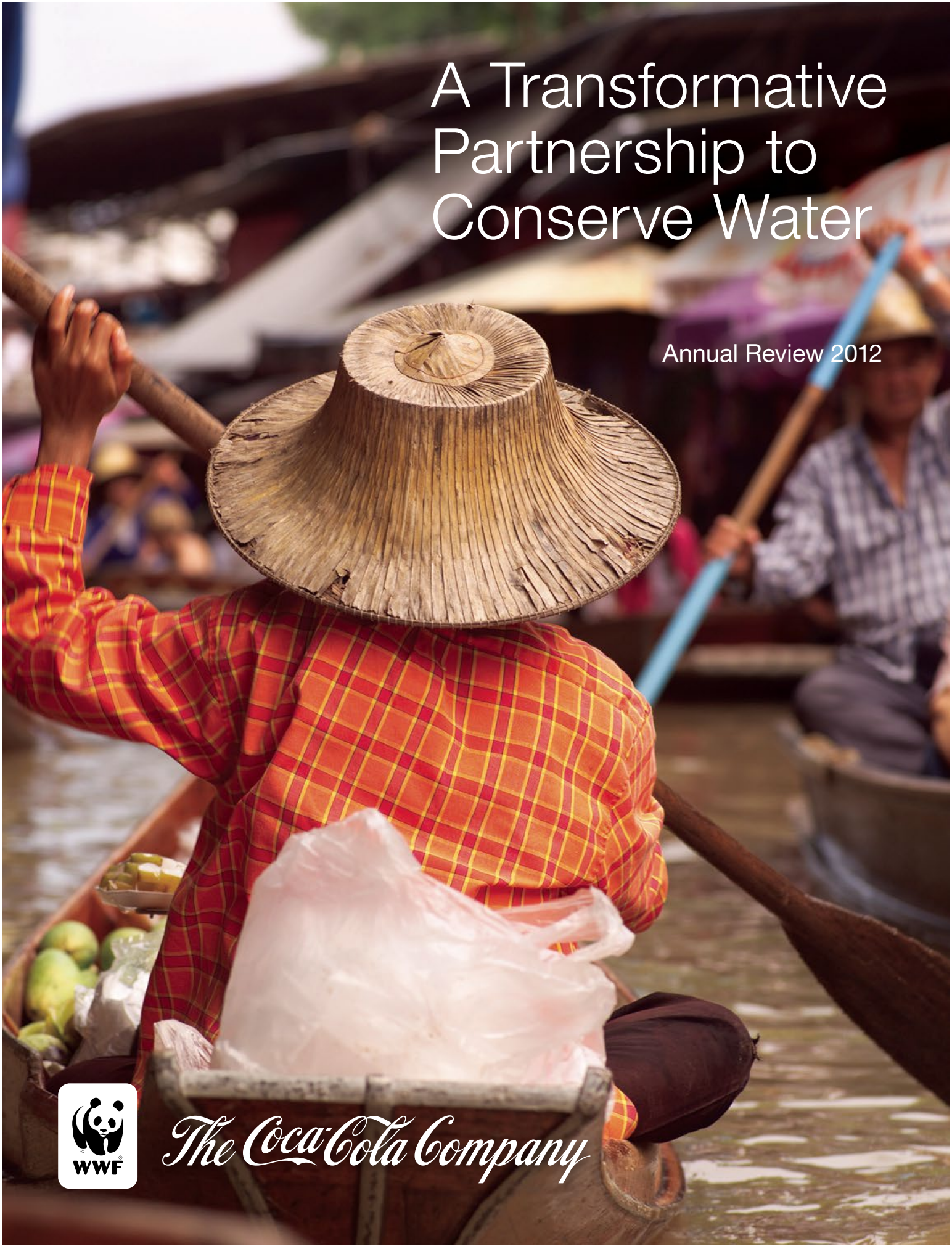

A Transformative Partnership to Conserve Water

Annual Review 2012

WWF

The Coca-Cola Company

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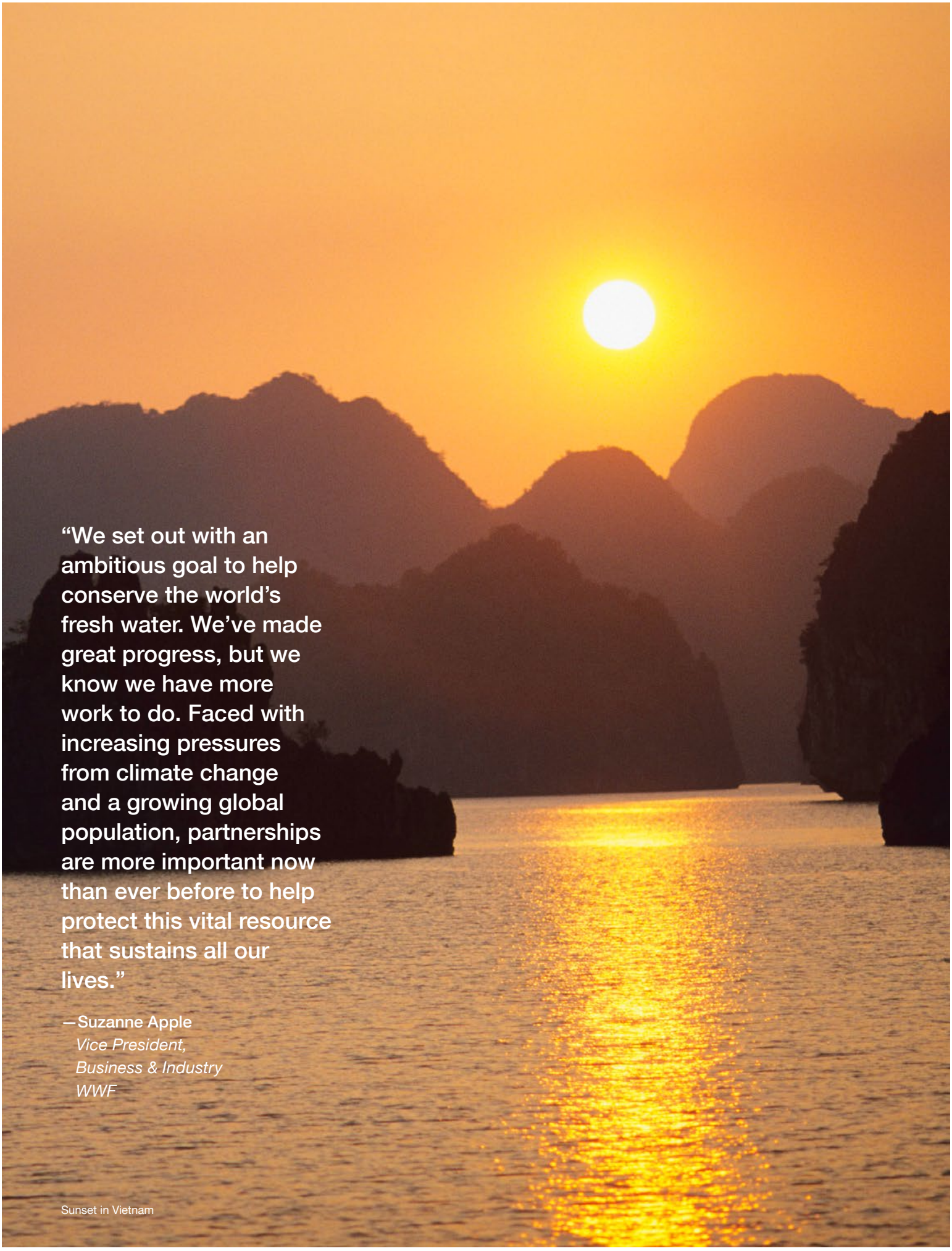


“We set out with an ambitious goal to help conserve the world’s fresh water. We’ve made great progress, but we know we have more work to do. Faced with increasing pressures from climate change and a growing global population, partnerships are more important now than ever before to help protect this vital resource that sustains all our lives.”

—Suzanne Apple
Vice President,
Business & Industry
WWF

Sunset in Vietnam

A Transformative Partnership to Conserve Water Annual Review 2012

Water is a fundamental necessity—a prerequisite for human health and well-being and essential to conserving nature. However, freshwater systems are under threat as rising populations and climate change put increased pressure on this vital resource. To maintain healthy ecosystems, viable communities and sustainable economies, we must all work together—partnering toward solutions for this shared global challenge.

Water is critical to both The Coca-Cola Company and World Wildlife Fund (WWF), which is why we have worked together for more than five years to help conserve and protect the world's fresh water, as well as to address the challenges that affect water, including climate change and unsustainable agriculture.

Throughout 2012, our partnership continued to achieve notable successes in our five areas of focus. This report summarizes our accomplishments over the last year to:

- Conserve seven of the world's most important freshwater basins
- Improve water efficiency within the Company's operations
- Reduce the Company's carbon emissions
- Promote sustainable agriculture
- Inspire a global movement to conserve water

Because fresh water continues to be of critical importance to our partnership and to the ecosystems, communities, and economies that depend on water, we have committed to continuing our transformational work through 2020—extending our reach and influence, building on our progress, and engaging new allies to achieve even greater impact. We look forward to sharing more successes in the years to come.

Partnership At A Glance 2007 – 2012

Based on a shared desire to conserve water, reduce carbon emissions, and promote more sustainable agriculture, The Coca-Cola Company and WWF launched a transformational partnership in 2007 to help conserve the world's freshwater resources. Through five years of partnership, we have made significant progress and delivered meaningful results. Below are highlights of our accomplishments.

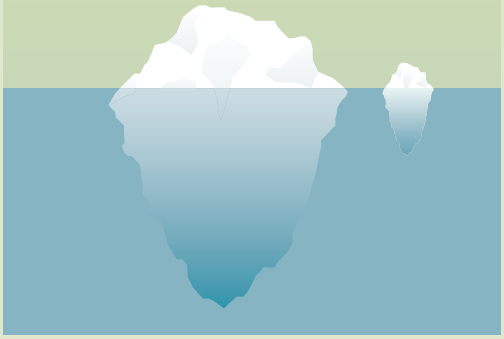
Timeline

2007

Coca-Cola and WWF embark on transformational partnership to help conserve the world's freshwater resources.

2008

The partners announce ambitious new targets to improve water efficiency and reduce carbon emissions within the Company's system-wide operations.



2009

The Coca-Cola system exceeds climate protection goals of 5% emissions reduction in developed countries, reaching 5.1% below 2004 levels.

By the Numbers

408,831 ACRES

Working with local fishing communities, the partnership helped establish the first freshwater lake under protection in Mozambique, covering 188,166 acres, adjoined by a buffer zone of 220,665 acres.

2,000th RAMSAR SITE

In 2012, thanks to partnership efforts to restore habitat and water flow, Tram Chim National Park was designated as the 2000th Ramsar Site—a wetland of international importance.

~128,000,000 LITERS

Coca-Cola and WWF worked with farmers along the Chi River in Thailand on agricultural improvements and reforestation activities that will prevent approximately 128 million liters of polluted runoff each year.

450+ FACILITIES

More than 450 Coca-Cola manufacturing facilities are implementing energy and money saving practices through the partnership's Top 10 Energy Saving Practices campaign, helping Coca-Cola meet approximately 60 percent of its carbon reduction target.

100,000,000,000+ LITERS

Through Project Catalyst, more than 100 billion liters of water have been improved through the reduction of nitrogen, phosphorus, and other pollutants that would otherwise flow into the Great Barrier Reef.

2010

Coca-Cola and WWF begin assessing the Company's packaging footprint.

2011

Coca-Cola makes the first purchase of Bonsucro-certified sugar.

2012

Coca-Cola and WWF expand their commitment to freshwater conservation through 2020.

303,000,000

LITERS

Coca-Cola bottling partners and local watershed groups in the United States and Canada have constructed more than 36,000 rain barrels from syrup drums since 2008, with the capacity to collect 303 million liters of storm water each year—the equivalent of 121 Olympic-sized swimming pools.

10,000

STURGEON

In the southeastern United States, 10,000 sturgeon have been released back into the Tennessee and Cumberland Rivers, where the partnership worked to improve the river habitat that supports them.

130,000+ TONS

The Bonsucro 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.

~750,000 ACRES

The partnership helped establish the Jialing River Wetland Conservation Network—15 wetland reserves totaling nearly 750,000 acres—to help protect and restore freshwater ecosystems in the Upper Yangtze.

Partnership Progress

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

Freshwater rivers and streams provide habitat for plants and animals as well as valuable services to people—such as drinking water, irrigation, flood control, transportation, and recreation. Healthy freshwater ecosystems are necessary to sustain life and well-being, particularly as we face future environmental disruptions such as climate change.

Since 2007, Coca-Cola and WWF have implemented projects in seven of the world's most important freshwater basins. These projects have helped explore and produce models for addressing four key challenges to river basin conservation across the globe: governance and management, resource protection, mutually supportive conservation and development, and biodiversity conservation. These seven basins included 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.

Partnership work in these basins concluded in 2012 with significant achievements. Results included restored habitats, growing wildlife populations, improved water quality and availability, better wetland management, and increased community engagement and support for conservation projects. The following section provides highlights of our partnership's successes in each of these basins. More information is available on our Freshwater Conservation website: www.wwfcocacolariverbasin.org.

Yangtze – The Yangtze River is the third-longest river in the world, flowing more than 4,000 miles

from China's Tibetan Plateau into the East China Sea. Home to rich biodiversity and increasingly rare species, such as the giant panda, snow leopard, and the Yangtze River dolphin, the river basin is the lifeblood of China, providing water to more than 400 million people.

With development pressures increasing across the basin, the conservation of forests and wetlands in the upper Yangtze was identified as a priority given the role they play in promoting healthy water flow and clean drinking water. WWF and The Coca-Cola Company worked together to improve river basin conservation through better governance and sustainable river management practices, integrated pollution control, and community engagement.

A significant partnership accomplishment was the establishment of five artificial courtyard wetlands in the Yuantian community, located along the Min River in the upper reaches of the Yangtze. These small-scale wetlands assist with treating and filtering polluted water and with providing cleaner water for irrigating and growing organic vegetables, which can be sold in the marketplace. The partnership

also supported the construction of six biogas digesters in the Yuantian and Yunqiao villages that convert animal waste into green energy for household use and worked with local farmers to reduce harmful chemical fertilizer and pesticide use in their fields.

Additional partnership achievements include securing an agreement with a prominent hydroelectric power company to support better water flow on the Huoxihe River, educating hundreds of students from colleges and universities across China through the Wetland Ambassador Action program, and helping establish the Jialing River Wetland Conservation Network, which spans 750,000 acres. WWF and Coca-Cola will continue to work together and with additional partners, in this region to advance freshwater conservation, helping ensure a healthy, resilient river basin for nature, communities, and businesses.

Mekong – The Mekong River runs nearly 3,000 miles through China, Myanmar, Laos, Thailand, Vietnam, and Cambodia, supporting a variety of species, from Asian elephants to freshwater Irrawaddy dolphins, as well as almost 100 distinct ethnic groups. More than 60 million people depend on the river and the surrounding area for food, fresh water and their livelihoods.

Since 2007, the partnership has worked in the region to promote river basin conservation through habitat restoration, community engagement, and sustainable management practices. Along the Chi River in Thailand, the partnership trained communities to manage tree nurseries, planting more than 80,000 seedlings to bring back native vegetation and improve the health of local forests that support the freshwater ecosystem. In Vietnam's Tram Chim National Park, Coca-Cola and WWF worked with park officials and local governments to pass a new statute that allows for more appropriate management of a wetland ecosystem. Project activities have led to a fivefold increase in bird numbers and greatly improved grassland habitat while helping local communities sustainably harvest park resources. As further testament to success, Tram Chim was designated as the 2,000th Ramsar site (Wetland of International Importance) in 2012.

During 2012, partnership work spanned Cambodia, Laos, and Vietnam, focusing on building basin-wide resilience during climate change and protecting the endangered Irrawaddy dolphin. To promote climate adaptation activities, the team conducted climate vulnerability assessments, and designed and implemented adaptation projects, such as restoring mangroves to help combat the effects of climate change, including rising sea levels, coastal erosion, and flooding.

To advance the conservation of the Irrawaddy dolphin, the partnership helped establish the Kratie Declaration on the Conservation of the Mekong River Irrawaddy Dolphin—an agreement that calls for additional research, community involvement, and increased monitoring and enforcement to reduce the use of improper fishing nets. To ensure continued conservation of the Mekong basin, WWF is working with The Coca-Cola Foundation and local partners on freshwater conservation and climate adaptation activities in Thailand. As part of the next phase of our global partnership, Coca-Cola and WWF will continue to partner in the region.

Danube – Shared by 19 countries, the Danube river basin is the most international river basin in the world. It is a principal resource for industry, agriculture, transport, and power generation, and it supports both fishing and tourism.

Along the Danube, the partnership aimed to restore and reconnect the river as a lifeline for people, habitats, and species. Critical to this work was the maintenance of natural processes that provide numerous benefits to people, including drinking water, flood protection and recreation. To achieve this overarching ambition, partnership work focused on restoring floodplains in Romania, Bulgaria, and Hungary; promoting integrated river basin management; and working to secure migration for endangered sturgeon across the Iron Gates Dams.

The partnership advanced wetland conservation through its efforts to restore Liberty Island in Hungary and the Garla Mare wetland in Romania, and by helping establish the Danube Network of Protected Areas—12 protected areas along the Danube River that preserve and restore valuable habitats and integrate conservation efforts across borders.

Conservation efforts related to the Danube's giant sturgeon included reaching out to the governments of Serbia and Romania and the International Commission for the Protection of the Danube River to determine the feasibility of including fish passages in the Iron Gates Dams, which block the sturgeon's ability to migrate. Significantly, the partnership team succeeded in including sturgeon migration and conservation goals in official EU plans for the region. To help gain public and decision-maker support, the team developed a video featuring Danube fishermen and has plans to launch a public awareness campaign in 2013. WWF, along with local Coca-Cola offices and support from The Coca-Cola Foundation, continues to advance freshwater initiatives in the region.

Rio Grande/Rio Bravo – Flowing 1,885 miles, the Rio Grande (known as the Rio Bravo in Mexico) is an iconic river of the American Southwest and northern Mexico. The river serves as a natural border between the United States and Mexico and provides fresh water to more than 13 million people in both countries.

Due to the diversion of water and overexploitation, sustainable water resources are the most serious problem facing the basin. The partnership worked in this region to improve management of water sources in key sites along the river. Along with a number of partners on both sides of the border, WWF and Coca-Cola improved water flow in the basin, restored habitats, and advocated for changes to water policies.

Many of the partnership's successes in the Rio Grande relate to improving the flow of water through the river. As one example, the partnership worked along the Elephant Butte Reach on the New Mexico-Texas state line to establish the first-ever transfer of surface water rights from agricultural

lands to riparian habitat. Until this development, water flow was legally slated for farmland irrigation. This transfer is supplying water to sustain wetlands and floodplain vegetation, which could amount to nearly 60,000 gallons per year. To further enhance river flow, the partnership improved the habitat along 70 miles of the Big Bend reach of the river by removing invasive plants and replacing them with native ones.

In the Rio Conchos headwaters of western Mexico, the partnership focused on soil conservation projects to support healthy water flow. Working with the Rarámuri indigenous communities, the team established check rock dams—small rock dams that reduce erosion and trap sediment—to preserve productive soil along highly degraded streams. As part of the next phase of our global partnership, we will continue to partner in the region with local groups, The Coca-Cola Foundation and Coca-Cola bottling partners.

Lake Niassa – Lake Niassa (also known as Lake Malawi) is one of the most unique—and as yet unspoiled—freshwater ecosystems on the planet. It is the ninth-largest lake in the world and is shared by three countries: Malawi, Mozambique, and Tanzania. Lake Niassa is a global center of biodiversity. It is home to more than 1,000 species of fish, 95 percent of which exist nowhere else on Earth.

Conservation activities around Lake Niassa focused on protecting the area's unique biodiversity while securing the livelihoods of local communities. Our goal in this area was to conserve the biological diversity of the lake through the establishment of a new protected area, the Lake Niassa Reserve, which was established in April 2011.

The first freshwater lake under protection in the country, the reserve covers 118,166 acres and is adjoined by a buffer zone of 220,665 acres. The declaration will help protect species and natural habitats while providing security to the people who depend on the lake for their livelihoods. To help ensure early community participation and support for the establishment of the reserve, the partnership team arranged exchange programs with other long-standing natural resource management projects and reached out through a variety of channels, such as radio and theater. This outreach resulted in an expansion of the reserve to include Minos Reef, which boasts a number of colorful and rare cichlid species.

The partnership worked with local villagers to establish 12 community fishing councils and 10 fishery associations that sustainably manage lake resources by granting fishing licenses and controlling fishing activities in the lake. Additionally, 40 community rangers are now patrolling the lake to prevent illegal fishing activities. These efforts have improved fish populations as well as the livelihoods of local fishermen. Although partnership activities have concluded in Lake Niassa, conservation activities continue in the region through the efforts of WWF and the participation of local partners and communities.

Jinyan Du draws wetland plants to monitor change and growth as part of her volunteer activities.

Saving Wetlands and Water, Little by Little

A rooster crows as Jinyan Du opens her curtains, looking out her window at the start of a new day. As she begins the morning ritual of brushing her teeth and washing her face, she reflects on what's in store for the day ahead.

"My dream is to do something meaningful," shares Jinyan.

Cycling from her home in Chengdu—the capital of China's Sichuan province—to the Yunqiao wetland, Jinyan joins a team of wetland protection volunteers who are working together to help WWF and The Coca-Cola Company on a source water protection project.

"This used to be farmland, but the use of agricultural chemicals had a terrible impact on the rivers nearby," recounts Jinyan.

The Yunqiao wetland neighbors the Chengdu City No. 6 Tap Water Factory, which supplies 70 to 80 percent of Chengdu's tap water and has been classified as a source water protection area by the city of Chengdu.

As she volunteers, Jinyan constantly thinks about how her efforts impact the more than 14 million people in Chengdu who need clean drinking water. Jinyan joins more than a dozen volunteers as they remove invasive plant species and plant new vegetation to form a wetland. Wetlands help filter and clean the water, trapping nutrients and pollutants such as phosphorus and heavy metals in their soils, and breaking down sediments to neutralize harmful bacteria.

"The environment of the wetland is changing little by little," shares Jinyan. "The number of birds is increasing, more wildlife now inhabit the area, and the vegetation is recovering. It's becoming more natural, purer, and more pleasant."

It is just as important, Jinyan says, for farmers to understand the importance of wetlands to help protect them. Through the source water protection project, Coca-Cola, WWF, and volunteers engage farmers and encourage them to help protect water sources.

Her experience has taught her that no matter where you are, there is always something you can do to help protect the planet's freshwater resources.

"You can save water little by little…in your everyday life by using less to wash vegetables and clothes. Everyone can make a difference," said Jinyan. "Because saving water is a daily effort."

Mesoamerican Reef Catchments – The Mesoamerican Reef in Central America is the second-longest barrier reef in the world. The reef and its surrounding waters sustain more than 2 million people and are home to more than 500 species of fish, including the whale shark—the largest fish in the world. More than 60 rivers drain into the reef through high mountain ridges that originate in the dense cloud forests of the Sierra de las Minas Biosphere Reserve.

The Coca-Cola Company and WWF sought to enhance the health of the Mesoamerican Reef by protecting the upper watershed while providing sustainable livelihoods for local people. Since 2007, 11 communities in the Polochic and Motagua sub-basins in Guatemala have adopted sustainable agriculture practices, transitioned to other income generating activities and participated in reforestation and watershed protection projects. The production of high-value crops such as coffee, cardamom, and honey by these indigenous communities has benefited over 500 families while helping control erosion and runoff across thousands of acres and preventing further agricultural expansion into river tributaries.

In 2012, much of the partnership's work focused on the Chamelecón River basin in Honduras, where we worked to conserve fresh water and promote sustainable socioeconomic development in critical watersheds. In the Manchaguala River, a key sub-basin for the Chamelecón River, the partners applied lessons learned from a Water Fund established in Guatemala to work with more than 50 local farmers on better practices and erosion control. To support this effort, Cervecería Hondureña, a local Coca-Cola bottling partner, donated 424 native seasonal and fruit trees to establish a riparian forest along the river. In addition, we invested in technological support to improve the resilience of the region to climate change through the purchase of two new climate-monitoring stations. This equipment will allow decision making based on real-time local conditions, and reduce community vulnerability to extreme weather events.

The team also worked closely with local Coca-Cola bottling partners and sugar suppliers to advance best practices in water use for manufacturing and supply chain operations across the region. WWF and Coca-Cola will continue working together and with additional partners to conserve freshwater resources in the Mesoamerican Reef catchments with on-the-ground efforts and to address the value of nature's resources in the next phase of our partnership.

Southeastern U.S. Rivers and Streams – The rivers and streams of the southeastern United States cover nearly 10 percent of the country, and are among the world's richest freshwater ecosystems—particularly the Cumberland, Mobile, and Tennessee River basins. Together, these basins support more than 30 percent of the fish species in the United States and more than 50 percent of the nation's mussel species.

Major droughts and floods, along with increasingly strained water supplies, led our partnership to implement strategies that would harmonize rapid urban development with the protection of freshwater ecosystems. To safeguard and restore important headwater habitats, river connectivity and floodplain integrity, the team focused on reducing development impacts and creating smarter growth strategies to better manage storm water.

The team worked with city officials, business leaders, and other stakeholders to help develop effective storm water management approaches for the future. For example, the partners created a model to test rainfall events under different conditions to educate city decision makers on how alternate development and climate change scenarios could affect future flooding. Results demonstrated the benefits of low-impact development approaches that could greatly reduce flooding effects.

In 2012, the partnership worked closely with Coca-Cola bottling partners and local watershed groups to implement sustainable water management strategies and to raise awareness about the importance of storm water management and threats to freshwater systems. To help alleviate impacts related to urbanization—such as the increase in impervious surfaces (e.g., roads, parking lots, and rooftops)—the partnership supported the construction of four rain gardens that capture rain water, allowing it to slowly seep into the ground.

The partners also worked with a number of local groups to provide educational experiences for youth, including snorkeling in the Tennessee River, to learn about the freshwater ecosystem. With partnership activities now concluded in the region, conservation efforts continue through the efforts of local watershed groups and the ongoing engagement of Coca-Cola.

TOP 10

ENERGY SAVING PRACTICES

SAVE Money. EARN Recognition.
MEET your Carbon Goal.

Coca-Cola plant managers around the world identified these 10 energy practices as easy, ESSENTIAL, money-saving practices.

BENEFITS FOR BOTTLERS

- Yield significant cost savings and funds for other priorities
- Gain full control of energy use
- Reach approximately 60 percent of the Coca-Cola carbon reduction commitment
- Earn global and local recognition from World Wildlife Fund and The Coca-Cola Company for your action on climate change

Our goal is to implement these practices in ALL plants across the Coca-Cola system.

1. Fix air leaks
2. Repair all steam leaks
3. Upgrade pipe insulation
4. Reduce compressed air pressure
5. Eliminate air knives
6. Retrofit plant lighting
7. Maintain HVAC
8. Collect steam condensate
9. Evaluate all set-points
10. Train & involve employees

The Top 10 Energy Saving Practices campaign was launched in January 2011, in 10 languages, to Coca-Cola's 863 manufacturing facilities, with approximately 50 percent now implementing these practices.

Inspiring through Innovation

At Coca-Cola Icecek's Izmir bottling plant on Turkey's Aegean coast, sustainability is more than a savvy business plan; it's the right thing to do. The plant's efforts have improved energy efficiency, captured financial returns and contributed to the health of the local and global environment.

The plant's operational team, led by Mutlu Babacan, takes pride in setting a best practice example for the Coca-Cola bottling system. For years, the plant has worked to implement procedures and protocols that have resulted in financial gains and environmental improvements. In 2012, all the hard work paid off, as the Izmir plant became the first of Coca-Cola's nearly 900 bottling facilities to complete the Top 10 Energy Saving Practices campaign. The campaign, developed by WWF and Coca-Cola, consists of 10 simple, money-saving energy-efficiency measures that can be implemented at the plant level, benefiting not only that plant, but also helping Coca-Cola reduce its global carbon emissions.

© Mutlu Babacan

Coca-Cola Icecek's Izmir bottling plant manager, Mutlu Babacan, and his team accepting Coca-Cola's President's Award for "Best Performing Plant in the Eurasia and Africa Group."

The Izmir bottling plant's approach to increasing energy efficiency has required innovative thinking. For example, in the production of PET—the material used for plastic bottles— Babacan and his team saw a 60 percent energy improvement through innovation, such as reducing the air pressure of PET-blowing machines. In addition, his team lowered the temperature of packaging machines and increased filling temperatures of drinks—all of which have helped save on energy required for cooling.

Such improvements could not be achieved without team work. Babacan invites employees to share their ideas, and notes that this employee involvement makes "people think outside the box." In fact, the team's collaboration has resulted in one published patent and one pending patent for a water recovery system tool.

Since completing the Top 10, the Izmir bottling plant has continued to implement energy-saving measures. Despite a growing business, the plant has maintained a flat energy usage ratio, reaching an energy usage ratio 19 percent below 2006 levels in 2012.

"Our vision," Babacan optimistically remarks, "is to be the best in sustainability. Every plant should implement the Top 10 Energy Saving Practices campaign."

The successes achieved at the Izmir bottling plant have been mirrored by seven additional Icecek plants, earning the group a Platinum Certificate from The Coca-Cola Company and WWF.

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

Water is the main ingredient in Coca-Cola's beverages, and central to its manufacturing process. Working with WWF, The Coca-Cola Company and its bottling partners set a goal to improve water efficiency 20 percent globally by 2012, compared to a 2004 baseline. In addition, the partnership works with Coca-Cola bottling partners to implement locally relevant water stewardship projects to help ensure clean, accessible water for local communities, nature, and business operations.

Greater efficiency in water use does not mean reducing the amount of beverages produced, but rather improving the water use ratio—the number of liters of water used to make one liter of product. Despite an expanding product portfolio and increased production levels, the Company achieved its 20 percent water efficiency goal. In 2011, The Coca-Cola Company used 293.3 billion liters of water to make 135 billion liters of product, producing a water use ratio of 2.16 liters per liter of product. Now that the Company has reached this goal, we are working together to establish a new goal for further improving the Company's water efficiency through 2020.

Because of the importance of water to the Company's business, Coca-Cola is particularly interested in protecting the local water sources that sustain its business and the communities it serves. To help advance these projects, the partnership developed a Water Stewardship Toolkit, which contains more than 60 practices and activities that Coca-Cola bottling partners can implement within their plants, communities, or basin where they operate. The toolkit is available to all Coca-Cola system employees working on water stewardship.

Goal 3: Reduce the Company's carbon emissions

Climate change is one of the most acute challenges facing our planet, posing significant threats to freshwater ecosystems and producing profound effects on biodiversity, agriculture, public health and economic stability. Because of the importance of addressing CO_2 and other greenhouse gas emissions, the partnership has worked to reduce climate-related emissions within the Company's manufacturing operations, build awareness among Coca-Cola bottling partners, and encourage bottlers to develop action plans to curb emissions.

Coca-Cola is one of 30 participants in WWF's Climate Savers program, a collaboration between industry-leading corporations and WWF to mobilize companies to cut carbon emissions. Since 1999, Climate Savers companies have succeeded in collectively avoiding emission of over 100 million tons of carbon—the equivalent of taking 30 million cars off the road. As part of the Climate Savers program, the partnership set two goals for reducing climate emissions that apply to the Company's global manufacturing operations: (1) reduce emissions by 5 percent in developed countries by 2015, and (2) stabilize emissions system-wide, even while the Company grows. These targets are measured against a 2004 baseline year.

In 2011, the most recent year for which data is available, emissions from developed countries were 9 percent lower than 2004 levels. Globally, however, emissions relating to manufacturing operations were 11 percent higher than the 2004 baseline. Although sales volume has increased 35 percent and emissions intensity—the ratio of emissions to sales volume—has improved by 17 percent, Coca-Cola, and its bottling partners acknowledge there is more work to do.

To address the gap between current emissions levels and target levels, the partnership developed the Top 10 Energy Saving Practices campaign to educate bottlers about carbon-reduction strategies while encouraging participation and allowing bottlers to compare performance with others across the system. The campaign identified 10 simple, money-saving energy-efficiency practices that can be implemented at a plant level.

Since the launch of the campaign in January 2011, through the end of 2012, more than 450 manufacturing facilities (about 50 percent) registered for the program, and are implementing better practices. A total of 94 facilities have completed the 10 recommended actions. The Coca-Cola Icecek group of bottlers in Turkey was the first to complete the Top 10 and received the first Platinum Certificate from Coca-Cola and WWF for this accomplishment in 2012. WWF and Coca Cola are looking for opportunities to develop renewable energy projects to mitigate the remainder of the emissions covered under the goals.

Project Khula leverages local mentors to work with smallholder sugarcane growers towards sustainable agriculture and freshwater conservation.

Yaxin Huang

Protecting Fresh Water and Small Farms in South Africa

South Africa's garden province, KwaZulu-Natal, is at the heart of the country's high-quality sugar production industry. Situated between Swaziland, Lesotho, and South Africa's east coast, the region's patchwork of sugarcane plots feeds a dozen area mills. Challenges ranging from poor farm management practices to unfavorable economies of scale have placed these farmers and the land they farm under severe pressure. Working with a local growers association, Coca-Cola and WWF are helping protect freshwater resources while improving the economic conditions of smallholder sugarcane growers, and training them in more sustainable farming practices.

Named from the Zulu word for "growth," Project Khula is a mentorship program between the Noodsberg Cane Growers Association and 97 smallholder growers. Working across nearly 250 acres of land, the commercial farm mentors assist the smallholder growers in establishing improved farm layouts that help control erosion and drainage. The growers also learn sustainable management practices such as maintaining and restoring riparian areas, eliminating pre- and post-harvest burning, and using natural plant pheromones to minimize pesticide use and control insects.

This project aims to expand to include 3,000 small-scale growers on 8,400 acres to sustainably manage natural resources across the river basin while improving the livelihoods of these farmers.

In addition to improved water and drainage practices, the farmers are also being trained to identify and remove invasive plant species—lantana and water hyacinth, in particular—using approved biocontrol agents. Project members have cleared more than 250 acres of invasive trees and shrubs, helping conserve local freshwater sources. A simple monitoring and evaluation system has been implemented to quantify freshwater improvements.

Project Khula is creating a model that can be adopted across South Africa, reducing the environmental impact of sugarcane production while demonstrating how collaboration can lead to wins for farmers, the environment, and industry.

Goal 4: Promote sustainable agriculture

Agriculture is the world's largest user of water, accounting for 70 percent of total water withdrawals. And sediment, fertilizer, and pesticide runoff from agriculture can cause impacts on freshwater and marine ecosystems. Promoting sustainable agricultural practices and outcomes throughout Coca-Cola's supply chain is a key partnership priority. Together, we have focused on three of the Company's beverage ingredients: sugar from sugarcane, oranges, and corn.

Sugarcane – Coca-Cola and WWF have established sustainable sugarcane production pilot projects in Australia, Brazil, Central America and South Africa. These efforts engage sugarcane farmers to improve their production performance through the implementation of better management practices.

In 2012, the partnership continued to work with Coca-Cola suppliers in Brazil to promote the Bonsucro Standard, a global multi-stakeholder initiative dedicated to reducing the environmental and social impacts of sugarcane production. Brazil is the leading producer and exporter of sugar globally while also harboring highly diverse ecosystems, and is therefore an important area for partnership work. Together, Coca-Cola and WWF work with sugarcane growers, mills and other partners to improve practices that will have a global impact. For example, the Coca-Cola system demonstrated leadership in Bonsucro as the first buyer of certified sugar in 2011. And we worked with local partners through pilot projects to reforest land, improve soil quality, and reduce freshwater impacts through the implementation of cutting edge farming practices—a first step toward greater regional collaboration.

In Central America, we made improvements across a range of areas. For example, an environmental impact assessment was completed for the use of pesticides in Belize's sugarcane industry; meanwhile, in Honduras, the partnership addressed secondary burning of sugarcane fields through demonstration plots that showed the benefits of eliminating this harmful practice. In addition, in South Africa, the partnership worked with local partners to train and organize nearly 600 growers into cooperatives that are implementing better management practices while working to establish catchment-wide integrated pest and invasive species management.

Orange and Corn – Like sugarcane, the production of oranges and corn affect freshwater ecosystems. Together, Coca-Cola and WWF have engaged producers to adopt better management practices that will measurably reduce the negative impacts of production. These efforts will further improve the environmental impacts of Coca-Cola's supply chain while contributing to WWF's conservation efforts in priority ecoregions.

During 2012, the partnership team worked with agricultural ingredient suppliers to map the sustainability initiatives underway with Coca-Cola's juice suppliers. Based on this research, the team

is now focusing on developing work with orange growers in Florida to address the most pressing sustainability issues facing the industry.

The partnership promoted sustainable corn production and better management practices through the creation and continuation of pilot projects in the United States and China. As one example, the partners collaborated with Cargill, Incorporated in northeast China to improve the livelihoods of farmers and to protect biodiversity. Through better management practices, corn quality has improved. And, better post-harvest storage facilities have increased yields by 20 percent, thereby increasing incomes. Looking forward, the partners hope to involve additional farmers while conserving the wetlands critical to the region's water supply and biodiversity, such as the critically endangered Siberian Crane.

In the United States, Coca-Cola and WWF partnered with local organizations and farmers to restore wetlands in Midwestern corn-growing communities and worked with farmers in Michigan to pilot the Field to Market Fieldprint Calculator, a tool to help farmers analyze how their management choices impact natural resources and operational efficiency.

Assessing Coca-Cola's Packaging Footprint – Along with addressing the sustainability of Coca-Cola's ingredient supply chain, the partnership is assessing the sustainability of the Company's sourcing of raw materials used for packaging, including paper-based packaging and bioplastics.

During 2012, Coca-Cola and WWF completed a source risk assessment of selected paper packaging suppliers, focusing on high-risk regions. By identifying the risks and opportunities in the Company's paper packaging supplier base, the partners aim to phase out unwanted sources and increase the amount of credibly certified and recycled paper-based packaging sources.

To increase the amount of renewable material used in packaging, Coca-Cola created PlantBottle™, the first-ever fully recyclable PET bottle made partially from plants. By substituting plant material for petroleum, PlantBottle technology has the potential to eliminate the need for fossil fuels to make PET plastic in the future. The Company is working with several technology partners in this process, as there is a long way to go before this is a reality. Through this packaging, the Company has eliminated almost 135,000 metric tons of carbon dioxide, an amount equivalent to the carbon dioxide emitted from burning over 300,000 barrels of oil.

Coca-Cola is working with WWF to assess different packaging sources for its bio-based bottles and to identify which materials provide the most sustainable future for plastic packaging and products. In addition, in 2012, Coca-Cola joined the Plant PET Technology Collaborative, a strategic working group that includes The Ford Motor Company; the H.J. Heinz Company; Nike, Inc.; and The Procter & Gamble Company, to speed the development of PET made entirely from plants.

Rain barrels like this one capture storm water that can be used around the home and garden. In this way, water will absorb slowly into the ground, helping to prevent flooding, stream erosion, and pollution.

Creating a Ripple Effect

Can young people change the world? Madison Higbee and siblings Tyler, Wesley, and Nathan Newman of Canton, Georgia think so. Roughly 40 miles outside Atlanta, these high school students are creating ripples that are helping make changes throughout their community, watershed, and beyond.

"I think it is a young person's duty to try to make our world a better place. Whether we know it or not, we can help change the world through even small actions," said Tyler.

Hosting a rain barrel workshop with the Upper Etowah River Alliance, Tyler, and his brothers converted syrup drums donated by bottling partners of The Coca-Cola Company into rain barrels. By pressure-washing, drilling holes, and preparing all the materials needed, the Newman brothers helped peers convert these drums for a new use—collecting rainwater.

© Wendy Higbee

High school students Tyler Newman, Madison Higbee, Wesley Newman, and Nathan Newman are helping inspire their peers to take action and conserve their community's vital freshwater resources.

By capturing rainwater, rain barrels reduce the amount of storm water rushing back to streams, while also preventing pollutants from washing into waterways. The water collected can then be used to water plants, gardens, and shrubs.

What started as an environmental curriculum for these students has ignited a pursuit to educate their peers on ways to protect freshwater resources. Through two rain barrel workshops, the Newmans have trained 25 other young people who are directly helping improve the water quality of Canton Creek, an important tributary of the Etowah River.

"Protecting the waterways that flow into the Etowah River is important as it provides some of Atlanta's drinking water and is home to endangered and threatened species, some of which are found nowhere else in the world," said Madison.

Madison and the Newman brothers have inspired 15 students to join them in their effort to monitor Canton Creek. Together, they perform monthly chemical, bacterial, and biological assessments, learning how polluted runoff affects water quality.

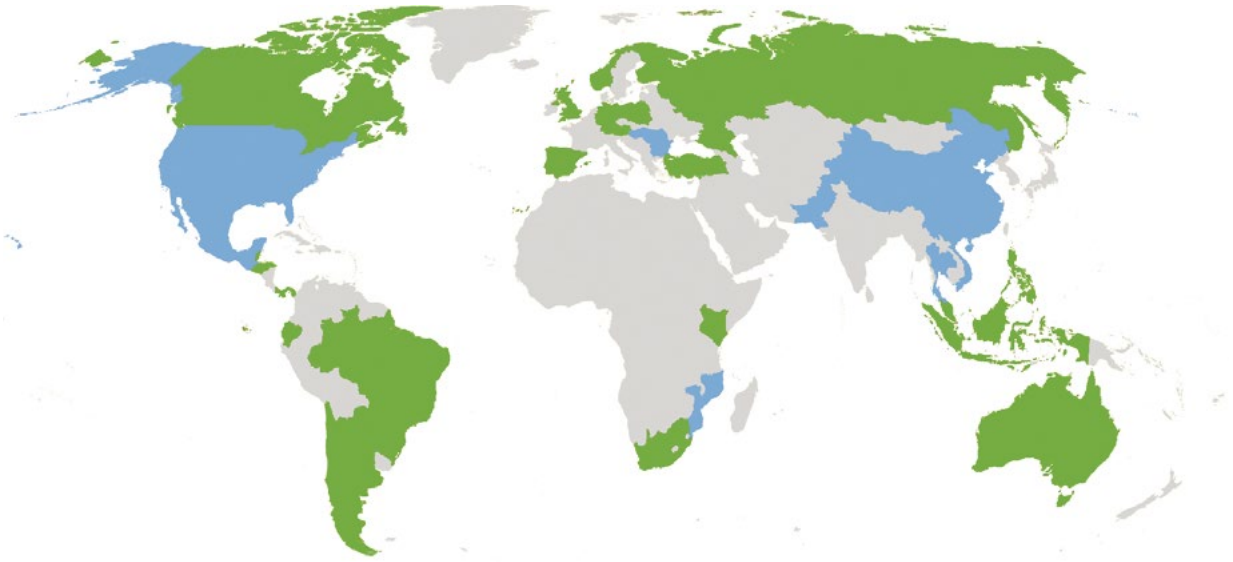
"Working as guardians of Canton Creek and learning more about freshwater conservation, we've learned how important it is to keep our stream healthy," said Madison.

These students are just one example of the ripple effect that WWF and The Coca-Cola Company are helping create as we seek to inspire a global movement to conserve water. To date, The Coca-Cola Company and its bottling partners have donated 36,000 rain barrels to community groups across the United States, helping drive positive change for people and nature.

Goal 5: Inspire a global movement to conserve water

Our global partnership hopes to build awareness of freshwater challenges and encourage others to work together toward solutions. Through our work, we have inspired additional collaboration between Coca-Cola and WWF offices and among the business community, governments, and conservation organizations in nearly 50 countries around the world. Below are some examples that highlight how the partnership has inspired worldwide collaborations.

The WWF and Coca-Cola Freshwater Collaboration 2012



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

Protecting Polar Bears and Their Arctic Habitat – In addition to our freshwater conservation efforts, WWF and The Coca-Cola Company joined forces to help protect the polar bear and its habitat. Building upon Coca-Cola's support since 2007 of WWF's polar bear conservation efforts, we launched the Arctic Home™ Campaign during the 2011 holiday season to raise widespread awareness and funds for these efforts. Due to the success and inspiration generated by Arctic Home in its initial year, the program was expanded to 17 countries in Europe in late 2012.

Through Arctic Home, WWF has been able to engage in research in the high Arctic above Canada and Greenland, where it is believed that summer sea ice will persist the longest. WWF also is collecting important information on the Arctic ecosystem and working with Arctic residents and governments to develop a conservation plan in this "Last Ice Area." The first year of Arctic Home raised over $2 million in donations for WWF's work on this initiative. We look forward to sharing results from Arctic Home's second year when they become available.

Restoring Chalk Streams in England – Coca-Cola and WWF are working together in England to restore the River Nar and River Cray—two of only 200 chalk streams in the world. A chalk stream is a rare type of spring-fed river that derives from thick layers of crushed and solidified calcium carbonate, or chalk, deposited some 70 million years ago when England was under water.

In its healthiest stretches, the Nar is pure and clear and teeming with wildlife such as otters, water voles, trout, and kingfishers. However, it suffers from overuse and has been polluted by agricultural runoff. Together, we're helping restore the river to its natural, meandering state and addressing issues stemming from pollution and sedimentation that seep into the river from local farms. The project is demonstrating what good river management can achieve, so that across the country others can follow suit.

Conserving the Great Barrier Reef through Better Farming – Through Project Catalyst, a collaboration among sugarcane farmers, Australian governments, Coca-Cola, WWF, and local resource groups Reef Catchments, Terrain, and NQ Dry Tropics, we worked with sugarcane growers to promote innovation in farming methods and to improve the quality of water runoff flowing to the Great Barrier Reef.

Project Catalyst engages sugarcane farmers to implement sustainable farming initiatives that result in higher profits while conserving natural resources. Since its inception in 2007, Project Catalyst has expanded to include 78 growers who collectively farm more than 50,000 acres along Australia's northeast coast. The project has improved the quality of more than 100 billion liters of runoff water by reducing the amount of nitrogen and phosphorus fertilizer as well as pesticides and sediments flowing into the Great Barrier Reef.

In Conclusion

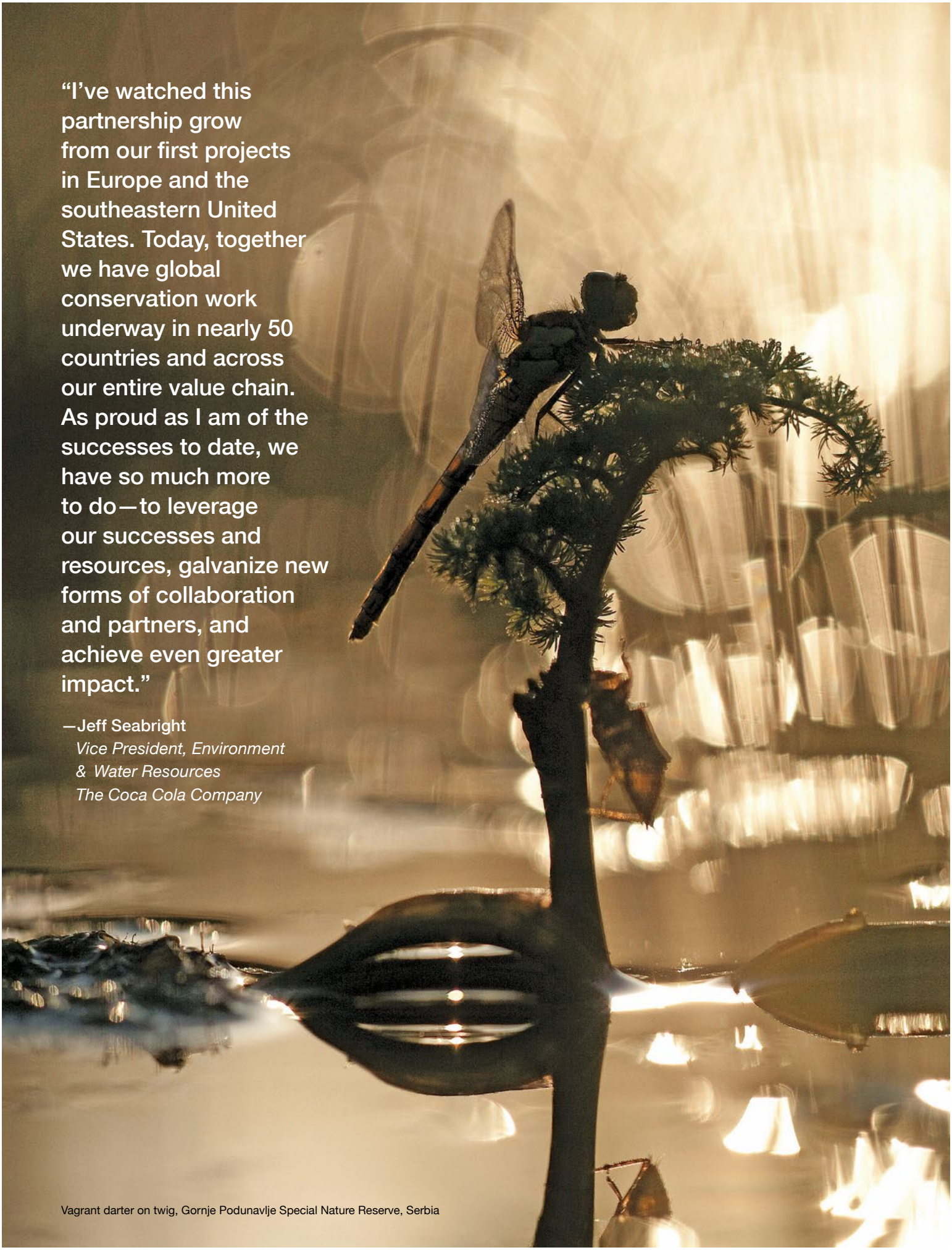
Since our partnership began, we have made significant progress and delivered meaningful results for both nature and people. We are proud of these achievements, but there is more work to do. As we begin a new phase of partnership work, we will build on this strong foundation to achieve even greater impact.

We remain committed to conserving the world's natural resources and to spreading the word about the power of collaboration to address monumental, global challenges, such as climate change and water conservation.

To conserve the world's natural resources, we need to take collective action. No individual sector—government, nongovernmental organization, or business—can make as big a difference alone as we can by working together.

We hope you will continue to follow our progress by visiting the following websites:

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



"I've watched this partnership grow from our first projects in Europe and the southeastern United States. Today, together we have global conservation work underway in nearly 50 countries and across our entire value chain. As proud as I am of the successes to date, we have so much more to do—to leverage our successes and resources, galvanize new forms of collaboration and partners, and achieve even greater impact."

—Jeff Seabright
Vice President, Environment & Water Resources
The Coca Cola Company

Vagrant darter on twig, Gornje Podunavlje Special Nature Reserve, Serbia


Join us as we seek to build a more sustainable future for nature, communities, and business.
worldwildlife.org/water/cocacola
wwf.thecoca-colacompany.com

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