

This Sustainability Report covers the operations and activities of **Coca-Cola China**¹ in mainland China, Hong Kong, Macau and Taiwan. Unless otherwise indicated, data reflects three primary entities² owned by The Coca-Cola Company and its subsidiaries that represent various parts of our business, including one bottling partner that in previous reporting was discussed as partner-owned (see page 3: CCCIL).

Global commitments are indicated by reference to **The Coca-Cola Company**.

Because we work closely with **our bottling partners**, we describe many collaborative efforts in this Sustainability Report. We indicate when information also reflects bottling partner involvement through reference to the **Coca-Cola China**

¹ "Coca-Cola China" is not a legal entity. The name is used here to simplify discussion of points that apply to all China entities owned or operated ultimately by The Coca-Cola Company.

² For a full description, see page 3.

Dear Reader,

Sustainability is not about standing out from the crowd. The Coca-Cola China System cannot, and does not, stand alone in our commitment to take responsibility for our impacts, improve our social and environmental performance and contribute to the building of a harmonious society.

To us, sustainability is about moving the crowd forward, one step at a time, so that we are progressing together with partners, employees, industry peers, civil society, government and other interested stakeholders. We believe that responsibility begins at home. Our greatest potential is to lead by example—improving the performance of our own operations and then rallying others to do the same.

We have continued to make progress over the past year, with particular focus on the environment. I am inspired by examples big and small—from the efforts of a Coca-Cola China System bottling partner to encourage more than a dozen of its suppliers to join in a carbon offsetting program, to the global call from our Chairman and former CEO E. Neville Isdell urging others in the beverage industry to join us in using climate-friendly refrigeration.

We are also continuously assessing other aspects of our sustainability performance. Globally, we have undertaken to update our codes and policies to ensure relevance to changing business and sustainability contexts. In China, we have strengthened our workplace management and monitoring practices to help our bottling partners and suppliers better understand and meet our expectations.

Yet in all areas much remains to be done—especially to fulfill the ambitious commitments we have made. We eagerly welcome you to join us. As this reporting process is one way we are engaging in open dialogue with external parties, we would appreciate your questions, comments and feedback.

Sincerely,



Doug Jackson
President, China Business Unit

System, which includes Coca-Cola China entities and our bottling partners.

Workplace data covers Coca-Cola China entities. We have also provided information on our assessment of compliance among our suppliers.

Environmental data covers all 35 bottling plants, including those operated by independent bottling partners, and two concentrate plants in the Coca-Cola China System.

Timeframe

All data covers the 2007 calendar year and is accurate as of December 31, 2007. This Sustainability Report is published in July 2008, following our 2006 Corporate Responsibility Review published in October 2007. As several commitments initiated

in 2007 but announced in early 2008 fundamentally affect our social and environmental impacts, this Sustainability Report also mentions some significant developments from the first half of 2008.

Format

The development of this Sustainability Report was guided by the Global Reporting Initiative (GRI) G3 guidelines, for which a Content Index is included on page 36. The Coca-Cola Company became a signatory to the United Nations Global Compact in March 2006, and its principles have also guided our reporting. Data has been assured through an internal verification process, which included reviewing accuracy of qualitative and quantitative claims and data calculations.

Coca-Cola
China



Business Profile

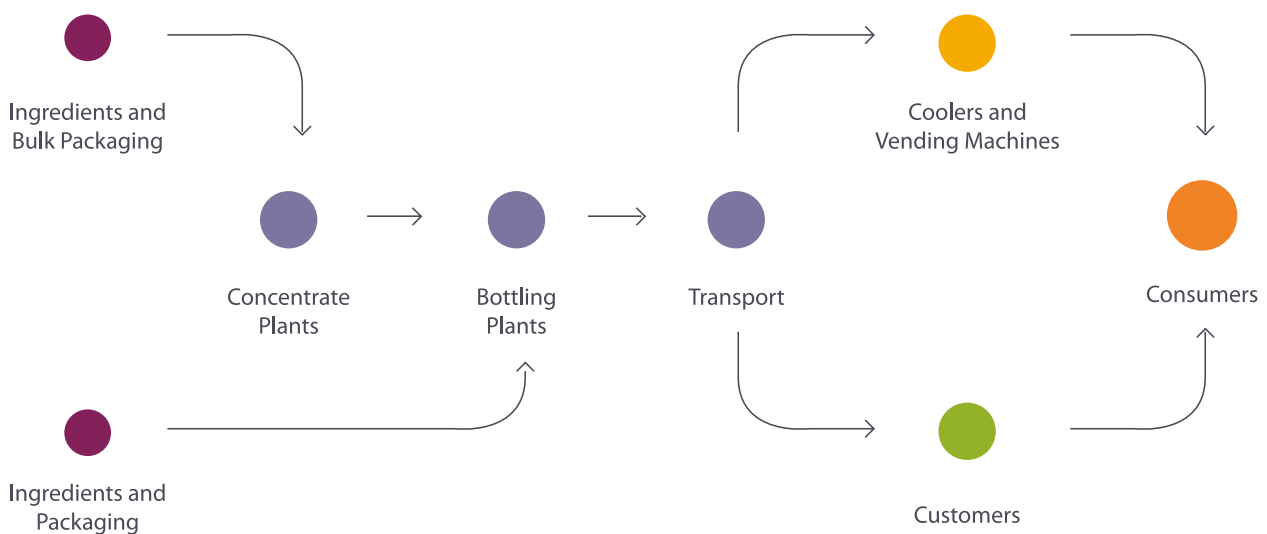
The Coca-Cola Company entered China in 1927 with the opening of two bottling plants, one in Shanghai and another in Tianjin, which were among our first international plants. Since re-entering China in 1979, our operations have grown rapidly through a model that supports local businesses—including over 10,000 distributors, 65,000 wholesalers and 1.5 million customers.

In 2007, China was The Coca-Cola Company's fourth largest market worldwide. We expect that as we expand, we will also enable growth of the local businesses that are part of our value chain. Each of these companies plays an important role in helping us to provide over 25 unique beverage choices (see page 19) to meet the refreshment and hydration needs of our consumers across the country.

Our Business Model

Contrary to what some consumers assume, The Coca-Cola Company usually does not directly produce ready-to-drink beverages. Instead, we sell our concentrates and syrups to bottling companies—our “bottling partners”—which are authorized to use these ingredients to produce our portfolio of beverages. Our bottling partners independently develop local markets and distribute beverages to grocers, small retailers, supermarkets, restaurants and numerous other businesses—the customers. In turn, these customers make our beverages available to consumers across China.

Manufacturing and Distribution Process



Our Operations in China (see chart on page 4)

This Sustainability Report describes the operations of Coca-Cola China, which consists of a number of legal entities and subsidiaries that are majority-owned and operated ultimately by The Coca-Cola Company. Based on management and governance structures, we discuss them through three primary operational units:

- **China Business Unit**, which refers collectively to our wholly-owned entities Coca-Cola (China) Beverages Ltd., Coca-Cola China Ltd. and Coca-Cola Far East Ltd. and encompasses our offices and our concentrate plant operations
- **Coca-Cola China Industries Ltd. (CCCIL)**, a bottling partner whose operations were acquired from the Kerry Group in late 2006 and have since been fully integrated into The Coca-Cola Company's governance and sustainability frameworks
- **Coca-Cola Bottlers Manufacturing (Dongguan) Company Ltd. (CCBM Dongguan)**, a bottling partner of still beverages that The Coca-Cola Company³ wholly owned and operated through 2007, but from which we relinquished majority ownership and management responsibility to other bottling partners in early 2008

The China Business Unit manages our portfolio of beverages and monitors workplace, environment and quality standards from our headquarters in Shanghai, as well as through our offices in other key cities. We also operate two concentrate plants, which produce concentrates and syrups for sale to our bottling partners.

Together, the China Business Unit and our bottling partners are referred to as the **Coca-Cola China System**, which is an integrated operating system, though not a single entity from a legal or managerial perspective. Some bottling partners are owned and operated by The Coca-Cola Company³, while others are majority-owned and operated by our partners. In 2007, The Coca-Cola Company³ also managed the operations of two bottling companies in which we hold minority shares.

Altogether, the Coca-Cola China System includes seven bottling partners, among which the three largest partners function as bottling groups that own and operate a number of subsidiary bottling companies. The seven bottling partners consist of 32 bottling companies registered across mainland China, Hong Kong and Taiwan.

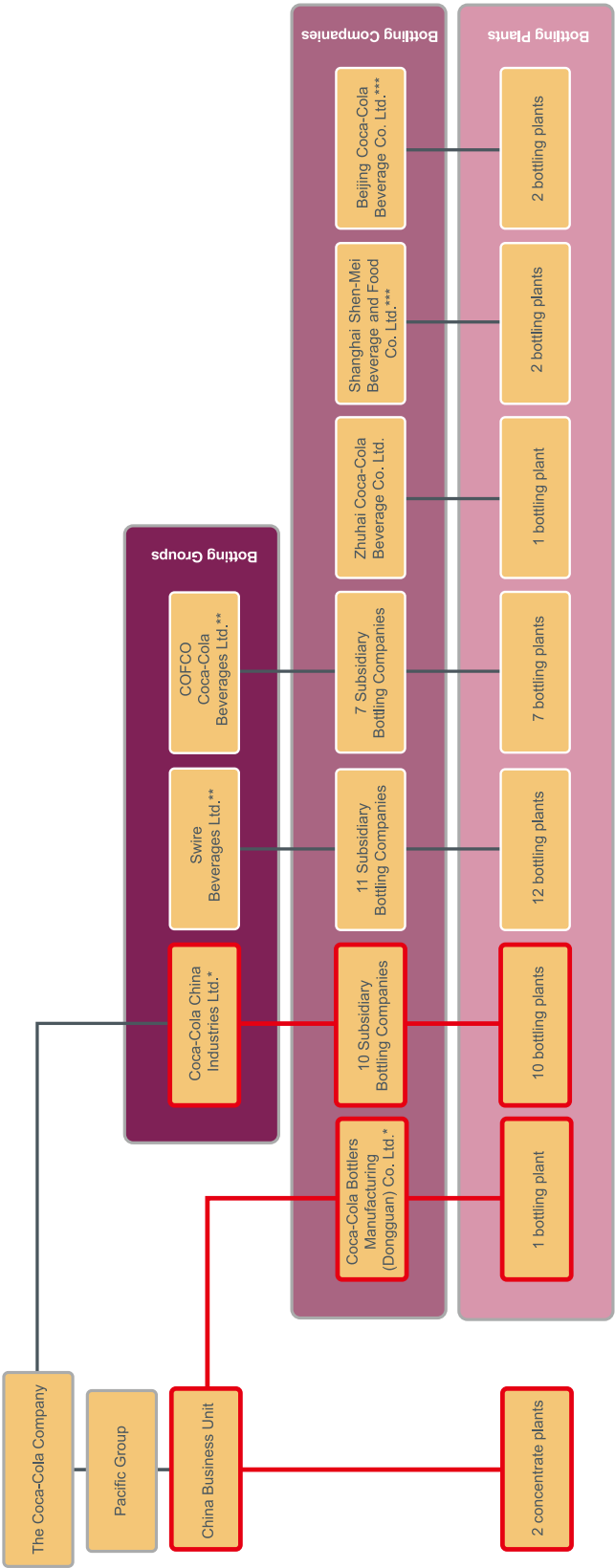
These bottling companies, which generally include joint investment from local Chinese businesses, are responsible for distribution networks and the operation of one or more bottling plants at a local level. The Coca-Cola China System includes 35 bottling plants, and some bottling partners also manage production lines as branches in off-site locations. For example, CCBM Dongguan owns five lines that it operates in rented facilities.

Developments in 2007

The ownership structure of several bottling company operations changed in 2007, such that three bottling companies are now operated by different management than in 2006. CCCIL disposed of shares in its Qingdao (60%) and Jinan (60%) bottling companies to COFCO Coca-Cola Beverages Ltd. ("COFCO Beverages"), while acquiring from COFCO Beverages full ownership of its Jilin (100%) bottling company and minority shares of five others. As part of this agreement, COFCO Beverages will also acquire CCCIL's 40 percent stake in the Beijing bottling company at the end of 2008.

³ Shares are held by a subsidiary that is owned ultimately by The Coca-Cola Company.

The Coca-Cola China System
as of December 31, 2007



— Entities outlined in red are collectively referred to as **Coca-Cola China** in the context of this Sustainability Report.
* Shares are held by a subsidiary that is owned ultimately by The Coca-Cola Company.
** The Coca-Cola Company and its subsidiaries own minority shares (see page 5) in this bottling group but do not manage its operations.
*** The Coca-Cola Company and its subsidiaries own 40 percent of shares in this bottling company and manage its operations through contractual agreement.

Plant Locations



Overview of Bottling Groups

	Swire Beverages Ltd.	COFCO Coca-Cola Beverages Ltd.	Coca-Cola China Industries Ltd.
Ownership	Swire Pacific Ltd.: 87.5% The Coca-Cola Company ⁴ : 12.5%	COFCO Ltd.: 65% The Coca-Cola Company ⁴ : 35%	The Coca-Cola Company ⁴ : 89.5% Kerry Group: 10.5%
History	Swire Pacific Ltd. is one of Hong Kong's leading listed companies, with businesses in property, aviation, beverages, marine services, and trading and industrial sectors. This partnership began in 1965 with the acquisition of a majority shareholding in The Coca-Cola Company's Hong Kong franchise.	COFCO Ltd. is one of China's largest food manufacturers, as well as a leading grain, oils and foodstuffs import and export group. It began selling imported Coca-Cola beverages in the domestic Chinese market in 1979, and established its first bottling plant with support from The Coca-Cola Company in 1981.	Kerry Group is a leading Hong Kong-based conglomerate, with expertise in hotel management, property development and logistics. In 1993, Kerry Group and The Coca-Cola Company formed Kerry Beverages Ltd. as a joint venture. In August 2006, The Coca-Cola Company acquired a controlling stake in Kerry Beverages, now CCCIL.
Territory	7 provinces in mainland China, Hong Kong and Taiwan	14 provinces and regions in mainland China	9 provinces and regions in mainland China

⁴ Shares are held by a subsidiary that is owned ultimately by The Coca-Cola Company.

Frameworks and Principles

Internal Frameworks

Our **Manifesto In Action** is the foundation on which we build our business, recognizing five key areas that must be in balance in order to achieve sustainability:

- **People:** Being a great place to work where people are inspired to be the best they can be
- **Portfolio:** Bringing to the world a portfolio of beverage brands that anticipate and satisfy people's desires and needs
- **Partners:** Nurturing a winning network of partners and building mutual loyalty
- **Planet:** Being a responsible global citizen that makes a difference by helping build and support sustainable communities
- **Profit:** Maximizing return to shareowners while being mindful of our overall responsibilities

The **Citizenship@Coca-Cola** framework lays out principles for our global Coca-Cola System operations in the workplace, marketplace, environment and community. We review our sustainability efforts according to these four pillars, which form the main body of this Sustainability Report.

The **Coca-Cola Management System (TCCMS)** is our global quality management system, integrating our approach to product quality, environmental impact and health and safety. It has been externally benchmarked against international standards in quality (ISO 9001), environment (ISO 14001) and occupational health and safety (OHSAS 18001), and reflects the management system requirements of the Global Food Safety Initiative.

Several other frameworks and policies are introduced in greater detail later in this Sustainability Report, including our **Workplace Rights Policy** and **Supplier Guiding Principles**.

Representatives from China sit on global advisory panels to The Coca-Cola Company, including the International Advisory Board, Environmental Advisory Board, Coca-Cola Environmental Council and Beverage Institute Scientific Advisory Council. These forums and their participants help to inform The Coca-Cola Company's international sustainability strategy.

The Coca-Cola Management System (TCCMS)

www.thecoca-colacompany.com/ourcompany/quality_brochures.html

Workplace Rights Policy

www.thecoca-colacompany.com/citizenship/pdf/workplace_rights_policy.pdf

Supplier Guiding Principles

www.thecoca-colacompany.com/citizenship/pdf/SGP_Brochure_ENG.pdf

Sustainability Management

Based on these frameworks, the **China Business Unit Citizenship Council** guides our local approach to sustainability and ensures that related knowledge is shared across business functions. Chaired by Paul Etchells, the Deputy Group President of the Pacific Group, and composed of representatives from key departments, the Citizenship Council provides leadership and convenes regularly to review implementation progress.

We try to foresee risks related to the sustainability of our operations, particularly in relation to our environmental performance. This includes efforts to understand opportunities for improvement, such as by undertaking a sustainable packaging risk analysis (see page 28), as well as proactive steps to mitigate negative impacts, such as our investment in climate-friendly refrigeration (see page 27). While many sustainability improvements also positively affect our bottom line, some require significant capital investment to identify or obtain appropriate resources.

Corporate Governance and Ethics

Coca-Cola China operations are fully integrated into the governance structure of The Coca-Cola Company. More information is available online at www.thecoca-colacompany.com/citizenship

In early 2008, The Coca-Cola Company announced two key changes in corporate governance: the revision of our Code of Business Conduct (“Code”) and launch of a new Code of Business Conduct for Suppliers (“Supplier Code”).

The **Code of Business Conduct** outlines expectations for employees to comply with the law and act ethically in all matters. The Code was revised following a series of focus group discussions

conducted with employees worldwide. The Code remains applicable to all employees of The Coca-Cola Company and its majority-owned subsidiaries.

The **Code of Business Conduct for Suppliers** seeks to extend and clarify similar ethical expectations to our suppliers. The Supplier Code became effective in February 2008 and is included in all new contracts and purchase orders.

Both the Code and Supplier Code highlight the EthicsLine reporting service, through which individuals can confidentially ask questions or report concerns to an independent administering party. The Coca-Cola Company’s Ethics and Compliance Committee and Local Ethics Officers throughout the Coca-Cola China System are responsible for implementation, and work with other departments to conduct audits and training.

Government Engagement

The Chinese government’s policy directive towards building a harmonious society is important to our business. The government’s support for corporate responsibility and circular economy are consistent with our emphasis on sustainability in our operations and our cooperation with partners to address needs in local communities.

On a day-to-day basis, employees from the Coca-Cola China System interact with numerous national and local government representatives about issues related to our business. For example, we routinely work with local environmental agencies on environmental monitoring, assessment and compliance. We are also working with peer companies and industry associations to explore opportunities related to post-consumer waste recycling and responsible marketing.

Code of Business Conduct

www.thecoca-colacompany.com/ourcompany/pdf/COBC_English.pdf

Code of Business Conduct for Suppliers

www.thecoca-colacompany.com/citizenship/pdf/COBC_Suppliers.pdf

EthicsLine

www.KOethics.com

Stakeholder Engagement

We have been building a more systematic framework to reach stakeholders who might not know how to approach us, while better engaging those with whom we already have a relationship. This Sustainability Report and its predecessor are part of this process—a starting point for conversation.



If you drink our beverages, see our advertisements, sell us products or services, buy our products to sell to others, regulate us, benefit from the taxes we pay, work for us or our business partners, and/or care about some aspect of our business or our impact... then you are a stakeholder and we care about your opinions.

Since Coca-Cola China began doing business, we have endeavored to understand the needs and concerns of our diverse stakeholders through:

- Regular meetings between Coca-Cola China and our business partners and customers
- Training and other information sharing with business partners
- Discussions with government officials on business issues related to our industry
- Consultations with our global Environmental Advisory Board, Scientific Advisory Council and other advisory panels, which include distinguished Chinese representatives
- Consumer focus groups and surveys
- A variety of one and two-way employee communications
- Active partnerships with research institutions and civil society organizations
- Participation in forums such as the China Beverage Industry Association (CBIA), China Business Council on Sustainable Development (CBCSD) and Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC)

We want to hear from you! Please help us improve our reporting and sustainability performance by mailing your comments to the address listed inside the back cover or by emailing sustainability@apac.ko.com.

A Snapshot of Our Stakeholder Engagement



Engagement on Sustainability Reporting

Upon its publication, we sent our 2006 Corporate Responsibility Review to employees, business partners, government officials, academics and representatives of civil society focusing on environmental, labor, human rights and other issues. We then met with many of these stakeholders to understand (a) how our reporting could be improved and (b) how our citizenship performance could be improved. Although pleased that our stakeholders applauded our efforts on reporting and transparency, we also received feedback underscoring the need to include more data to illustrate the impact of our policies and commitments, as well as the need to place greater emphasis on workplace rights and human rights. These comments were taken into consideration for the development of this Sustainability Report, as well as in our planning for 2008.

Reaching Out to the Next Generation of Leaders

AIESEC is the world's largest student organization, and aims to serve as a platform for young people to discover and develop their potential so as to have a positive impact on society. We have been impressed by the activities that Chinese university students have undertaken through AIESEC to learn about and promote corporate responsibility.

In 2008, we approached AIESEC and requested assistance with gathering feedback from student members on a draft of this Sustainability Report. As a result, we held a roundtable in early June that gathered together students to critique the draft and ask us questions. The students provided valuable suggestions on how to improve the utility of this Sustainability Report.

Performance Highlights

This table provides a summary of our performance and progress and is structured by our Manifesto In Action and Citizenship@Coca-Cola frameworks.

Workplace		
People	Performance Metric	Our Progress in 2007 and Early 2008
	Governance and Ethics	<ul style="list-style-type: none"> Updated Code of Business Conduct Introduced new Code of Business Conduct for Suppliers Introduced new role of the Local Ethics Officer and raised employee awareness of EthicsLine reporting service
	Employee Engagement and Training	<ul style="list-style-type: none"> Increased training hours over 2006 Analyzed employee survey feedback to guide communications goals and content for 2008
	Workplace Rights	<ul style="list-style-type: none"> Introduced Workplace Rights Policy and Human Rights Statement with training to all employees Completed unionization of all Coca-Cola China operations
	Occupational Health and Safety	<ul style="list-style-type: none"> Provided OHS training for all employees according to their job responsibilities
	Compliance within our Supply Chain	<ul style="list-style-type: none"> Provided Supplier Guiding Principles training for 144 suppliers and 100 Coca-Cola China System procurement managers, plus additional engagement of both bottling partners and suppliers through an annual workshop and roadshow Authorization of 371 supplier facilities through assessment process
Marketplace		
Portfolio	Performance Metric	Our Progress in 2007 and Early 2008
	Product Quality	<ul style="list-style-type: none"> Conducted stringent, routine testing of ingredients and products through implementation of The Coca-Cola Management System
	Providing Choice	<ul style="list-style-type: none"> Expanded our portfolio with Original Leaf tea, Coke Zero and other beverages Announced plans for our Global Innovation and Technology Center for R&D to open in Shanghai in 2009 Invested in The Coca-Cola Research Center for Chinese Medicine at the China Academy of Chinese Medical Sciences
	Responsible Marketing	<ul style="list-style-type: none"> Updated Advertising and Marketing to Children Policy Advocated for International Council of Beverages Association Guidelines on Marketing to Children, including engagement of the China Beverage Industry Association

Environment

Partners / Planet	Performance Metric	Our Progress in 2007 and Early 2008
	Water Use Ratio	<ul style="list-style-type: none"> Made a long-term commitment to safely return to nature an amount of water equivalent to what we use in our beverages and production 2.44 liters / liter of product in 2007 (bottling plants); 9% improvement over 2006 9.35 liters / standard unit in 2007 (concentrate plants); 24% improvement over 2006
	Wastewater Treatment Compliance	<ul style="list-style-type: none"> 100 percent compliance with wastewater effluent standards All 35 bottling plants have implemented water reuse and recovery projects, up from over two-thirds of plants in 2006
	Energy Use Ratio	<ul style="list-style-type: none"> 0.55 megajoules / liter of product in 2007 (bottling plants); 7% improvement over 2006 4.46 megajoules / standard unit in 2007 (concentrate plants); 14% improvement over 2006
	CO ₂ Inventory	<ul style="list-style-type: none"> Approximately 500,000 metric tons of CO₂ emissions from bottling plant direct and indirect energy use Working with WWF to develop carbon action plans for five pilot plants
	Sustainable Packaging	<ul style="list-style-type: none"> Saved 4,705 tons of glass and 9,850 tons of PET through responsible package design Working with government and industry associations to understand and improve post-consumer waste recycling
	Solid Waste Recycling	<ul style="list-style-type: none"> Recycled or reused 61% of solid waste (bottling plants); 3% improvement over 2006 Recycled or reused 72% of solid waste (concentrate plants); 1% improvement over 2006
	Solid Waste Ratio	<ul style="list-style-type: none"> 6.17 grams / liter of product in 2007 (bottling plants); 14% improvement over 2006 68.71 grams / standard unit in 2007 (concentrate plants); 17% improvement over 2006

Sustainable Communities

Partners / Profit	Performance Metric	Our Progress in 2007 and Early 2008
	Community Social Investment	<ul style="list-style-type: none"> Launched two community water stewardship partnerships and a pilot program that aims to improve the standard of living in one of our Project Hope communities Expanded key community programs in education and health and well-being
Partners / Profit	Economic Impact	<ul style="list-style-type: none"> In an academic study, direct and indirect contributions of the Coca-Cola China System in 2007 were found to have: <ul style="list-style-type: none"> Generated approximately CNY 79.1 billion (USD 10.8 billion) in aggregate demand within the Chinese economy Created at least 323,904 jobs throughout its value chain, in addition to its direct employees Directly paid CNY 2 billion (USD 273.8 million) in taxes to the Chinese government, and indirectly generated an additional CNY 3.3 billion (USD 450.4 million) in tax revenue through demand across its value chain

Enriching the Workplace

We aim to provide the best possible workplace environment for our employees. We also seek to positively influence our independent bottling partners and suppliers to share our values in their workplaces, and hope that our encouragement inspires others throughout the value chain.

Key challenges and opportunities:

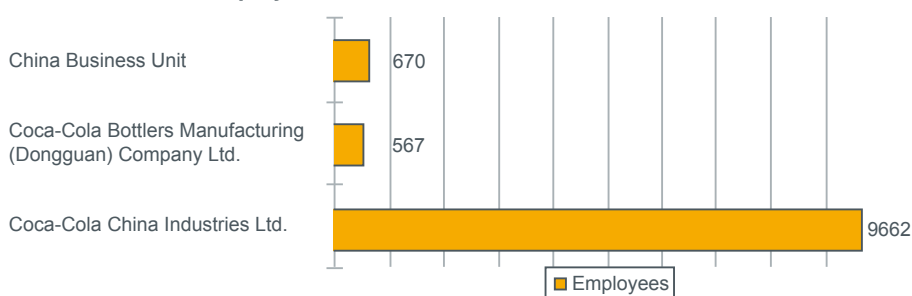
- Workplace rights and fair treatment of employees
- Health and safety performance
- Labor compliance within our supply chain



Our workplace experienced significant transition throughout 2007. With the acquisition of Coca-Cola China Industries Ltd. in late 2006, our direct workforce expanded dramatically from roughly 700 to nearly 10,900 permanent employees. Because of the nature of our business, we also employ short-term and contract workers during peak seasons.

An additional 22,000 permanent employees make up the workforce of COFCO Beverages, Swire Beverages and our bottling partners in Beijing, Shanghai and Zhuhai, and our supplier base employs many more. We communicate our expectations, monitor compliance, provide training and share best practices with these companies.

Coca-Cola China Employees



Workplace Management

Creating a safe and supportive work environment requires the right management systems. Our Global Labor Rights and Workplace Accountability Department drives overall policy governance, development of tools and reporting for workplace issues. Human Resources and other functional departments guide the implementation of workplace policies in our operations, while also sharing best practices with our bottling partners. In 2007, we devoted considerable effort to strengthening the team responsible for the newly acquired CCCIL operations, including the appointment of several seasoned HR practitioners.

Employee Engagement and Training

We use formal and informal methods to communicate with employees and get their feedback, including an open-door policy for discussions with management, posters and newsletters, internal TV and intranet, as well as an interactive roadshow, regular individual and group meetings, an annual employee survey and focus groups.

Our 2007 employee survey reached a representative sampling of Coca-Cola China System employees. Respondents hold an overall positive view of Coca-Cola China, our products and our commitment to sustainability. A majority indicated that they would appreciate greater internal communication, particularly to junior team members, which we are working to address in 2008.

We provide training related to corporate policies, occupational health and safety, job performance, career development and other timely issues, such as the new Labor Contract Law. Some employees also take part in elective training sessions through our virtual Coca-Cola University program to enhance leadership, marketing and other practical workplace skills. China Business Unit employees received an average of 31 hours of training in 2007, CCCIL employees 25 hours and CCBM Dongguan employees 41 hours.

When important changes are planned, we aim to inform employees as early as possible. For example, we will be relocating our China Business Unit headquarters in Shanghai in 2009, and we began a related dialogue with employees in mid 2007.

Our Employee Service Organizations, employee-led committees within the China Business Unit that promote cross-functional interaction among staff, continued to arrange activities such as outings, family days and sports events throughout 2007. These organizations were replaced in late 2007 by labor unions that will continue these activities at the discretion of employees. Many functional teams also continue to organize their own volunteer activities as fun ways to promote teamwork and build morale.

Employee Volunteering: Hands-on Investment

Rather than exchanging holiday gifts, our Accounting team auctions presents to one another. These employee donations fund cleft lip and palate operations by the non-profit Operation Smile—enabling surgeries for 37 children in the past three years, including 10 in 2007. They send Coca-Cola volunteers to assist on-site at the pre-surgery registration and screening, and follow up with the families of the children they support after surgery. Then, the volunteers return to present their experiences and lessons learned to their peers, so that everyone can see the value of their investment.



Salary and Benefits

We aim to ensure fairness in the provision of salary and benefits through the use of a grade pay structure and through annual corporate audits. In 2007 and early 2008, we offered improved healthcare benefits and enhanced our housing subsidy and retention plans for China Business Unit employees.

Supplemental treatment for HIV/AIDS is included in our health insurance plan for China Business Unit employees, while all mainland China employees receive basic coverage through the country's social insurance system. In addition to presentations on health issues, HIV/AIDS educational materials and condoms are available to employees on an ongoing basis.

Diversity and Localization

Coca-Cola China is a highly localized operation, with a strong workforce that understands and responds to local needs. To this end, more than 99.5 percent of our employees are Chinese.

We also aim to ensure that diversity is valued and supported. Our Female Leadership Program aims to support our leaders through self assessment, experiential learning activities,

small group discussion, peer networking and one-on-one coaching.

Workplace Rights

In 2007, The Coca-Cola Company rolled out our Workplace Rights Policy and Human Rights Statement. These affirm our commitment to fostering dignity, fairness and respect for our employees at work and in the communities in which we operate. Both the Policy and Statement codify our efforts to uphold the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact.

Our **Workplace Rights Policy** contains our principles on freedom of association, forced labor, child labor, discrimination, work hours and wages, safe and healthy workplaces, workplace security and community and stakeholder engagement. It applies to all operations of The Coca-Cola Company and its majority-owned entities, guarantees employees the right to confidentially report ethics issues and violations and is enforceable through assessments by an external auditor. Though not bound by the policy, bottling partner Human Resources managers also received training to ensure that they understand our values for the workplace.

Workplace Rights Policy
www.thecoca-colacompany.com/citizenship/pdf/workplace_rights_policy.pdf

Human Rights Statement
www.thecoca-colacompany.com/citizenship/pdf/human_rights_statement.pdf

Our **Human Rights Statement** is our promise to manage our business in accordance with the highest standards of integrity, particularly regarding human rights in the workplace. We uphold this commitment through our Workplace Rights Policy, Code of Business Conduct and related governance and management systems.

All employees of Coca-Cola China received training on the Workplace Rights Policy and Human Rights Statement in 2007, and we are proud to see employees more actively considering their rights as a result. For example, following the training at our Shanghai concentrate plant, employees approached management with a request to establish a union, and thus the Coca-Cola (China) Beverages Ltd. Labor Union was formed in December 2007.

Unionization and Labor Law Compliance

Our employees have the freedom to form labor unions in accordance with local laws without fear of retaliation, repression or any other form of intimidation or discrimination. All Coca-Cola China operations have labor unions, most of which were initiated by employees many years ago. The majority of bottling companies owned by our partners are also unionized.

Our operations were not found to be in violation of labor laws in 2007. We began preparing in 2007 for implementation of China's Labor Contract Law, which came into effect January 1, 2008, by:

- Holding a roundtable meeting of the Corporate Workplace Rights team (including all bottling partners) to better understand the law and share best practices
- Engaging an external legal consultant and establishing an implementation project team
- Reviewing and refining HR policies, procedures and the employee handbook
- Developing and holding training sessions to ensure both managers and employees understand the law
- Providing assistance to suppliers to improve their understanding of the law

Occupational Health and Safety

Occupational health and safety (OHS) performance is governed by The Coca-Cola Safety Management System (TCCSMS), which is an integral part of The Coca-Cola Management System. TCCSMS is aligned with the OHSAS 18001 standards, and all employees receive OHS training appropriate for their job responsibilities.

We also provide clear policies and procedures to minimize potential hazards including poor air quality, excess noise, hazardous materials and security risks. We have an emergency plan in place and provide training to all new hires as well as periodic refresher training sessions.



Assessing Compliance within our Supply Chain

The Coca-Cola China System is supported by product input suppliers and premium suppliers. Product input suppliers provide packaging and ingredients for our beverages, and in some cases package them. Premium suppliers produce marketing materials and promotional items.

Encouraging best practices in the operations of our suppliers depends on effective communication, training, coaching and monitoring. Like most companies, we face challenges in our supply chain; however, we are investing significant effort in both monitoring and training in order to exert positive influence where we are able.

Our **Supplier Guiding Principles** (SGP) are the foundation of our commitment to promote the respect of labor rights among our business partners. The SGP were launched in China in 2003 and are a requirement for all direct suppliers of goods and services to the Coca-Cola China System and all suppliers of materials that are specifically authorized by The Coca-Cola Company for use by our suppliers.

The SGP are included in all supplier contracts, and many suppliers receive training to facilitate implementation. Global policy requires that suppliers be assessed for compliance at least once every three years by an authorized external auditing agency. Where non-compliance is found, we provide a timeframe and offer expertise for corrective action by the facility. We also require follow-up assessments of non-compliant facilities as frequently as every six months.

Supplier Guiding Principles

The SGP emphasize the importance of responsible workplace policies and practices that comply, at a minimum, with applicable local labor laws and environmental laws and regulations. Key components address:

- Laws and regulations
- Child labor, forced labor and abuse of labor
- Freedom of association and collective bargaining
- Discrimination
- Work hours and wages
- Health and safety
- Environment
- Demonstration of compliance

Suppliers have offered positive feedback on the SGP program, including the observation that it supports the transition of their HR teams from an administrative function to a professional department. With implementation of the new Labor Contract Law, feedback has also recognized the value of support to understand relevant laws and compliance.

However, we recognize that some suppliers may view the audit process as time and resource intensive. To alleviate inefficiencies for suppliers who sell to many companies, we are willing to review and accept results of third-party audits completed for other companies with comparable supplier codes, and encourage our suppliers to share our audit results with their other customers.

SGP-Related Training

In 2007, capacity building took the following forms:

- Training for 144 supplier representatives provided in association with an external auditing agency
- Annual workshop and roadshow to bring together bottling partners and suppliers to communicate policies and facilitate best practice sharing
- Training for 100 Coca-Cola China System employees responsible for procurement

Supplier Guiding Principles (SGP)

www.thecoca-colacompany.com/citizenship/pdf/SGP_Brochure_ENG.pdf

Summary of Assessment Results









The goals of our supply chain management process are to protect workers' rights, improve environmental performance and ensure responsible procurement. We believe we can make the most positive impact in our supply chain by engaging non-compliant suppliers and providing them training, support and ongoing monitoring. Through this process of working with non-compliant suppliers and giving them the opportunity for improvement, their employees and surrounding environments will benefit more than if we took our business elsewhere. Of course, there are cases where suppliers refuse to work with us in this process—in these cases, we would terminate the relationship.

As of May 2008, The Coca-Cola Company has completed 2,373 assessments of 1,482 supplier facilities in China (some facilities have been assessed multiple times). These assessments include those initiated by the China Business

Unit and other business units of The Coca-Cola Company worldwide that source from China. Results from follow-up assessments demonstrate a 75 percent reduction in violations, meaning that over 84,000 employees have benefited from safer workplaces and improved standards. Feedback from supplier employees indicates they are pleased with the improvements; an area often noted is improved payroll compliance, including better timekeeping and paid leave. These results demonstrate that suppliers are making positive changes through participation in our SGP program.

Authorized Supplier Facilities⁵

Below is a snapshot of the authorized suppliers to the Coca-Cola China System as of December 31, 2007. This snapshot reveals challenges that are prevalent throughout the supply chain. For us, understanding these challenges has helped us to develop a robust process to systematically address the right issues through our actions.

CURRENT STATUS		ACTION	GOAL
 Fully Compliant	116	<ul style="list-style-type: none"> - Audit again in 3 years - Training and support as needed 	 Fully Compliant
 Minor Non-Compliance	63 e.g., unintentional payroll errors, expired labor contracts or inadequate safety training	<ul style="list-style-type: none"> - Provide timeframe for corrective action - Require facility to certify completion of corrective action in writing - Audit again in 3 years - Training and support as needed 	 Fully Compliant
 Moderate Non-Compliance	144 e.g., systemic minimum wage or overtime pay violations, blocked emergency exits or denial of auditor's access to employees for interviews	<ul style="list-style-type: none"> - Provide timeframe for corrective action - Require facility to provide a corrective action plan - Audit again in 6 months to 1 year - Training and support as needed 	 Fully Compliant
 Significant Non-Compliance	48 e.g., multiple cases of moderate violations that, when viewed collectively, present a critical risk to operations	<ul style="list-style-type: none"> - Provide timeframe for corrective action - Require facility to provide a corrective action plan - Audit again in 6 months, and continue to assess more frequently after initial audit - Training and support as needed - De-authorize if facility fails to demonstrate improvement through repeated audits 	 Fully Compliant

⁵This data is valid as of December 31, 2007 and covers only assessments initiated by the China Business Unit of The Coca-Cola Company. Assessments by other business units from around the world that also source in China are not reflected herein.

Refreshing the Marketplace

We invest in technology and systems to guarantee that our products are of the highest quality, as well as research and development to ensure that our beverages meet consumers' changing tastes and expectations. And we support consumers to choose the product that best fits their hydration needs through informative nutritional labeling and responsible marketing.

Key challenges and opportunities:

- Beverage choice
- Responsible marketing



Management and Quality Assurance

The Coca-Cola Company maintains rigorous quality control practices, both for our ingredient suppliers and at our bottling plants. All of the ingredients used in products of The Coca-Cola Company are safe and comply with relevant regulations everywhere our beverages are produced. We use sophisticated analytical testing methods to ensure the purity and quality of ingredients used worldwide.

The Coca-Cola Management System (TCCMS) incorporates the Hazard Analysis Critical Control Point (HACCP) and Good Manufacturing Process (GMP) systems and mandates standard operating procedures for the entire product lifespan: materials procurement, water sourcing and testing, mixing and blending, container preparation, product processing and container filling, finished product testing and release, warehouse and distribution, merchandising, and customer and consumer feedback.

TCCMS audits of quality systems and processes are scheduled for both bottling partners and certain suppliers on the basis of risk assessment. China Business Unit Quality Assurance also tests product, ingredient and packaging samples on a regular basis, working with external laboratories where appropriate.

A final step in quality assurance is listening and responding to our customers and consumers. Our bottling partners independently manage telephone hotlines to receive feedback and inquiries. We have multiple hotlines nationwide to ensure that concerns are heard and addressed efficiently by the business closest to the issue. In 2007, we received 420,000 calls about general company and product information, promotion rules and redemption, and product and customer service complaints.

Well-Being and Choice

We believe that it is our responsibility to provide consumers with a wide range of beverages—as well as accurate information—to enable them to choose the most appropriate beverages for themselves and their children. We have also initiated programs to promote active lifestyles among urban youth, as well as provide improved nutrition for rural children (see page 32).

Providing Choice Now

We offer a range of beverages that provide consumers with choices to meet their hydration needs in the manner that best fits their tastes and lifestyles. Our beverages are available in a variety of portion sizes to allow consumers to manage their consumption.

Still beverages, such as juice, juice drinks, water and tea are an increasingly large part of our portfolio. In 2008, we are expanding our low- and no-calorie portfolio with the launch of **Original Leaf** tea and **Coke Zero**, which offers authentic **Coca-Cola** taste with zero calories.

A Sample of Our Product Portfolio



Investing in Choice for the Future

In July 2007, we announced a USD 80 million investment in a new facility in Shanghai, which will include a global research and development center. This **Global Innovation and Technology Center** will be one of six key R&D centers worldwide and will drive innovation and product development in China and other markets. The facility, scheduled to open in 2009, will employ approximately 200 people.

In late 2007, The Coca-Cola Company and the China Academy of Chinese Medical Sciences (CACMS) launched **The Coca-Cola Research Center for Chinese Medicine** in Beijing. We

hope that the research supported by this center will increase understanding of the preventative healthcare and holistic benefits of traditional Chinese medicine (TCM) and strengthen the innovation of beverages that support well-being. The Research Center is part of a 15-year collaborative relationship between the Beverage Institute for Health and Wellness (see page 20) and CACMS that began in 2005. CACMS is overseen by the State Administration of Traditional Chinese Medicine under the Ministry of Health and is the foremost entity engaged in research, education and practice in TCM.

The Beverage Institute for Health and Wellness, established by The Coca-Cola Company in 2004, is responsible for evaluating emerging wellness trends and ingredients, conducting clinical research related to our beverages and overseeing research programs that lay the foundation for the development of new beverages to meet the nutritional and wellness needs of consumers. The Beverage Institute is guided by our team of nutrition, medical and technical scientists in consultation with an external Scientific Advisory

Council, which includes scientists and physicians affiliated with some of the world's most prestigious research organizations.

The Beverage Institute aims to serve as a resource for health professionals and members of the general public who are interested in the science of beverages and their role in health and well-being. More information on these issues, including hydration tips and ingredients knowledge, is available on its website.

Nutrition Labels

We believe that consumers need access to nutrition facts, so we voluntarily began printing nutrition information on all of our products in 2003. Our labels indicate energy, protein, fat and carbohydrate content in both Chinese and English and adhere to guidelines issued by the Food and Agriculture Organization and the World Health Organization.

Responsible Marketing

While our portfolio offers beverages appropriate for people of all ages, we appreciate that parents and caregivers are best equipped to choose the beverages that their children consume. The Coca-Cola Company has had a policy in place for more than half a century that prohibits the marketing of sparkling, full-calorie soft drinks to children under age 12.

In 2008, The Coca-Cola Company broadened our **Advertising and Marketing to Children Policy** to include all beverages, so that children under age 12 will not be directly targeted by any of our marketing messages in traditional advertising media. The Coca-Cola China System adheres to this global policy, and we communicate with our bottling partners regarding implementation.

We recently advocated and supported the adoption of International Council of Beverages Association (ICBA) Guidelines on Marketing to Children, which set a baseline for the responsible marketing of beverages across the industry internationally. We engaged the China Beverage Industry Association (CBIA) in this process, and CBIA and its members fully endorse the ICBA guidelines.



The Beverage Institute for Health & Wellness
www.beverageinstitute.org

ICBA Guidelines on Marketing to Children

- Apply to all beverages other than water, fruit juice and dairy-based beverages
- Exclude products formulated to address critical nutritional deficiencies and which, with agreement of national authorities, may be part of a campaign to improve children's health
- Stipulate commitment not to place marketing communication for relevant beverages in any paid, third-party media whose audience consists of 50 percent or more of children under age 12
- Recognize need to review other forms of marketing practices (e.g., use of licensed characters, sponsorships) and require companies to undertake review by the end of 2009

Cause-Related Marketing

In addition to ensuring that we engage in responsible market practices, we also aim to leverage our marketing expertise to contribute to society. Cause-related marketing is still relatively new to China and provides an exciting opportunity to use our skills to promote public awareness of important issues, while building goodwill for our brand.

Our 2007 cause-related marketing campaign in support of the Special Olympics is described on page 35.

During the Olympic Games in 2008, we will mobilize support for our Water and Sanitation for Schools initiative (see page 25) through sales of Coca-Cola “Drops of Hope” pins made of recycled scrap metal from the National Stadium (Bird’s Nest). CNY 5 (USD 0.68) from each pin sold will benefit the program.



Advertising and Marketing to Children Policy

www.thecoca-colacompany.com/citizenship/responsible_marketing.html

ICBA Guidelines on Marketing to Children

www.thecoca-colacompany.com/citizenship/icba.html

Preserving the Environment

Our goal is to be a responsible global citizen that makes a difference by helping build and support sustainable communities. We are continuously working to set standards for best practices in our operational performance, while also catalyzing broader action by the community and business sectors.

Key challenges and opportunities:

- Water stewardship
- Energy management and climate protection
- Sustainable packaging and recycling



This section addresses our performance based on data from our production facilities—35 bottling plants, including those owned by both Coca-Cola China and our independent bottling partners, and two concentrate plants. Key community partnerships in watershed protection and related initiatives are featured on pages 24-25.

Management

The environmental element of The Coca-Cola Management System, known as **eKOsysteM**, guides our operations according to the ISO 14001 standard and additional requirements tailored to our business. Each bottling and concentrate plant in the Coca-Cola China System is audited to ensure compliance, and environmental performance data is gathered from all plants on an annual basis.

At a minimum, all plants in the Coca-Cola China System are expected to adhere to relevant local laws and regulations. In 2007, we recorded a single incident of non-compliance with environmental regulations: our CCCIL bottling plant in Yunnan was fined CNY 50,000 (USD 6,845)⁶ for installing a new production line before fully completing the relevant environmental impact assessment (EIA). The situation has since been resolved: the EIA was completed satisfactorily, the fine was paid and relevant managers have been instructed to ensure that EIAs are completed on time in the future. There were no other significant cases of non-compliance or environmental accidents.

eKOsysteM

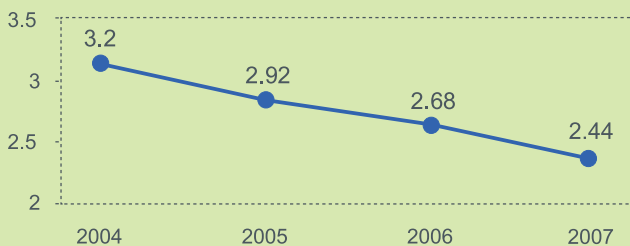
www.thecoca-colacompany.com/citizenship/eKOsysteM.pdf

⁶Currency conversions are calculated at the December 31, 2007 exchange rate of USD 1 : CNY 7.3046.

Metrics and Measurements

The key metrics of water use ratio, energy use ratio and solid waste ratio are all indicators of efficiency—the lower the value, the better we are doing. We understand that the data below would be more useful to readers if it were presented in a broader context of industry performance. We therefore encourage peer companies in China to share information on their environmental impacts.

Water Use Ratio (Efficiency) for bottling plants *liters* / liter of product*



**includes water used in production and in the final product*

Bottling Plants

- 2007 Water Use Ratio: 2.44 liters / liter of product
- Improvement over 2006: 9%
- 2008 Target: 2.20 liters / liter of product

Concentrate Plants

- 2007 Water Use Ratio: 9.35 liters / standard unit⁷ of concentrate
- Improvement over 2006: 24%
- 2008 Target: 8.88 liters / standard unit of concentrate

Water Stewardship

Water is the main ingredient in all of our beverages. It is key to our manufacturing processes and has broad impacts for our supply chain. Addressing water scarcity and enhancing water quality for our operations and the communities we serve are direct and vital business concerns.

In June 2007, we announced a goal to return to communities and nature an amount of water equivalent to what we use in all of our beverages and their production. This means reducing the amount of water used to produce our beverages, recycling water used for manufacturing processes so that it can be returned safely to the environment and replenishing water in communities and nature through locally relevant projects.

Our global water stewardship strategy is built on four pillars that combine local actions in our bottling plants with global advocacy and leadership: plant

performance, watershed protection, community water initiatives and global awareness and action.

Plant Performance

Much of the water we use goes to hydrating the millions of people who consume our beverages each day. To accurately reflect our water efficiency, we include the water content of our beverages in our calculation of total water use.

All Coca-Cola China System bottling and concentrate plants met wastewater effluent standards of The Coca-Cola Company and local governments in 2007, meaning that discharged water is capable of supporting aquatic life. Of these, 12 plants have implemented in-line wastewater monitoring systems, which continuously track wastewater quality rather than rely on in-person tests. All bottling plants have implemented water reuse and recovery projects.

⁷Bottling and concentrate plant efficiency data are not directly comparable. We measure concentrate and beverage base production by using an internal measure known as a "Standard Unit of Concentrate". The denominator in the ratios for concentrate and beverage base production is calculated on the basis of the average amount of finished product (e.g., carbonated soft drink) that can be made using a Standard Unit of Concentrate (the exact amount may vary from one product to another).



WWF Partnership

We are engaged in a multi-year partnership with WWF⁸ to combine our international strengths and resources to help conserve freshwater resources. Together we are working to:



- Conserve seven key freshwater river basins around the world
- Improve the efficiency of our system's water use
- Support more efficient water use in our supply chain, beginning with sugar production
- Decrease our carbon dioxide emissions and energy use
- Inspire a global movement engaging industry and individuals to support the conservation of freshwater ecosystems, species and water resources

Watershed Protection

Yangtze River Basin Conservation

An integral part of our WWF partnership is the work we are doing in the Yangtze River Basin. Considered the lifeblood of China, the Yangtze River runs through the country and is the water source for more than 400 million Chinese people and countless fish and wildlife species. Today, the environmental health of this vital region is at risk. Steps we are taking with WWF to conserve the Yangtze River Basin include:

- Environmental survey of the Min and Jialing Rivers to establish benchmarks and assess environmental needs of these tributaries
- Development and training of local residents on a Yangtze River Basin Scorecard that raises awareness and actively engages them in tracking environmental indicators over time
- Supporting development of the Yangtze Conservation and Development Report 2009 with the Chinese Academy of Sciences to provide information and recommendations related to the health of the Yangtze River, a summary of which was read by over 300,000 netizens
- Sponsoring the Corporate Sub-Forum of the 2nd Yangtze Forum, which brought together government, civil society and industry to discuss issues related to the Yangtze River Basin
- Sponsoring WWF's Wetland Ambassador Action program to raise environmental awareness amongst college students interested in protecting the Yangtze River, achieving the following in 2007:
 - Engaged 352 students and 46 teachers in empirical research and raising of public awareness
 - Reached 13 provinces and municipalities that include 25 water resource areas
 - Directly reached 70,000 Yangtze River Basin residents and indirectly reached 450,000 more through media communications

Now that we have established benchmarks and finished assessments, we look forward to our continued work with WWF to demonstrate quantifiable improvements in this vital watershed.

Community Water Initiatives

We support programs that identify and address local needs, ranging from access to drinking water to public awareness of water conservation issues. Since 2005, The Coca-Cola Company and our bottling partners worldwide have developed over 100 projects in 49 countries that have completed, are in progress or will launch in 2008. Highlights from our China initiatives follow.

⁸WWF is known as the World Wide Fund for Nature in China and the World Wildlife Fund in some locations overseas.

Water Resources Management and Drinking Water Safety in Rural China

This innovative public-private partnership to improve water access and sanitation was launched in 2007 between the United Nations Development Programme (UNDP), Ministry of Water Resources (MWR), China International Center for Economic and Technical Exchange (CICETE) under the Ministry of Commerce and The Coca-Cola Company. Each partner represents a different pillar of society, and they have come together to address pressing issues in four water-stressed areas: Heilongjiang, Liaoning, Sichuan and Xinjiang.

The Coca-Cola Company has committed over USD 1 million to this four-year project, for which donations from all partners total USD 6.8 million. The program aims to improve policy mechanisms by demonstrating a series of sound approaches to water rights management, water resources allocation and drinking water safety technologies, including rebuilding of drainage pipelines and application of ecologically sustainable agricultural technologies for water conservation.

Save a Barrel of Water

We continued this water conservation education campaign for a third year in partnership with the Beijing Organizing Committee for the Games of the XXIX Olympiad, Beijing Youth League, Beijing Young Pioneers and *The First* newspaper. Students were challenged to become water conservation ambassadors in their homes and their schools. Participating media featured weekly water-saving tips and the imaginative work of students who submitted diaries, paintings, essays and inventions to share their own methods of conserving and reusing water. The 2007 program not only engaged students at 1,400 Beijing elementary schools, but was expanded to 15 other cities, including all of the Olympic co-host sites, reaching roughly 250,000 people. We plan to grow the program to reach 500,000 students in 2008.

Rainwater Harvesting

Our rainwater harvesting program, launched in partnership with the China Soong Ching Ling Foundation in 2006, has built rainwater storage facilities, water pump stations and water pipelines in 12 villages in Pengyang County, Ningxia Autonomous Region. These facilities help to

Water and Sanitation for Schools

An important component of our partnership with UNDP, MWR and CICETE is the Water and Sanitation for Schools project, which seeks to:

- Improve water access in schools to provide students safe and clean drinking water
- Improve sanitation and hygiene conditions
- Raise students' awareness of water safety and water resource protection
- Use schools as entry points for families and communities for further water sustainability education
- Raise awareness of the importance of education for vulnerable groups and minority areas
- Call on other enterprises to help provide safe drinking water and sanitation for rural schools
- Establish a model for water access, adequate sanitation and hygiene education in rural schools that can be easily replicated and scaled-up

alleviate water shortages for 4,200 local farmers in one of China's most impoverished areas, where per capita water resources are just one-eighth the national average.

Global Awareness and Action

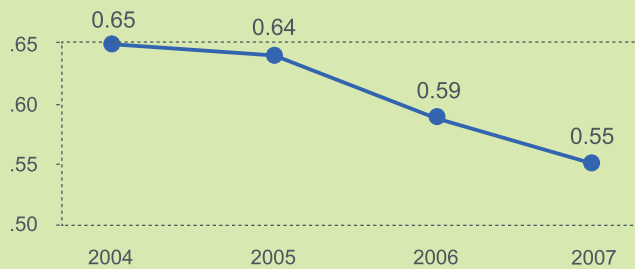
We hope to inspire other stakeholders to take action through our Community Water Initiatives, as well as global commitments made by The Coca-Cola Company.

In 2006, the Global Water Challenge (GWC) was founded with start-up support from The Coca-Cola Company. GWC works to consolidate efforts and mobilize the international community to meet the world's water challenges.

In 2007, The Coca-Cola Company was among the first companies to endorse the CEO Water Mandate, a joint initiative of the UN Global Compact and the Government of Sweden. By signing the CEO Water Mandate, we have pledged to make progress in six areas: direct operations, supply chain and watershed management, collective action, public policy, community engagement and transparency.



Energy Use Ratio (Efficiency)
for bottling plants
megajoules / liter of product



Bottling Plants

- 2007 Energy Use Ratio: 0.55 megajoules / liter of product
- Improvement over 2006: 7%
- 2008 Target: 0.49 megajoules / liter of product

Concentrate Plants

- 2007 Energy Use Ratio: 4.46 megajoules / standard unit of concentrate
- Improvement over 2006: 14%
- 2008 Target: 4.01 megajoules / standard unit of concentrate

Energy Management and Climate Protection

We are committed to reducing our energy use and emissions by identifying opportunities for improvement in our production processes, cold-drink equipment and distribution network.

Plant Performance

Coca-Cola China System plants are exploring a variety of approaches to energy management and climate protection, ranging from reclaiming biogas from wastewater treatment processes to use as fuel for heating boilers, to offsetting carbon dioxide (CO₂) emissions by participating in programs run by organizations such as the Jane Goodall Institute.

In 2007, the Coca-Cola China System's inventory of CO₂ emissions from bottling plant energy use totaled approximately 500,000 metric tons. This data, calculated using the Greenhouse Gas Protocol tools defined by the Intergovernmental Panel on Climate Change, reflects both direct and indirect emissions of CO₂ from energy consumption. It does not include emissions of the cold-drink equipment used throughout our value chain or that of the distribution fleets that transport our beverages.

We are currently working with WWF to develop carbon action plans for five pilot plants in the Coca-Cola China System. We anticipate that this approach to energy management and climate protection and the measures implemented in these locations will be replicable in other plants.

Cold-Drink Equipment

Our beverages taste best when chilled, so they are usually kept in coolers prior to serving. Recognizing that this cold-drink equipment is the largest contributor of greenhouse gas emissions from our business, The Coca-Cola Company has prioritized investment—nearly USD 40 million to date—to identify and test innovative refrigeration technologies that significantly reduce climate impact. The two key technologies that we are in the process of introducing are:

- **HFC-free refrigeration:** Hydrofluorocarbons (HFCs) are greenhouse gases commonly used as refrigerants and as blowing agents in insulation foam. Today, HFCs represent only 2 percent of the climate change problem, but they are forecast to grow to 8 percent by 2050. Although CO₂ is also a greenhouse gas, we have found that it can act as an appropriate, natural and climate-friendly cooling agent that is 1,300 times less potent than HFCs
- **Energy Management System (EMS-55):** We have developed an innovative, proprietary technology system that monitors equipment-use patterns and self-adjusts energy flow, thereby improving energy efficiency by up to 35 percent

In 2007, we pledged that 100 percent of the vending machines and coolers—5,658 units in total—provided by the Coca-Cola China System to official venues of the Beijing 2008 Olympic Games will feature HFC-free refrigeration and our EMS-55 technology. Over an approximate 10-year lifespan, these units will represent a reduction of approximately 40,000 tons of CO₂-equivalent greenhouse gases, comparable to taking about 194,000 cars off the road for two weeks during the Games.

Our commitment to reducing emissions from our cold-drink equipment extends beyond the Olympic Games. In May 2008, The Coca-Cola Company pledged to purchase

Taking Leadership in Climate Protection

The global Coca-Cola System accounts for only 1 percent of refrigeration technology purchases worldwide. So in order to drive the change to natural refrigerants, we are taking action to mobilize our peers.

In 2004, The Coca-Cola Company launched a multi-stakeholder initiative called "Refrigerants, Naturally!", which aims to raise awareness of natural refrigerants and provide a forum to share experience among businesses and nongovernmental organizations.

We are still grappling with the challenge of making natural refrigerant technologies commercially viable. CO₂ refrigeration is significantly more expensive than HFC refrigeration, primarily because its production scale is still small. As more companies join us to buy climate-friendly equipment, we expect it to become easier and more cost-effective to deploy this technology through our operations worldwide.

and deploy 100,000 CO₂ coolers globally by the end of 2010. Highlights of our efforts to upgrade new and existing equipment in China include:

- Nearly one-quarter of units in the market at the end of 2007, and three-quarters of new units introduced in 2007, are equipped with EMS-55 technology
- One hundred percent of new equipment introduced in 2007 is free of HFC insulation
- In 2008, we will reduce energy consumption of certain older models in the market by an estimated 15 percent by improving cabinet insulation thickness and refrigeration design flow rates

Refrigerants, Naturally!
www.refrigerantsnaturally.com

Distribution Network

The Coca-Cola China System owns approximately 2,100 vehicles for distribution purposes, but these represent only a fraction of the fleet that carries our products. Due to the geographic reach of our distribution, we rely on third-party carriers. Although this contributes to local economies in remote areas, the complexity and scope of this distribution model present a challenge to fully assessing fuel efficiency and CO₂ emissions across the entire network, as well as to influencing the environmental performance of our third-party carriers.

Where we have influence, we are taking steps to address the environmental impact of distribution. In 2007, we expanded our Eco-Driving training program to mainland China in an effort to share practical methods for improving fuel economy with fleet managers and drivers. Participants from Coca-Cola China and our bottling partners, as well as third-party carriers, joined training sessions in Beijing and Shanghai. Eco-Driving techniques include switching off the engine at long stops, ensuring proper vehicle maintenance and anticipating traffic flow.



Sustainable Packaging and Recycling

The Coca-Cola Company rolled out a global Sustainable Packaging Framework in 2005 to serve as a management guide built around the practices of:

- **Reduce:** use less
- **Recover:** collect more
- **Reuse:** use again
- **Inspire:** foster change

We consider each of these factors in our packaging design, while also maintaining safety, quality and innovation.

Packaging Design

Through lighter weight, more efficient Ultra Glass and PET packaging designs, 4,705 tons of glass and 9,850 tons of PET were saved in 2007, compared to the prior versions. We also reduced aluminum and plastic closure material usage by upgrading packaging design.

Where regulations allow and appropriate reclaimed resources are available, we explore the use of recycled materials in our packaging. Our glass bottles contain recycled materials, comprising approximately 25 and 35 percent content in our

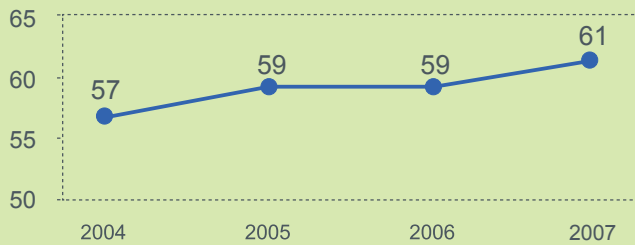
Types of Primary Packaging

- polyethylene terephthalate (PET) bottles
- aluminum cans
- steel cans
- glass bottles
- flexible packs (incl. paper, pouch packs)
- plastic cups
- plastic closures
- tin-free steel (TFS) crowns

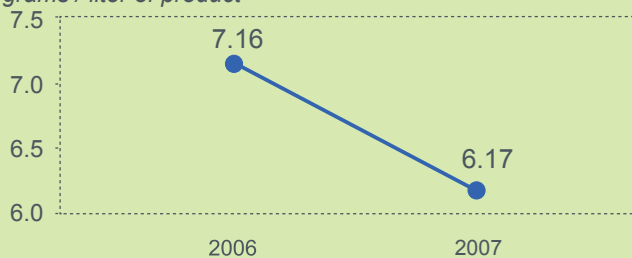
flint and green glass bottles, respectively. In China, regulations currently prevent the use of recycled content in PET bottles.

As part of our Sustainable Packaging Framework implementation, we undertook a sustainable packaging risk analysis in cooperation with key bottling partners. Through this, we identified potential challenges and opportunities in material use and product design that are helping us to strengthen the quality, safety, innovation and consumer-friendliness of our packaging materials.

Average Recycling Rate
for bottling plants
% of solid waste recycled



Solid Waste Ratio*
for bottling plants
grams / liter of product



**data not comparable prior to 2006 due to change in data calculation methods*

Bottling Plants

- 2007 Solid Waste Ratio: 6.17 grams / liter of product
- Improvement over 2006: 14%
- 2008 Target: 5.80 grams / liter of product
- 2007 Percentage of Waste Recycled: 61%
- Improvement over 2006: 3%
- 2008 Target: 68%

Concentrate Plants

- 2007 Solid Waste Ratio: 68.71 grams / standard unit of concentrate
- Improvement over 2006: 17%
- 2008 Target: 65.27 grams / standard unit of concentrate
- 2007 Percent of Waste Recycled: 72%
- Improvement over 2006: 1%
- 2008 Target: 76%

Post-Consumer Recycling

In China, aluminum cans, glass and PET bottles are commonly recycled because they have economic value: individuals collect these items and sell them to recycling facilities as a means of earning their living. Local industry association research has estimated these systems to be over 90 percent effective in reclaiming such packaging materials.

Coca-Cola China is working with the Chinese government, industry associations and related companies to explore opportunities to improve the post-consumer recycling system and ensure its sustainability over the long term. We also support various recycling efforts by our bottling partners. For example, our bottling partners in Guangdong and Guangxi provinces support post-consumer can-to-can recycling of aluminum by selling used cans to a neighboring company for reuse. Our

bottling partner Swire Beverages is encouraging public engagement regarding recycling in Hong Kong via PET bottle collection programs and unique reverse vending machines that reward consumers for returning used packaging.

Solid Waste from Production

We aim to control the amount of solid waste output from our production and packaging processes by reducing the waste created, while also increasing the proportion that is recycled. As recycling systems differ in China and other markets, we educate our own employees and bottling partners about best practices, through methods such as supporting the development of an instructive film about local solid waste recycling systems.

Supporting Sustainable Communities

We invest in building sustainable communities as the foundation for sustainable growth. Our operations create positive direct and indirect economic impacts. In order to maximize the value of our contributions, we focus community investment efforts in three areas: water stewardship, education and health and well-being.

Key challenges and opportunities:

- Support for local economy
- Water stewardship
- Education
- Health and well-being



Economic Impact

Since 1979, the Coca-Cola China System has invested over CNY 12 billion (USD 1.6 billion)⁹ in building our operational infrastructure. Beyond this direct investment, our business model creates work opportunities and economic benefits for local communities. Across the Coca-Cola China System, we have over 900 sales centers, 9,000 sales representatives, 10,000 distributors, 65,000 wholesalers and 1.5 million customers comprised of businesses ranging from small street corner convenient stores to large chain retailers, as well as hundreds of companies that are suppliers to our operations. Our business contributes to the livelihoods of those employed throughout our value chain.

Professor Ping Xinqiao, a noted economist at Peking University's China Center for Economic Research, conducted a study of the economic impacts of the Coca-Cola China System on the Chinese economy in 2007. He concluded that for the year 2007 alone, when direct and indirect contribution is calculated, the Coca-Cola China System:

- Generated approximately CNY 79.1 billion (USD 10.8 billion) in aggregate demand within the Chinese economy¹⁰
- Created at least 323,904 jobs throughout its value chain, in addition to its direct employees
- Directly paid CNY 2 billion (USD 273.8 million) in taxes to the Chinese government, and indirectly generated an additional CNY 3.3 billion (USD 450.4 million) in tax revenue through demand across its value chain

Professor Ping notes, "I have closely followed The Coca-Cola Company's economic impact on China for more than a decade. During this period, the Coca-Cola China System has acted as an important economic stimulant to the rapid growth of the Chinese economy in areas including employment opportunities provided, tax revenues generated and business opportunities created throughout its value chain. Furthermore, as a leading global company, the business culture, practices, values, standards and technologies of The Coca-Cola Company have positively impacted the development of these critical areas in the businesses throughout Coca-Cola China

⁹Currency conversions are calculated at the December 31, 2007 exchange rate of USD 1 : CNY 7.3046.

¹⁰Aggregate demand is inclusive of demand from the Coca-Cola China System and the demand generated through its upstream and downstream value chain.

System's value chain and beyond. Ultimately, both through its measurable economic impacts and its irrefutable social impacts, the Coca-Cola China System will continue to make substantial contributions to the building of China's harmonious society."

Community Investment

In addition to our commitments to operating our business responsibly, we are also continuously investing in building sustainable communities as the foundation for sustainable growth. The Coca-Cola China System has contributed more than CNY 60 million (USD 8.2 million) to support national and regional social programs. In order to increase our impact, we focus our efforts in three areas: water stewardship, education and health and well-being.

This Sustainability Report provides updates on our community programs in 2007. For more in-depth background information about these ongoing programs, please refer to our 2006 Corporate Responsibility Review.

Along with these regular programs, we also remain prepared to step in during emergencies. For example, in response to the winter storms in southern and central China in early 2008 and the Sichuan earthquake in May 2008, the Coca-Cola China System contributed funds to relief agencies and donated millions of bottles of water.

Management

We aim to identify the most pressing community concerns and invest in the community where we

can provide the most effective financial, technical and volunteer support. The China Business Unit Citizenship Council oversees our community programs, which are managed and monitored by various departments. Our bottling partners are also actively involved in supporting program implementation, monitoring and feedback.

In addition to large-scale projects, we also encourage business departments to identify and support community programs in order to build team spirit and morale.

Education

The Coca-Cola China System's collaboration with Project Hope, run by the China Youth Development Foundation (CYDF) to enhance educational opportunities for underprivileged rural children, is now one of the longest-running partnerships in China. Since 1993, we have built 58 Project Hope primary schools and 100 Project Hope libraries to reach over 60,000 students and 1,200 teachers in 27 provinces. Over 3,700 primary school students graduated from our Project Hope schools in 2007. On an ongoing basis, Coca-Cola China and our bottling partners contribute to the infrastructure of the schools and support students through a variety of programs.

Teacher Training

We organized our 8th annual teacher training program in Shanghai in August 2007. Teachers from 56 Coca-Cola Project Hope schools honed their skills on topics such as school management and Internet research techniques. Since 2001, a total



2006 China Corporate Responsibility Review

www.coca-cola.com.cn/commitment

of 748 teachers have participated in the program and moved on to share their new knowledge and methods with their communities.

e-Learning for Life

Throughout 2007, we began upgrading and refurbishing the 30 e-learning centers and 55 multimedia classrooms established at Coca-Cola Project Hope primary schools from 2001 to 2005. We are committed to providing new computer equipment and software to these e-learning centers in order to ensure that 25,000 teachers and students in rural areas continue to have fun and dynamic access to the most up-to-date educational resources. The e-learning centers also help other community members, including local farmers, to access important online information, such as weather conditions and agricultural data.

Rural University Student Scholarships

With our bottling partners, we have provided four-year university scholarships to more than 1,200 rural students since 1999, in coordination with CYDF and *China Youth Daily*. In 2007, 526 university students whom we began sponsoring in 2003 successfully graduated from 83 universities across the country. Participants are also offered summer internships and English-training opportunities to improve their employability after graduation. During school holidays, the students are encouraged to tutor younger students at Project Hope primary schools, instilling the spirit of giving back to the community.

Hope Stars

The Coca-Cola China Hope Star Scholarship program, created with CYDF in 2002, provided financial assistance in 2007 to 450 outstanding middle school students from 98 schools and 206 high school students from 63 schools. The program not only enables students to continue their studies, but also supports Project Hope to develop methods for teaching students from diverse areas and different ethnic backgrounds. We are proud to enable our Hope Stars to feel confident about their futures.

New Village Project

In 2007, we launched the New Village Project in Hanfeng Village, Hunan province, a community where we built a Project Hope primary school in 2002. The goal of the New Village Project is to

expand our focus beyond the classroom to improve the standard of living for Project Hope students, their families and other community members. This project will help to develop community access to clean drinking water, marsh-gas for cooking and heating, advanced agricultural training, medical services and cultural and recreational facilities.

Health and Well-Being

Poor nutrition and increasingly sedentary lifestyles pose serious health threats. In China, rates of obesity and diabetes are growing rapidly in cities, whereas malnutrition remains a challenge in some rural areas. In 2007, we further expanded our programs to enhance student health so that children can focus on their education without being impacted by the detrimental effects of malnourishment, inactivity and disease.

Happy Playtime

We continued to scale up our Happy Playtime active lifestyle program, initiated in 2006 in partnership with the Chinese Care About the Next Generation Committee (formed by 12 government ministries and departments). The program promotes fun and creative forms of physical exercise in schools, in line with the government's ten-year China School Campus Healthy Action initiative. In 2007, Happy Playtime reached 550,000 primary school students in 19 cities. In 2008, we expect to expand the program to reach 1.7 million students in 22 cities. We will also seek greater participation from our bottling partners, growing involvement from 13 bottling companies in 2006 to at least 20 in 2008.

Health Journey

Since Project Health Journey was launched in 2005, 24,000 rural students and teachers in 53 Coca-Cola Project Hope schools have been provided with improved sanitation, safe drinking water and soy milk powder developed by our researchers specifically to provide needed nutrients. In addition, we have helped to renovate kitchen and sanitation facilities for over 7,000 students and teachers in 18 Project Hope schools. In 2007, we contributed nearly CNY 2 million (USD 273,800) for the above projects and well-drilling costs at four schools, in addition to supplying first-aid kits, donating cups for student use, and providing soy milk powder to AIDS-impacted orphans in Yunnan.

HIV/AIDS Awareness, Prevention and Care

The HIV/AIDS pandemic has seriously impacted the lives of millions of people around the world. Based on our experience elsewhere, we believe that China has an urgent opportunity to prevent a widespread epidemic. We are taking action to educate employees within our operations and encourage others in the business community to do the same. In the community, we support programs to build awareness and assist those whose lives have been impacted by the virus.

Chinese Foundation for Prevention of STDs and AIDS

Since we began collaborating with the Chinese Foundation for Prevention of STDs and AIDS in 2005, our national HIV/AIDS awareness and prevention campaign has reached an estimated 80 million people. The program provides basic knowledge of HIV/AIDS prevention through distribution of pamphlets, posters and VCDs in more than 100 cities and counties, as well as exhibitions in 10 cities per year.

We also support the AIDS-Impacted Orphan Care Program, launched in 2006 with the Foundation and the Ruili Women's Association, which currently assists 387 orphans and their extended or foster families in 75 villages in Ruili and 106 villages in Baoshan, Yunnan province. The program subsidizes daily living, education and healthcare expenses, helping the children to develop a sense of independence, confidence and community belonging.

In November 2007, Coca-Cola China sponsored the 6th Gary Player Classic, a charity golf tournament

put on by the Foundation in partnership with The Player Foundation, established by renowned golfer Gary Player to support underprivileged children. Nearly CNY 2 million (USD 273,800) was raised to support educational and healthcare projects for AIDS-affected children in Yunnan province. Support for the tournament will continue in 2008.

Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria

We seek creative ways to reach communities in need, such as migrant workers who may lack awareness of how to prevent the spread of HIV/AIDS and other serious diseases. In 2007, we supported an HIV/AIDS awareness and prevention campaign in partnership with the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) by distributing 100,000 decks of educational playing cards to migrant workers in six major cities in China, as well as to Coca-Cola China System employees. Each of the deck's 54 cards is embossed with a different educational message.

Beginning in July 2007, we joined other companies, as well as media, NGOs, government departments and UN agencies to support GBC's China HIV/AIDS Media Partnership (CHAMP). CHAMP seeks to mobilize the communication power of mass media and commercial marketing to raise awareness and reduce stigma and discrimination against people living with HIV/AIDS. Following an extensive situation analysis, CHAMP is developing messages to be broadcast on 71 TV stations in 25 Chinese provinces, potentially reaching 741 million viewers.

2007 Corporate Responsibility Awards and Recognition

- China Charity Award for the AIDS-Impacted Orphan Care Program (Ministry of Civil Affairs, March 2007)
- China's Top 10 Charitable Enterprises Award (*China Philanthropy Times*, April 2007)
- Award for Business Excellence—Community (Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, June 2007)
- CSR Multinationals Award (*Guangming Daily*, September 2007)
- Finalist Award for CSR Program Excellence (American Chamber of Commerce in Shanghai, October 2007)
- CSR Award for Excellence and Outstanding Contribution (China Association of Enterprises with Foreign Investment, November 2007)
- Guangcai CSR Award for Outstanding Contribution (All-China Federation of Industry & Commerce and Hunan Municipal Government, November 2007)
- U.S. Secretary of State's 2007 Award for Corporate Excellence (U.S. State Department, January 2008)
- Certificates of recognition from local governments to individual bottling plants for excellence in water and energy efficiency



Since our first involvement with the 1928 Amsterdam Olympic Games, The Coca-Cola Company has maintained the longest continuous commitment to the Olympic Movement of any corporate sponsor. Now a Worldwide Olympic Partner of the International Olympic Committee, we are supporting the Beijing 2008 Olympic Games. Concurrent with our partnership with the Olympic Games, we have sponsored several presentations of the Paralympic Games, including the Beijing 2008 Paralympic Games. We also work with the Special Olympics and supported the 2007 Special Olympic World Summer Games in Shanghai.

Sustainability and the Olympic Spirit

Our Olympic commitment is rooted in the Games as a celebration of fair play and individual sporting achievement. We also endeavor to capture the excitement of the Olympic spirit in programs that raise awareness of environmental issues and physical fitness. Our support extends not only to the top athletes who participate in the Games, but to all who are inspired by the Olympic spirit:

- Worldwide and in China, we selected local environmental champions to join the ranks of torch bearers to carry the flame in the Olympic Torch Relay
- In 2007, we brought the Olympic Torch to schools to encourage exercise and sport through our Happy Playtime program, and integrated Olympic commitments into our Save a Barrel of Water school program
- At the Beijing 2008 Olympic and Paralympic Games, we have the rare opportunity of setting up the Olympic Village Pin Trading Center, where we will sell a “Drops of Hope” pin made of recycled scrap metal from the National Stadium (Bird’s Nest). CNY 5 (USD 0.68) from each sale will benefit our Water and Sanitation for Schools initiative (see page 25)
- We have been planning special activities geared towards encouraging athletes to become environmental role models in their local communities

Special Olympics

The Coca-Cola Company has been a global partner of the Special Olympics since its founding in 1968. We are proud that our support has helped Special Olympics to empower millions of individuals with intellectual disabilities to become physically fit, productive and respected members of society through sports training activities and athletic competitions.

Special Olympics has achieved astounding growth due to its joint efforts with the Chinese Government. Local participation has dramatically increased, from 30,000 in 2000 to 550,000 Chinese athletes by 2005. The 2007 Special Olympics World Summer Games in Shanghai were the largest ever held. In addition to almost 7,500 athletes, the Games included 40,000 volunteers, 3,500 event officials and thousands of families, volunteers, spectators and journalists from every continent.

The Coca-Cola Company launched a series of high-profile events and cause-related marketing programs to raise awareness and material support for the 2007 Special Olympics, while supporting the Special Olympics Movement in China well beyond the Games. Activities included:

- Providing over 3,000,000 servings of beverages for athletes, officials, employees, volunteers, media and guests at the Games and related programs, and providing equipment and services for over 30 competition and non-competition venues
- Raising funds and public awareness through rollout of our “Full Loving Heart, Full Refreshing Enjoyment” cause-related marketing campaign in over 2,700 retail outlets in the Shanghai region, from which CNY 0.10 (USD .0137) for each purchase of specified Coca-Cola products was donated to the Special Olympics
- Co-organizing “Together for Special Olympics—International Children’s Day Unified Sports Celebration,” a volunteer event held in Beijing and Shanghai that involved 25 multinational corporations and over 1,000 volunteers, including 60 from Coca-Cola China
- Leveraging our iCoke China website—connecting with millions of registered users—as a channel to create awareness, and organizing an online auction of Coca-Cola premiums and celebrity goods from which proceeds were donated to the Games
- Launching a limited edition Special Olympics rainbow pin and Coca-Cola Special Olympics composite rainbow logo



Global Reporting Initiative

Content Index

SR: Sustainability Report
TCCC WS: The Coca-Cola Company Website
www.thecoca-colacompany.com/citizenship

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* Partially reported

** Some indicators related to total product volume are only partially reported, because this information is considered commercially sensitive at the China level.

*** The entities described herein are fully integrated into the governance structure of The Coca-Cola Company. The website listed above discloses relevant information on the Board of Directors and related indicators.

For more information about our company, please visit:
Coca-Cola China: www.coca-cola.com.cn
The Coca-Cola Company:
www.thecoca-colacompany.com

To provide your feedback or comments on this Sustainability Report, please email or write to us at:

sustainability@apac.ko.com, or

Corporate Responsibility
Coca-Cola (China) Beverages Ltd.
1702 Full Link Plaza
No. 18 Chaoyangmenwai Avenue
Beijing 100020, P.R. China

Glossary

Bottling company: Bottling partners at the operational level. Used herein to describe both the subsidiaries of bottling groups, as well as individual bottling companies

Bottling group: Large bottling partner that operates more than one subsidiary bottling company

Bottling partner: Business entities that sell, manufacture, and distribute beverages of The Coca-Cola Company under a franchise agreement. Used herein to describe both large bottling groups and their subsidiaries, as well as individual bottling companies

Bottling plant: A beverage production facility, including associated warehouses, workshops, and other on-site buildings and installations

CCBM Dongguan: Coca-Cola Bottlers Manufacturing (Dongguan) Company Ltd. (CCBM Dongguan); Company-owned bottling partner

CCCIL: Coca-Cola China Industries Ltd.; Company-owned bottling partner

China Business Unit: Refers collectively to Coca-Cola (China) Beverages Ltd., Coca-Cola China Ltd., and Coca-Cola Far East Ltd

Coca-Cola China: Not a legal entity. Used to simplify discussion of points that apply to all China entities owned or operated ultimately by The Coca-Cola Company

Coca-Cola China System: The business system composed of Coca-Cola China entities and independent bottling partners

COFCO Beverages: COFCO Coca-Cola Beverages Ltd.; independent bottling partner

Concentrate plant: A production facility for concentrates and syrups, sometimes called "beverage bases", including associated warehouses, workshops, and other on-site buildings and installations

Consumer: Person who drinks the beverages of The Coca-Cola Company

Customer: Grocers, small retailers, supermarkets, restaurants and any other business that sells beverages of The Coca-Cola Company to consumers

eKOsystem: Environmental component of The Coca-Cola Management System

EthicsLine: Hotline and web-based ethics complaint reporting service; www.KOethics.com

SGP: Supplier Guiding Principles

Swire Beverages: Swire Beverages Ltd.; independent bottling partner

TCCSMS: The Coca-Cola Safety Management System; occupational health and safety (OHS) component of The Coca-Cola Management System

TCCMS: The Coca-Cola Management System

Forward-Looking Statements

This report contains statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from The Coca-Cola Company's historical experience and our present expectations or projections. These risks include, but are not limited to, water scarcity and quality, changes in the nonalcoholic beverages business environment, the ability to maintain good relationships with our bottling partners, changes in laws and regulations applicable to our business, and litigation and legal proceedings. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

Environmental Statements

A healthy environment, locally and globally, is vital to our business and to the communities where we operate. We view protection of the environment as a journey, not a destination. We began that journey more than 100 years ago and it continues today. Each employee of The Coca-Cola Company has responsibility for stewardship of our natural resources and must strive to conduct business in ways that protect and preserve the environment. Our employees, business partners, suppliers and consumers must all work together to continuously find innovative ways to foster the efficient use of natural resources, the prevention of waste and sound management of water. Doing so not only benefits the environment, it makes good business sense.

"Coca-Cola", "Coca-Cola in Chinese", "Coca-Cola Zero", "Coca-Cola Zero in Chinese", "Sprite", "Sprite in Chinese", "Sprite Icy Mint in Chinese", "Fanta", "Fanta in Chinese", "Smart", "Smart in Chinese", "Minute Maid", "Minute Maid in Chinese", "Minute Maid Pulpy Orange in Chinese", "Minute Maid Golden Pulpy Orange in Chinese", "Qoo", "Qoo in Chinese", "Qoo character", "Heaven and Earth", "Heaven and Earth in Chinese", "Sensation", "Sensation in Chinese", "Coca-Cola Light in Chinese", "Beauty Fruit in Chinese", "Taken-With-Care Sunshine Pulp in Chinese", "Ice Dew", "Ice Dew in Chinese", "Original Leaf in Chinese (stylized font)" and "Dynamic Ribbon Device" are trademarks of The Coca-Cola Company. "HEALTHWORKS",

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