Coca-Cola Enterprises: 2008 Corporate Responsibility and Sustainability Report

Getting a taste for it

By Kyle Whitaker

The bottler of Coca-Cola's brands demonstrates some reporting fizz

Crisp, refreshing, and good to the last drop. Coca-Cola Enterprises' latest corporate responsibility and sustainability (CRS) report, entitled Our CRS Journey: Delivering on our Commitments, is every bit as satisfying as your favourite soft drink, but without the calories or caffeine to keep you up at night.

This year's report, CCE's fourth, is the kind you don't mind reading from front to back. The copy is concise, the tone fresh and approachable, and the report well organised around five key areas – energy conservation/climate change, water stewardship, sustainable packaging/recycling, product portfolio/well-being, and diverse and inclusive culture.

Performance, however, breeds expectations. And CCE has performed well recently, earning the top prize for creativity in communications at the 2009 Ceres-ACCA North American Reporting Awards. So the question remains: can CCE sustain and improve upon its communications year after year?

CCE has a perennial CRS communications problem: the company moniker is easily confused with similarly-named Coca-Cola Company. For the record, CCE and Coca-Cola Company are separate legal entities, although the latter owns 35% of CCE's common stock. Whereas Coca-Cola Company is the owner and marketer of brands including Coca-Cola, Diet Coke, Fanta, and Sprite, CCE is the world's largest bottler of Coca-Cola Company's products, serving the US, Canada and parts of western Europe.

In spite of this obstacle, CCE does an adequate job distinguishing itself from Coca-Cola Company from the outset, which serves the bottling company well from a reporting perspective. CCE rightly takes credit for key successes (like driving operational efficiencies throughout its energy-intensive business). In turn, it keeps its distance from industry challenges (such as marketing healthier alternatives to high-calorie products). Like it or not, it's hard to decide which company should bear responsibility for this challenge (among others), and so it is easy for CCE to pass the buck.

On the bright side, this shortfall appears to be an isolated communications or public-relations issue rather than a broader strategic one. CCE embeds environmental and social criteria into the risk management process of its core business. While it does so in place of a formal materiality process, this more-integrated approach is a clear indication that CRS is considered an integral part of CCE's business.

Like integration, good governance is another hallmark of best-in-class sustainability performers, and governance figures prominently into this year's CCE report. A board committee has oversight for CRS, executive pay is tied to CRS performance, and a cross-functional team manages the workload at both the business-unit and facility levels. Furthermore, CCE works closely with Coca-Cola Company on sustainability issues to ensure and maximise alignment and collaboration between companies. For some stakeholders (not all), this attempt at coordination will further mitigate the concerns raised earlier regarding ownership and accountability.

Effective governance structures would be meaningless, however, without grassroots support, and CCE delivers on both fronts. Pull-out boxes in the report highlight how employees contribute to innovation and drive sustainable business practices within each of the company's five focus areas. CCE's sustainability initiatives appear more tangible and credible as a result.

Innovation driving sustainability

Attention-grabbing technologies such as "light pipes", which direct daylight into work areas using no electricity; hybrid-electric tractor trailers that convert braking energy into electric power; and plant bottles, which use less petroleum and reduce carbon emissions, underscore CCE's commitment to critical sustainability issues such as climate change.

These examples, however, have the effect of pointing up gaps in innovation. For example, CCE states its goal to minimise water use by 2020 (cutting water use per litre of drink produced from 1.79 litres to 1.3 litres). Because CCE currently uses 35bn litres of water annually, it must find ways to conserve billions of litres a year to meet its stated goal. Yet CCE's water-saving and conservation initiatives seem to lack the firepower needed to do so. The innovations described will save hundreds of millions – but not billions – of litres in all. Consequently, stakeholders are left wanting more information about CCE's forward-looking strategy.

In sum, CCE survives its post-award hangover, but there is still ample room for the company to improve in terms of both content and style. Clearer descriptions of how CCE will achieve its long-term goals will enhance report credibility. Stylistically, greater interactivity and a sleeker web design will make this report more accessible. The good news is that CCE is doing the difficult things, such as innovation and good governance, right. ■

Snapshot

Follows GRI? Yes, application level B.
Assured? No
Materiality analysis? No formal process in place.
Goals? "Commitment 2020" goals; one goal headlines each of five strategic focus areas.
Targets? Yes, short-term targets support broader "Commitment 2020" goals.
Stakeholder input? Yes, first Engagement Roundtable, held during US Democratic National Convention, was 2008's signature effort.
Seeks feedback? Yes, via email.
Key strength? Sustainability clearly made part of core business strategy.
Chief weakness? Disconnect between current performance and long-term goals.
Pleasant surprise? Employee innovations drive cost savings and sustainability performance.

The copy is concise, the tone fresh and approachable, and the report well organised

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