

Water Policy Engagement

*CEO Water Mandate Meeting
Istanbul
March 16, 2009*

2020: Water Megatrends and Effects

MEGATRENDS

POPULATION GROWTH

Expected to increase by 1.5 billion to 8 billion by 2020

CLIMATE CHANGE

0.8°C temperature increase by 2020

GLOBAL DEVELOPMENT

Dramatic increase in number of developed economies

EFFECTS

1. 2/3 of world population in severe water stress
2. 1/3 of world land area in severe water stress
3. Significant water quality degradation
4. Precipitation patterns change: more droughts and floods
5. Significant increase in competition for freshwater
6. More aggressive allocation , increased prices, conflict potential
7. Two billion more urban residents by 2030
8. Variable adaptation by public sector
9. Water infrastructure needs require \$1 trillion+ between now and 2025



Policy Engagement: Why?

Without proactive efforts to inform, consult and engage policymakers, we face several risks.

Physical

- Water scarcity limits availability of freshwater

Financial

- Costs for water rise (unfairly)

Regulatory

- Regulators/water providers mandate water efficiency targets

Reputational

- Plants blamed for major impact on regional water resources
- Plant discharge associated with local water quality problems

Policy Engagement: How?

1



Plant Performance

2



Watershed Protection

3



Sustainable Communities

4



Global Awareness and Action



Global Awareness and Action Snapshot

- UN Global Compact's CEO Water Mandate
- World Economic Forum
- Global Water Challenge
- Water Footprint Network
- World Water Forum Istanbul 2009



Policy Engagement: What Benefits?

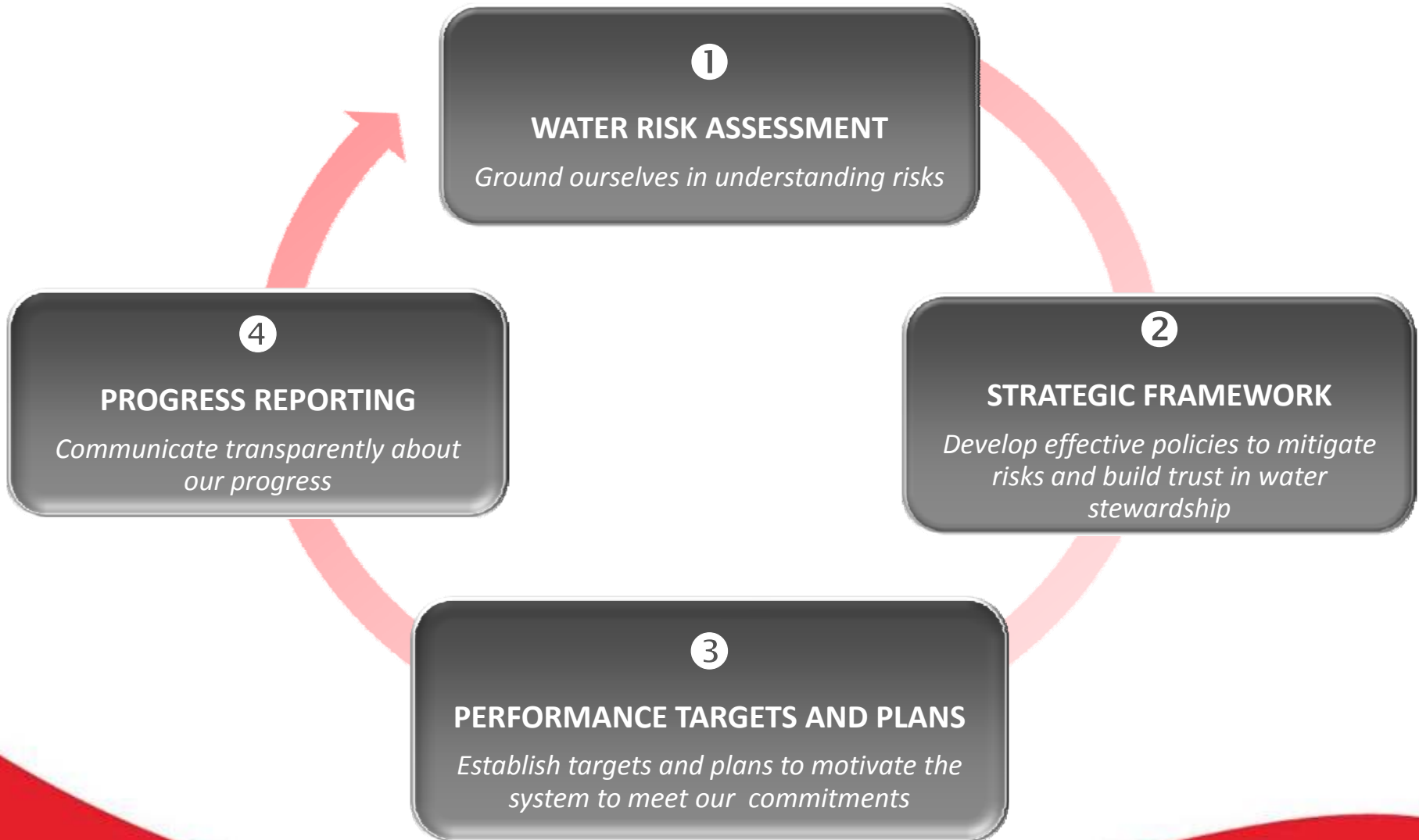


- Improved water management
- Enhanced business reputation
- Conflict avoidance, management and resolution
- Increased trust and credibility
- Lower regulatory risk

*To sustain our future and standing in the community, we must secure three licenses to water: the **natural**, **regulatory** and **social**.*

BACKUP SLIDES

How We Approach Water Stewardship



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.