

June 2011 – USF Water Meeting
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The Coca-Cola Company by The Numbers



200 Countries

300+ Franchise Bottlers

400+ Brands Worldwide

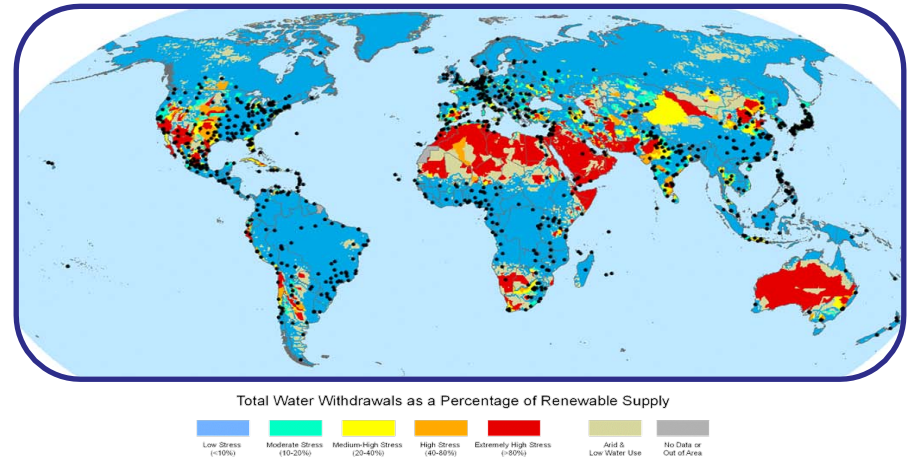
900+ Manufacturing Plants

1,600,000,000 Moments of Happiness for Consumers Each Day



Water is Biggest Part of Our Supply Chain and it is Under Growing Stress

- Physical availability – surface or groundwater – and the sustainability of those sources
- Infrastructure existence, pressure, service area, metering
- Pricing – too cheap or too expensive
- Droughts
- Competing use and increased demand from more people and increased GDP
- Climate change
- Regulatory limits
- Social acceptance



Water Risks in Manufacturing Locations

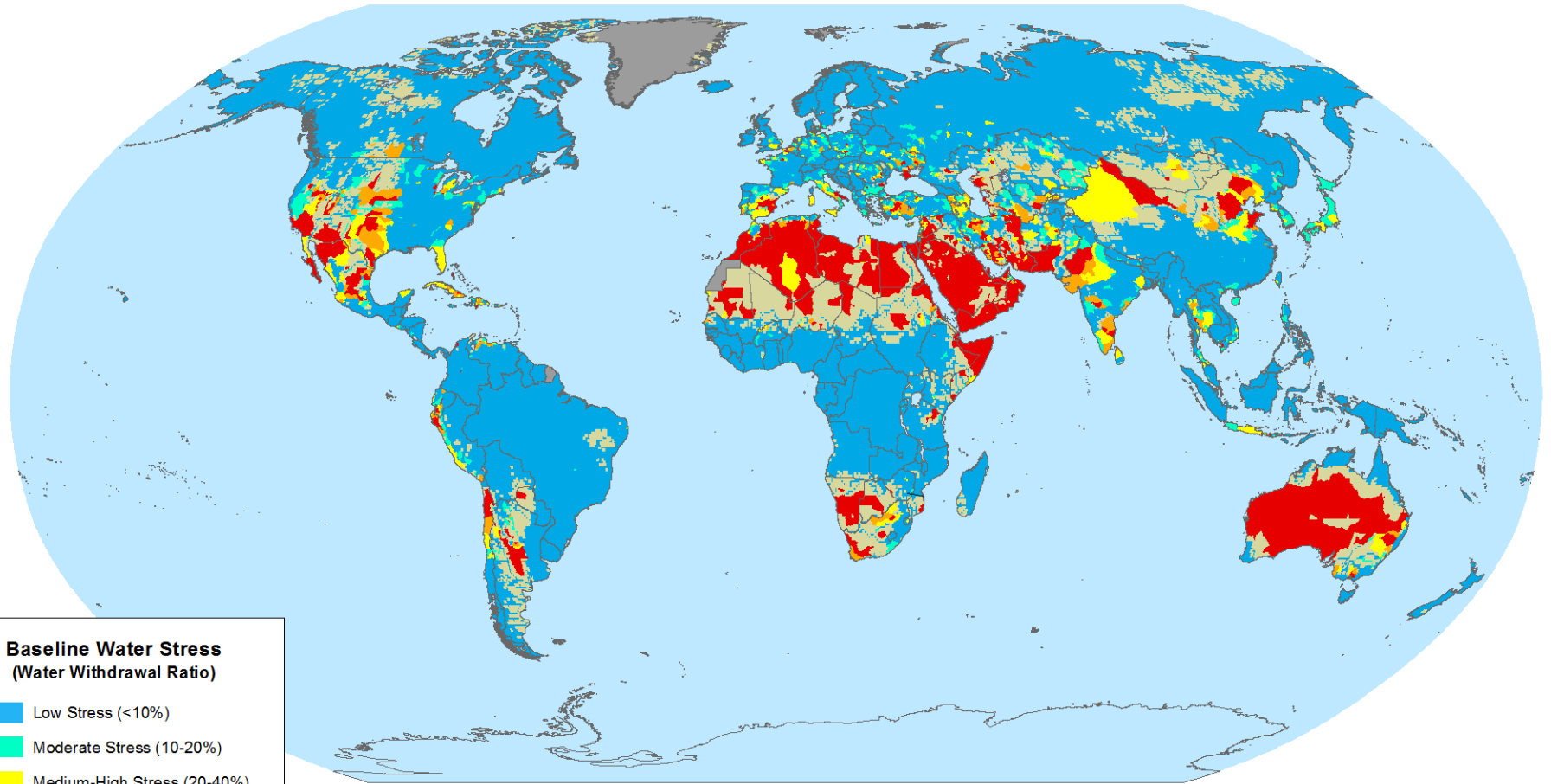


Water Risks in Agricultural Supply Chain

Geospatial Analytics for Decision Support



Socio-Economic Water Stress: Today and 2020 Conditions



Baseline Water Stress (Water Withdrawal Ratio)

- Low Stress (<10%)
- Moderate Stress (10-20%)
- Medium-High Stress (20-40%)
- High Stress (40-80%)
- Extremely High Stress (>80%)
- No Data / Out of Area
- Arid & Low Water Use
- Rivers and Streams
- Bottler

Scope of Risk Assessment: Environmental, Operational, Social, Political, Economic

Water Resources Sustainability

- Surface/Groundwater Stress
- Watershed Quality
- Social Impacts
- Effective Resource Mgt

Supply Reliability

- Legal Access to Water
- Policy/Politics
- Infrastructure
- Natural Disasters

Wastewater Compliance

- Local/Legal Standards
- Operations
- Reuse

Supply Economics

- Water Supply Costs
- Water Treatment Costs
- Policy

Water Efficiency

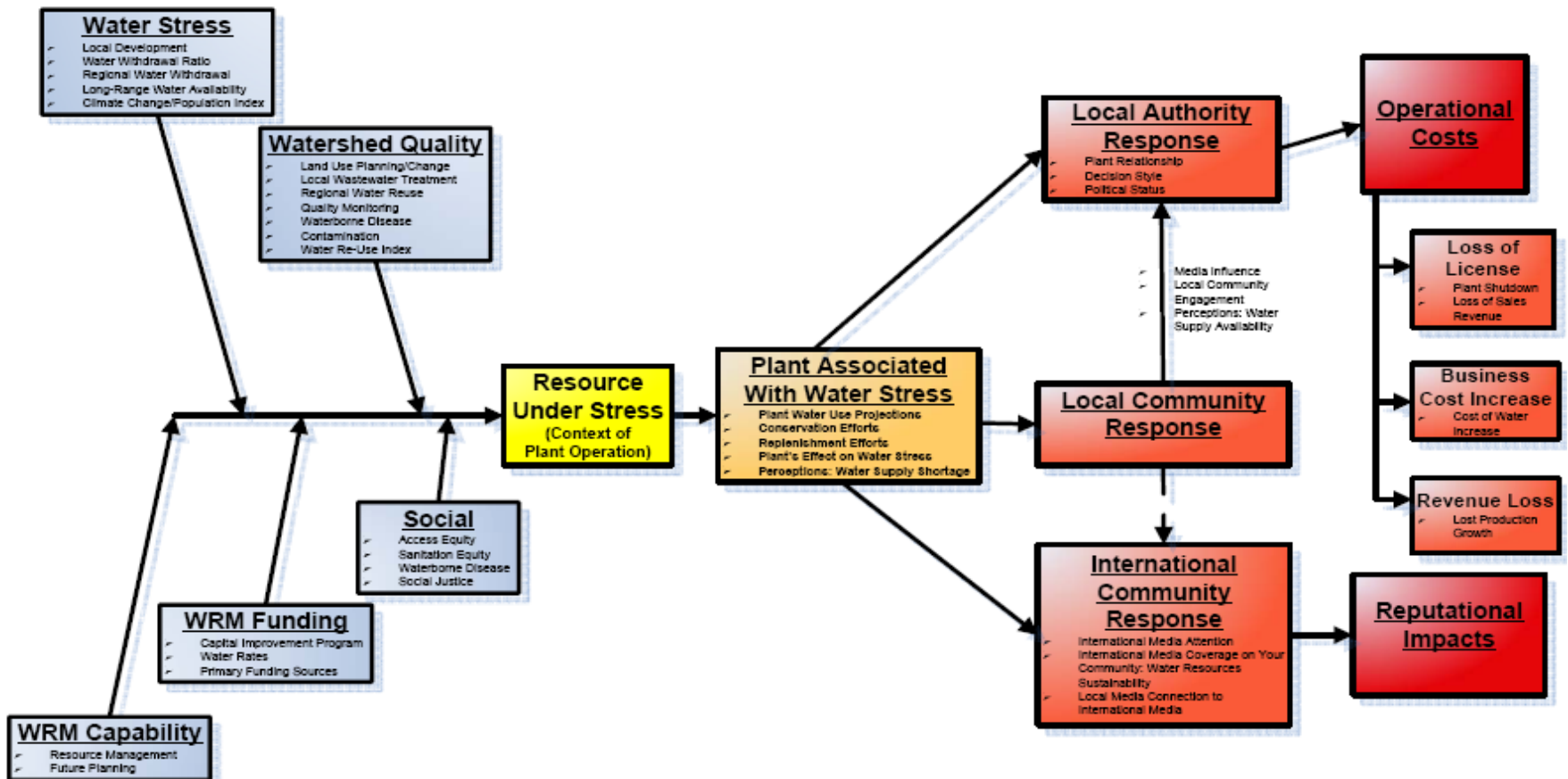
- Plant Water Efficiency
- Product/Package Mix Change
- Policy
- Technology Changes

Local Social

- Community
- Local Government
- Media
- NGO/Activists
- Business Community
- National Governance

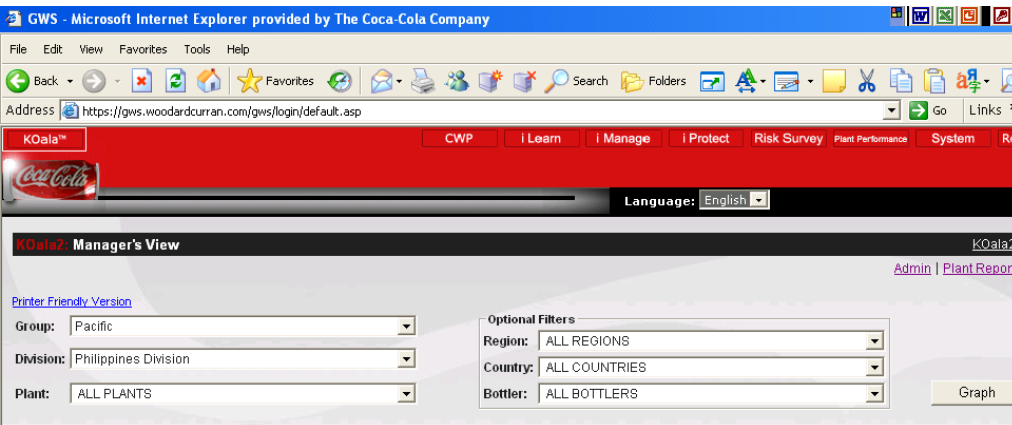
Risk Assessment Structure is Critical

Water Resources Sustainability Event Tree

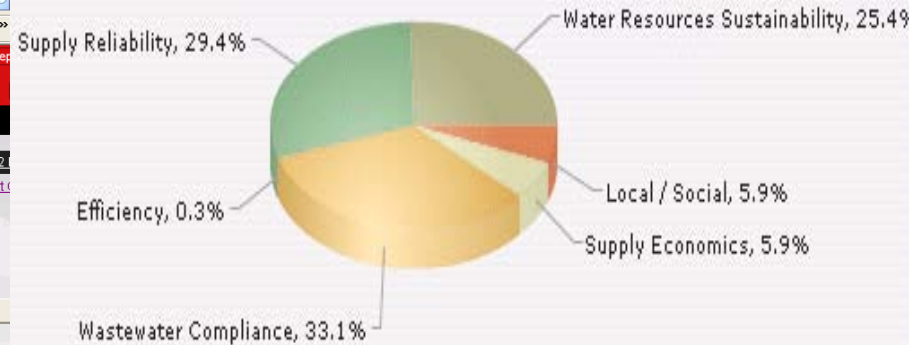


Risk Based Strategy Implementation

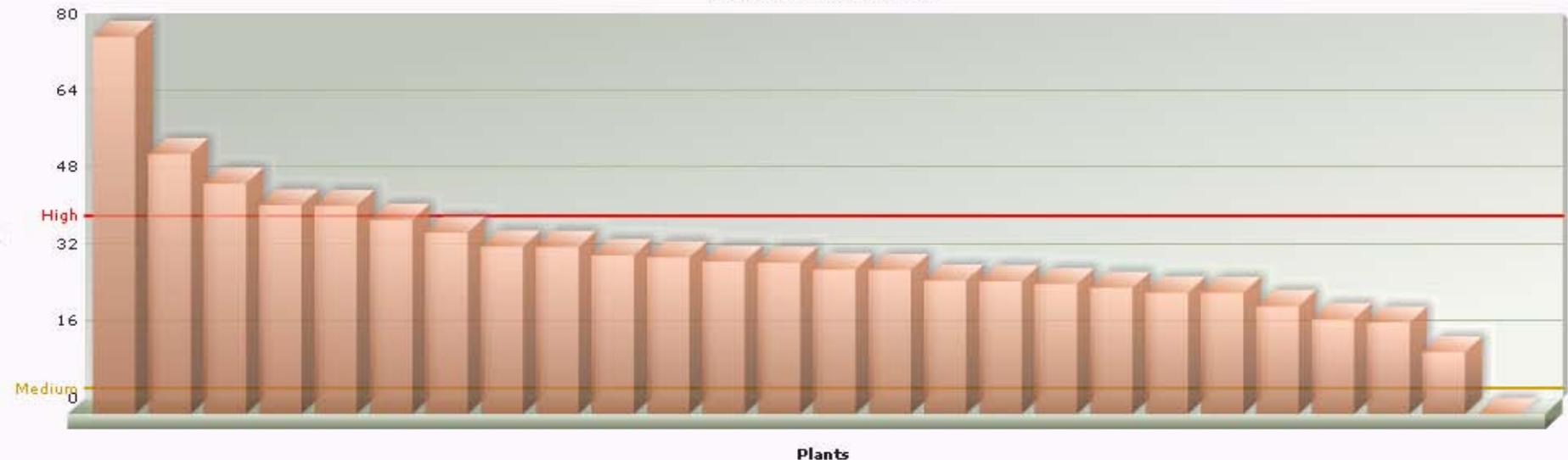
Example: not real data



Total: 32.36



Normalized Total Plant Risk



Critical Success Factors for Risk Mitigation

Communications, Engagement & Alignment

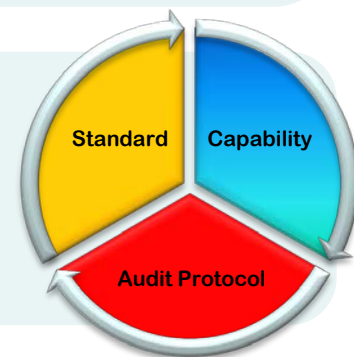
- Risk Assessment Participation: 840 Plants All BUs, All T2T Bottlers
- Briefed CEO and BOD (PPCR Council)
- Reports to all Group/BU Presidents, CEOs of Top Franchise Bottlers
- Validation, Alignment & Planning Meetings with Key Directors and Managers (300+ Individuals)

Execution

- Current Operations:
 - Source Water Vulnerability Assessments
 - Provide Decision Support for Locally Relevant Priorities
 - Source Water Protection Plans
 - Plant, BU, Bottler, Cross Functional Execution
- Infrastructure Planning: SC Rationalization / Greenfields
- Connect to Annual Business Planning

Governance & Capability Development

- Revised Corporate Standard
- Updated Governance Model
- Tools, Guidance, Training
- Support Procuring Professional Services
- Global Tracking System



Global Leader in Sustainable Water Use

1



**Plant
Performance**

2



**Watershed
Protection**

3



**Sustainable
Communities**

4



**Global
Awareness &
Partnerships**

The Nature Conservancy
Protecting nature. Preserving life.™



USAID
FROM THE AMERICAN PEOPLE



THE CLIMATE GROUP

**SUSTAINABLE PACKAGING
COALITION®**



Performance Targets

Our **water conservation goal** is to return to communities and nature an amount of water equivalent to what we use in all of our beverages and their production.

REDUCE

TCCC aims to be the most efficient user among peer companies. As part of our WWF partnership, we set a goal to improve water efficiency 20% by 2012 (2004 baseline).

RECYCLE

TCCC will align our entire global system with stringent wastewater treatment standards which require returning all water that is used in our manufacturing processes to the environment at a level that supports aquatic life by the end of 2010.

REPLENISH

On a global basis we will expand support of healthy watersheds and sustainable community water programs to balance the water used in our finished beverages.

Replenish: Communities and Watersheds

reduce

recycle

replenish

- “Replenish” is the manifestation of our community and watershed partnership work, with the aim to offset the water we use in finished products
- Locally relevant projects that support communities and nature, from source water protection implementation to rainwater harvesting projects

Total amount
of water used
in
Manufacturing

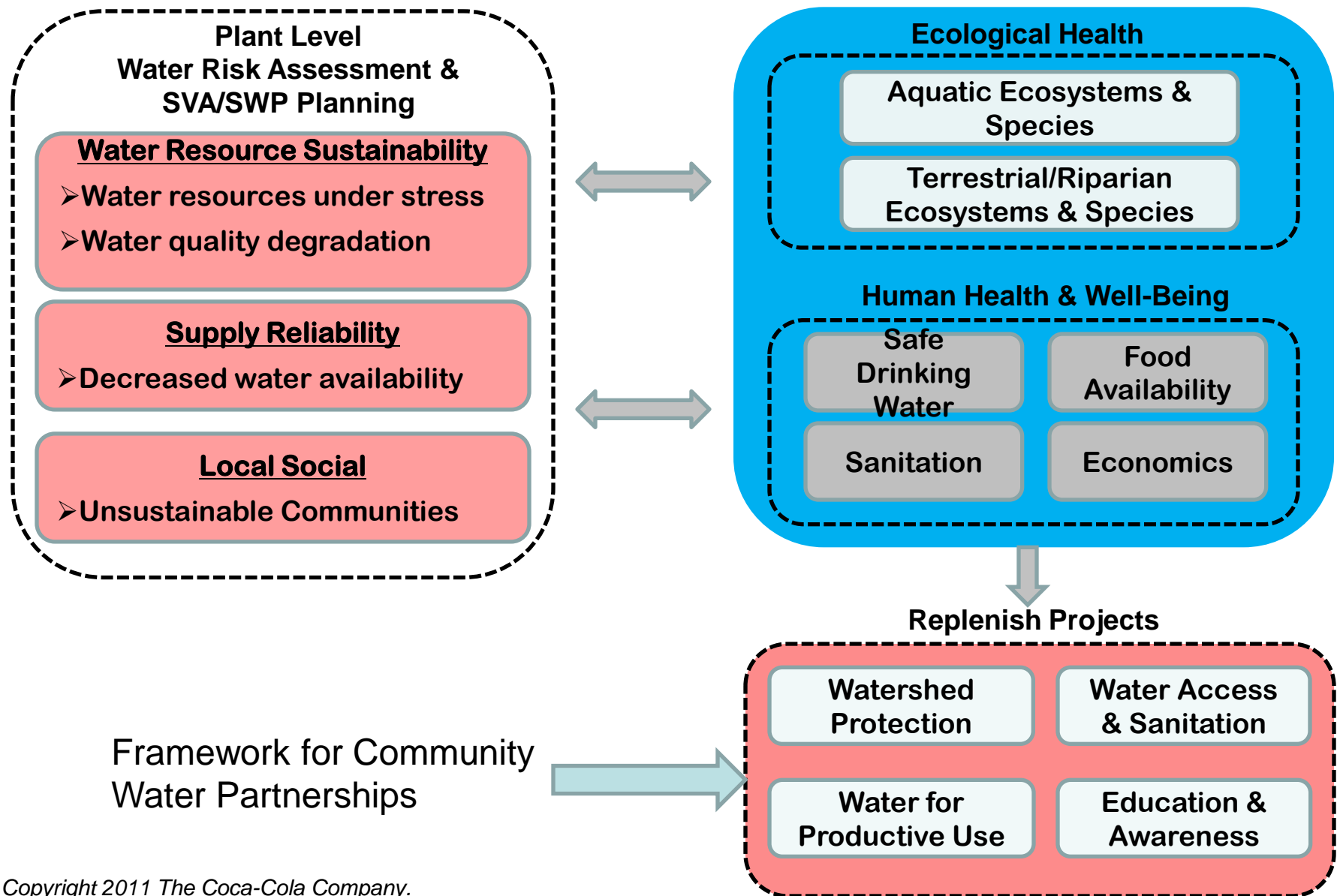
—
Treated
wastewater
=

Product
Volume and
amount to
replenish



We are engaged in 320 community water projects in 89 countries to protect and preserve water resources and help enable greater access to water and sanitation. Our partners include USAID, UN-HABITAT, CARE, UNDP, TNC, WWF, local governments and implementing NGOs.

Plant Level Water Sustainability and Replenish Program



Watershed Protection and Restoration

Activities:

- Agricultural improvements (better management practices)
- Land cover improvements (reforestation, land conservation)
- Surface and groundwater quantity management (dam reoperation, floodplain reconnection, rainwater harvesting, aquifer recharge)
- Water conservation and leak repair
- Wastewater treatment

Replenish Benefits:

- Water quantity and quality



Access to Safe Drinking Water

Activities:

- Household water pumps
- New water source (boreholes)
- Rainwater harvesting
- Community water treatment systems
- Distribution network improvements

Replenish Benefits:

- Metered or calculated based on number of beneficiaries and WHO minimum daily requirements



Mexico Reforestation Program

Activity: Reforestation in priority ecosystems across Mexico

Outcome: 25,000 hectares replanted by 2012

Benefits:

- Reduced runoff water quantity: 9.4 billion liters/yr (total)
- Reduced sediment runoff: 770,472 metric tons/yr (total)
- Carbon sequestration
- Habitat restoration & improved biodiversity
- Economic & community growth

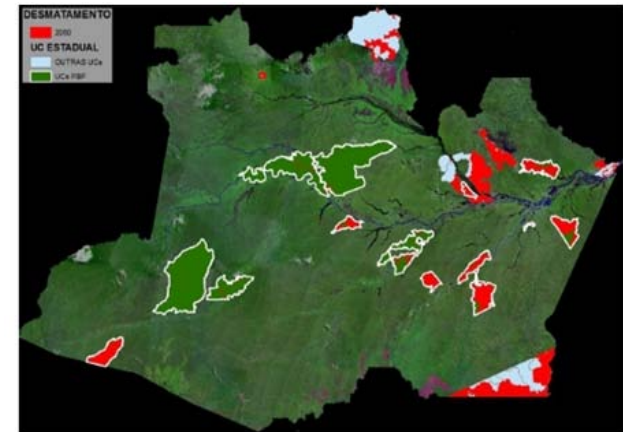
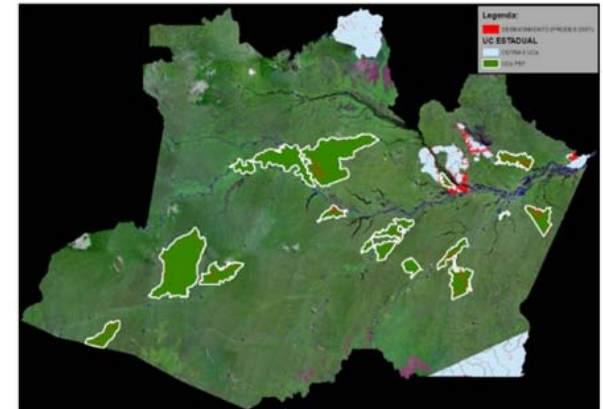
Costs:

- \$6 million from Coca-Cola (33% of total)



Valuing Water: Payment for Environmental Services

- **Activity:** Conservation of tropical forest through payment for maintenance of environmental services
- **Outcome:** Deforestation will be prevented on 12.5 million hectares
- **Benefits:**
 - Reduced runoff water quantity: 120.6 billion liters/yr (total for 2010)
 - Reduced sediment runoff: 104,274 metric tons/yr (total for 2010)
 - Carbon sequestration
 - Habitat protection & preserved biodiversity
 - Preservation of quality of life for communities
- **Costs:**
 - \$20 million from Coca-Cola to endowment fund (33% of total endowment)



Current and predicted extent of deforestation (red) in 14 conservation units (without the program)

Classified - Internal use

Replenish Africa Initiative (RAIN)



- **Partners:** USAID, other
- **Priority Goal:** Provide access to safe drinking water to at least 2 million people by 2015; 100 water projects
- **Primary Activities:**
 - Boreholes for drinking water, community latrines, hygiene promotion, rainwater harvesting, rehabilitation of water supply systems
- **Investment:** \$30 million over 6 years
 - Seeks to leverage funding to achieve at least 1:1 co-finance



Replenish Benefits:
Currently 1.5 billion liters/yr

WWF: A Transformational Partnership



In 2007, we announced a global, multi-year partnership with WWF to combine our international strengths and resources to help conserve freshwater resources.

1

Improve water efficiency in Coca-Cola's manufacturing operations



2

Decrease the company's carbon dioxide emissions and energy use



3

Support more efficient water use in TCCC's agricultural supply chain, beginning with sugar



4

Measurably conserve seven of the world's most important freshwater river basins



5

Inspire a global movement to conserve the world's freshwater resources

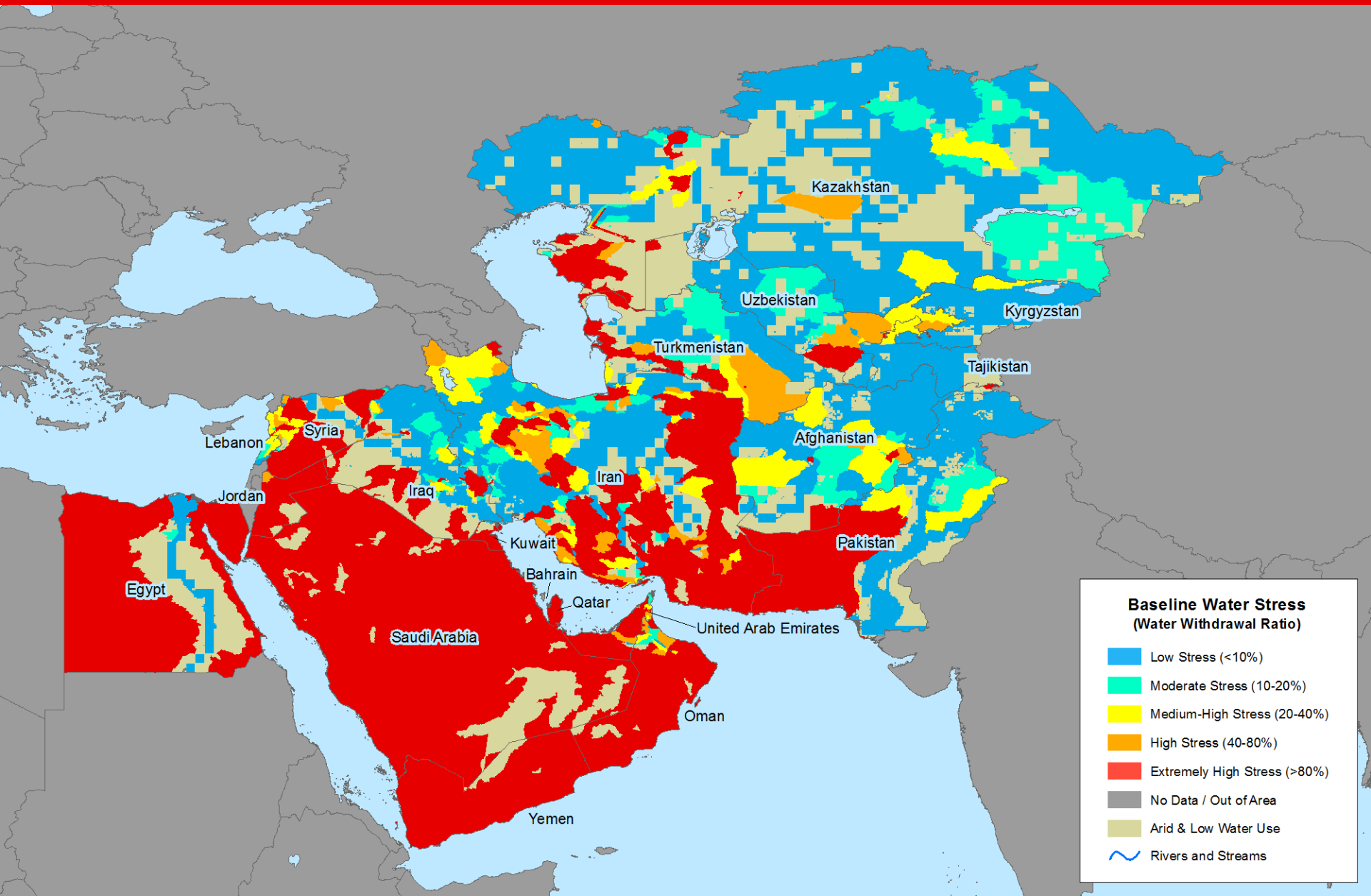


Building Organizational Capability



- Repository of information to assist in water management and data collection techniques
- Guidance and templates

Focal Point: ME & Southern Eurasia



Water For...Strategy (Notional)



Supporting the Services Water Provides in Human Security and Prosperity

Key Elements of the Strategy



Confidential - Internal use

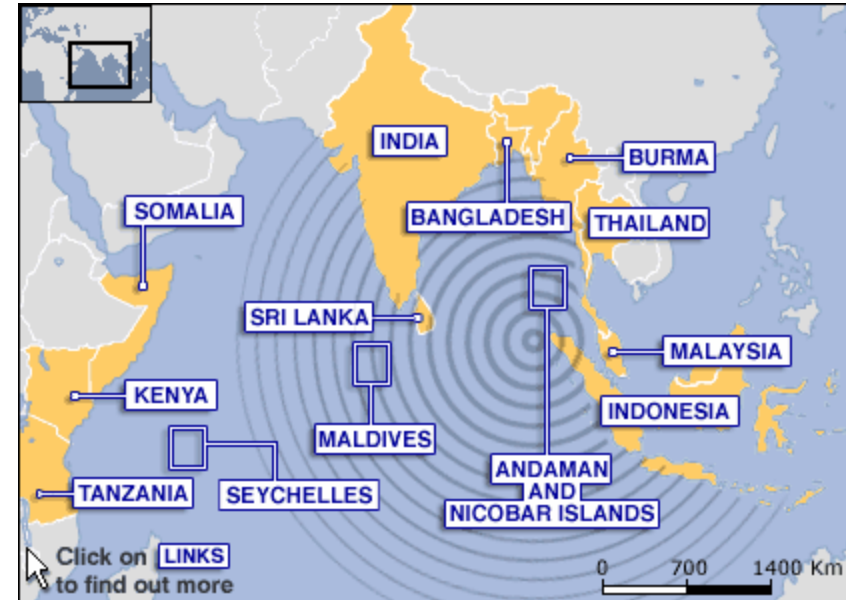
Reducing the Impact from Natural Disasters

Assets and Capabilities

- Alternate Potable Water Source
- Rigorous Water Treatment Technologies
- Logistics
- Independent from Muni Infrastructure (many cases)
- Local Presence
- Understand Hydration

Key Learnings

- Planning For Truly Worst Case
- Taking Early Action in Situations Dominated by Uncertainty
- Pre-arranged Partnerships with Tactical Planning



Recommendations

- Integrated global-to-local response policy and planning requirements
- Integrate plans with local governments/authorities
- Global partnerships (RCRC)



The mark we make today shapes the future.

LIVE POSITIVELY



Coca-Cola