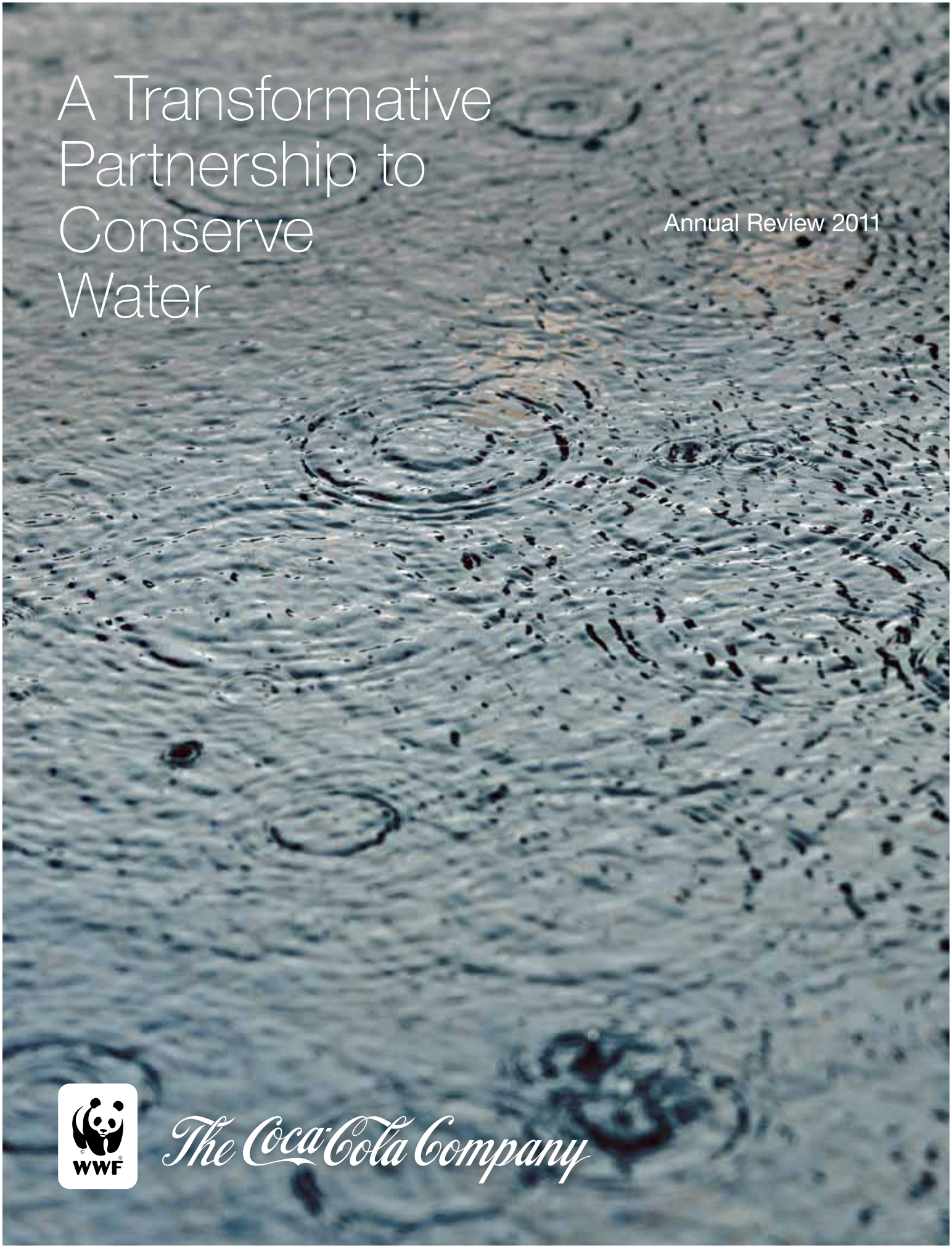
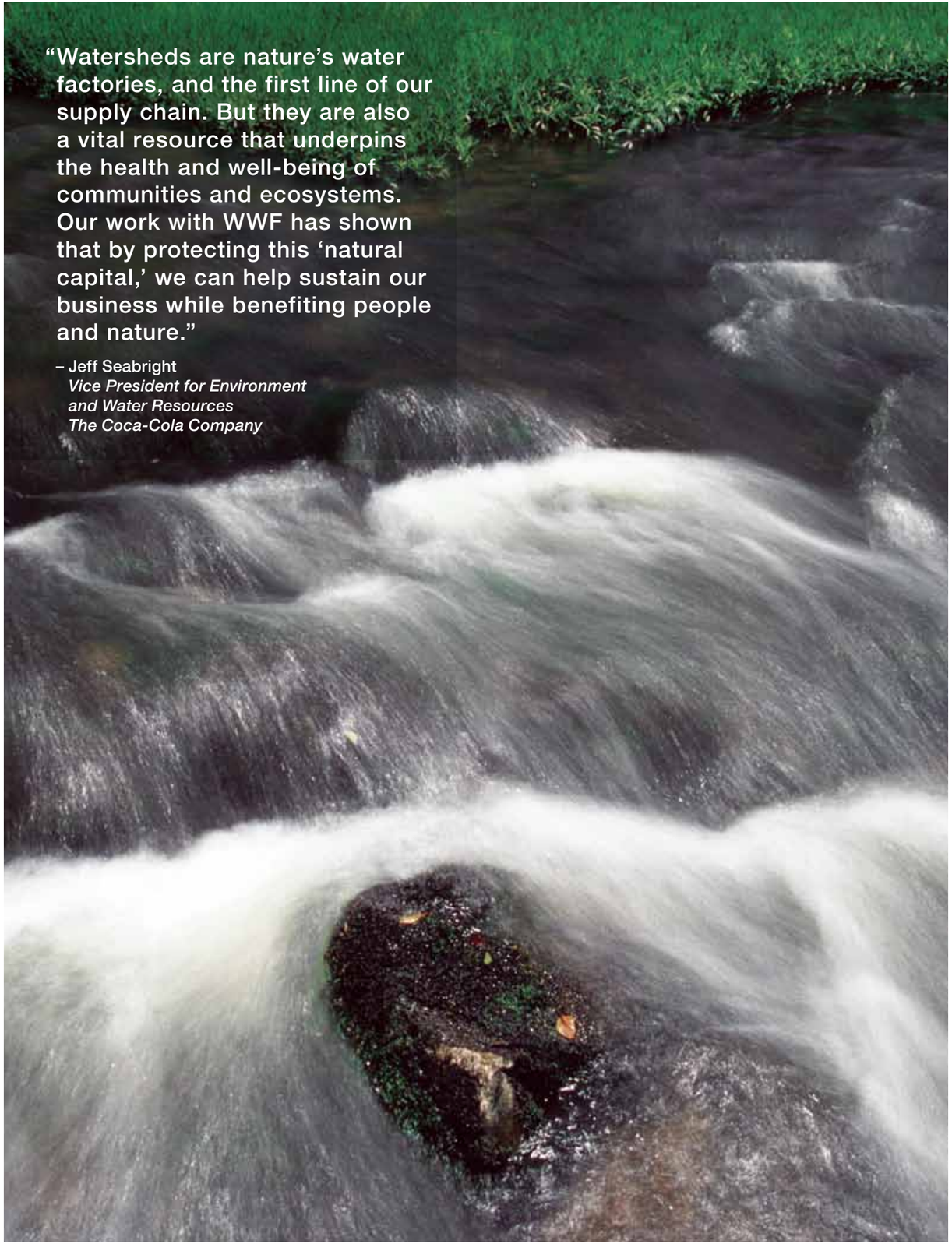


A Transformative Partnership to Conserve Water

Annual Review 2011

WWF

The Coca-Cola Company



“Watersheds are nature’s water factories, and the first line of our supply chain. But they are also a vital resource that underpins the health and well-being of communities and ecosystems. Our work with WWF has shown that by protecting this ‘natural capital,’ we can help sustain our business while benefiting people and nature.”

– Jeff Seabright
Vice President for Environment and Water Resources
The Coca-Cola Company

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A Transformative Partnership to Conserve Water
Annual Review 2011

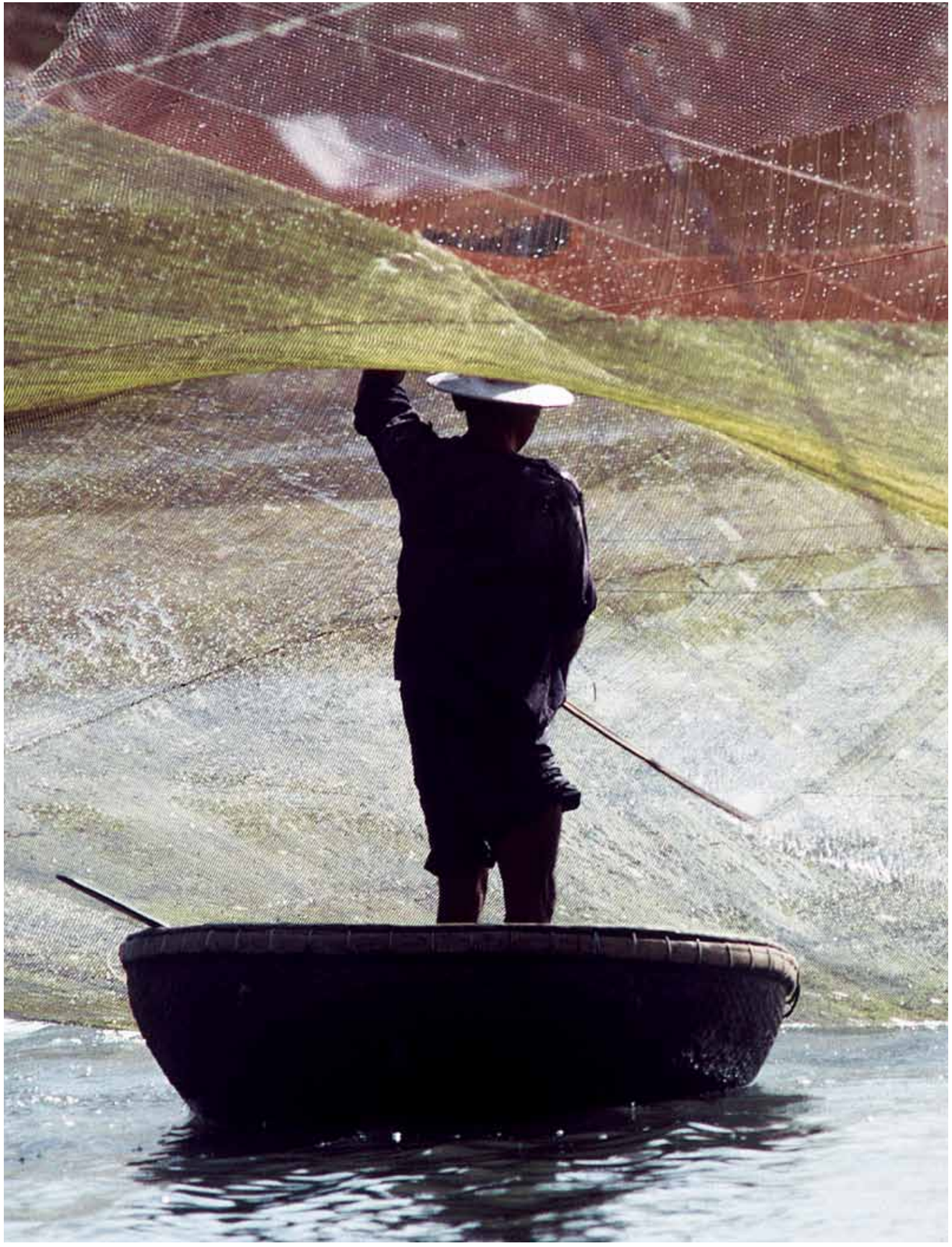
Safeguarding our global water supply is an ambitious goal that no individual sector can accomplish alone. Together, through collective action from government, industry and NGOs, we can truly make a difference.

Harnessing the strength of collaboration, and based on a shared interest, World Wildlife Fund (WWF) and The Coca-Cola Company have worked together for more than five years to help conserve the planet’s freshwater resources. In addition, the partnership has focused on reducing the impacts of Coca-Cola’s operations on the environment through advancing water stewardship, improving energy efficiency and reducing emissions. In addition, we have worked to promote more sustainable practices in the company’s supply chain.

Throughout 2011, our partnership made significant progress and delivered a number of meaningful results in the five goals of the partnership. This report summarizes our accomplishments over the past year to:

1. Conserve seven of the world’s most important freshwater basins
2. Improve water efficiency within the company’s operations
3. Reduce the company’s carbon emissions
4. Promote sustainable agriculture
5. Inspire a global movement to conserve water

Little Cahaba River, Alabama, United States of America



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A Bright Future for People, Nature and Business

Counting the number of fish in their daily catches, fishermen in the waters of Tram Chim National Park wear bright smiles. Casting their nets in Tram Chim's waters provide a steady source of income and sustenance for their families. Natural resources, such as the bountiful fisheries supported by the annual floods of the Mekong River, used to be abundant in Vietnam's Plain of Reeds, a wetland area that once covered more than 1.7 million acres. However, now local communities find these resources only inside preserved wetland ecosystems like Tram Chim.

With much of the Plain of Reeds now converted to rice paddies, in a region known as the "rice bowl" of Vietnam, the health and vibrancy of Tram Chim's waters are inextricably intertwined with the fate of local communities. Park officials must balance the needs of local people to provide for their families with the importance of protecting this rich habitat and unique ecosystem from mounting pressures such as unsustainable agriculture, overharvesting of fish and other aquatic resources, and increased population density.

With the support of The Coca-Cola Company and WWF, Tram Chim National Park has established six Sustainable Resource User Groups, comanaging wetland resources with local communities that are able to sustainably harvest firewood, fish, eels, grasses, water lilies, lotus flowers, vegetables and shellfish from within the park's boundaries.

Through their participation, members of the user groups are now more aware of how conservation and the sustainable use of natural resources will help ensure the ability of these wetlands to nourish their families for generations to come.

"We now use only a regulated net to catch fish," said one fisherman. With the realization that his former fishing methods had an impact on the richness and availability of these resources for future generations, he shared, "We no longer catch small fish or use electricity or dynamite for fishing."

For Coca-Cola, a company that depends on fresh water for its long-term sustainability, the conservation of these resources and the health and well-being of the communities it serves are vital. Participation in the user groups has improved not only fishing practices, but also the livelihoods of communities by providing a sustainable means of income. In one example, since joining a user group, one fisherman was able to increase his daily income to 30,000 Vietnamese dong (US$1.43).

To date, nearly 3,000 local people have joined Tram Chim's Sustainable Resource User Groups. Collaborating with park officials and local communities to improve water flow and connectivity, the partnership has helped restore wetland habitats within the park, tripling the amount of grasslands and increasing bird populations fivefold since 2001.

Fisherman checks a large net in Vietnam's Mekong Delta

2011 Progress

Goal 1: Conserve seven of the world's most important freshwater basins

Many of the partnership's key successes can be seen in conservation initiatives taking place in seven of the world's most important river basins, including the Yangtze, the Mekong and the Danube Rivers and the Rio Grande/Rio Bravo; Lake Niassa; the Mesoamerican reef catchments; and the rivers and streams of the southeastern United States. These watersheds were selected based on factors including biological diversity, the network of Coca-Cola and WWF operations, and the potential to advance issues of resource protection.

Because The Coca-Cola Company, and its 300 bottling partners in more than 200 countries, depend on freshwater supplies, understanding watersheds and how they work is extremely important to its business. As a conservation organization, watersheds are vital to WWF's work, as more than half of the world's wetlands have been lost in the last century alone. Healthy watersheds are essential to life, health, economic growth and prosperity.

In 2011, our partnership achieved a significant milestone, as we met conservation goals across these seven basins. Results on the ground included water quality improvements, new reserves and habitat restoration. The following section provides highlights of our partnership's 2011 project work and accomplishments in each of these basins.

Yangtze – Running 4,000 miles from the Tibetan Plateau through the Shanghai estuary into the East China Sea, the Yangtze River is the third-longest river in the world and serves as a freshwater source for more than 400 million people. In 2011, the partnership continued working to protect this river basin by inspiring a variety of sector actors and local communities to engage in freshwater conservation.

This year, the partnership addressed water pollution and agricultural runoff issues with villages in the upper Yangtze. The team worked with villagers, volunteers and students to dredge and widen an ancient river channel to improve flow and planted native vegetation along the river bank to help buffer the area from runoff. The team also worked with local farmers to stop using harmful chemicals – such as chemical fertilizers, pesticides and growth hormones – on their fields. Today, compost and biogas residue have replaced synthetic fertilizer in the area. Additional projects, such as the installation of biogas digesters and the construction of artificial wetlands, have rounded out the partnership's approach toward holistic pollution control in the region. Now this work is being replicated in the Min River basin, and local governments are adopting these practices across the region.

Our partnership with the 2011 Wetland Ambassador Action (WAA) program was another example of our efforts to sustain community engagement. In this program, hundreds of students from colleges and universities across China volunteered to spread the concepts of conservation and wise use of wetlands within their communities through a range of activities from photo exhibits to workshops. As a result of the students' determined efforts, the program generated wide media coverage from television to newspaper and online sources. Since 2007, WAA has attracted the direct participation of more than 330,000 people across China and indirectly reached more than 3.8 million citizens to raise awareness of water and wetland conservation. To ensure continued conservation of the region after partnership activities concluded at the end of 2011, WWF, along with local Coca-Cola support and The Coca-Cola Foundation continue to advance freshwater conservation across the Yangtze basin.

Mekong – The longest river in Southeast Asia, the Mekong River supports a variety of species, from Asian elephants to freshwater Irrawaddy dolphins, as well as almost 100 distinct ethnic groups that depend on the river and its natural resources for protein and livelihoods. The partnership has worked closely with communities and other stakeholders to restore fresh water and terrestrial habitats and promote sustainable resource management practices across the basin.

In addition to the team's efforts in Tram Chim National Park, the partnership also worked with villages along the Mekong's Chi River subcatchment in northeast Thailand, demonstrating how conservation-minded planning could enhance the quality of life for communities. Holding exchange visits and educating leaders on community forest management and rehabilitation, the partners successfully engaged all 42 villages in the province surrounding the river basin to ensure that sustainable development plans were incorporated into village planning efforts.

The partnership's conservation efforts in the Chi River basin have significantly elevated community involvement and leadership on conservation initiatives, as well as improved local biodiversity and quality of life across the landscape.

Danube – Flowing through 19 countries, the Danube is recognized as the world's most international river basin. This river provides drinking water for more than 20 million people and is home to more than 5,000 plant and animal species. Partnership work in the Danube focuses on restoring and reconnecting wetlands for the benefit of people, habitats and species.

In 2011, the partnership team continued to restore Liberty Island – a two-mile-long forested island at the southern end of Hungary – by converting more than 12 acres of hybrid poplar forests to natural floodplain forests and planting 16 acres of native saplings. The team also began the process of removing a dam located within the island's side channel, which is blocking the river's flow, causing sedimentation and poor water quality. Once the removal of the dam is complete, better-quality water will be available for the nearby municipality of Mohacs. Liberty Island will once again contain native trees that will provide a better habitat for birdlife. The project is expected to be completed by December 2013.

In addition to carrying out wetland restoration efforts, the partnership has worked to form an alliance of protected areas along the Danube to conserve biodiversity, improve water quality and restore natural flood protection. This year, partnership efforts concentrated on a protected area in Serbia – Gornje Podunavlje. Here, the partnership team restored habitats; identified additional habitat improvement projects; and monitored species such as the white-tailed eagle, black stork and black kite. Twenty nesting pairs of white-tailed eagles – the largest concentration in Serbia – were discovered. The team is currently developing an action plan for the conservation of the eagle along the Danube.

To promote awareness of freshwater conservation and restoration efforts across the Danube region, WWF worked with Coca-Cola in Europe to develop an interactive website featuring wetland restoration and conservation activities happening along the river. The website launched in the fall of 2011. With the conclusion of partnership activities in the Danube basin at the end of 2011, WWF continues to advance freshwater conservation activities in the region with local Coca-Cola offices and support from The Coca-Cola Foundation.

Rio Grande/Rio Bravo – The iconic Rio Grande, known as the Rio Bravo in Mexico, marks the

natural border between the United States and Mexico and serves as a freshwater source for more than 10 million people. In 2011, the partnership continued comprehensive conservation and restoration efforts to improve river conditions through integrated management to support healthy ecosystems for the river, surrounding habitat and nearby communities.

The partnership team has worked to establish close coordination with organizations on both sides of the border and continues to expand the binational team at Big Bend, one of the partnership's seven key conservation sites in the region. The Big Bend region covers 268 miles of river and encompasses 3 million acres of parks and protected areas, making it one of the largest natural areas in North America. Consisting of more than 30 agencies, institutions and conservation organizations, the Big Bend binational team provided expertise and support to develop the "Action Plan for the Big Bend/ Rio Bravo Protected Area." The action plan identifies next steps the United States and Mexico will take together to restore the ecosystem, control invasive species, preserve wildlife, adapt to climate change and manage wildfires in the area.

Partnership conservation efforts in the Rio Grande/Rio Bravo have also led to the protection of the Julimes pupfish and conservation of its habitat at El Pandeño Spring, located in Julimes, Mexico. The pupfish is known as the "hottest fish in the world" due to its adaptation to inhabit hot springs of up to 114 degrees Fahrenheit. To save this extraordinary species, the partnership helped establish Amigos del Pandeño, an association of local farmers, as the legal custodian of the lands at El Pandeño Spring for a 10-year term. Also, the partnership team succeeded in placing the pupfish under legal conservation status in the Official Mexican Norm.

Along with its efforts in the areas of species advocacy and habitat conservation, the team worked with communities in Julimes to safeguard water quality through a biofilter water treatment system that has been connected to 15 households. This first-of-its-kind, cost-effective pollution control technique is providing sanitation services and raw sewage treatment to rural communities and will be monitored to determine its potential for expansion. Despite the conclusion of official partnership activities in the Rio Grande at the end of 2011, conservation efforts will continue through the engagement of WWF and partners, including local Coca-Cola offices.

Lake Niassa – Home to more than 1,000 species of fish, freshwater corals and diverse bird

populations, Lake Niassa is truly a center of biodiversity. Yet this biological richness occurs alongside extreme human poverty. Fishing communities live well below the official poverty line, and the lake's fisheries resources are under threat from overfishing. The partnership in this region has worked to establish and maintain a new protected area, the Lake Niassa Reserve, to secure the livelihoods of local communities and conserve the biological diversity of the lake.

A key success this year was the declaration of the Lake Niassa Reserve. The reserve is the first freshwater lake under protection in Mozambique, covering 188,166 acres on the Mozambican side of Lake Niassa and adjoined by a buffer zone of 220,665 acres. The declaration was the result of community outreach and engagement efforts. Because many people in surrounding communities rely on the lake to support their livelihoods, the partnership consulted those residing near the lake to explain conservation challenges and ensure participation. Specifically, the team arranged exchange programs to other long-standing natural resource management projects and reached out through a variety of channels, such as radio and theater and through demonstrations. As a result, more than

2,000 participants from 20 communities participated in the establishment of the reserve.

Throughout the year, the team continued to train community members on lake management and sustainable use of its natural resources. To date, the partnership has helped to establish 12 Community Fishing Councils with more than 140 community members. The fishing councils grant fishing licenses, control all fishing activities in the lake and supervise local rangers, who patrol the lake. Regular patrols conducted by community rangers have led to a reduction in illegal fishing activities, which has improved fish populations as well as the livelihoods of fishermen along the lake. Partnership work concluded in Lake Niassa at the end of 2011, however conservation activities continue in the region through the efforts of WWF and the participation of local partners.

Mesoamerican Reef Catchments – The Mesoamerican Reef is unique in the Western Hemisphere not only for its size, but also for its variety of reef types, corals and fish, including the mammoth whale shark – the largest fish in the world. Comprising numerous watersheds that drain from Mexico, Guatemala, Belize and Honduras, the 700-mile reef faces threats from climate change, deforestation and agricultural runoff. The Motagua-Polochic river system, located in the northeast region of Guatemala, is a primary contributor of sediment and organic pollutants that threaten the reef. The partnership has worked in this region to improve water quality, for both domestic and industry users in the region, thereby improving the quality of water entering the reef system.

To help reduce pollution and secure water sources for local communities, the partnership has focused on reversing unsustainable agriculture practices and halting the expansion of the agricultural frontier farther into the basin. The initiative has successfully engaged communities in river basin management, taking into account both river basin priorities and human development needs. The team has worked with community-based organizations in the Polochic and the Motagua Rivers in Guatemala to develop sustainable agricultural production practices. Community-based organizations are now producing crops such as coffee, cardamom and honey by using sustainable growing methods. This has resulted in multiple benefits for the area, including a reduction in erosion and runoff across thousands of acres, better protection of the freshwater ecosystem, and increased income for local families.

With the lessons learned in Guatemala, the team has extended conservation efforts to the Chamelecón basin in Honduras. Here, the partnership is looking to pilot a water fund in which downstream water users, including Coca-Cola bottling partner Cervecería Hondureña, pay for watershed protection efforts upstream to ensure the availability of clean water for their operations. Already under way in Guatemala, water funds help to protect source water while encouraging additional benefits, such as strengthened communities and improved community management of critical areas as well as diversification of agricultural production. Currently, representatives from several villages are participating in trainings and activities on forest management, better practices around soil conservation and sustainable agriculture.

Southeast U.S. Rivers and Streams – In the rapidly developing southeastern United States, the Cumberland, Mobile and Tennessee basins are facing increasing pressure from suburban sprawl, unchecked road construction, and unsustainable agricultural and development practices. Here, the partnership is working to protect and restore the ecological health of the region's rivers and streams through a focus on "smart" economic growth and stormwater management.

The team has worked closely with three of Coca-Cola's biggest bottlers to link their water stewardship efforts with community engagement, such as developing the rain barrel program. In the Southeast, more than 7,600 syrup containers have been donated to watershed groups for conversion into rain barrels. Since its initial launch in 2008, the program has expanded to include more than 60 bottlers and local watershed groups in the United States and Canada and more than 22,700 rain barrels. In total, the program has the capacity to capture nearly 61 million gallons (230 million liters) of stormwater each year.

The partnership has also worked to support regional conservation projects that aim to reduce pollution and ensure water conservation and adequate infiltration for community water supplies through low impact development (LID) – a land planning and engineering design approach to managing stormwater runoff. Through the WWF Southern Rivers Support Fund, the partnership has worked with communities and other partners to expand understanding and adoption of LID strategies.

In one example, a partnership effort to promote LID stormwater management strategies supported the construction of a rain garden at the Fernbank Museum of Natural History in Atlanta, Ga. This rain garden is estimated to reduce runoff that has been entering nearby streams each year by 90,000 gallons. In another example, the partnership supported efforts in the city of Cookeville, Tenn., to limit development at two headwater sites; remove a small unused dam; and use bioswales, rain gardens and other stormwater treatment practices on sites connected to the city's water treatment plant. These actions are helping to improve water flow and connectivity by removing unnecessary barriers, as well as improve water quality by reducing stormwater runoff associated with new development.

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A Relentless Pursuit of Sustainability

Twenty minutes outside of Los Angeles, the Downey plant of Coca-Cola Bottling Company of Southern California is transforming the way Coca-Cola products are manufactured. One man, Dan Pruitt, is helping to lead this change.

“Water is our business,” said Pruitt, the Downey facility’s plant manager. “If we don’t get smarter about how we use it in our facilities, and if we don’t work to protect our water resources, we’re out of business.” Pruitt’s passion and tenacity, when combined with the relentless pursuit of his team to pioneer sustainability initiatives that save water and energy, are driving real change within the Coca-Cola system as well as this arid and water-stressed region of the United States.

In manufacturing Coca-Cola products, water is used not only to make beverages, but also for other processes such as rinsing, cleaning, heating and cooling. The Downey facility has made significant advancements in ensuring the efficiency of these activities. For instance, the plant’s process before filling cans and bottles had been to rinse with water but has been converted to high-pressure, deionized air. The plant also reclaims, refilters and reuses wastewater for cleaning purposes and landscape irrigation. Practices like these have saved more than 60 million gallons of water each year.

“Only six years ago, more than half of the water within the facility went down the drain,” said Pruitt. “Today, that number has decreased to 17 percent, meaning that 83 percent of the water we use goes directly into product. We’re not going to stop there. We have a goal to become water neutral.” To aid this process, WWF and The Coca-Cola Company compiled a water tool kit for its bottling partners that includes water conservation best practices and challenges each plant to use water more efficiently by applying these practices in their facilities.

In addition to its water-efficiency gains, the Downey facility has made significant progress in reducing climate emissions. The plant was one of the first to complete the Top 10 Energy Savings Challenge, the partnership’s program to prioritize the biggest opportunities in reducing a plant’s carbon footprint. Retrofitting lighting was one way the facility cut down on energy usage, which has been reduced by more than 50 percent. As a further benefit, this has led to significantly reduced costs. Additionally, the facility has begun to produce bottles on-site, as opposed to having them shipped from another facility. The newly installed blow-molding equipment has reduced Downey’s electrical energy consumption by 30 percent and has removed 3,500 truckloads per year from the highways.

“We’ve been able to show the entire Coca-Cola system that alternate technologies that use less water and energy have been successful. These practices are now being replicated at bottling facilities across the system,” said Pruitt.

The Downey plant uses the latest water treatment and recovery technology to deliver the water quality needed to produce its beverages while maximizing water savings.

Goal 2: Improve water efficiency within the company's operations

Water is not only a central ingredient in Coca-Cola's beverages, but also a fundamental element in the manufacturing process of the company's products. Working with WWF, The Coca-Cola Company and its bottling partners have a goal to improve water efficiency 20 percent globally by 2012.

Water efficiency is measured by looking at the systemwide water use ratio (WUR) – the number of liters of water used to make one liter of product. In 2010 (the most recent year for which data is available), Coca-Cola improved water use efficiency within manufacturing operations around the globe for the eighth consecutive year. The system used 294.5 billion liters of water to make 130 billion liters of product, achieving a WUR of 2.26 liters per liter of product. That is a 4 percent reduction over 2009 and a 16 percent reduction since 2004, the baseline year. These improvements in 2010 indicate that the company is on track to reach its WUR target of 2.16 by 2012 – a 20 percent reduction. The target deadline to meet this goal was January 1, 2012. We expect to report on this goal when data becomes available.

To further implement responsible water practices beyond water efficiency and help Coca-Cola bottlers develop plans to protect source water, the partnership team continued to share the cocreated Water Stewardship Toolkit with Coca-Cola bottlers in key regions. The toolkit helps to identify water stewardship activities that can be implemented within and around the bottling plant, in the community where it is located, and the larger river basin of which it is a part. These may include watershed protection projects, community engagement and education, reducing stormwater pollution, and many other activities.

Goal 3: Reduce the company's carbon emissions

Climate change is one of the most significant threats to freshwater ecosystems and the species, communities and businesses that rely on them. For this reason, the partnership has worked to reduce climate-related emissions within the company's manufacturing operations, is building awareness among Coca-Cola bottlers and is encouraging each bottler to develop an action plan to curb emissions.

Recognizing that business can play a vital role in reducing the impacts of climate change, The Coca-Cola Company joined WWF's Climate Savers program, a collaboration between 28 industry-leading corporations and WWF to mobilize companies to cut carbon emissions. As part of this program, the partnership has set two goals for reducing climate emissions: (1) stabilize emissions systemwide, even while the company grows, and (2) a 5 percent reduction in developed countries by 2015. These targets will be measured against 2004 baseline data.

In 2010, the most recent year for which data is available, emissions from developed countries measured 2.20 million metric tons – a 6 percent reduction since 2004. This achievement surpasses one of the carbon reduction targets. Since 2009, the Coca-Cola system reduced global greenhouse gas emissions from manufacturing operations by 2 percent – from 5.33 million metric tons to 5.20 million metric tons – even as sales volume increased 5 percent.

Though this represents positive movement, total greenhouse gas emissions from the Coca-Cola system in 2010 remained above 2004 levels, due to growth. More needs to be done to meet the ambitions of the partnership's goal. To address the gap between the target level and current levels, the team conducted research into plant practices and found that 60-70 percent of Coca-Cola's carbon reduction target could be met if all bottlers across the system adopted 10 simple, money-saving energy-efficiency measures at the plant level. These findings led to the "Top 10 Energy Savings Practices" (Top 10) campaign, along with a web tool for bottlers available in 10 languages.

The campaign is a powerful tool to educate bottlers about carbon-reduction strategies while encouraging participation and allowing bottlers to compare performance with other bottlers across the system. Since the launch of the campaign, more than 150 bottling facilities have signed up to participate in the Top 10 campaign, representing approximately 17.5 percent of the total bottling community.

© PROJECT CATALYST

Improving Water Quality through Innovation

While it may come as a surprise to some, usually competitive sugarcane farmers from Australia's Queensland coast have come together in an effort to help protect the magnificent Great Barrier Reef. Sugarcane is one of Australia's most important industries, worth up to $2.5 billion to its economy. However, large quantities of pesticides, contaminants and other pollutants can enter the freshwater and marine system through unsustainable farming practices, leading to harmful consequences for biodiversity, soil, water and air and threatening the region's ecology. Without significant changes to farming practices, the world's largest living organism – the Great Barrier Reef – will be destroyed.

"I don't think anyone wants to see that," said Gerry Deguara, a Project Catalyst farmer. "I don't think any farmer wants to see that." A pioneering partnership among WWF, Coca-Cola and the local natural resources management group Reef Catchments, Project Catalyst aims to reduce, through inventive new farming practices, the environmental impacts that sugarcane production has on the reef. Project Catalyst gives sugarcane growers the support they need to introduce more sustainable practices.

"We all have the same idea," said Deguara, "that we want to reduce our inputs, which means reduce applying chemicals and fertilizers, and have less impact on the environment." Reducing inputs goes beyond decreasing chemical and fertilizer use. Project Catalyst farmers invest in new technologies and the improvement of farm plans. Today, 53 farmers are participating in Project Catalyst, working to improve soil, nutrient, pesticide, irrigation and stormwater management on 15,500 hectares of farmland. "Project Catalyst is one giant step toward where we need to be, long term," said Deguara. "If we get to a stage where everyone is happy – the environmentalists – and we're happy and still profitable… that would be incredible, and I think we can keep farming forever then."

The Coca-Cola Foundation has granted an additional US$500,000 for the next phase of Project Catalyst, which will include 20 additional growers. The project is proving that efficient farming practices using new technologies, improved planning, and reduced inputs of fertilizers and herbicides can result in similar yields, improved economic returns and increased water quality benefits. To date, Project Catalyst farmers have significantly reduced pollutants on farms and improved the water quality of more than 77,500 megaliters of agricultural runoff – that's the equivalent of more than 31,000 Olympic-sized swimming pools.

WWF and The Coca-Cola Company are working with Bonsucro®, a collaboration of sugar users, investors, traders, producers and NGOs, to ensure that sugarcane is produced sustainably around the world. Mirroring the success realized through Project Catalyst, the partnership is conducting pilot projects in Brazil, Honduras and South Africa to align production practices to the Bonsucro Standard and support better management practices at the field level.

Project Catalyst worked with Gerry Deguara to improve soil fertility on his farm by enhancing equipment that allows for more even distribution of mill mud and also has reduced costs.

Goal 4: Promote sustainable agriculture

Agriculture poses a significant threat to freshwater ecosystems – including chemical inputs and polluted runoff – and accounts for 70 percent of the world's annual freshwater use. Recognizing the significant role of agriculture in freshwater conservation, the partnership promotes more sustainable agricultural practices throughout key areas of The Coca-Cola Company's supply chain, focusing on more sustainable production of sugarcane, oranges and corn crops.

Sugarcane – In 2011, the partners took major steps forward to advance sustainable sugarcane production through the Bonsucro Standard, the world's first impact-based production standard to certify the production of sugarcane as sustainable. The standard was used to certify more than 130,000 tons of sugar at the Raizen mill in Sao Paulo, Brazil, in June 2011, with the Coca-Cola bottling system making the first purchase. By year end, seven additional mills had been certified in the country.

The partnership is conducting several pilot projects in sugarcane-producing countries to align production practices to the Bonsucro Standard and support better management practices at the field level. Located in Australia, Brazil, Honduras and South Africa, these pilot projects will help to improve sugarcane production throughout the company's supply chain and in WWF's priority places.

Oranges and Corn – This year, we continued to reinforce our sustainable agriculture efforts for oranges and corn. To better understand the practices of orange farmers and the impacts of orange tree plantations, a survey was sent out to Coca-Cola's major orange suppliers in 2010 and completed in 2011. Results were shared with participating suppliers.

The team is now developing an agricultural ingredient supplier self-assessment survey, aligning with the Sustainable Agriculture Guiding Principles developed by Coca-Cola in 2011. Piloting of this survey is planned for 2012. Once complete, the team will develop recommendations as to how these results could inform Coca-Cola purchasing strategies and encourage continuous improvement of sustainable farm practices. In addition to this work, the partnership is undertaking pilot projects to determine the effect of natural fertilizers on orange production.

As part of the partnership's work to encourage sustainable corn production, we have begun a number of pilot projects in the United States to support the adoption of better management practices. In one example, we are working with farmers in Michigan to conduct assessments on their farms using Field to Market's Fieldprint Calculator. Developed by Field to Market, the Keystone Alliance for Sustainable Agriculture, comprising producers, agribusinesses, food companies, conservation organizations, and university and agency partners, the Fieldprint Calculator is an online tool that allows growers to analyze how their management choices impact natural resources and operational efficiency. In another example, the partnership is working with The Nature Conservancy to launch a Cornfield Runoff Treatment Wetlands Program in Illinois, Iowa and Minnesota in the upper Mississippi River basin to improve the quality of water, control soil erosion and enhance wildlife habitats. This program will improve the freshwater quality of the Mississippi River.

Assessing Coca-Cola's Packaging Footprint – In addition to promoting sustainable agricultural production, the partnership has expanded its efforts to include advancing the sustainability of paper-based packaging and alternative packaging sources within The Coca-Cola Company's supply chain. In 2011, the partnership focused on information gathering, working with the company's procurement staff to complete a questionnaire for major suppliers. Information from this data will drive program priorities and support the company's sustainable packaging strategy.

To further Coca-Cola's commitment to sustainable packaging, the partnership convened a working group consisting of other companies, academic institutions and NGOs to determine best practices in identifying plant-based sources for plastic. Most plastic today is made from fossil fuels, such as petroleum, that have a heavier footprint on the planet. WWF is working with Coca-Cola to assess different packaging sources for its bio-based PlantBottle™ package and identify which materials provide the most sustainable future for plastic packaging and products.

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Protecting Life's Most Precious Resource

The Guarani Aquifer is a huge underground reservoir that lies under Paraguay, Uruguay, Argentina and Brazil, covering an area of land the size of Texas and California combined. The aquifer contains enough fresh water to sustain the world's population for 200 years. However, uncontrolled exploitation, pollution, climate change and degradation of the surrounding Atlantic Forest are threatening this important water resource.

"Opa?" – meaning "Is it finished?" in the Guarani language – is the question posed by a local WWF-Coca-Cola campaign to draw attention to the threats facing the aquifer and raise awareness about freshwater conservation and protection of the Atlantic Forest. The campaign, inspired by the global partnership, aims to reach local communities and the larger Paraguayan society and consists of a TV commercial, radio ads, a website and print pieces centered on a young girl's quest for water for her thirsty plant.

"The Atlantic Forest ecoregion is one of the most endangered rain forests in the world," said Lucy Aquino, WWF-Paraguay. "It's also one of the most ecologically diverse regions…we're working to protect, connect and restore what's left."

To meet this goal, the "Opa?" campaign reached out to schools, municipalities, youth groups, indigenous groups, local environmental groups and media channels to help spread the message.

"When people look around them, they might see large quantities of water and not be thinking long term about protecting this resource," said Aquino. "We reached out to a wide range of partners for this campaign and really wanted to show local people, and all of Paraguay, that even though the aquifer seems like an endless supply of water, it is at threat from human activity and we can all play a role to protect it."

WWF and Coca-Cola are hopeful that the "Opa?" campaign can successfully call attention to the threats facing the Guarani Aquifer and the Atlantic Forest region. Early results show positive movement, with 80 percent of the population stating they were aware of the campaign. Additional data showed that more people agreed that the region faced water problems from pollution, believed environmental concerns were a top priority and were taking personal actions to conserve water following the campaign's launch. "Opa?" has provided opportunities to reach out to all of society – from individuals to government – to take action to conserve vital freshwater resources.

The team is building on the campaign's success and is working together again in 2012 to launch a new campaign focused on restoring vital forests along the Paraná watershed.

"Opa?" campaign poster connecting responsible household water use to a clean water supply

Goal 5: Inspire a global movement to conserve water

In addition to the "Opa?" campaign in Paraguay, following are highlights of our recent work to inspire a global movement to conserve water and address related challenges, such as climate change, over the past year.

Raising Global Awareness

Throughout 2011, the partnership team worked together to build awareness of freshwater and climate challenges and promote our project work and its benefits through media coverage, conservation campaigns, and participation in a number of international climate- and water-related events. Below are some examples of our efforts to raise global awareness this past year.

Media coverage – During 2011, our partnership received the most widespread global coverage to date, with a total of 4,805 partnership-related stories appearing in publications around the world. Some of these major media outlets included *Time* (Europe and U.S. editions), Bloomberg, *National Journal, International Herald Tribune* and *China Daily*, as well as stories in regional and niche publications and on websites and online news sites, including Beverage Daily, CSR Digest, Environmental Leader and Triple Pundit.

Polar Bear Conservation – As the polar bear is one of the company's most loved holiday icons, Coca-Cola has provided financial support to WWF's polar bear conservation efforts through the Polar Bear Support Fund. Since 2007, The Coca-Cola Company has contributed more than $1 million to conservation efforts in Canada, Russia and the U.S., which has helped to increase scientific research and advance conservation activities. Additionally, the partners have visited Churchill, Manitoba – the polar bear capital of the world – to see polar bears in the wild and gain an understanding of how climate change is affecting this flagship species and its habitat.

Arctic Home Campaign – In October 2011, WWF and The Coca-Cola Company launched a cause-marketing campaign called "Arctic Home" in the U.S. and Canada. The Arctic Home campaign built upon Coca-Cola's support, since 2007, of WWF's efforts to protect polar bears – one of the company's long-standing and most loved holiday icons and a WWF priority species. The goal of the campaign was to raise widespread awareness and funds to help protect the polar bear and its habitat. Funds raised through Arctic Home support the "Last Ice Area" – a WWF project dedicated to helping to explore and define management for the area of Arctic summer sea ice that is projected to last the longest, given current melting trends.

Running through the holiday season (until March 15, 2012), the campaign was the largest cause-marketing initiative ever executed by The Coca-Cola Company and WWF, in which the packaging of Coca-Cola's iconic cans was changed to call attention to the plight of the polar bear and consumers were invited to join the effort by texting donations or donating online at arctichome.com. The company committed up to $3 million to WWF's polar bear conservation efforts, with a base donation of $2 million and by matching consumer donations made with a package code up to $1 million.

World Water Week – World Water Week is hosted and organized by the Stockholm International Water Institute and takes place each year in Stockholm, Sweden. World Water Week has been the annual focal point for the globe's water issues since 1991. Each year, World Water Week addresses a particular theme to enable a deeper examination of a specific water-related topic. The theme for 2011 was "Water in an Urbanizing World." At this year's event, the partnership actively engaged in multiple speaking opportunities, report launches, events and key meetings, and shared partnership material and a video slideshow at the WWF booth.

UN Climate Change Conference – The 17th session of the Conference of Parties was held in Durban, South Africa, in 2011, where representatives from nearly 200 governments met to assess progress on dealing with climate change. Both WWF and Coca-Cola sent delegations to the conference to demonstrate the value of corporate/NGO-sector engagement to solve climate challenges. To this end, the partnership was a key presence at the World Climate Summit, taking place December 3-4 and cosponsored by The Coca-Cola Company. Partnership representatives spoke at the event and met with key stakeholders to address the link between freshwater conservation and climate change.

Inspiring Global Collaboration

Our global partnership has inspired additional collaboration among the business community, governments and conservation organizations in more than 40 countries around the world. Below are three examples that highlight our growing worldwide collaborations.

Cambodia and Laos – Freshwater populations of Irrawaddy dolphins are now restricted almost exclusively to three rivers in Southeast Asia: the Irrawaddy in Myanmar, the Mahakam in Indonesia, and the Mekong in Cambodia and Laos. All three populations are critically endangered. The Mekong population is estimated to be just 85 animals. Fishing gear, especially gill nets; illegal fishing methods; and habitat loss are the main threats to Mekong dolphins.

WWF and Coca-Cola are working together to conserve this population by collaborating with government agencies and local communities to create dolphin conservation areas where gill nets are prohibited and disturbance of dolphins is minimized. This includes outreach efforts by Buddhist monks to promote dolphin conservation and support to local organizations to improve and diversify the livelihoods of local people around the dolphin conservation areas.

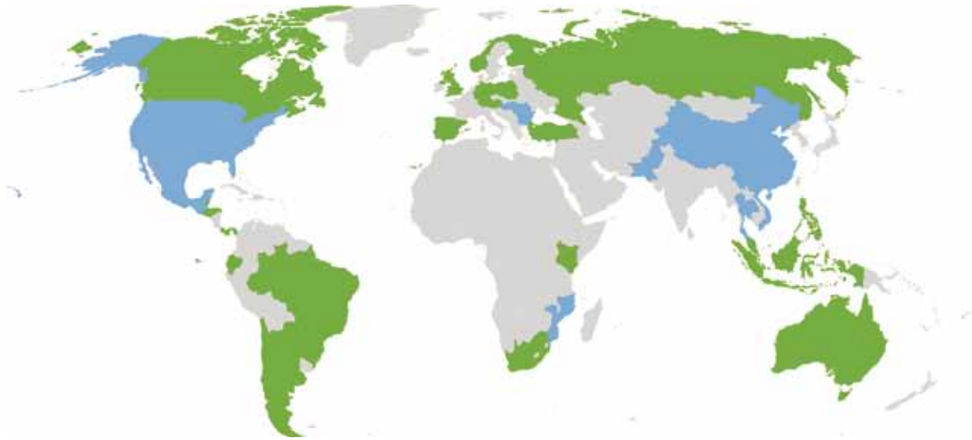
Pakistan – Focusing on watershed management in and around Ayubia National Park, WWF and Coca-Cola are supporting subwatershed management, community development and awareness raising, as well as capacity building with communities that are dependent on the watershed's natural resources. This project will introduce alternative energy sources, rainwater harvesting, better agriculture management practices, community-led ecotourism and other activities.

Turkey – In the Büyük Menderes River basin, WWF and Coca-Cola Life Plus Foundation are working with a number of partners, including the Aegean Association, the EKODOSD Association and the YADA Foundation, to minimize negative effects on water resources while meeting the needs of nearby communities. The project encourages the use of an integrated river basin management approach and has produced an atlas of the basin and its geographic, social and socioeconomic contexts. Additionally, the most comprehensive water quality assessment ever carried out in Turkey was completed for the basin. The team is now coordinating with the Ministry of Forestry and Water Affairs in Turkey to encourage additional assessments and to develop new tools specific to the country's river basins.

In Conclusion

Like the future of nature, the future of business depends on the long-term sustainability and availability of fresh water. Throughout 2011, our global partnership provided practical examples of how successful cross-sector collaborations can lead to conservation wins, efficiency gains, and benefits for people, nature and business. We remain committed to spreading the word about the power of collaboration. Through our partnership, we hope to inspire others to join us in protecting one of the world's most vital natural resources, fresh water.

The WWF and Coca-Cola Freshwater Collaboration 2011



Countries in our initial collaborative partnership:

Bulgaria
China
Guatemala
Hungary
Mexico
Mozambique
Romania
Thailand
United States
Vietnam

Countries involved in active discussions and collaborations inspired by our initial partnership:

Argentina
Australia
Austria
Belize
Brazil
Canada
Chile
Ecuador
El Salvador
Finland
Germany
Honduras
Indonesia
Kenya
Malaysia
Norway
Pakistan
Panama
Paraguay
Philippines
Poland
Portugal
Russia
South Africa
Spain
Turkey
United Kingdom

To follow our partnership work throughout the year, visit:

worldwildlife.org/water/cocacola **wwf.thecoca-colacompany.com**

Sarus cranes in Tram Chim National Park, Vietnam

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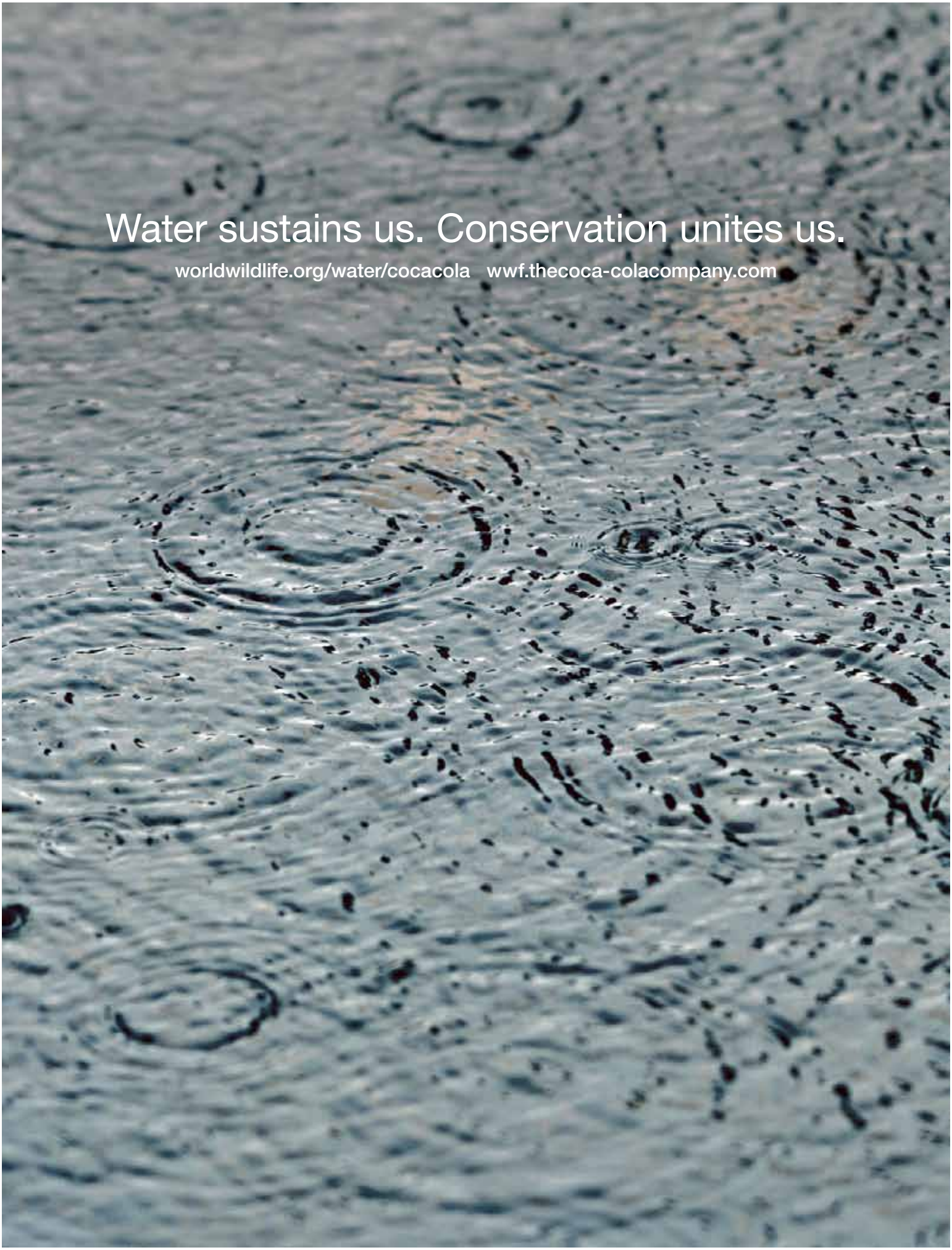
"I've seen firsthand how this partnership is conserving Earth's resources, protecting its species and improving livelihoods. From safeguarding species in coastal East Africa to helping communities in rural China access clean water, we're inspiring local action that is having a global impact. Together we're leading a transformational movement to conserve freshwater resources and protect the environment on which we all depend."

– Suzanne Apple
Vice President, Business & Industry
World Wildlife Fund



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