

THE COCA-COLA COMPANY

NEW YORK STOCK EXCHANGE – KO
Beverages

Coca-Cola's Energy Management & Climate Protection strategy focuses on three principal components of operational impact: cold drink equipment, manufacturing plants and the system-wide (including bottling partners) vehicle fleet. The company's vending machines and coolers produce three times the estimated emissions of its manufacturing facilities and more than five times the emissions from its fleet. Therefore, Coca-Cola's sustainable refrigeration program has been the cornerstone of the company's climate protection efforts. The company has also set a goal "to grow our business, but not the carbon," which applies to system-wide manufacturing operations.

Summary Score: 65

Company Information

The Coca-Cola Company owns four of the top five soft-drink brands (Coca-Cola, Diet Coke, Fanta and Sprite). The company makes or licenses more than 400 drink products in more than 200 nations. Other brands include Barq's, Minute Maid, POWERade and Dasani water, while the company also sells Groupe Danone's Evian and Dr Pepper Snapple Group brands in certain countries. Coke owns 35 percent of Coca-Cola Enterprises; 32 percent of Mexico's bottler Coca-Cola FEMSA; and 23 percent of European bottler Coca-Cola Hellenic Bottling. The company had approximately 90,500 employees as of December 2007.

Contact Information

Chairman: E. Neville Isdell

CEO: Muhtar Kent

Website: www.thecoca-colacompany.com

Address: 1 Coca-Cola Plaza, Atlanta, GA 30313-2499, United States

Board Oversight

Score: 8

Board Committee/Member

Audit Committee and Public Issues and Diversity Review Committee

Board Role

Coca-Cola's Audit Committee and Public Issues and Diversity Review Committee share responsibility for overseeing environmental-related policies and performance, including issues related to climate change. The Public Issues and Diversity Review Committee receives regular reports on issues of corporate responsibility from the executive-level Public Policy and Corporate Reputation Council.

Board Training

None identified.

Management Execution

Score: 16

CEO Leadership

Chairman E. Neville Isdell says in his introductory letter to the company's 2006 *Corporate Responsibility Review*, "We have one planet, and many parts of it are under stress — from population growth, shrinking supplies of clean water, climate change and conflict...Working together is the only way that we can create solutions equal to the issues we all face." Isdell has spoken at numerous public forums on sustainability issues and climate change, such as the Global Compact Leaders Summit and the World Economic Forum. Isdell recently spoke at the Inaugural Greenpeace China Business Lecture where he issued a call to action to the commercial refrigeration industry to join Coca-Cola in investing in CO₂-refrigeration systems to replace HFC-based systems. Isdell said, "We cannot wait for consumers or governments or

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technology or price to move us towards sustainable solutions. Instead, we must use another lever to make progress — collective choice.”

Company Strategy Coca-Cola’s Energy Management & Climate Protection strategy applies to both the Coca-Cola Company and bottling partners. The strategy focuses on three principal components of operational impact: cold drink equipment, manufacturing plants and the system-wide vehicle fleet. Energy efficiency is viewed as a central part of each of these areas. In addition to this mitigation strategy, Coca-Cola has also adopted a climate change adaptation strategy focused on water – the Global Water Stewardship program. The company also updated in 2007 its Position Statement on Climate Protection, which states, “Across the Coca-Cola system, we recognize that climate change may have long-term direct and indirect implications for our business and supply chain.”

Executive Responsibility The Executive Leadership Team, representing Coca-Cola’s most senior management, reviews the company’s work and progress on climate change and other significant environmental matters. Jeff Seabright, Vice President, Environment and Water Resources (E&WR) is responsible for day-to-day performance across business operations and is supported by the E&WR Department. This department also includes dedicated, full-time resources to administer the company’s Energy Management & Climate Protection efforts. Subject matter briefings prior to semi-annual Environmental Advisory Board meetings are the principal mechanism for the Executive Leadership Team to review the company’s progress on energy management and climate protection. Senior leadership also engages on climate protection through the Public Policy and Corporate Reputation Council, which consists of both company and bottler representation.

External Initiatives Coca-Cola co-founded the global Refrigerants, Naturally! Initiative, tasked with promoting a shift to low or non-Global Warming Potential refrigerants in point-of-sale cooling technology. Coca-Cola has also partnered with the Alliance to Save Energy on the Watergy program in South Africa and with Solar Light for Africa on a solar water pumping and purification project in Uganda. Finally, Coca-Cola is also working with WWF on GHG emission reduction efforts as part of a broader partnership that also includes watershed protection and projects in the agricultural supply chain.

Employee Training In 2006 and 2007, Coca-Cola collaborated with WWF to co-host seven Greenhouse Gas (GHG) Mitigation Strategy workshops for key bottling partners around the world. In addition, the company offered energy efficiency training sessions on five continents and continues to make those training materials available for on-going local training sessions.

Executive Compensation Incentive based compensation is provided to Coca-Cola employees based on overall company financial performance, progress toward strategic business priorities and progress toward individual performance objectives. Attainment of GHG targets is one measure of progress for individuals managing climate change issues.

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Public Disclosure

Score: 7

Annual Report Coca-Cola's 2007 Annual Review discusses the company's environmental efforts, including progress in reducing water, packaging and energy impacts. The Chairman and CEO letter to shareholders states, "We also are scaling up our efforts to reduce carbon emissions. We are committed to growing our business, without growing our carbon footprint."

Securities Filings Although Coca-Cola does not specifically link water conservation issues to climate change in its 2007 Form 10-K, the company does cite water quality and quantity as a business risk. The company states, "As demand for water continues to increase around the world, we expect commitment and continued action on our part will be crucial in the successful long-term stewardship of this critical natural resource."

Other Disclosure Coca-Cola has reported on corporate responsibility strategies and programs through its website and an annual Corporate Responsibility Review. The latest report, covering January 2006 through July 2007, features overall performance metrics as well as a section on Energy Management and Climate Protection. In addition, the company has published an annual Environmental Performance report, last released in July 2007. Beginning in 2008, the company will issue one comprehensive Sustainability Report including metrics from the Environmental Performance report.

Sustainability Report: 2006 Corporate Responsibility Review, August 2007

URL: <http://www.thecoca-colacompany.com/citizenship/reporting.html>

GRI Accordance: G3 Draft

Carbon Disclosure Project Answered Questionnaire (Public)

CDP6 Risk Disclosure Coca-Cola states in its most recent response to the Carbon Disclosure Project that the company believes its "exposure to risk associated with climate change-related regulation is not material." The company also does not currently see material physical risks associated with climate change. However, Coca-Cola outlines some potential physical risks, including supply chain disruption, raw material price increases and water scarcity.

Public Policy Coca-Cola has engaged with policymakers in Europe on fluorinated gas issues and also endorsed the Bali Communiqué in November 2007. The Bali Communiqué calls on world leaders to establish a comprehensive, legally binding United Nations framework to tackle climate change. In addition, Coca-Cola has called for responsible GHG emissions standards through support of the United Nations Global Compact "Caring for Climate" program. As a signatory, Coca-Cola has committed to work to increase energy efficiency and reduce emissions from its operations as well as engage its global supply chain on climate change solutions.

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Emissions Accounting

Score: 13

GHG Emissions Inventory Year: 2007 Facility/Region: Global Protocol: GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Scope 1 (Direct)	1,953,000*
Scope 2 (Indirect – Electricity)	2,970,000
Scope 3**	—
Travel	55,000
Logistics	—
Products	—
Supply Chain	—

* Figures above rounded to the nearest 1000.

** Coca-Cola has estimated that a significant source of Scope 3 emissions is cold drink equipment, which have been estimated at 15 million metric CO₂e tons per year. The company is in the process of updating its Scope 3 inventory.

Accounting Methods Coca-Cola has begun to measure its Scope 3 emissions, although not all results have been reported when the company does not have system-wide information available. Scope 3 travel emissions include air travel associated with employee business travel, while the company has only collected data from less than 50 percent of its distribution volume.

External Verification The company's 2006 inventory was verified by BECO following international standards ISO-19011: 2002 'Guidelines for quality and/or environmental management systems auditing' and the AA1000 assurance framework.

Certified CO₂ Offsets None identified.

Strategic Planning

Score: 21

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
GHG Emissions	No CO ₂ growth	2004	2015	System-wide manufacturing operations
Energy Efficiency	40–50%	2000	2010	Cold drink equipment

Target Details Coca-Cola says its goal is “to grow our business, but not the carbon,” which applies to system-wide (including bottling partners) manufacturing operations. In addition, at the company's Atlanta, GA headquarters, a target was set in April 2007 to reduce energy consumption by 23 percent over the following 12 to 18 months. For its water protection strategy, the company has set a goal to return to communities and nature an amount of water equal to what it uses in all of its beverages and their production.

Target Achievement The company's system-wide Energy Use Ratio (megajoules of energy per liter of product produced) showed 19 percent improvement between 2002 and 2007, when it was 0.46 MJ/liter. Coca-Cola estimates that the corresponding system-wide energy cost savings in 2007 were in excess of \$20 million. However, overall energy use increased 3 percent between 2004

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and 2007 due in part to more energy-intensive products and on-site production of PET bottles. Resulting CO₂ emissions from energy consumption increased by 220,000 metric tons between 2004 and 2007 to 4.92 million metric tons.

Energy Efficiency

Coca-Cola is focused on energy conservation efforts and investments in climate saving technologies, starting with a focus on operations and equipment. The company's principal emission reduction strategy is its eKOfreshment Sustainable Refrigeration Program to develop HFC-free refrigeration equipment, launched in 2000. By 2010, the company's cold drink equipment is expected to be 40-50 percent more energy efficient than models used in 2000. Coca-Cola has developed an energy management system (EMS-55) for cold drink equipment and over 1 million of these units have been deployed. This represents an energy savings of over 1 billion kWh and emission reduction estimated at 575,000 metric tons per year. The company has also deployed more than 26,000 units of HFC-free cold drink equipment and announced a scale-up of 100,000 units over the next three years. In addition, Coca-Cola placed 5,600 climate-friendly coolers and vending machines at the Beijing 2008 Olympic Games. The company has also converted to HFC-free insulation for all new coolers, eliminating 75 percent of direct emissions from the coolers.

For manufacturing operations, Coca-Cola has launched a multiyear energy efficiency investment program called Project eSKO, for which the company plans to invest \$11.8 million in 2008. The company has also developed an Energy-Efficiency Guidance Manual that includes best practices that can be implemented in offices and bottling plants. Several energy efficiency improvements have been made at the company's headquarters building in Atlanta, GA, including lighting and HVAC upgrades.

Renewable Energy

By June 2006, nearly 50 percent of the company's bottling plants in China had installed solar thermal panels. This installation, along with other initiatives, has resulted in a 3 percent energy improvement through mid-2007.

Emissions Trading

Coca-Cola has one concentrate plant in Drogheda, Ireland and one bottling partner plant that had been governed by the EU ETS. The concentrate plant has had an emissions surplus from 2005 to 2007, and Coca-Cola has developed provisional guidelines for the sale of surplus credits. Proceeds must be used either to reimburse project costs or channeled into other projects that deliver equal or greater carbon reductions. The Company is also involved in the development of projects in both China and Brazil that are expected to generate Clean Development Mechanism credits.

Products & Services

Coca-Cola views its climate and water protection efforts as a source of potential competitive advantage. The company's Sustainable Refrigeration Program has prepared it for the transition toward HFC-free commercial refrigeration. Coca-Cola also believes it can educate consumers on its environmental initiatives and build brand loyalty. In 2008, the company established a collaboration with a retail customer in Japan to offer products that include carbon credits donated to the Japanese government toward their Kyoto Protocol obligation.

Research & Development

Coca-Cola has developed in collaboration with Elstat Electronics an energy management system (EMS-55) for cold drink equipment. This software technology learns how a cooler is used and adjusts its operation to conserve energy, and the company sees broader applications for the technology as well. Coca-Cola has also spent nearly \$40 million over the past

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eight years to identify and test alternative refrigerants to HFCs. In addition, the company collaborated with Georgia Tech's Enterprise Innovation Institute in its efforts to reduce water and energy consumption.

Supply Chain Management

Coca-Cola has undertaken a variety of carbon footprint exercises to better measure the carbon impact upstream and downstream in the company's product/package life cycle. In September 2007, Coca-Cola joined eight other companies to use a draft product carbon footprinting standard developed by the Carbon Trust, Defra and BSI British Standards. The companies agreed to use the standard to calculate the embodied carbon emissions of selected products. In addition, Coca-Cola has a sustainable design program, known as e3, which focuses on improving efficiency, life cycle effectiveness and eco-innovation for product packaging.

For its vehicle fleet, Coca-Cola tracks a system-wide metric of fuel economy: liters of diesel per 1000 liters of product distributed. Coca-Cola's bottling partners expanded their fleet of diesel-electric hybrid delivery trucks in 2007 and extended their commitment for 2008.

MOLSON COORS BREWING COMPANY

NEW YORK STOCK EXCHANGE – TAP
Beverages

Molson Coors is increasing its focus on energy conservation at both its breweries and offices, as well as through considerations of the supply chain impact of its products. Coors, the US business, has set a 12 percent emissions reduction target as part of a three year partnership with the US EPA Climate Leaders program. Operations in the UK and Canada have also set energy use reduction targets. The company is also looking to take advantage of a growing trend away from corn-based ethanol by becoming the first major brewer in the US to convert waste beer into ethanol.

Summary Score: 58

Note: Following the merger of Coors and Miller in June 2008, the new company is reviewing legacy Coors and Miller targets and will publish new targets by the end of 2008. All references to the US business in this profile are for legacy Coors US and accurate as of June 31st 2008.

Company Information

Molson Coors is one of the largest brewers by volume in the world. The company sells more than 40 percent of beer in the Canadian market and operates in the US through MillerCoors, a joint venture with SABMiller. Molson Coors also operates in the UK and other European markets through Coors Brewers Limited. Its global footprint includes more than 15,000 employees, 18 breweries, distribution in more than 30 countries and a portfolio of over 40 brands, including Molson Canadian, Coors Light and Carling.

Contact Information

Chairman: Eric H. Molson
CEO: Peter Swinburn

Website: www.molsoncoors.com

Address: 1225 17th St., Denver, CO 80202, United States

Board Oversight

Score: 8

Board Committee/Member

Audit Committee

Board Role

The full Board through the Audit Committee is responsible for reviewing energy and greenhouse gas (GHG) reduction targets and progress against these targets. Global reporting for climate change and other aspects of corporate responsibility and sustainability are reported to the Board through the Audit Committee once a year.

Board Training

None identified.

Management Execution

Score: 13

CEO Leadership

CEO Peter Swinburn has a message on the importance of corporate responsibility to Molson Coors on the company's website. In September 2008, the company endorsed the CEO Water Mandate, a call to action for businesses to address water sustainability in their operations and supply chain.

Company Strategy

Molson Coors says it continually seeks cost-effective improvements in its operations that result in more efficient use of energy, reductions in emissions and improvements in environmental performance. Since the merger of Molson Brewing Company and

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Coors Brewing Company in 2005, the company has been focused on establishing energy conservation standards at its breweries and is now increasingly paying attention to additional energy efficiency options at its offices and through business travel reductions. The company has identified the environment, particularly energy conservation and water stewardship, as a strategic priority for 2008 and set company-wide reduction targets. The company has also issued a formal Energy Policy along with its Quality, Environmental, Health & Safety Policy.

Executive Responsibility

The Executive Leadership Team (ELT), directly reporting to the CEO, establishes and reviews energy and GHG reduction targets and is responsible for performance. Global reporting for climate change and other aspects of corporate responsibility are reported to the ELT twice a year through business units to the Vice President Global Alcohol Policy and Corporate Responsibility, who in turn reports to the Global Supply Chain Officer and Chief Legal Officer.

In the US, accountability is shared by the Chief Legal Officer, who oversees the environmental portion of corporate responsibility initiatives, and the Chief Supply Chain Officer, who oversees manufacturing operations. Energy efficiency and the company's GHG reduction goal are also tracked at the CEO level as an environmental metric on the US scorecard and US Strategic Plan. In the UK, the Supply Chain Director, who reports directly to the Board of Coors Brewers, chairs the Environmental, Health and Safety Strategy group that meets on a quarterly basis to review performance and strategy.

Meanwhile, in Canada the National Environmental Health and Safety Committee, chaired by the Chief Legal and Corporate Affairs Officer, is accountable for these activities. The officer reports directly to the President and CEO of Molson Canada. Molson Canada created a national energy committee that is committed to reduce energy use by setting targets and developing strategies to meet those targets. Finally, the company's corporate risk management team and those responsible for procurement, operations, distribution and sales all assess and seek to manage the risks resulting from variability in weather and adverse events.

External Initiatives

In the US, Coors is a member of the US EPA Climate Leaders program and in the UK Coors Brewers is partnering with the Carbon Trust. The company also participates in Wal-Mart and Tesco supply chain programs to determine the carbon footprint of certain products. Finally, Molson Coors is also a member of the Beverage Industry Environmental Roundtable, which is working on standards for calculating lifecycle GHG emissions specific to the beverage industry.

Employee Training

In March 2008, Molson Coors participated in Earth Hour promoting energy conservation among employees at all breweries and offices. In April 2008, all Canadian plants participated in an energy awareness week and launched a conservation communication campaign 'The Power to Make a Difference'.

Executive Compensation

Energy reduction targets are included in the Global Chief Supply Chain Officer's performance plan each year. Climate change issues are included in the incentive mechanisms of his direct reports and the functional leadership of EHS, including brewery managers. Coors also has an incentive program for production teams called Focused Improvement. Energy reduction was a focus for 2007 and project teams achieving reductions were rewarded through incentive plans.

MOLSON COORS BREWING COMPANY

Public Disclosure

Score: 7

<i>Annual Report</i>	In the Environmental Stewardship section of Molson Coors' 2007 Annual Message the company states, "We are working to establish overall standards for energy conservation, water stewardship and waste reduction/recycling at our breweries in the United States, Canada and the United Kingdom."
<i>Securities Filings</i>	No climate change mention.
<i>Other Disclosure</i>	In 2007, Molson Coors began reporting its social and environmental performance on www.molconcoors.com/responsibility . The website includes Environmental Responsibility and Performance sections with trend data on CO2 emissions, water, energy and waste metrics globally, as well as by country and individual facility. The company does not publish a separate sustainability report.
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	Molson Coors recognizes that increased governmental regulation, through emissions limits, energy efficiency standards or increased taxes, could increase its cost of production. The company assesses current and expected regulatory program in its major markets in its most recent Carbon Disclosure Project response. Of particular note is the company's statement: "We anticipate the federal government [in the US] will regulate GHG emissions in the time period of 2009-2010 and implement an economy-wide cap and trade system." In addition, climate change-induced weather changes could affect the company's "availability, quality and price of agricultural products, our packaging suppliers, our water supplies, our brewery operations, our distribution chains, retailers, and also the demand for our products by consumers." Finally, the company also identifies specific physical risks for individual locations, such as its Golden facility in the US being dependent on mountain snow pack for process water and flooding risk at the company's Burton brewery in the UK.
<i>Public Policy</i>	Molson Coors says its Global Vice President for Corporate Responsibility engages with the Carbon Disclosure Project and other stakeholders regarding global trends in carbon policy and reporting. Business divisions also carry out dialogues with public policy makers and interest groups regarding the effectiveness of current policies and likely future directions.

Emissions Accounting

Score: 11

GHG Emissions Inventory **Year:** 2007 **Facility/Region:** Global **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Scope 1 (Direct)	746,639
Scope 2 (Indirect –Electricity)	507,924
Scope 3	—
Travel	—
Logistics	—
Products	—
Supply Chain	—

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<i>Accounting Methods</i>	In the US, the Coors inventory was developed using the EPA Climate Leaders GHG Inventory Protocol. Emissions reporting in the UK is governed by the Climate Change Agreement and administered by the British Beer and Pub Association. The boundaries set under the Agreement include electricity and fuel use by the company's three brewing facilities and 1 barley malting plant in the UK. In Canada, emissions are calculated using Canada's National Greenhouse Gas inventory report 1990-2005, issued April 2007.
<i>External Verification</i>	In the US, Coors emission inventory was audited by the EPA through the Climate Leaders Program. The verification of Coors Brewers' UK production site data is a regulatory requirement under the EU ETS and the Climate Change Levy. The Molson Canada inventory was prepared by Finn Projects but it is not currently externally verified.
<i>Certified CO₂ Offsets</i>	None identified.

Strategic Planning

Score: 19

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
GHG Emissions (Intensity)	12% indexed to production	2005	2010	US only
Energy Use	4%	2007	2008	Global

Target Details Molson Coors seeks continued year-on-year emission reductions, achieved through individual targets for facilities, divisions and the overall enterprise. The US business has set a 12 percent emissions reduction goal indexed to production by 2010 as part of a three year partnership with the US EPA Climate Leaders program. In addition, operations in the UK and Canada have set energy use reduction targets. Coors Brewers has set a target to reduce 2007 energy use by 3 percent by the end of 2008 and Molson Canada has set a 2008 energy reduction target of 3-5 percent. The company also plans to sign up to the US Department of Energy's Save Energy Now initiative this year and drive a 25 percent reduction in industrial energy intensity over the next ten years.

Target Achievement Molson Coors reports a reduction of 79,751 metric tonnes CO₂ across its businesses between 2006 and 2007. In addition, between 2006 and 2007 total CO₂ emissions were reduced by 7 percent in the UK, 6 percent in the US and 11 percent in Canada. Over the same period, total energy use was reduced by 7 percent in the UK, 6 percent in the US and 2 percent in Canada.

Energy Efficiency Molson Coors has actively reduced energy use from employee travel, office lighting and HVAC improvements. Breweries worldwide also measure their energy usage and benchmark their results with other breweries through the Brewing Research Institute. In the US, each plant has designated an employee to participate in the global utilities council, which shares best practices across the company. In the UK, Coors Brewers has focused on energy efficient lighting and process modifications.

In 2007, the company's Montreal Brewery was awarded the Leadership Award for Metering and Tracking from the Canadian Industry Program for Energy Conservation. In early 2008, Excel Energy awarded Coors Brewing Company the winner of the Overall Electricity Savings category at the 2008 Energy Efficiency Expo. Also this year, Coors Brewing Company's End

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Plant received an Energy Champion award through the US Department of Energy's Save Energy Now program rewarding the plant for over 15 percent in total energy savings.

In terms of employee travel, all businesses review corporate vehicle programs to promote efficient use of fuel. The US business recently joined the Smart Way Transportation Partnership of the US EPA and the Corporate Center office in Denver, Colorado, provides public transportation EcoPasses to all its employees.

Renewable Energy Coors Brewers' Tadcaster Brewery in the UK is using biogas from anaerobic digestion to offset fossil fuel usage in its boiler plant. In the US, the company's new Shenandoah brewery is utilizing methane in two biogas boilers.

Emissions Trading Three Coors Brewers brewery sites and a malting site in the UK are covered by EU ETS. The sites were allowed to opt out of Phase I of the EU ETS as the UK is covered by an equivalent scheme but the facilities are in Phase II. These facilities' emissions have been below their allowances to date and the company has chosen to bank any remaining allowances.

Products & Services At the company's Golden, Colorado brewery, Coors processes waste beer and other liquids to produce fuel-grade ethanol. The company is the first major brewer in the US to convert waste beer into ethanol. In 2007, Coors produced 2.7 million gallons of ethanol for sale in Denver, a 68 percent increase from 2005. The company sees a competitive advantage in that its production process does not divert raw materials from the food supply. Coors is considering the viability of expanding this business to additional production facilities.

Research & Development Coors is looking to develop new barley varieties that require less water and better withstand drought conditions, an initiative that could help with climate change adaptation efforts. In addition, the company has devoted extensive resources to cellulosic ethanol research at its Golden, Colorado facility.

Supply Chain Management Molson Coors is developing Supplier Guiding Principles and a program to recognize sustainability within its entire supplier network as part of its broader Supplier Excellence Awards program. Specifically on climate change issues, Coors in the US is working with suppliers and industry partners on managing supply chain GHG emissions. Molson Coors is working with the Beverage Industry Environmental Roundtable to define boundaries and methodologies for calculating lifecycle GHG emissions specific to the beverage industry. Meanwhile, Coors Brewers in the UK is working with the Carbon Trust, DEFRA and BSI British Standards on piloting the draft Publicly Available Specification 2050, a standard for assessing the lifecycle GHG emissions of goods and services. Finally, the company is also working to optimize distribution routing and reduce transportation emissions.

Diageo CEO Paul Walsh is chair of the company's Corporate Citizenship Committee, ultimately responsible for environmental initiatives. The company has made significant strides in reporting on its environmental impact and estimating greenhouse gas (GHG) emissions for its full supply chain. Diageo is also making a major investment in innovative biomass energy technologies at its Cameronbridge, Scotland grain distillery and has set a target to reduce absolute GHG emissions worldwide by 50 percent by 2015.

Summary Score: 48

Company Information

Diageo is the world's largest producer and distributor of alcoholic drinks. Its beers and distilled spirits include Guinness Stout, Harp Lager, Johnnie Walker Scotch, José Cuervo tequila, Tanqueray gin and Smirnoff vodka. The company gained the Captain Morgan, Crown Royal, and VO Canadian brands through its purchase of Seagram's drinks business from Vivendi (formerly Vivendi Universal). The company had approximately 24,373 employees as of 2008.

Contact Information

Chairman: Franz Humer

CEO: Paul S. Walsh

Website: www.diageo.com

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Board Oversight

Score: 4

Board Committee/Member

None identified.

Board Role

The Board reviews progress on environmental and sustainability issues each year when they are presented with annual performance data by the executive-level Corporate Citizenship Committee. They may also discuss climate change issues as part of particular reviews of sustainability issues more generally.

Board Training

There is an induction program for new directors, in which orientation training is provided on the business, including environmental and social responsibility policies and practices.

Management Execution

Score: 14

CEO Leadership

CEO Paul Walsh is chair of the company's Corporate Citizenship Committee, which is responsible for maintaining an environmental policy and monitoring achievements in this area. In their introductory letter to the company's most recent corporate citizenship report, Chairman Franz Humer and CEO Paul Walsh highlight the need to lead by example and the company's signing last year of the Bali Communiqué on climate change and the CEO Water Mandate.

Company Strategy

Diageo issued a formal environmental policy in 2003 that was updated in 2005. The policy includes the following company-wide standards applicable to climate change:

- All businesses shall be aware of the potential impact of generating greenhouse gases and set targets for the reduction of CO₂ equivalent emissions.
- All businesses shall have programs to ensure that there is continuing awareness of non renewable energy use and conservation. All business units shall monitor consumption and establish appropriate energy reduction targets.

Diageo's GHG emission reduction strategy is to reduce emissions through efficiency initiatives and new processes/technologies, switch to renewable energy sources and offset remaining emissions. The company also states in its *Corporate Citizenship Report 2008*, "The prospect of climate change also presents us with opportunities, most particularly a competitive advantage if we respond to these issues more effectively than others in our industry."

<i>Executive Responsibility</i>	Diageo's Corporate Citizenship Committee, chaired by CEO Paul Walsh, has oversight of climate change-related policies and strategies. Meanwhile, the Diageo Environmental Working Group, which was reconstituted at a more senior level in 2008, leads the implementation and monitoring of environmental improvements, including those related to climate change. The team is led by the managing director of Diageo Supply, includes functional leaders from across the business and reports progress to the Corporate Citizenship Committee. In addition, the group is supported by an environmental leadership team covering production sites and by a new sustainable packaging working group. Each business unit carries out risk assessments at least quarterly, which may include analysis of climate-related risks, and mitigation plans are reviewed through regional Risk Management Committees.
<i>External Initiatives</i>	Diageo has worked as a member of the Beverage Industry Environmental Roundtable on developing consistent measurement and reporting approaches. The company also recently participated in an Irish Business Employers Confederation conference on carbon footprinting,
<i>Employee Training</i>	Each office with more than 50 employees is tasked with raising employee awareness of environmental policies and improving environmental performance. In addition, to mark World Environment Day this year Diageo employees made 5,766 commitments to five voluntary actions to reduce their personal environmental footprints.
<i>Executive Compensation</i>	Diageo says it includes environmental targets in the personal objectives of relevant staff affecting compensation.

Public Disclosure

Score: 6

<i>Annual Report</i>	No climate change mention.
<i>Securities Filings</i>	No climate change mention.
<i>Other Disclosure</i>	Diageo's <i>Corporate Citizenship Report 2008</i> identifies environmental management, including climate change mitigation, as a priority for the company. The report includes a detailed discussion of climate-related risks and mitigation initiatives. The company also reports GHG emissions and water use data by region.

Sustainability Report: *Corporate Citizenship Report 2008*, August 2008

URL: <http://www.diageo.com/en-row/CorporateCitizenship/CorporateCitizenshipReports/2008/>

GRI Accordance: G3 Level A+ Third Party Checked

<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	Diageo says that regulation of GHG emissions will reinforce the company's "drive to be increasingly energy efficient and to find lower-carbon energy solutions." The company also

recognizes that its operations could be “adversely affected by major weather and ecosystem changes.” In particular, climate change could affect Diageo’s ability to source raw materials including water and crops, manufacture products or distribute its brands.

Public Policy

In November 2007, the company endorsed the Bali Communiqué, an initiative of the Prince of Wales’s Corporate Leaders Group on Climate Change calling for a legally-binding international framework to tackle climate change.

Emissions Accounting

Score: 13

GHG Emissions Inventory

Year: FY2008

Facility/Region: Global

Protocol: GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Scope 1 (Direct)	625,000
Scope 2 (Indirect –Electricity)	102,000
Scope 3	—
Travel	25,500
Logistics	420,000
Products	240,000
Supply Chain	820,000*

* Extrapolated estimate for entire business based on a 2007 supply chain study of the Johnnie Walker brand only.

Accounting Methods

Diageo collects environmental data monthly from all 105 production sites and annually from 41 large offices. GHG emissions from fuel combustion are calculated using standard calorific values and emission factors. Indirect emissions are calculated from emission factors published for countries by the GHG Protocol and separately for US states and Canadian provinces using government-published factors.

External Verification

Energy consumption and calculated emissions are subject to an internal audit. In addition, at relevant sites, data is subject to audits under government programs, IPPC licences, ISO14001 accreditation processes and the EU ETS. Starting in 2008, all data will be subject to a single external verification process.

Certified CO₂ Offsets

None identified.

Strategic Planning

Score: 11

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
GHG Emissions (Absolute)	50%	2007	2015	Global

Target Details

In 2008, Diageo set absolute emission reduction targets instead of intensity targets for the first time. The company says that this methodology allows for a more meaningful quantification of the environmental benefits of its initiatives. The company’s GHG emission reduction target is to reach 364,000 metric tonnes CO₂ by 2015.

<i>Target Achievement</i>	Diageo's <i>Corporate Citizenship Report 2008</i> includes GHG emission data from 2004 through 2008, showing a reduction in emissions in both absolute and intensity terms over this period. While overall Scope 1 and 2 emissions have fallen from 791,000 to 727,000 metric tonnes CO ₂ , emissions intensity has been reduced from 255 to 216 grams CO ₂ per liter of product over the same period.
<i>Energy Efficiency</i>	Diageo is hoping to reduce emissions from business travel by encouraging videoconferencing and has installed new, advanced video studios in London, Norwalk and Singapore.
<i>Renewable Energy</i>	Diageo is installing or testing a number of renewable technologies to provide energy for its plants. In South Korea, the company has installed solar thermal panels and an absorption chiller, saving 75 percent of the site's diesel consumption and nearly 20 percent of its electricity use. CO ₂ emissions are estimated to be reduced by a third. In an office in Australia, Diageo has fitted photovoltaic solar panels to satisfy all energy use. In addition, as part of the largest single investment in renewable technology by a non-utility in the UK, work is underway at the company's grain distillery at Cameronbridge, Scotland to install new equipment, which will exploit the energy potential of waste materials, including wastewater. The \$120 million project will provide 98 percent of the steam and 80 percent of the electricity needed by the distillery and is a first in integrating anaerobic digestion and biomass conversion technologies on a commercial scale. The company is also planning a new distillery in Morayshire, Scotland that will feature green power technologies.
<i>Emissions Trading</i>	In 2007, the five Diageo sites in Ireland and the UK included in Phase I of the EU ETS reported total GHG emissions within their allocations, resulting in a small number of surplus, tradable allowances.
<i>Products & Services</i>	Diageo sees potential commercial opportunities related to climate change if certain raw materials become more readily available or a competitive advantage is gained through increased reliance on renewable energy for production processes. One particular project the company is pursuing is related to the branding of its Gleneagles hotel and golf course complex in Scotland. In 2008, the company introduced new environmental measures designed to make Gleneagles a leader in responsible tourism. Gleneagles aims to become carbon neutral over the next two years and plans to encourage environmental awareness among guests.
<i>Research & Development</i>	Diageo recognizes that achieving its environmental targets will require new product processes and technologies. The company is working on possible future technology applications in the digestion of effluent to produce burnable methane, using heat from burning solid waste, wind and solar energy and water and waste recycling.
<i>Supply Chain Management</i>	Diageo has a set of supplier standards including environmental factors; satisfying these standards are now a formal part of the company's qualification process for raw material suppliers. To confirm that suppliers maintain these standards, the company uses the independent Suppliers Ethical Data Exchange, or Sedex, through which participating suppliers post self-assessments online. In addition, in 2008 Diageo established a new working group to focus on sustainable packaging.

InBev has established an extensive management structure to address environmental and climate change-related issues, including the company's Chief Supply Officer and a Global Environment Department. The company is focused on eco-efficiency, energy efficiency and renewable energy projects at its production plants to reduce greenhouse gas (GHG) emissions. Of particular note is progress the company's Latin American operations have made in using biomass resources to satisfy production energy needs. The company is also supporting development of the Kyoto Protocol's Clean Development Mechanism through emission reduction projects in Brazil and Paraguay.

Summary Score: 38

Company Information

InBev is one of the world's largest brewers, owning a collection of more than 200 local beer brands across the globe. The company operates facilities in more than 30 countries. In 2004, the Belgian brewer merged with Brazil's Companhia de Bebidas das Américas (AmBev). In 2008, its takeover offer for Anheuser-Bush was accepted. This profile applies to InBev policies and operations only.

Contact Information

Chairman: Peter Harf
CEO: Carlos Brito

Website: www.inbev.com

Address: Brouwerijplein 1, 3000 Leuven, Belgium

Board Oversight

Score: 3

Board Committee/Member

None identified.

Board Role

Corporate Citizenship forms a part of the company's Corporate Affairs Strategy (including some elements of environmental performance), which was approved by the Board in 2006. The Board and Executive Board of Management receive regular briefings on the company's citizenship and environmental progress.

Board Training

None identified.

Management Execution

Score: 9

CEO Leadership

CEO Carlos Brito's introductory letter to the 2007 Global Citizenship Report states, "Our focus on sustainability is central to the InBev culture and is embedded in our way of doing business. With this in mind, we are sharing our forward looking targets so that we can continue improving internal performance while increasing external accountability."

Company Strategy

InBev has defined water, energy and climate change, byproducts and waste as the company's key environmental issues. The company believes that "businesses should support a precautionary approach to environmental challenges." InBev manages environmental issues through its Voyager Plant Optimization (VPO) management system, which promotes energy, water and recycling efficiency in operations, as well as through an Environmental Policy and Operational standards.

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<i>Executive Responsibility</i>	At the Executive Board of Management (EBM) level, the Chief Supply Officer, the Chief People & Technology Officer and the Chief Legal and Communications Officer are responsible for environmental, health and safety matters. The Chief Supply Officer is specifically responsible for environmental issues across the company. Supporting the Chief Supply Officer are the Vice President Technical, the Global Environment Director and the Global Environment Department. The Global Environmental Department's responsibilities include definition of policies and objectives, environmental auditing and reporting, as well as participation in process and product development. In addition, a Head of Corporate Social Responsibility was appointed in June 2008.
<i>External Initiatives</i>	None identified.
<i>Employee Training</i>	Corporate Citizenship, including some elements of environmental performance, have been incorporated into the CEO's quarterly briefing sessions for global headquarters staff, with an open invitation for employees to ask questions.
<i>Executive Compensation</i>	The annual InBev targets for waste recycling, energy, fuel and water consumption are cascaded for all plants, including individual targets for environmental and utilities managers.

Public Disclosure

Score: 10

<i>Annual Report</i>	InBev's 2007 Annual Report includes a section on the environment that states, "Climate change is predicted to have serious and far-reaching environmental, economic, and social consequences. For our business it may directly impact on crop outputs and costs, and the quality of our essential raw materials. It may also lead to limits on the supply of water, rising energy prices, unpredictable weather affecting our breweries and supply chain, and of course changes in consumer demand. In the face of these challenges, we want to be part of the solution by reducing our carbon footprint through energy efficiency and smarter management and sourcing of energy."
<i>Securities Filings</i>	InBev does not file a Form 10-K or 20-F with the US Securities and Exchange Commission.
<i>Other Disclosure</i>	<p>InBev's third annual Global Citizenship Report includes a section entitled "Managing our Environmental Performance" that addresses energy use and climate change, among other issues. The report contains extensive data on the past three years for production plant energy consumption and CO₂ emissions.</p> <p>Sustainability Report: <i>Citizenship '08</i>, September 2008 URL: http://www.inbev.com/pdf/InBev_corpo_citizenship08.pdf GRI Accordance: G3 – B Self Declared</p>
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	InBev recognizes that climate change could have far-reaching consequences on society as a whole and its business, specifically on raw material and water supplies as well as rising energy prices. The company also sees climate change potentially affecting consumer habits and preferences. Extreme weather events could also impact production, transportation or delivery of the company's products.
<i>Public Policy</i>	InBev says it engages with policymakers on both national and international levels directly and via trade associations.

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Emissions Accounting

Score: 7

GHG Emissions Inventory Year: FY2007 Facility/Region: Some facilities Protocol: GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Scope 1 (Direct)	2,699,135
Scope 2 (Indirect –Electricity)	678,695
Scope 3	—
Travel	—
Logistics	—
Products	—
Supply Chain	—

Accounting Methods For 2007, InBev reported data from 124 production plants worldwide. The company measures CO₂ from fuel use in its boilers and purchased electricity, but does not currently include emissions from transport, the brewing process and HFC related emissions. In 2008, the company plans to study collection of Scope 3 emissions data.

External Verification None identified.

Certified CO₂ Offsets None identified.

Strategic Planning

Score: 9

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
GHG Emissions (Intensity)	10% per hectoliter of product	2008	2010	Global production
Energy Use	10% per hectoliter of product	2008	2010	Global production

Target Details InBev has set a target to reduce CO₂ emissions from production activities to 11.69 Kilograms per hectoliter of beer and soft drinks produced by 2010. In 2007, this metric was at 12.99 Kg/hl down from 15.04 Kg/hl in 2005. The company has also set a target to reduce overall energy use in production activities to 0.12 Gigajoules per hectoliter of beer and soft drinks produced by 2010. In 2007, this metric was at 0.14 GJ/hl down from 0.18 GJ/hl in 2005. In addition, the company has annual targets per plant for fuel and electricity consumption reduction. The company sets target baselines using at a minimum the government accepted baseline in each country. Annual GHG emission targets are fixed based on fuel consumption and energy targets. The company is also targeting water use for beer and soft drink plants to 3.75 hl/hl.

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<i>Target Achievement</i>	<p>Over the last three years, InBev has reduced the amount of energy required to produce a hectoliter of product by 22.2 percent and the amount of CO₂ emissions by 13.6 percent. Absolute CO₂ emissions were up 16.8 percent between 2006 and 2007, partially due to an additional 32 plants reporting data for the first time in 2007. In addition, efforts to switch to renewable energy sources at several plants have led to GHG emission reductions. For example, in Brazil CO₂ emissions have decreased by 32 percent over the last five years.</p>
<i>Energy Efficiency</i>	<p>InBev has instituted a number of energy efficiency initiatives across different regions and facilities. These include using high performance boilers, replacing heavy oil with natural gas and adding automation controls to NH₃ compressors. For example, for its Latin America North business division the company invested \$12 million over 2007-8 for efficiency upgrades and projects.</p> <p>In 2008, InBev is conducting a carbon management study to identify opportunities related to GHG emissions and the company's carbon footprint in the UK and China. The study will generate recommendations for improving emissions management across the company.</p>
<i>Renewable Energy</i>	<p>InBev generates a small but growing proportion of its power from renewable energy sources such as biogas and biofuel, particularly at plants in Argentina, Brazil and Uruguay. In Argentina, 24,221 tons of CO₂ have been cut since 2004 by substituting heavy oil with eucalyptus sawdust as boiler fuel. Plants in Brazil use on-site biogas-to-energy systems and in Western Europe seven breweries produce biogas for heat and electricity. Biomass represents 34 percent of total fuel consumed in Brazil. Overall, the move to biomass fuel will lead to emissions savings of 174,000 tons of CO₂ in 2007 and a cost saving of 6.6 million Euros. Future investments include a new state-of-the-art boiler house for the Leuven brewery in Belgium and CO₂ recovery optimization at the Jupille brewery in Belgium.</p>
<i>Emissions Trading</i>	<p>All of the company's Western European plants are included in the Phase II EU ETS emissions trading scheme. Some UK breweries have joined the British Beer & Pub Association Climate Change Agreement, which allows an 80 percent exemption to the UK Climate Change Levy if members enact energy efficiency measures. In addition, in 2007 the company's Latin America North operations launched the first ever beverage company Clean Development Mechanism project to be approved by the Brazilian government. The project replaces fuel oil with solid biomass from rice husks for steam generation and is expected to reduce CO₂ emissions by 188,000 tonnes over the next seven years. Another CDM project is seeking approval at the company's Ypané brewery in Paraguay.</p>
<i>Products & Services</i>	<p>While InBev does not see direct climate change opportunities for its products and services, the company is involved in generating emission reduction credits through the Clean Development Mechanism of the Kyoto Protocol.</p>
<i>Research & Development</i>	<p>None identified.</p>
<i>Supply Chain Management</i>	<p>None identified.</p>