

LIVE  POSITIVELY



2008

Sustainability and
Corporate Social
Responsibility Report

The Mexican
Coca-Cola Industry



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Live Positively is our commitment to making a positive difference in the world by redesigning the way we work and live so that sustainability is part of everything we do.



Beverage Benefits



Active Lifestyles



Communities



Workplace



Water



Packaging



Climate

OUR MANIFESTO FOR GROWTH





Live Positively is Coca-Cola's commitment to making the world a better place to live, to making sustainable growth a reality, both for ourselves and for the communities we serve. This is the guiding premise in every aspect of our day-to-day tasks within and outside the Company, in our work and in our daily lives, for all of us who work in Coca-Cola worldwide.

In Mexico, where the Mexican Coca-Cola Industry has been a present force since 1926, we have never wavered from our commitment to supporting the country's economic and social development as well as the protection of the environment.

Ours is an on-going effort, grounded in our long-term vision. This is evident in our continuous investment in maintenance and optimization of operations, which in the past 5 years amounts to more than 4.5 billion dollars. We are one of the country's largest employers, generating more than 80,000 direct formal jobs and at least 500,000 indirect jobs. Throughout our 83-year history in Mexico, we have focused our short- and medium-term strategies on supporting Mexican families in all circumstances.

Committed to sustainability, we have implemented concrete programs to protect the environment. We return to nature every drop of water that goes into our beverages and production processes, reducing its use and treating the water that comes out of plants so that it is pure enough to sustain aquatic life and agriculture. We also return it to the environment through watershed stewardship and reforestation initiatives, among others.

We are also constantly working to make more efficient use of energy, and we design and produce sustainable packaging while recycling an increasing volume of waste. Thus, we gradually reduce our carbon footprint while continuing to develop our business.

Encouraging physical activity, education, and scientific and technological development, providing cultural spaces and entertainment that promote family togetherness and healthy lifestyles, is also our commitment to Mexican society, and has been so for more than eight decades.

We at Coca-Cola are convinced that dealing with today's world requires determination, foresight and strategic skills. We will continue to express our commitment to Mexico through continued investment, economic activity, and jobs.

Sustainability is not just a concept or an idea. It is a pragmatic focus on the realities of business that extends beyond the here and now. By working together, we are re-inventing the way we interact with our planet, spreading our philosophy of optimism and making sustainability an inseparable component of the way we work and live, toward a better country and a better world.

Herman H. Fleishman
President
Mexican Coca-Cola Bottlers'
Association

Brian J. Smith
President
Coca-Cola de México

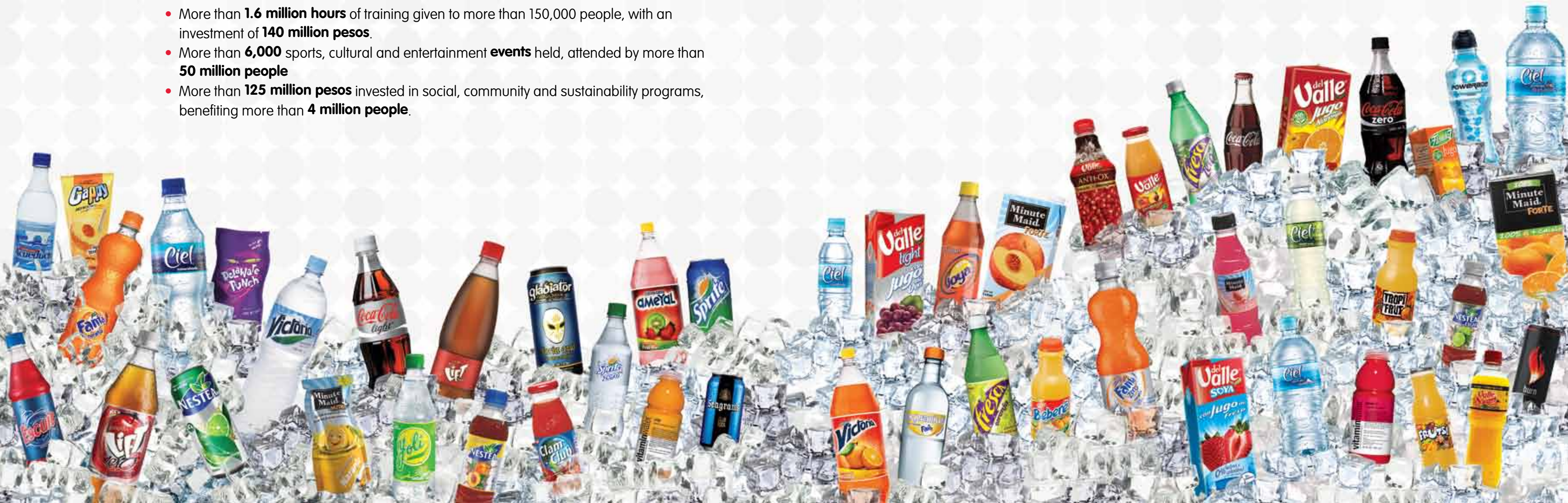
2008 in Figures

- More than **9 billion pesos** invested in Mexico
- We are one of the nation's largest employers, generating **80,000 direct jobs**
- We helped more than **700,000 small businesses** become more competitive through retail infrastructure and training
- More than **270 million pesos** devoted to environmental sustainability programs
- **1,650 hectares** reforested with more than **1.6 million trees**
- Our plants have saved more than **1.4 billion liters** of water and more than **100 million kWh** of electricity over the past 5 years
- **Clean Industry Certifications** in 48 of our operating units.
- We treated **100%** of our wastewater
- More than **80 million kWh** of energy saved by our refrigeration equipment in the past 3 years, enough to power 100,000 homes during a year
- Industria Mexicana de Reciclaje (IMER) processed enough material to make **1 billion bottles**
- More than **1.6 million hours** of training given to more than 150,000 people, with an investment of **140 million pesos**.
- More than **6,000** sports, cultural and entertainment **events** held, attended by more than **50 million people**
- More than **125 million pesos** invested in social, community and sustainability programs, benefiting more than **4 million people**.

Coca-Cola: A Total Beverage Company

We know that the life styles and hydration needs of consumers vary widely. That is why we offer more than 60 brands and 200 products that make up an extensive portfolio of high-quality beverages.

The Mexican Coca-Cola Industry or Coca-Cola System comprises the joint work of Coca-Cola de México and the 13 bottling groups, Mexican and independent companies that share the same culture and produce and distribute our beverages in 63 bottling plants. With the support of 358 distribution centers, we cover the entire national territory and serve more than 1.4 million points of sale, with more than 28,500 distribution, shipping and operational vehicles that travel 11,000 routes.



01 shared growth

- More than 4.5 billion dollars invested in the country's development over the past 5 years
- 80,000 formal direct jobs, and at least 500,000 indirect jobs generated during the year
- More than 700,000 retail partners supported with infrastructure and training



In the Mexican Coca-Cola Industry, we take clear action to meet the country's needs. We invested more than 750 million dollars to support economic growth and, consequently, promote employment. We are one of Mexico's largest employers. We also support the development of almost 700,000 small businesses, helping them to become more competitive through training and infrastructure.

In the area of corporate citizenship, we took part in a program to encourage good corporate citizenship among small and mid-sized businesses in the value chain, organized jointly by the Inter-American Development Bank, Universidad Anáhuac, Coca-Cola de México, and other leading companies in the field.

For this external expression of our values and performance, we were honored with a number of national and international distinctions during the year, which serve as a testament to our leadership in various areas of business. These include the Socially Responsible Corporation award from CEMEFI for the eighth year in a row; the Clinton Global Initiative for our commitment to the environment; one of the Best Brands in Mexico by HSM and Millward Brown; Leading Company in Mexico; one of the 50 Most Socially Responsible Companies in Mexico; one of the 50 Most Innovative Companies, and one of the 50 Super Companies to Start your Career.



CLINTON
GLOBAL
INITIATIVE



02 total wellness

- 50 million people benefited from 6,000 sports, cultural and entertainment events
- More than 100,000 young people throughout the country participated in the Coca-Cola Soccer Cup, and almost 1 million in the last 11 years
- We reached nearly 4,800 schools with physical activity programs, benefiting 1.5 million students



In 2008, under the Movimiento Bienestar platform, we continued to promote physical activity, providing dietary advice, raising awareness about the importance of hydration, and encouraging emotional wellness.

To promote **physical activity**, we continued our Zafo no Jugar program in the nation's primary schools, aimed at teaching young people the benefits of sports and keeping them active through play. We have always supported sports because we are convinced that they strengthen the values of solidarity, teamwork and fair play, promoting health and understanding. That's why we continue to sponsor activities like the Coca-Cola Cup, the largest varsity soccer championship in Mexico. In its 11th year, 100,000 young people took part and Mexico was the international champion. We also supported the most important international sporting events, like the Olympic games and the World Soccer Cup.

Providing dietary advice is a commitment we have toward the entire population. We participate in conferences, talks, and expositions on total health, wellness, obesity and diabetes, as well as in educational campaigns on hydration, physical activity and healthy lifestyles. Aware of the importance of the media in spreading information that benefits society, we promoted the Total Wellness Diploma designed for journalists who cover the health sector.

In keeping with Coca-Cola's responsible marketing policy, in place since 50 years ago, we promoted the self-regulatory code for food and soft drink marketing aimed at children and young people.

Another action that shows our commitment to society is the National Food Science and Technology Award which has served, during 32 years, as a major stimulus to quality research in the area of food sciences. As of 2009, it will be broadened to include a new category, Beverages. For more information on this program, visit the web page www.pnctacoca-cola.com.mx.

We address the importance of hydration with a diverse portfolio of products designed especially for different groups, needs and occasions; with informative labeling, research and information to the public through the Beverage Institute for Health & Wellness.



Promoting emotional wellness touches on various spheres of life, strengthening emotional ties by sharing time with our family and friends. To encourage these ties, we held a family event called La Mesa Más Grande, where a total of 46,000 people enjoyed food, togetherness and Coca-Cola. The holiday season provides another opportunity to share our values of optimism and generosity. For the tenth year in a row we sent out the Coca-Cola Caravan, which traveled to 25 cities in Mexico with an interactive array of music, lights, dancers and floats, motivating the almost 4 million people who enjoyed these events to take small actions to give a gift to the world. A complement to the annual Caravan is the lighting of Christmas trees, and this year more than 50 monumental trees were lit across Mexico.

HEALTHY ENTERTAINMENT

With musical, cultural and entertainment events, we communicated with and provided healthy relaxation to more than 50 million people who attended 6,000 events, like the **Coca Cola Zero Fest** and **Las Giras Como Son**. To keep up with today's youth and remain close to them, we continue to promote a virtual program called **Konec-T**, which has been very well-received. This year we introduced two new concepts: **Zona Sprite**, the first mobile phone social network in Mexico, and **Sube tu Vida 2.0**, a creative, open and fun Internet forum in which Coca-Cola rewards young people with artistic talent and gives them the opportunity to show their work to a broader audience.



03

positive workplace environment

- More than 140 million pesos invested in training
- 150,000 people trained over the course of the year
- With 500 in-person and on-line courses, coaching and mentoring, we promoted the growth of our internal talent



At Coca-Cola, we want to be the best place to work. We want all our people to feel the pride and magic of belonging to a great company, and to bring them ongoing professional and personal growth. We are constantly looking for ways to invigorate the Company's growth and inspire our people, which is why we created the concept of Life Balance, a core element of Coca-Cola's philosophy, which distinguishes us from other companies. Our employees are a crucial part of this effort, because based on their individual life plan and the search for balance between their work and personal lives, they develop themselves more fully, while giving their best for the sustained growth of the company.

Research in the field of learning has shown that the most effective training takes place when we strengthen capacities in the workplace, or through special projects. This is followed by mentoring or coaching and, finally, classroom experience. Based on these findings, our strategy for training our people relies on a combination of these tools. We develop internal talent and use our own leaders to give the courses, which has been met with a very positive response. We also offer on-line and in-person training with external instructors and international programs.

Through The Coca-Cola University and the Coca-Cola System Development Center, we improve the skills of our people. The Center currently offers 500 in-person and on-line courses, and has a broad network of instructors, consultants and agreements with Mexican and foreign universities.

RECOGNITION THAT STIMULATES US

External recognition is obviously highly gratifying, but at Coca-Cola we are also interested in the perceptions and commitment of all our people. Every two years, we conduct an employee inside survey on the aspects that make up our corporate culture, comparing the results against those of other Company operations, and with Top-Performing Companies from around the world. We are very pleased that we did significantly better than other operations around the world in 14 out of 16 categories—for example the level of satisfaction of our people.

Also, comparing ourselves against Top-Performing Companies, we found that Coca-Cola de México obtained outstanding results in 9 out of 11 indicators: compensation, culture, internal communication, image, ethics, commitment, leadership, empowerment and innovation.

In the Mexican Coca-Cola Industry, we are guided by solid principles and values in the workplace. By applying our corporate values—leadership, collaboration, integrity, responsibility, passion, diversity and quality—we express our commitment to society and generate profits in a sustainable manner.

Our development model, **Citizenship@Coca-Cola**, is a guide on how the Company should behave as a good corporate citizen at all times; it promotes the evaluation and application of our philosophy of total commitment throughout the world.

In our **Manifesto for Growth**, we express our total vision of the business, and pledge to be leaders in corporate citizenship, aspiring to be the most widely respected company in the world. This total vision involves planet, people, portfolio, partners, and profits, all with the aim of sustainability. In its updated version, **Winning with our Manifesto**, we commit not only to fulfilling this aspiration but to integrating diversity as a fundamental concept for attaining sustainable growth. We treat everyone who works at Coca-Cola in a fair and dignified manner, an attitude that is explicit in our **Workplace Rights Policy** and **Human Rights Statement**, which reflect the values that make up our corporate culture and strategy. Coca-Cola is a company that enjoys a well-known reputation for integrity and ethical conduct, and maintaining that reputation is the job of each and every one of us who work here. Our **Code of Business Conduct** sets forth the rules on honest and fair action by our employees with special interest groups. Employees also have strong support from the **Ethics Line**, a hotline where they can ask questions or report some incident or violation of the Code of Business Conduct or Workplace Rights Policy, with the security that every call will be treated with absolute confidentiality.



04 a planet in harmony

- 1.6 million trees planted over 1,650 hectares
- More than 80 million kWh saved over 3 years, thanks to devices in our new refrigeration equipment
- 12,500 metric tons of PET plastic processed by IMER in 2008 for recycling into new bottles
- Up to 35% recycled content in our bottles



Both the Company and our Bottling Partners have introduced measures throughout the business cycle to leave a positive mark on this planet, preserving and protecting natural resources. Our corporate environmental commitments begin where we can make the greatest difference: water stewardship, sustainable packaging, energy savings, environmental protection and community awareness.

WATER



Because we are determined to return all the water we use in our beverages and production processes to nature, we continue to focus on programs to reduce, re-stock and recycle this resource, with measures that range from plant and office efficiency to protecting watersheds and other initiatives that have a positive impact on communities.

Performance in productive plants

All wastewater is treated in our own 52 plants or in municipal treatment plants. We are the first operation in the world to treat 100% of the water used in our processes and re-use it for watering and washing work areas and trucks at our plants, as well as watering public areas. In 2008, we treated a total of 12.8 billion liters of wastewater, with an investment of 90 million pesos. Coca-Cola's global goal for 2010 is to return to the environment all of the treated wastewater in a state pure enough to sustain aquatic life and agriculture. We are very proud that the Mexican Coca-Cola Industry achieved this goal two years sooner than that date.

Watershed protection

As a further contribution to restocking the water we use in our plants, we support the World Wildlife Fund's Watershed Management program. Coca-Cola de México began the first phase of the program, which involved technical evaluation of 10 watershed regions.

Reforestation

Coca-Cola is part of the largest private reforestation program in Mexico. Joining efforts with government agencies, we progressed toward our 2007 goal of planting 30 million trees on 25,000 hectares in priority ecosystems. This year we planted 1.6 million trees over a surface of 1,650 hectares in 11 states of Mexico. Reforestation is a comprehensive project, and includes productive programs for communities in the reforested areas and water capture through the construction of blind tanks.

Support of community initiatives

The Coca-Cola Company has been participating for 12 years in the International Coastal Cleanup, an initiative by the Ocean Conservancy. For the third year in a row, the Mexican Coca-Cola Industry supported this initiative through almost 1,500 volunteers who picked up 23 tons of trash along 25 kilometers of beaches, rivers and lakes. In addition, this year the Coca-Cola Foundation announced its decision to donate 1 million dollars to furthering this initiative worldwide. We also supported two environmental awareness programs, one with the United Nations Organization Foundation in Mexico, and another with the Junior League Association Mexico.



for a living planet®



SUSTAINABLE PACKAGING



At Coca-Cola de México, we pioneered the development of new technologies for lighter packaging made of recyclable and re-usable materials, an area to which we devote a considerable portion of our research and development budget. The main criteria we use to determine the sustainability of a package are design and lightness, recovery and recycling, and reuse.

Design and lightness

In our packaging designs, we continue to make lighter containers without affecting their quality. We are very close to the goal we set, having lightened our containers by 25% in recent years. In 2008 we reduced our consumption of PET plastic by 9,600 tons, equivalent to 700 million 600 ml bottles which were not produced.

Recovery, recycling and awareness

To ensure that PET containers have market value and avoid indiscriminate disposal, we continue to work with a non-profit organization called Ecología y Compromiso Empresarial (ECOCE), in which Coca-Cola is a founding member. This year more than 100,000 tons of PET bottles were collected—12% more than in 2008—and sent to processing plants for re-use in various articles, like sacks, brooms, packing tape and pallets. We are 50% of the way toward our recovery and recycling goal for 2015. We have also encouraged pro-recycling attitudes through publicity campaigns in the media and in schools. This year, Coca-Cola helped publish educational materials that teach children about recycling in a fun way, to be distributed in schools across the nation.

In the last 5 years the System has reduced its solid waste generation by 7,000 tons, equivalent to the amount of trash generated by close to 5 million people in one day. We have also recycled more than 5,000 tons.



Reuse

This year, the Mexican Recycling Industry (IMER), the first food-grade PET recycling plant in Latin America, performed outstandingly. By significantly increasing its efficiency, the plant processed 12,500 tons of PET in 2008 alone, enough material to make close to 1 billion 600 ml bottles. IMER technology was developed in Mexico and approved by the Ministry of Health for introducing up to 100% recycled resin. Recycled plastic requires less energy and less virgin raw materials, reduces post-consumer impact and carbon emissions in the atmosphere. There are millions of bottles on the market today made up of as much as 35% of recycled material.

ENERGY AND CLIMATE



The Coca-Cola System is determined to improve its energy efficiency worldwide and to pursue alternate sources of energy. One of its measures was to join Caring for Climate: The Business Leadership Platform created within the United Nations Global Compact.

The platform calls upon the world's governments and companies to take immediate action on climate change. We also worked on various projects in association with the World Wildlife Fund. At the same time, our Bottling Groups have begun to develop and use environmentally-friendly technology, and Coca-Cola FEMSA signed a contract to acquire green energy starting in 2011, with which more than 80% of the energy consumed in its plants and distribution centers will come from wind parks in La Ventosa, Oaxaca.

Coca-Cola's corporate headquarters in Mexico are in the process of obtaining a sustainable building certification, which would set an example of corporate environmental care. For years now, we have PET, aluminum and paper collection centers. In the past 5 years, the Mexican Coca-Cola Industry has achieved energy savings of more than 14% (from 2004 levels). This is equivalent to more than 100 million kWh, enough to light more than 131,000 homes during a year.

We continue to work intensively on a system-wide effort to make our transportation fleet and distribution network more efficient. Today, our fleet of more than 28,000 vehicles uses environmentally efficient technology. We also optimize our routing systems to make the best use of our assets.

The average energy consumption of our new refrigeration equipment has been reduced significantly in the last 5 years: from an average of 7.1 kWh/day in 2004 to 2.04 kWh/day in 2008, an improvement of nearly 52%. Since 2006, we have made significant energy savings with 180,000 new refrigerators, equivalent to almost 80 million kWh in three years. In other words, between 2006 and 2008, we avoided the generation of 41,000 tons of CO2. This has required an investment of more than 6 million dollars.

Another achievement was having reached our cold equipment energy savings goal for 2010 two years early: by 2008, we were down to 40% – 50% of our 2000 consumption level. We reduced energy use by at least 40%, and for next year we will reduce it by another 5% on all new equipment introduced into the market. Although Mexico is one of the most efficient countries in energy use within the worldwide Coca-Cola system, we are committed to continuing this progress.



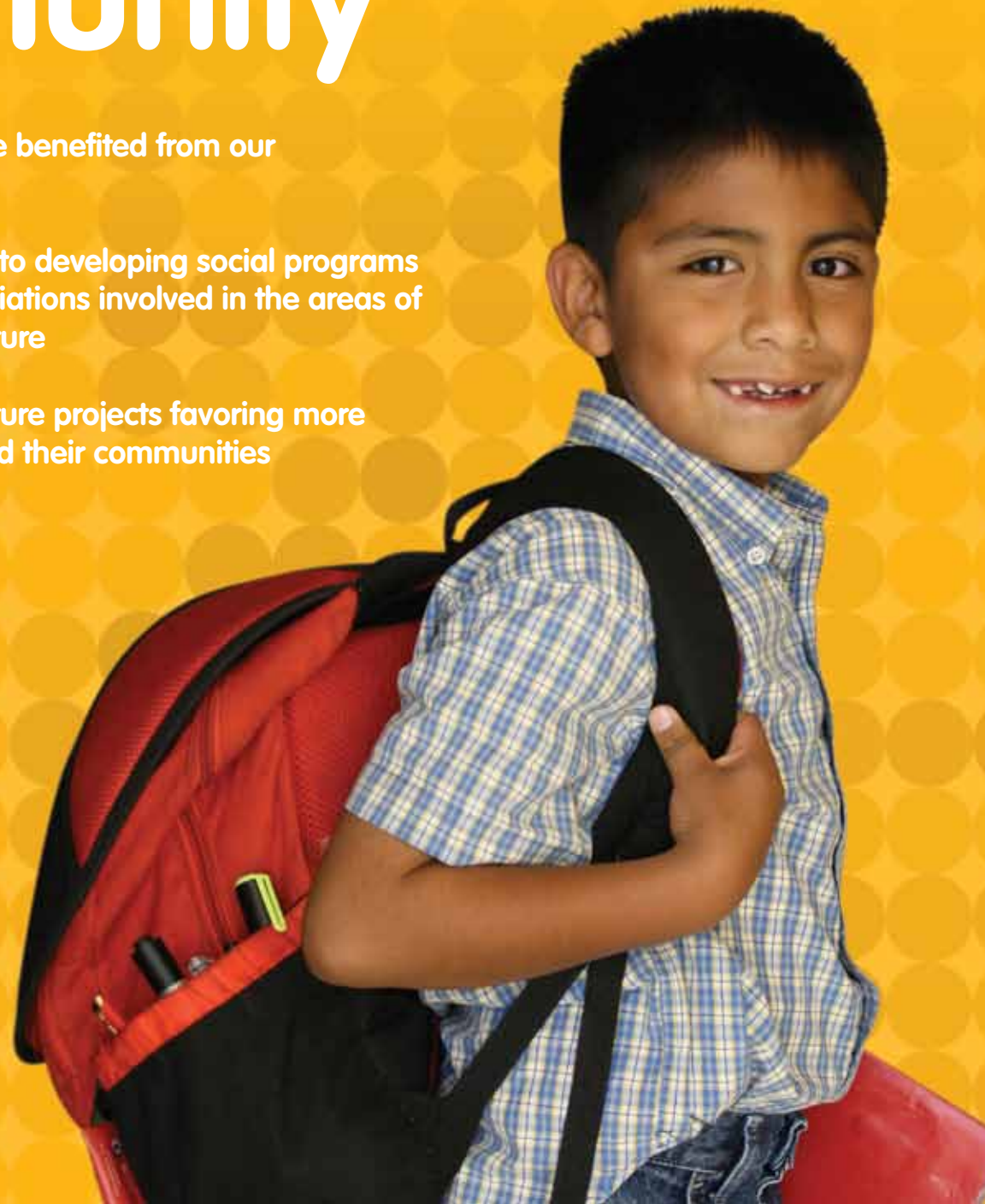
Tecnología apoyada por **GREENPEACE**




05

we are part of the community

- More than 4 million people benefited from our community programs
- 125 million pesos devoted to developing social programs and supporting 223 associations involved in the areas of education, health and culture
- 128 educational infrastructure projects favoring more than 1.3 million people and their communities



 For eight years now, through the Coca-Cola Foundation, we have been building and equipping 128 educational facilities in the most disadvantaged areas of Mexico, directly benefiting 1.3 million people and their communities.

We also continue our campaigns in support of students and shelters. These campaigns include the delivery of packages of school supplies, piñatas and candy for Children's Day, Christmas toys, and blankets for the winter season.

As they do every year, employees that support the Coca-Cola Family Fund decide on the causes they wish to favor. This year the Coca-Cola Foundation provided funding for the projects of four non-profit organizations: The Fundación Pro Niños de la Calle, I.A.P. (assistance for street children), Fundación Misión Mateo, A.C. (disabled children), Guardería San Vicente (child care and education), and Aquí Nadie se Rinde, A.C., Asociación Pro Niños con Cáncer (children with cancer).

Another 17 million pesos in donations were channeled to institutions that work on education, health, nutrition and community support projects.



VIVIENDO POSITIVAMENTE  Fundación Coca-Cola de México



