

# SUSTAINABILITY HIGHLIGHTS 2020

**Refresh the World.**

Make a Difference.



## The Coca-Cola System in Nepal

The Coca-Cola System in Nepal comprises of a wholly-owned subsidiary of The Coca-Cola Company (TCCC) namely, Bottlers Nepal Limited - ("BNL") and its subsidiary, namely, Bottlers Nepal (Terai) Limited ("BNTL"), both of which are authorized to prepare, package, sell and distribute beverages under certain specified trademarks of TCCC; in their respective territories, supported by an extensive distribution system comprising of customers, distributors and retailers.

For the purpose of this report, "Coca-Cola System", "Coca-Cola System in Nepal" and "Coca-Cola Nepal" are used interchangeably to represent BNL and BNTL, unless otherwise specified. This does not signify any legal or structural arrangement. Depending on the context, "We" may refer to BNL and/or BNTL and/or Coca-Cola System.

## About the report

This report is Coca-Cola Nepal's first sustainability performance disclosure that highlights the impact we have created through key sustainability initiatives across our value chain. The quantitative data highlighted in the report covers the period from January 1, 2020 to December 31, 2020 unless otherwise stated.

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# OUR JOURNEY IN NEPAL



- 1973**  
The planet's most loved brand, Coca-Cola entered Nepal
- 1979**  
Established a new plant with 85 BPM RGB line in Kathmandu
- 1987**  
The 2<sup>nd</sup> plant, Bottlers Nepal (Terai) Limited is established in Bharatpur
- 2002**  
Installed effluent treatment plant at Kathmandu and Bharatpur
- 2011**  
Upgraded to 450 BPM RGB line in Kathmandu
- 2013**  
Initiated Water Stewardship projects
- 2014**  
Established first PET bottle recollection initiative, "Nagarmitra" in Kathmandu
- 2016**  
Coke Zero launched in Nepal
- 2018**
  - Official launch of World Without Waste Initiative
  - Established second PET recollection initiative "Recycler Saathi" in Chitwan
- 2019**
  - Mt. Everest Clean Up Campaign (#cleanourpride)
  - ASSP-Innovative and sustainable packaging technology is introduced
- 2020**
  - Launched Refresh & Recycle Informative PET Collection Bins with Doko Recyclers

## Our Beloved Brands

Since launching our beloved beverage Coca-Cola in 1973, we have come a long way. As we continue on this journey of crafting beverages that delight our consumers, we are re-shaping our portfolio to provide more choices, in a variety of serving sizes.

We continue to be committed to keeping our labeling transparent, clearly conveying nutritional information in line with regulatory requirements to support responsible consumption.

OUR BELOVED BRANDS	NO SUGAR	HYDRATION	SPARKLING
 <p><b>Coke</b>      <b>Sprite</b>      <b>Fanta</b></p> <p>Since its launch in Nepal in 1973, Coca-Cola has been refreshing Nepal. Bright and bubbly, Sprite and Fanta Orange are popular favourites</p>	 <p><b>Coke Zero</b></p> <p>Coca-Cola Zero Sugar has the original Coca-Cola taste without sugar and calories</p>	 <p><b>Kinley Water</b></p> <p>We believe that right to pure, safe drinking water is fundamental. Kinley water comes with the assurance of safety as it is prepared using reverse-osmosis and latest technology to ensure purity</p>	 <p><b>Kinley Soda</b></p> <p>Kinley Soda is a carbonated water which promises the assurance of clean and safe water through an intensive purification process</p>

### PROMOTING SUSTAINABLE CHOICES THROUGH A VARIETY OF PACKAGING SIZES AND SOLUTIONS

 <p><b>Returnable Glass Bottles</b></p>	 <p><b>PET</b></p>
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# MESSAGE FROM SYSTEM LEADERSHIP



**Pradip Pandey**  
Managing Director, Bottlers  
Nepal Limited and CEO  
Bottlers Nepal(Terai) Ltd.

Bottlers Nepal Limited is one of Nepal's top FMCG companies, manufacturing and supplying Coca-Cola's flagship products and Nepal's favorite refreshments for over 4 decades. We have been able to do so by rooting ourselves deeply into the core values of the company and by putting our consumers at the center of everything we do.

From early on, we have defined our sustainability goals with targets to tackle both business and environment related issues by working with our stakeholders to ultimately create sustainable value. We have worked to minimize our impact on Nepal's natural resources while upholding The Coca-Cola Company's sustainable business priorities of a world without waste, water leadership and corporate citizenship.

In the area of waste management, we have led multiple initiatives that have provided the necessary impetus to the challenges of responsible waste management and recycling of PET bottles. Through campaigns like #CleanOurPride, for cleaning up the world's highest mountain peak and indeed our pride, Mt. Everest and placement of informative PET collection bins at strategic locations, we have created awareness in the communities regarding waste segregation, packaging and recycling.

We believe our success is driven by an understanding of our communities, the partnerships we have built over the years with our communities and our approach to corporate citizenship. We believe in collaborating with our stakeholders for creating a better shared future and we have formed key partnerships to adapt our global initiatives to Nepal's context. We are working with key groups such as youth and women, industry peers, regulatory bodies and our consumers to make a real difference in society.

We are proud of what we have achieved so far and during challenging times, we have learnt to reflect and act keeping our history and our future in mind. Given the current scenario, the pandemic will give rise to a "New Reality". While we collectively try to overcome this challenge and come to terms with the "New Reality", we will remain guided by our purpose, to refresh the world and make a difference.

\*1 NPR = 0.0086 USD as on 1st June 2021



**Adarsh Avasthi**  
Country Director,  
Nepal and Bhutan

The Coca-Cola System views sustainability as a prerequisite for business growth. Since 1973, we have been in the business of making Coca-Cola every Nepali's first choice of refreshment. For over 40 years, we have strived to build a community-driven, customer-focused and sustainable business that is profitable while being socially responsible.

As industry pioneers, we have a history of leadership, resilience, and of doing the right thing. Through collaborative action, we have created initiatives that align with the United Nation's Sustainable Development Goals and Nepal Government's vision while upholding The Coca-Cola Company's sustainable business priorities. True to this spirit, we are proud to present our sustainability initiative highlights on World Without Waste, Water Stewardship, Addressing Climate Change and Corporate Citizenship.

Our flagship program, World Without Waste, is one of a kind in Nepal, where we are re-thinking our packaging design, innovating the way our used packaging is collected and collaborating to ensure packaging is recycled. We have partnered with industry peers, environmentalists, government, and civil society organizations to implement a plastic circular economy and promote recycling in Nepal.

Water, being a scarce and critical resource for our business, takes priority in our sustainability goals and we are taking bold steps to achieve our water neutrality goal of 100% through our Water Stewardship program. We have achieved a water replenishment potential of over 200% through water replenishment projects like rainwater harvesting, groundwater recharge and watershed restoration.

For years now, people have put their trust in us and made us the most beloved beverage company of Nepal. We believe in creating shared success for all our stakeholders - suppliers, retailers, employees, women and youth through programs like 5by20 and partnerships with AIESEC, National Youth Council, Glocal etc.

We have stood by the community in times of need. Whether it was during the 2015 earthquake that devastated Nepal or the COVID-19 coronavirus pandemic that swept over the world in 2020, we have supported our people.

The world, as we know it, will never be the same again, and as we hit the reset button and take steps into the future, The Coca-Cola System in Nepal will continue to overcome the crisis and spare no effort to refresh Nepal and create a better shared future.

# OUR RESPONSE TO COVID-19



Our commitment of “Refresh the world and make a difference” towards the communities we serve was tested this past year due to COVID-19. Like many other countries globally, Nepal too was affected by the pandemic with the number of COVID-19 cases rising rapidly after March 2020. In response, the government took measures to curb the spread by restricting travel, strengthening healthcare infrastructure, and procuring essential supplies.

The Coca-Cola System in Nepal has worked hard to ensure a reliable supply of our beloved beverages while safeguarding the health of our employees, partners and consumers.



## SAFETY IN OPERATIONS

To ensure the health and safety of our employees we are continuously monitoring the status of the COVID-19 pandemic and following all necessary precautions and recommendations given by the World Health Organization (WHO) and Government of Nepal. Stringent protocols to ensure hygiene and social distancing have been introduced and all staff have been trained on them.

### Waste Workers Emergency Relief Project (WWERP)



**Objective** To provide timely and relevant guidance to waste workers on COVID-19 and its spread



**Partner** CREASION, extending hands towards climate and environmental resilience and post-disaster management



- Activities**
- Supply of dignity kits for women working in the waste sector
  - Basket fund for the supply of nutritious food for the waste workers and their families
  - Procurement and supply of essential safety gear like Personal Protective Equipment (PPE) for waste workers



**Beneficiaries 16,000+**  
waste workers and their families



**Locations** Bagmati Province - Central Nepal (Kathamandu, Lalitpur, Bhaktapur & Chitwan) and Province 2- East Nepal (Parsa, Siraha and Saptari)

### COVID-19 Preparedness and Response PPE Plan for Health Workers and Frontline Workers



**Objective** To supply essential PPE and disinfectant kits



**Partner** Nepal Red Cross Society, largest humanitarian organization in the country



**Activities**

- Supply of 7 ventilators to the Government of Nepal
- Supply of essential Personal Protective Equipment (PPE) and disinfectant kits to health workers and frontline workers in public hospitals, blood banks and quarantine centers across the country



**Beneficiaries 60,000+** Healthcare workers including doctors, nurses, blood bank technicians, ambulance drivers, people in quarantine centers and communities



**Locations** Across all 7 provinces of Nepal

### Ensuring Hydration through Water and Beverage Support



**Activities** Provided support through the lockdown to the nation's frontline staff, security personnel and affected people in the quarantine centers by providing them with clean drinking water and beverages



**Beneficiaries 140,000+** People



**Locations** Across all 7 provinces of Nepal

### Contributing towards Food Security



**Activities** Supported daily wage earners in the BNTL plant community with food relief packages and beverages



**Beneficiaries 2,500+** Daily wage earners



**Location** Chitwan



\*1 NPR = 0.0086 USD as on 1st June 2021

# WORLD WITHOUT WASTE



To take a fresh look at the problem of packaging waste recyclability, our ambitious initiative, World Without Waste was launched in 2018 with the purpose to make the world's packaging waste problem a thing of the past. In Nepal, we are trying to achieve the global vision and targets by using a local approach and by building long-term partnerships with the government, NGOs, industry peers, and local communities using the Design-Collect-Partner framework.

**Design**

Make our packaging 100% recyclable globally by 2025 and use at least 50% recycled material in our packaging by 2030

**Partner**

Bring people together to support a healthy, debris-free environment



**Collect**

Collect and recycle a bottle or can for each one we sell by 2030



## Design

The design of our bottle is synonymous with our brand. It has a legacy of its own and today, we are reimagining our packaging to make it better for our planet and our business. We have innovated in light-weighting of Polyethylene Terephthalate (PET) bottles to reduce the total PET used across our portfolio. Currently, most parts of our packaging are recyclable and we strive to achieve 100% in advance of our 2025 target.



It gives us immense pleasure to extend our commitment to the World Without Waste initiative in Nepal. This project is another step towards the Company's larger strategy to grow with conscience and become a total beverage company that grows the right way. We will continue to work with our partners to strengthen our recycling and waste management efforts.

John Murphy, President, Asia Pacific Region at The Coca-Cola Company



### AFFORDABLE SMALL SPARKLING PACKAGE (ASSP)



- Affordable Small Sparkling Package (ASSP) created through design innovation and lightweighting
- 250 ml and 500ml size variants
- Long shelf-life due to Plasmax technology
- World's lightest weight best performing bottle

### RETURNABLE GLASS BOTTLES (RGB)



- 100% recyclable
- RGB bottles recovered 100% from market other than system breakages (~3%)
- 250ml pack size available
- Along with cans, account for almost a quarter of total packaging profile (23.5%)



**Collect**

Our goal of collecting and recycling a bottle or can for every single one we sell by 2030 is an ambitious target. Through multiple initiatives, we are on track to achieve this target and in the process ensure that each of our packages has more than one life. The Coca-Cola Foundation and Bottlers Nepal Limited are working hand-in-hand with local municipalities, businesses, citizens & waste pickers to emulate a multi-stakeholder approach towards finding a solution to recycle PET waste.

**Creating a PET Plastic Circular Economy**

We have adapted the lessons learnt from global initiatives targeted to create and accelerate collection and recycling systems to the local setting in Nepal. The Coca-Cola Foundation is working to create community-led integrated plastic waste management systems, promote efficient recycling and uplift the waste worker community. Some of the key features of our initiatives include:

**Features of key initiatives:**



Formalize the informal waste collection sector, create livelihood, provide social security and dignity for marginalized waste workers



Streamline waste collection through Nagarmitra and Recycler Saathi and create infrastructure to recycle packaging into plastic products



Diversify partnerships to create a broader coalition with the government and enable a positive PET recycling policy environment



	2014	2018	2020
<b>Project</b>	Nagarmitra	Recycler Saathi	Refresh & Recycle-Informative PET Collection Bins
<b>Objective</b>	Establishment of a responsible Re-Collection mechanism to create a Supply Chain Management of PET Waste	Replicate success and learnings from Nagarmitra for responsible Re-Collection of PET Waste	Awareness creation on PET bottles' recyclability through placement of 10 informative PET collection Bins in public spaces of Kathmandu Valley
<b>Partner</b>	Himalayan Climate Initiatives (HCI)	Centre for Research and Sustainable Development Nepal (CREASION)	Doko Recyclers
<b>Location</b>	Kathmandu, Bagmati Province	Chitwan, Bagmati Province	Kathmandu, Bagmati Province
<b>Collection till date</b>	1595 MT	1289 MT	780 kg (ongoing)
<b>Total waste recovered through initiatives 2884 MT</b>			



**Partner**

Implementing successful solutions to tackle the current waste management challenge requires a multi-stakeholder approach and partnerships with a network of peers, competitors, consumers, government, environmentalists, retailers, and other stakeholders.

We have partnered with local and international organizations like CREASION, WWF Nepal, Himalayan Climate Initiative (HCI), National Youth Council and others to scale up our waste management efforts and bring about a renewed focus on creation of a plastic circular economy.

 <b>Project</b>	Collaboration for Nagarmitra	Collaboration for Recycler Saathi	Plastic free “Chitwan National Park” with the Government of Nepal
 <b>Objective</b>	Establishment of a responsible re-collection mechanism to create Supply Chain Management of PET Waste	Replicate success and learnings from Nagarmitra for establishing a responsible re-collection mechanism of PET waste	Chitwan National Park declared as the Nepal’s first plastic-free protected area in January 2019. Coca-Cola is supporting the Government of Nepal by contributing to this initiative
 <b>Partner</b>	Himalayan Climate Initiative (HCI)	Centre for Research and Sustainable Development Nepal (CREASION)	Nepal Ministry of Forests and Environment, National Trust for Nature Conservation, the Nepal Army, WWF Nepal, Himalayan Climate Initiative (HCI) and local communities
 <b>Activities</b>	Collection of Post Consumer PET bottles through projects such as Nagarmitra, Recycler Sathi and Referesh & Recycle  Collected PET waste is sent for baling to Ganesha Ecosphere  After baling, PET waste is legally exported to India through Essel Industries Pvt Ltd.		Collection bins placed outside Chitwan National Park for visitors to dispose plastic items  PET bottles and single use plastics collected from designated sites through Recycler Saathi initiative and sent for recycling  Handed over 25 large PET bottle collection bins to the park authority to continue supporting the plastic-free protected area in 2020

**Community led initiatives**

**Collaborated with**

- National Youth Council for Clean-up Campaign on **World Tourism Day** in 77 districts mobilizing **3,500+** youth
- BID to place **150-litre** dustbins around the plant vicinity for waste collection on **World Environment Day**
- Cleanliness and awareness drive with **120+** local community members around Kerunga Ghole, Kandaghari Ghole
- Workshop with Himalayan Climate Initiative and Budhanilkantha Mahila Manch to train **42** women to make usable items and other artistic designs from plastic waste

“ For WWF, Partnerships are critical in addressing natural resource challenges that impact the world. We are pleased to see the long-standing relation between WWF and The Coca-Cola Company, who have jointly been working on promoting sustainable use of water, enhancing livelihoods of local communities and conserving freshwater ecosystem in Nepal and around the globe. Our collaboration with Coca-Cola Nepal on freshwater ecosystem conservation, water management and finding solutions for recyclable plastics will leverage on the experience combined with WWF Nepal’s partnership with the Government of Nepal, local communities and other stakeholders.

Dr. Ghana Shyam Gurung,  
Country Representative of WWF Nepal

“ Traditionally, waste sector was very male dominated. As a woman committed to work in this sector, I’m proud that I’m breaking the stereotypes and contributing to the society by recycling and upcycling waste, which used to go to the landfill earlier.

Sushila Kathayat Giri,  
Woman Entrepreneur

**#CleanOurPride: Mt. Everest Clean-Up Campaign – 2019**

#CleanOurPride was the first and largest ever joint initiative carried out by the Government of Nepal, Nepal Army, private sector and civil society organizations. It aimed to preserve the sanctity of the world’s highest mountain- Mt. Everest, and keep it clean. The 45-day clean-up campaign aimed to retrieve 10,000 kg of discarded garbage from Mt. Everest.

Coca-Cola in Nepal with support from The Coca-Cola Foundation Atlanta and BNL, worked alongside the Government of Nepal (central, local, Dept. of Tourism), Nepal Army, Nepal Mountaineering Association, Sagarmatha National Park, Sagarmatha Pollution Control Committee, WWF, Visit Nepal 2020 along with other private companies for this campaign.

The campaign collected a total of **4,692 kg (4.7 tons)** of garbage from Mt. Everest and a total of **5,694 kg (5.6 tons)** garbage from Everest Base Camp and its foothills.



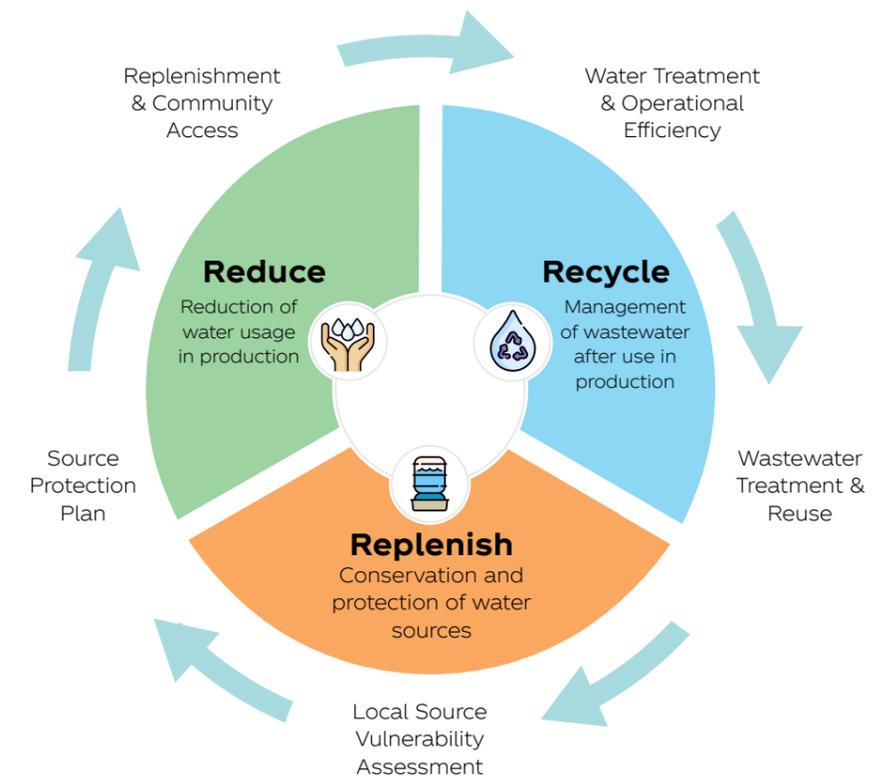
# WATER STEWARDSHIP



Water is essential to our products, our business growth and the communities in which we operate. In Nepal, rapid urbanization has resulted in a perennial shortage of water especially in the urban areas.

We are working to contribute towards improving water security in Nepal by re-evaluating how water is utilized in our own operations, across our value chain and by working with the local community to protect and preserve watersheds. Our water stewardship strategy in Nepal builds upon our 2030 water strategy finalized during 2020, which is based on feedback from our partners and stakeholder engagement with NGOs, governments and other leading companies.

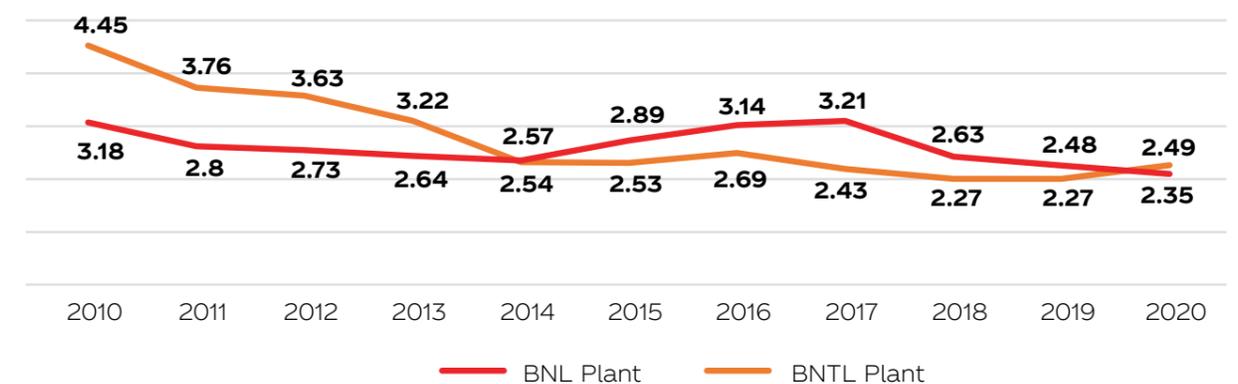
Our initiatives in Nepal are guided by our global framework of Reduce, Recycle and Replenish and their interconnected principles.



## Sustainability in Operations

We are paving the way for sustainable water management for present and future generations by emphasizing and prioritizing efficient water usage in our operations. We have a comprehensive risk identification and mitigation strategy at the national level as well as at the level of each of our bottling plants. The identification of plant water source and its watershed area is carried out through scientific surveys and Source Vulnerability Assessments (SVA). These proactive measures lead to devising Source Water Protection Plan (SWPP) which further contributes to source protection activities tailored to the specific action and working towards site specific water cycle areas and relevant environmental conditions.

Water Usage Ratio (WUR)



In Nepal, we have given prime importance to water conservation and water loss reduction as an integral part of the management of water throughout our operations. We have reduced water consumption over the years through targeted efforts such as technology upgradation and employing the basic rules of Reduce, Reuse, Recycle and Replenish. As a result, we have successfully improved our Water Usage Ratio (WUR) (liters of water to make 1 liter of product) in our Kathmandu plant from 3.18 in 2010 to 2.35 in 2020 and from 4.45 in 2010 to 2.49 in 2020 at the Bharatpur Plant respectively. If quantified, we were able to save 7,442 cubic meters of water this year through our water-saving initiatives.

In addition, we regularly track our targets for total water withdrawn and ensure that any wastewater that leaves our operations is returned to the environment at a level that supports aquatic life.

### Water Replenishment Projects

Over a decade ago, we made a pioneering commitment globally to replenish 100% of the water we use in our operations. What began as an objective to aspire to is a reality today. And we are motivated to keep this momentum going as we expand our business.

With support from The Coca-Cola Foundation, we have built long-standing partnerships with regional NGOs and community members to improve local water conditions. We work to restore degraded watershed areas and on water conservation projects, in some of the most remote parts of the country.

Our water replenishment projects in action can be categorized in two key areas of work:

#### Watershed Restoration and Conservation

	<b>Projects implemented</b> At 3 different regions of Nepal from 2017-2020
	<b>Locations</b> Include Koshi Basin Restoration in East Nepal, Tigrlake & Beeshazari Lake in Central Nepal and Water Security in Dang & Kailali, Western Nepal (ongoing)
	<b>Impact areas</b> Lake restoration and natural water resource protection promoting water security, wildlife conservation, biodiversity preservation, flood prevention
	<b>Key activities</b> Constructed wetland recharge ponds to store water at Tiger Lake, restored and maintained natural water source to improve watershed ecosystem
	<b>Partner</b> WWF Nepal
	<b>Water Replenishment Potential created</b> 3,62,507 KL
	<b>Beneficiaries</b> 14,000+ local communities living near Tiger and Beeshazari Lake

#### Rain Water Harvesting and Ground Water Recharge

	<b>Projects implemented</b> At 8 different locations from 2014-2020
	<b>Locations</b> Include schools, colleges, hospitals, public places like bus stations and plant communities in Kathmandu, Chitwan and Lalitpur in Bagmati Province
	<b>Impact areas</b> Urban flooding, integrated water management, improving drinking water quality, mitigating environmental impact of ground water extraction
	<b>Key activities</b> Include rain water harvesting and ground water recharge
	<b>Partners</b> WaterAid, SmartPaani Pvt. Ltd.& Centre for Integrated Urban Development (CIUD) Nepal
	<b>Water Replenishment Potential created</b> 1,87,065 KL
	<b>Beneficiaries</b> Students, teachers and school staff, passengers and staff of bus station, healthcare workers, patients, staff of hospitals, 350+ households near Rani Bari forest, Army staff and their families at Rajdahal barrack



# ADDRESSING CLIMATE CHANGE



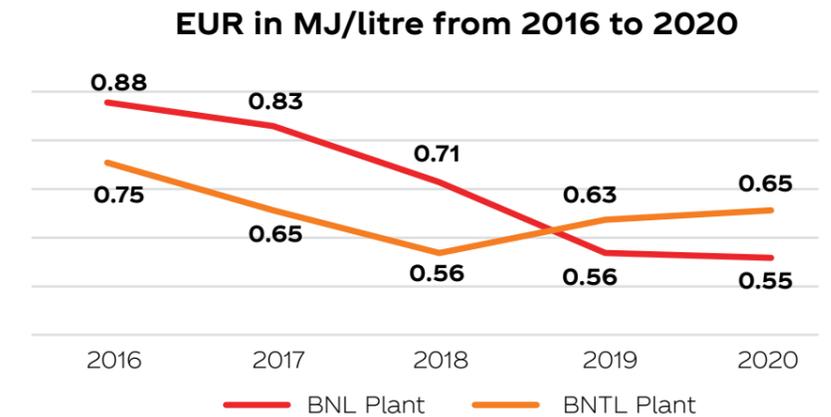
Coca-Cola Nepal believes in offsetting its business' environmental impact while moving towards a target of sustainable growth. As part of our strategy, we are aiming to reduce our carbon-footprint by targeting to reduce our absolute GHG emissions by 25% by 2030.

We are trying to achieve this by inculcating energy efficiency and responsible waste management into our entire business value chain including our manufacturing process, procurement division, internal processes, and solid and liquid waste handling.

## Reducing Energy Consumption

In line with the global initiatives, we have set ambitious targets for our energy performance at our manufacturing plants and for renewable energy use. Over the years, we have reduced our energy usage ratio and decreased our dependence on non-renewable sources usage of energy.

The reductions achieved have been the result of initiatives implemented over the years, tracking progress and building new programs. We conduct periodic energy assessments through certification bodies and take correction measures on Energy Action Planning while investing in energy efficient equipment and technologies.



## Energy Saving initiatives at our plants in 2020

- Installation of solar-powered street-lights at both plants
- Use of 100% hydropower for operations through NEA
- Investment in highly energy efficient equipment and technologies
- Replacing CFL with LED lights
- Improving HSD and FO boiler efficiency

### Cumulative Impact Created

- Overall EUR reduced by 5%
- 25,59,643 kWh of electricity saved
- 4,162 L of fuel saved

## Embracing Technology to reduce Carbon-Footprint

We have adopted automation and digitization initiatives across our internal processes and downstream value chain to reduce our carbon footprint, improve efficiency, and enhance employee experience.

### INTERNAL PROCESS AUTOMATION

neoHRIS smartContract Bottlers Operation E-compliance tool Solution (BOS)

Use of cloud based applications for HR, finance inventory and distribution processes leading to smarter, cost efficient and greener operations

### DISTRIBUTION

Sales Force Automation

Transition to paperless order taking and distribution using mobile application for sales teams and retailers

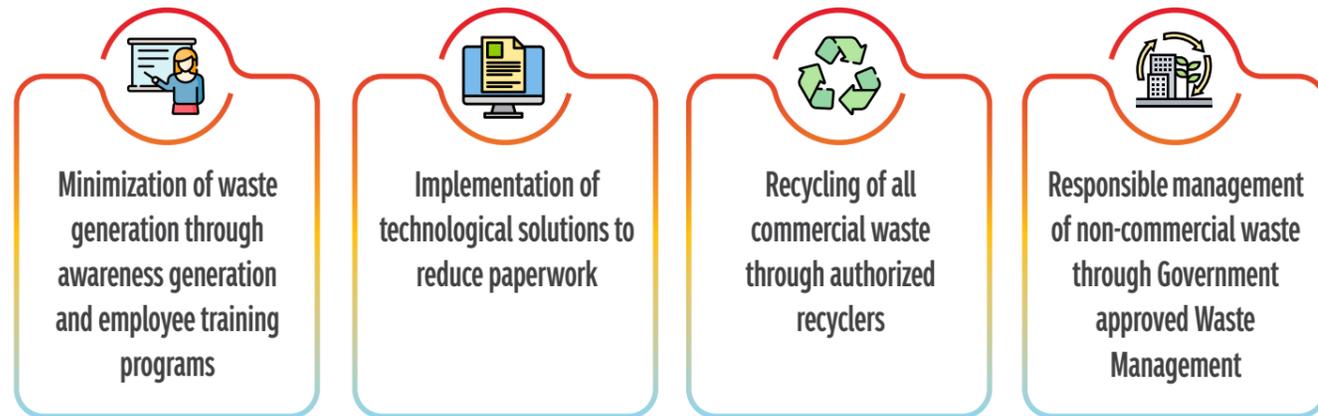
## Sustainable Practices for Waste Management

To be a torchbearer for sustainability initiatives across the industry in Nepal, we firmly believe that we need to start with a look inwards. For us, transforming Nepal into a recycling-oriented society starts with examining our own waste management practices.

In addition to compliance with all applicable local laws and regulations of Nepal and our global system, our waste management policy ensures we reuse and recycle material used in the course of our operations.

We use the best in class technology at Effluent Treatment Plants at our units to ensure all the wastewater that leaves our bottling facilities is safe for nature and other productive uses like general cleaning purposes within the plant premises.

The solid waste management initiatives implemented are focused across four major areas:



With 10 years left to achieve the United Nations (UN) Sustainable Development Goals (SDGs), it is clear that, collectively, we have more work to do. However, achieving these goals completely will require us to continue to innovate and adopt the best practices especially related to cold drinks equipment, ingredients or packaging sourcing, and more. We will continue to partner with our suppliers, customers, peers, NGO stakeholders and the Government in new ways to drive impact.



# CORPORATE CITIZENSHIP

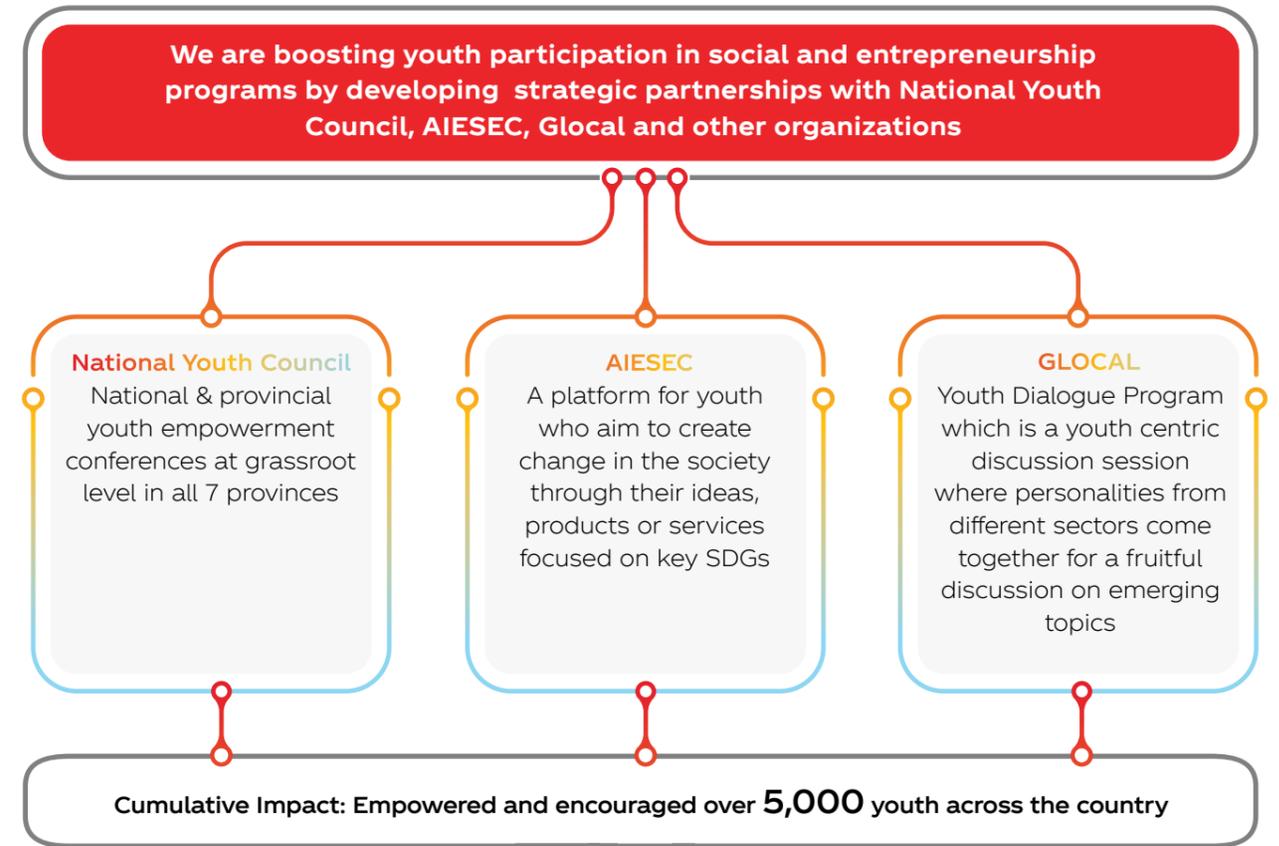


As a company we have always tried to prioritize creating a positive social impact, acting ethically and ensuring long-term environmental sustainability in our actions. Over the years, we have demonstrated a clear commitment to corporate citizenship through our social, environmental and cultural causes and by building mutually beneficial relationships between our organization and the communities in which we operate.

Engaging with our stakeholders helps us in defining our goals and monitoring our progress and performance. We use input from a variety of sources to inform our approach and align more closely with stakeholder expectations. Our corporate citizenship initiatives over the years have helped not only our company employees but also women, youth, our suppliers, retailers and our bottling plant communities.

## Youth Connect

The majority of Nepal's demography today comprises of people between 16-40 years of age, making it one of the youngest countries in South Asia.<sup>1</sup> We believe that youth is our tomorrow. That is why, at Coca-Cola Nepal, we invest in youth for a better future.



<sup>1</sup> Nepal Census 2011, <https://nepal.unfpa.org/sites/default/files/pub-pdf/Nepali%20Youth%20in%20Figures.pdf>

## Empowering Women

Women represent the greatest untapped source of economic opportunity around the world. The Coca-Cola Company believes that women are critical not only to the success of our business, but to the continued success of the communities we proudly serve. Staying true to this belief, our global flagship program for women empowerment, 5by20, was launched in 2010 to achieve the economic empowerment of 5 million women by 2020. A decade later, we are proud to have surpassed our initial target to empower more than 6 million women globally by the end of 2020. In Nepal, we are working with women in the Coca-Cola System as well as our female retailers.

### Women in the Coca-Cola System



Opportunities to upgrade knowledge and skills and build networks through initiatives like:

- STEP (Supervisory Training For Excellent Performance)
- LIFT (Leveraging & Inspiring Female Talent) programs
- Women's LINC (Lead INspire Connect) Conference
- Leadership Development Conferences like WIL (Women in Leadership)



Encouraging female talent through:

- Hiring female talent across diverse portfolios such as Sales, Key Accounts, Supply Chain
- Ensuring 50% women candidate CVs in hiring process

### Shopkeeper Training and Resources 'STAR' Program for Retailers



**Objective:** To enable women entrepreneurs overcome social and economic barriers by providing business skills training, access to financial services and assets, and access to mentoring networks



**4** key areas of retail:

- Shop management
- Stock management
- Customer management
- Finance management



**Impact:** Trained **5,200** women retailers across the country

“ I started my shop 15 years back without any experience. Gradually I gained experience over the time and now I earn my livelihood on my own. Being a woman, I believe it is very important to become independent so that you can earn well and fulfill your dreams. ”

Durga Dhakal Khadka  
Woman Entrepreneur  
Nepal 5by20 Beneficiary



“ We realized that majority of the retailers in Nepal are women and these women, especially in rural areas, lack basic retail and business skills. Through the 5by20 program, we have been aiming to address and support removing barriers that women retailers are experiencing in their lives. The Company will continue to encourage women's progress in its value chain and beyond ”

Pradip Pandey,  
Managing Director of  
Bottlers Nepal Limited



## Suppliers

We work with our suppliers to advance key priorities including environmental sustainability, inclusion, human rights, diversity and social innovation and forge long-term partnerships and collaboration.



### Supplier Guiding Principles (SGP)

Our Supplier Code of Business Conduct and SGP provide minimum acceptable criteria and baseline expectations for how our suppliers conduct their business, either via self-declaration and/or by 3<sup>rd</sup> party auditing agencies



### Digital Technology Support

Latest technological solutions to create a leaner organization and improve overall employee engagement and satisfaction

Sales Force Automation (android app-based order taking) and Bottling Operation Solution (web-based inventory management and invoicing system) for distributors



### Sustainable Procurement Strategy

Procurement strategy to localize raw materials, packaging materials and cultivate suppliers within Nepal to ensure the sustainability for the products and services used every day

BNL has localized sourcing of sugar, CO<sub>2</sub> and brand items like labels, preform, shrink wrap and closure for production



### Compliance to Human Rights Policy

All employees and suppliers required to be compliant with Human Rights Policy for creating a safe, discrimination free and respectable workplace

1,300 hours per year training on policy and the reporting mechanism

## Plant Community

We are deeply involved in the social welfare and upliftment of the communities near both of our bottling plants. In addition to our flagship programs of Water Stewardship, World Without Waste and 5by20, we also support initiatives that are focused on improving living conditions and providing opportunities for sustainable development.



Support underprivileged students with access to education and supply of educational materials



WASH interventions in Public Schools



Distribution of bins for better waste management



Development of plantations in the surroundings

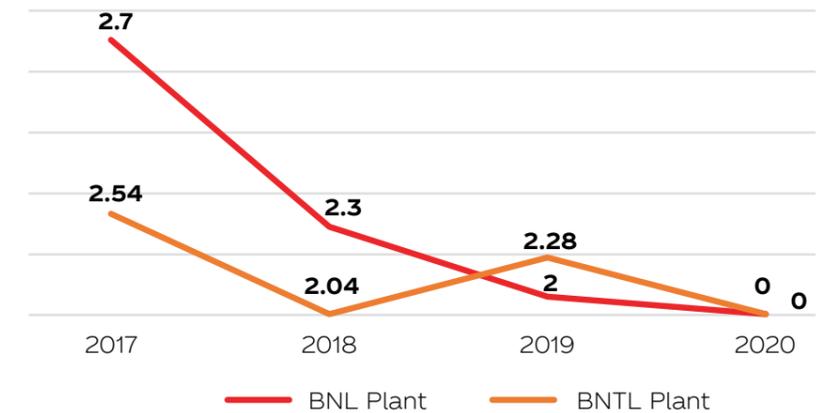
## Employee Wellbeing

We are where we are today because of our people, and we are committed to building, enhancing and ensuring the wellbeing of our workforce.

Just as our products must always be safe, so too must our workplaces. Ensuring workplace safety requires unwavering adherence to our high standards. Coca-Cola Operating Requirements (KORE) define the policies and standards for managing safety, the environment and quality throughout our operations.

Our bottling plants have introduced a scientific approach towards safety management systems comprising HIRA (Hazard Identification and Risk Assessment) followed by job safety analysis prior to commencement of those works which pose immediate danger to life and health. Similarly, the Behavior Based Safety (BBS) program has been rolled out to effectively measure employee safety behaviors in their activities at the respective work location. We track key performance metrics such as Lost Time Incident Rate (LTIR) and have implemented safety measures.

Lost Time Incidents Rate (LTIR)



## The Journey to Digital Learning

In 2020, we have deployed multiple e-learning platforms with a wide range of courses and trainings from some of the best schools in the world. These include Harvard Manage Mentor® (HMM), “HMM’s course repository & HMM Spark’s Skill Builders” for the benefit of all employees across functions. Similarly more virtual learning sessions like Lead & Inspire, Life at Coke-Employee’s Experience and Leadership Definition Program and LinkedIn Learning have brought a wide range of functional and behavioral competencies to support the development of future leaders in our company.

# THE WAY FORWARD

The resilience shown by our people and our business in 2020 was extraordinary. This resilience or the ability to withstand adversity and bounce back stronger than before is going to define our long-term success in Nepal.

Our people have shown great resolve in continuing to achieve our goals despite the multiple challenges encountered, while being guided by the purpose of our company: to refresh the world and make a difference.

Our business priorities have always aligned with our environmental, social and governance (ESG) priorities. Now, more than ever, we will continue working with our partners and our communities to meet the regional and global goals of our ESG initiatives.

Creating a circular economy for our packaging material is a top priority for the company globally and in Nepal, driving synergies across other goals. We have created the first of its kind integrated plastic waste management program in Nepal to promote efficient recycling and uplift the waste worker community. We will continue our efforts to achieve the global vision by collaborating and building lasting partnerships with the government, industry peers and civil society organizations.

Access to clean water & sanitation has been critical for communities to protect themselves during the pandemic. Water is a key priority issue for our business and our communities. We will continue working on initiatives to improve the water security in Nepal through our operations, across our value chain and with the local community to protect and preserve watersheds and reservoirs.

We will continue monitoring our progress towards reducing our carbon emissions across our value chain by including more Science Based Targets in line with the global vision and the Paris Agreement Goals.

Sustainable sourcing of agricultural ingredients is a priority area for us and we will continue investing in local procurement strategies to help promote efficient water use, carbon emission reduction and ensure livelihoods for our local communities.

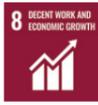
Our deep rooted commitment to our people drives our corporate citizenship approach to create a better shared future for our people, partners and the community. We are providing greater opportunities to women within our system through various initiatives while upskilling women entrepreneurs and retailers in the community to help them achieve social and financial self-reliance. We are engaging with the youth of the country through partnerships to support creation of business leaders and entrepreneurs of tomorrow. We will continue making a positive difference for all our stakeholders— the partners and suppliers, retailers, employees, women and youth as we step into the decade of action to achieve the SDGs.

The pandemic will change our business and industry in ways that we may not expect. However, our response to the crisis and the commitment and focus with which we continue to achieve our goals instils confidence that we will emerge from the setback stronger than ever.

# ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

As we move into a decade of action, we are aligning ourselves to integrate the United Nation's 17 Sustainable Development Goals into our core strategy. The table below indicates how our activities support the SDGs either directly or through our partners.

Goal	Priority Target	More information
 <p>End poverty in all its forms everywhere</p>	<p><b>Target 1.5</b> By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p>	<ul style="list-style-type: none"> <li>• Our Response to COVID-19</li> <li>• Corporate Citizenship</li> </ul>
 <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p><b>Target 2.3</b> By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p> <p><b>Target 2.4</b> By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p>	<ul style="list-style-type: none"> <li>• Corporate Citizenship</li> </ul>
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><b>Target 3.4</b> By 2030, reduce by one third premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and well-being</p>	<ul style="list-style-type: none"> <li>• Our Response to COVID-19</li> <li>• Corporate Citizenship</li> </ul>
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><b>Target 4.4</b> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<ul style="list-style-type: none"> <li>• Corporate Citizenship</li> </ul>
 <p>Achieve gender equality and empower all women and girls</p>	<p><b>Target 5.1</b> End all forms of discrimination against all women and girls everywhere</p> <p><b>Target 5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<ul style="list-style-type: none"> <li>• Corporate Citizenship</li> </ul>

Goal	Priority Target	More information
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p><b>Target 6.1</b> achieve universal and equitable access to safe and affordable drinking water for all</p> <p><b>Target 6.3</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p><b>Target 6.4</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p> <p><b>Target 6.6</b> By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes</p>	<ul style="list-style-type: none"> <li>Water Stewardship</li> </ul>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><b>Target 8.5</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p><b>Target 8.8</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<ul style="list-style-type: none"> <li>Corporate Citizenship</li> </ul>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	<p><b>Target 12.2</b> By 2030, achieve the sustainable management and efficient use of natural resources</p> <p><b>Target 12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p><b>Target 12.6</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p><b>Target 12.8</b> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p> <p><b>Target 12.a</b> Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</p>	<ul style="list-style-type: none"> <li>World Without Waste</li> <li>Water Stewardship</li> <li>Addressing Climate Change</li> <li>Corporate Citizenship</li> </ul>
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	<p><b>Target 13.1</b> Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries</p>	<ul style="list-style-type: none"> <li>World Without Waste</li> <li>Addressing Climate Change</li> <li>Corporate Citizenship</li> </ul>
 <p>14 LIFE BELOW WATER</p> <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p><b>Target 14.1</b> By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>	<ul style="list-style-type: none"> <li>Water Stewardship</li> </ul>
 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p><b>Target 17.17</b> Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> <li>World Without Waste</li> <li>Water Stewardship</li> <li>Addressing Climate Change</li> <li>Corporate Citizenship</li> </ul>

**REFRESH THE WORLD. MAKE A DIFFERENCE.**



**LOVED  
BRANDS**



**DONE  
SUSTAINABLY**



**FOR A BETTER  
SHARED FUTURE**