Water is the Biggest Part of Our Supply Chain and it is Under Growing Stress...time, place, amounts

- 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
Understanding Risk and Exposure

• Business unit-level qualitative risk assessment in 2004 sensitized the system to water risk

• Detailed plant-level quantitative risk assessment in 2005 and 2008/9
Risk Breakdown, Proximate and Ultimate Causes, Event Initiators, Impact...global to plant-level
Global Risk Assessment

WATER RESOURCE SUSTAINABILITY & SUPPLY RELIABILITY
Growing and competing demands, and a lack of adequate government policy and action, are affecting water quality and quantity.
Our Source Water Protection Program is designed to assess and help mitigate these risks.

SOCIAL
Increasing government and community awareness and expectations, along with rising media coverage, drive this category.
Stronger focus on external communications and continued community/partner engagement is needed.

WASTEWATER COMPLIANCE
Risk due to lack of full compliance with internal treatment requirements.
Mitigation through meeting our 2010 deadline.

SUPPLY ECONOMICS & EFFICIENCY
Water acquisition and discharge fees are rising in many markets.
Our efficiency goals and progress will help mitigate impacts.

Social 17%
Wastewater Compliance 17%
Supply Economics & Efficiency 27%

2009/2010 System-wide Water Risk Summary in Manufacturing

Total Water Footprint in 0.5-liter Coca-Cola; Locates Water Use in Supply Chain

~ 35 Liters
Strategy, Goals and Partners

Strategic Framework

1. Plant Performance
2. Watershed Protection
3. Sustainable Communities
4. Global Awareness & Action

Goals

- **Reduce**: improve water efficiency 20% by 2012 compared with a 2004 baseline.
- **Recycle**: 100% fully treated effluent water.
- **Replenish**: “give back” to communities and nature as much water as we use by 2020.
- **Sustain**: source water protection plans in all plants by the end of 2012.
- **Agriculture**: water use, soil health and biodiversity, focus on sugarcane, oranges, corn.

Key Partners
Source Water Protection Requirement...for our operations and communities, existing and new plant siting

Strategic Intent

1. Protect Manufacturing Capacity
   • Promote and support sustainability of water supplies for our business and markets/communities
   • Secure long term access to sufficient quantities of sustainable water supply and understand limits

2. Protect Product Quality and Safety
   • Understand current and emerging risks to raw water quality
   • Ensure adequate monitoring and treatment of raw water

Key Steps

1. Form Water Resource Management Team
2. Complete Source Vulnerability Assessment (SVA)
3. Prepare Source Water Protection Plan (SWPP)
4. Implement action plans
5. Maintain/update SWPP
Disclosure and Investor Relations

• We have strategically discussed our risks, strategy and progress with investors and we continue to enhance our disclosure while focusing on context and risk mitigation

• Are detailed data on water use, stress and risk by site useful without context and mitigation/response details? A proposed format for disclosure and water risk management:

  1. Measure water use and wastewater management in your operations...document, report, improve

  2. Evaluate water risks to your business...qualitative to quantitative, WBCSD to Aqueduct, operations to value chain

  3. Develop a strategic response...get management and system alignment/commitment

  4. Execute the strategy...set goals, form partnerships, track progress, revaluate risks, report

  5. Engage partners...communities, industry, multi-lateral organizations, governments, NGOs, suppliers, customers

  6. Extend actions...to suppliers and downstream to product/service use