Thoughts from the corporate sector: Coca-Cola’s example
Scope

• Reputation and expectations
  • Sustainability and the business
  • Sustainable agriculture
Coca-Cola History: 120 Years of Innovation

In 1886, John Pemberton created Coca-Cola in Atlanta, Georgia

- 1886: Coca-Cola introduced
- 1889: Contour bottle introduced
- 1916: 1st coin-operated vending machine
- 1923: 1st 12-ounce can
- 1935: Sprite introduced
- 1955: Family-size bottle introduced
- 1960: Introduction of Diet Coke
- 1982: Launch of Vanilla Coke
- 2002: Introduction of Coca-Cola Zero, Coca-Cola Blak and Enviga
- 2003: Vitamin Water
- 2006: Family-size bottle introduced
- 2007: First sales of Coca-Cola in 6-packs

Coca-Cola bottling system is started

1st coin-operated vending machine

Family-size bottle introduced

Introduction of Diet Coke

Introduction of Dasani

Vitamin Water
A Global System

North America
Latin America
Europe, Eurasia & Middle East
Asia
Africa
A Classical Tradition

“Regard your good name as the richest jewel you can possibly be possessed of - for credit is like fire; when once you have kindled it you may easily preserve it, but if you once extinguish it, you will find it an arduous task to rekindle it again.

The way to gain a good reputation is to endeavor to be what you desire to appear.”

-- Socrates

“Sustainability and commitment to corporate responsibility contribute to reputation and help support the strength of our brands.”

-- Coca-Cola CSO
Reputation is Performance – Not Spin…

WEBSTER’S DEFINITION:

rep·u·ta·tion – noun
Overall quality or character as seen or judged by people in general; a place in public esteem or regard

• Reputation is driven by:
  – Your overall quality or character
  – How people judge it, and in what esteem or regard they hold it
• In other words, reputation is a combination of two factors.…
• Our Secret Formula: Performance + Perception = Reputation
Exposed Consumer Sector

The Food & Beverage industry registers the second amount of positive and of negative news.
Products Would Most Like to See Become More Responsible

Unprompted, Combined Mentions, Average of 18 Countries,* 2005

<table>
<thead>
<tr>
<th>Ethical Consumerism</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed food / food and beverage / fast food / sodas</td>
<td>30</td>
</tr>
<tr>
<td>Gasoline/oil/petroleum</td>
<td>13</td>
</tr>
<tr>
<td>Medicines</td>
<td>12</td>
</tr>
<tr>
<td>Automobiles</td>
<td>11</td>
</tr>
<tr>
<td>Cigarettes</td>
<td>10</td>
</tr>
<tr>
<td>Alcohol/wine/beer</td>
<td>8</td>
</tr>
<tr>
<td>Electronic equipment</td>
<td>8</td>
</tr>
<tr>
<td>Electricity/energy/power supply</td>
<td>7</td>
</tr>
<tr>
<td>Clothing / apparel / footwear</td>
<td>7</td>
</tr>
<tr>
<td>Cosmetics / beauty supplies</td>
<td>6</td>
</tr>
<tr>
<td>Household cleaning products / paint</td>
<td>6</td>
</tr>
<tr>
<td>Banking/insurance</td>
<td>5</td>
</tr>
<tr>
<td>Furniture / home building supplies / wood</td>
<td>4</td>
</tr>
<tr>
<td>Paper/packaging/plastic</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
</tr>
<tr>
<td>DK/NA</td>
<td>20</td>
</tr>
</tbody>
</table>

* Not asked in France, Nigeria, and Switzerland
Coca-Cola registers the most positive news within 18 Food & Beverage companies, followed by Unilever and Nestlé.
From January to August 2007, Coca-Cola’s white arrow is the largest, meaning it registered the highest volume of information - both positives and negatives.
A Complex Landscape of Global Issues

Measure, Report, Connect, Recognize

ENVIRONMENT
- Sustainable Packaging
- Climate Change/Energy
- Water
- HIV/AIDS

COMMUNITY
- Development
- Human Rights
- Wellness
- Globalization

WORKPLACE
- Child Labor
- Labor Relations & Workplace Accountability
- Responsible Supply
- Agriculture

MARKETPLACE
- Sustainable Packaging
- Climate Change/Energy
- Water
- HIV/AIDS
Expectations: Myriad Stakeholders

- Providers of Capital
  - Shareholders/Analysts
  - Banks
  - Competitors
  - Consumers
  - Customers
  - Suppliers/Dealers
  - Employees/Unions
  - Partners & JV’s
  - Scientists/Nutritionists
  - Community

- Business

- Government
  - Legislators
  - Regulators
  - Multilateral agencies
  - Local government
  - Trade Associations
  - Media
  - NGOs/activists
  - Church groups
  - Schools/universities/academics

- Interest Groups

Corporate Reputation
“89% of consumers believe that corporate obligations to shareholders must be balanced by contributions to the broader public good…”

Asked to select the three issues that would be most important to them over the next five years, almost half of the consumers picked environmental issues… followed by pensions and other retirement benefits, and health care…”

-- McKinsey Quarterly 2007 Number 2
Consumers polled in US, UK, China, India, France, Germany Japan

“Customers – both consumer and business customers – want green heroes… companies they believe are setting the pace…”

-- Joel Makower
“The guru of green business” - Associated Press
I’m going to read you a list of institutions. For each one, please tell me how much you TRUST that institution to do what is right. Please use a 9-point scale where 1 means that you do not trust them at all and 9 means that you trust them a great deal. (Top 4 boxes shown)

Source: Edelman Annual Trust Barometer, Jan 06
Which are the most important issues that global companies you trust should address?

Source: Edelman Annual Trust Barometer, Jan 06
For the first time ever, consumers said that a company’s corporate citizenship activities influenced their view of the company’s reputation more than the company’s products or services.

-- Reputation Institute
Expectations: Tomorrow’s Leaders...

- It’s not enough to simply satisfy rational basics like “quality” or deliver emotional promises such as “fits my lifestyle”

- **Today consumers ask how brands can help them consume whilst reducing any negative impact**

- **Tomorrow consumers will choose brands that also actively help them have an additional positive impact through consuming**
## Expectations: Reputation Surveys

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2: Leadership/Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3: Community Responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4: Environmental Responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5: Quality Products/Processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6: Financial Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7: Workplace</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8: Good Governance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Color Coding:  
- **Covered**  
- **Not Covered**
<table>
<thead>
<tr>
<th>#</th>
<th>2005</th>
<th>2006</th>
<th>2006 Score (Low, Medium, High)</th>
<th>Category</th>
<th>Metric</th>
<th>2007</th>
<th>PepsiCo vs. TCCC</th>
<th>2006 Score (Low, Medium, High)</th>
<th>Global Relevance (Low, Medium, High)</th>
<th>Local Relevance (Low, Medium, High)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>Employee Engagement and Accountability</td>
<td>Employee engagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>Ethics &amp; Compliance metric</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>Workplace Rights</td>
<td>Company facilities scoring Red</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>Workplace Rights</td>
<td>Non-Company facilities scoring Red</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>Workplace Rights</td>
<td>Diversity metric (TBD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>Workplace Rights</td>
<td>Workplace fatality rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td>Water</td>
<td>Water use ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>Water</td>
<td>Wastewater Treatment rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td>Climate</td>
<td>Energy use ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>Packaging</td>
<td>Solid waste reuse rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td>Community Engagement</td>
<td>CSI as a percentage of pre-tax profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td>Community Engagement</td>
<td>Percentage of CSI aligned with priorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td>Community Engagement</td>
<td>Economic opportunity/impact metric (TBD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td>Community Engagement</td>
<td>Sustainable agriculture metric (TBD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td>Customer Satisfaction</td>
<td>Customer satisfaction (TBD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td>Innovation</td>
<td>Innovation (TBD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td>Economic Performance</td>
<td>Growth in economic profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td></td>
<td></td>
<td></td>
<td>Economic Performance</td>
<td>Market share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
<td></td>
<td>Economic Performance</td>
<td>Percent increase in volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td>Quality</td>
<td>Product quality metric</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Reputation Map

- High Performance, Low Perception
  - Push
- Low Performance, Low Perception
  - Fix
- High Performance, High Perception
  - Leverage
- Low Performance, High Perception
  - Analyze
Scope

Reputation and expectations

- Sustainability and the business
  - Sustainable agriculture
Green is Everywhere
The glistening future that we had all believed we were working toward, and that we could offer as a promise to our children, appears to be evaporating like a shimmering mirage in the hot desert sun. If the scientists are correct, and the evidence that they are grows stronger each year, the climate crisis promises to be only the second civilization-scale crisis we have ever faced. Only a nuclear holocaust, also a man-made threat, presents the possibility of such destruction.

In this new future, the most influential position in corporate America could well be the chief sustainability officer

**The corporate world has been a big part of the problem, and it needs to be a big part of the solution**

*Forbes Magazine, January 2008*
A sustainable approach to business affects the bottom line in three basic ways: It decreases operational and manufacturing costs through better energy and resource management and waste reduction; it increases revenue through developing and offering new "green" products and technologies; and it increases profits by developing positive P.R. and a stronger brand.

We need to identify opportunities to develop products, technologies, and solutions for our customers to help them meet their environmental goals while we meet ours. *Office Depot*

Because we are so global, and touch so many communities and so many people around the world, we have a tremendous opportunity to make a positive impact.

*Jeff Seabright, Chief Environmental Officer, The Coca-Cola Company*

*Forbes Magazine, January 2008*
Sustainability 3.0
The Evolving Conversation

First Wave - “Do no harm”
- reactive
- focus on risks/compliance
- public pressures to reduce negative impacts

Second Wave - “Triple bottom line”
- focus on efficiency and cost savings
- managing externalities
- stakeholder engagement
- philanthropy

Third Wave - “Race to the top”
- focus on creating value
- proactive and innovative
- supply chain orientation
- competitive differentiation
Environmental Impact

Global Water Stewardship

Energy and Climate Change

Sustainable Packaging
Global Water Stewardship

- Plant Performance
- Watershed Protection
- Global Awareness and Action
- Supporting Community Initiatives
Water stewardship makes sense for Coca-Cola:

**Long term**
- It matters to the global development agenda: an imperiled water supply (both in availability and quality) is a key emerging issue with long-term implications.

**Performance and product based**
- It has a clear connection to TCCC’s products and processes.
- TCCC is in a position to have a real impact both in terms of its global reach and its presence on the ground in local communities.

**Partnership platform**
- So: flagship platform
- Flagship partnership (next slide)
Working together, we can protect a lot more than just water.

Less than 3% of the world’s water is fresh. Over 1 billion people in the world lack access to safe drinking water. And water shortages threaten thousands of species and habitats that would be lost forever.

Our organizations, The World Wildlife Fund and The Coca-Cola Company, have formed a partnership to conserve this most precious resource. It is a source of great hope for us. Because water is both key to saving nature and to doing business. By bringing our networks, our people and our brands together we know we can achieve not just significant results, but large-scale measurable results conserving water in the long-term.

The partnership is already doing a lot more than people know. We’ve focused on eight key ecoregions from the Americas to Asia. These watersheds, also called river basins, are biologically distinct and areas where we can make significant conservation gains. Together we are supporting better agricultural and industrial practices, improving water management and working to help bottlers use water more efficiently. All the while, protecting species and habitats and helping some of the world’s most important rivers flow on. To see some of the amazing ways we’re making a difference, drop by drop, and find out how you can be involved, visit medc.com

Water is a top priority for both the World Wildlife Fund and The Coca-Cola Company. When we protect more water, we protect more of everything. This is our drop.

Carter Roberts
President,
World Wildlife Fund

Neville Isdell
Chairman and CEO,
The Coca-Cola Company
Partnership Workstreams

1. **Plant Performance & Efficiency**: all plants participate, setting goals on efficiency and stewardship
2. **Supply Chain Water Stewardship**: initial focus on sugar suppliers we all share
3. **Improve watershed health and sustainability**: in seven, iconic river basins
4. **Climate Change**: all plants participate through energy efficiency
5. **Marketing and Communication**: the leverage the reputational benefits and inspire action

River Basins

1. **Yangtze**: Underway with Swire
2. **Mekong**: Underway with TPDL and Sabco
3. **Rio Grande/ Rio Bravo**: Planning stages with CCE and ARCA
4. **Meso American Reef**: water fund/payment for environmental services in Central America
5. **Southeast US Rivers**: smart development model with United, Consolidated and CCE
6. **East Africa**: Plans to engage SAB/Miller Q2 2007
7. **Danube**: CCHBC engaged June 13

Together, TCCC and WWF aim to inspire a global movement engaging industry and individuals to support conservation of freshwater ecosystems, species and water resources worldwide.

... linking the most powerful brands in conservation and commercial products.
Environmental Impact of Production shows the most important increase in the share of positive news. Coca-Cola has been given credit for its partnership with WWF to conserve global water consumption along with other sustainable water initiatives.
The uniqueness (and simplicity) of the Coca-Cola business system enables us to have a sustainable positive impact on local economic development and entrepreneurship.

• Non-alcoholic beverages contribute to economic growth & increase local government revenues
• Indirect multiplier effect of the Coca-Cola business system is even greater
• Our system stimulates entrepreneurial activity for countless retailers, SMEs worldwide
• The Coca-Cola system is the largest private employer on the African Continent providing 60,000 direct jobs + hundreds of thousands more indirectly
• In the Philippines, a person who buys an 8-oz. bottle of Coca-Cola for eight pesos (US$.14) helps generate 17.60 pesos (US$.30) of additional output in the economy
• Brazil, Bolivia, Argentina: between 5 and 10 jobs created for every Coca-Cola system job
• Localized production emphasizes good corporate citizenship
Scope

- Reputation and expectations
- Sustainability and the business
  - Sustainable agriculture
Agriculture at the Center of the Sustainability Challenge

Agriculture’s footprint

- 50% of world’s assets, consumer expenditure, and jobs belong to the food system.
- Accounts for 70% human water use (>60% wasted).
- Contributes 25-40% of all GHG emissions.
- Uses 55% of all habitable land (and growing).
- Leading source of pollution in many regions.
- Causes 95% of all soil erosion; half of the world’s topsoil has been lost due to unsustainable farming practices.
- Accounts for 70% of all child labor (150MM) - in some countries child labor comprises 1/3 of agricultural workforce.
- One of the three most hazardous work sectors, in terms of work-related deaths and injuries.

Agriculture’s mandate

- Global food demand will double in next 50 years.
- Increased incomes (+240% by 2050) will increase quantity and intensity of food production.
- Per capita arable land/person is shrinking.
- Agricultural energy sources – Biofuels - are competing for access to land and labor.
- The poor have no land, spend up to 75% of income for food, and still go hungry.
- Agriculture is the catalyst and foundation of development.
- Increased demand for bio-fuels combined with reduced crop surpluses and a decline in export subsidies are causing fundamental changes to agricultural markets and raising commodity prices.

More environmental impact than any other human activity

Growing demand on a finite planet
Food Production has Largest Ecological Footprint per $
Sustainable Agricultural Supply Chain

Value Chain

1. Agricultural Production on large or small plantations
2. Sale of commodities at local, national & international levels
3. Manufacturing & packaging of food & beverage products
4. Marketing, retail & consumption

Sustainability Challenges

- Sustainable Agriculture
- Ethical Trade
- Food Safety
- Nutrition, lifestyle & marketing
- Many Stakeholders Focus on the Impacts of Sustainable Agriculture

Chart from: IBLF’s Food for thought, CSR for food & beverage manufacturers report, 2002
## Issues Along the Supply Chain

<table>
<thead>
<tr>
<th>Farm</th>
<th>Manufacturing</th>
<th>Transport</th>
<th>Retail</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrochemicals</td>
<td>Energy use</td>
<td>Food miles</td>
<td>Food quality</td>
<td>Health &amp; nutrition</td>
</tr>
<tr>
<td>GMOs</td>
<td>GHG emissions</td>
<td>Energy use</td>
<td>Food safety</td>
<td>Additives (flavors, preservatives, colorings, etc.)</td>
</tr>
<tr>
<td>Habitat conversion</td>
<td>Air pollution (other emissions)</td>
<td>Fuel choice</td>
<td>Consumer labeling, transparency</td>
<td>Transparency</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Water use &amp; efficiency</td>
<td>Mode of transport</td>
<td>Price &amp; access</td>
<td></td>
</tr>
<tr>
<td>Soil degradation</td>
<td>Water pollution</td>
<td>Storage &amp; facilities (including refrigeration)</td>
<td>Responsible market creation</td>
<td></td>
</tr>
<tr>
<td>Water use &amp; efficiency</td>
<td>Packaging</td>
<td>Labor rights</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water pollution</td>
<td>Land / soil pollution</td>
<td>Freedom of assoc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions</td>
<td>Solid waste (hazardous, packaging, food by-products, e.g.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air pollution (other emissions)</td>
<td>Employment opportunities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC impacts</td>
<td>Occupational H&amp;S</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural waste</td>
<td>Training &amp; dev.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing &amp; trade</td>
<td>Human rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td>Labor rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor rights</td>
<td>Occupational H&amp;S</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational H&amp;S</td>
<td>Capacity building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land tenure</td>
<td>Land tenure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SA Issues and Stakeholders

**Stakeholder interest**

- **Consolidation**
- **Risk Management**
- **Influence**
  - Soil degradation
  - Biodiversity loss
  - Habitat conversion
  - Land rights
  - Food aid
  - Local sourcing
  - Water
  - Chemicals
  - Subsidies
  - Biofuels
  - Climate change
  - Consumer transparency
  - Food quality & safety
  - Labor / human rights

**Type of response**

- NGOs
- International NGOs
- Opinion Formers
- Media
- Regulators
Sustainable Agriculture:

- “Agriculture is sustainable when it is ecologically sound, economically viable, socially just, culturally appropriate and based on a holistic scientific approach.”*

  
  * Agricultural supply chains that **meet the needs** of people, industry, and nature in ways that **do not compromise future generations’** ability to do the same.

  
Scope of TCCC’s global agricultural supply chain

Citrus - #3

Sugar - #1

Caramel

Coffee - #5

Corn

Tea - #2
Coca-Cola is in the Food Business...
And our Portfolio is changing…

… together with our agricultural profile
Stakeholders are increasingly focused on SA Issues

- Water consumption & pollution
- Food quality & safety (incl GMOs)
- Consumer rights & information
- Climate change & energy use
- Labor standards & human rights
- Habitat conversion
- Biofuels
- Agricultural subsidies
- Local sourcing & food miles
- Biodiversity
- Food aid
- Soil degradation & erosion
- Land rights
- Envir & worker health

Level of interest

- Media
- Investor
- NGO
... Issues with financial and reputational impacts

- Water
- Food quality & safety
- Labor & human rights
- Consumer information
- Chemicals
- Subsidies
- Local sourcing
- Biofuels
- Climate change
- Food aid
- Soil
- Land rights
- Habitats
- Biodiversity

<table>
<thead>
<tr>
<th>Financial</th>
<th>Reputational</th>
</tr>
</thead>
</table>

Corporate Reputation
Supply Chains targeted

And ??
Trend to multi-stakeholder partnerships

While initially companies and NGOs focused on standards and certifications, in recent years the focus has turned to more holistic approaches with an emphasis on capacity-building, industry and NGO partnerships and broader product-specific commitments.

- **1992**: Wal-Mart introduces Supplier Standards for labor practices.
- **1997**: Unilever founds Marine Stewardship Council with WWF.
- **Mid-1990s**: Chiquita commits to full Rainforest Alliance certification of its bananas (achieved in 2000).
- **2002**: Danone, Nestle, Unilever form SAI Platform.
- **1997**: Carrefour develops supplier labor standards with the Int’l Federation for Human Rights.
- **2001**: McDonald’s Europe launches Agricultural Assurance sustainable supply chain management program.
- **2005**: Coke joins Better Sugar Initiative and enters into water conservation partnership with WWF.
- **2006**: Wal-Mart adds environmental standards to Supplier Standards.
- **2007**: Unilever commits to sourcing all of its tea from sustainable sources; Sainsbury’s commits to 100% Fairtrade bananas.
- **2007**: Fairtrade Labelling Organizations Int’l founded.
- **2001**: McDonald’s Europe launches Agricultural Assurance sustainable supply chain management program.
- **2007**: Chiquita commits to full Rainforest Alliance certification of its bananas (achieved in 2000).
- **2006**: Wal-Mart adds environmental standards to Supplier Standards.
- **2005**: Coke joins Better Sugar Initiative and enters into water conservation partnership with WWF.
- **2007**: Unilever commits to sourcing all of its tea from sustainable sources; Sainsbury’s commits to 100% Fairtrade bananas.
**Internal partners**

**Proposed**

Sustainable Agriculture Working Group

<table>
<thead>
<tr>
<th>Social/Labor</th>
<th>Scientific/Regulatory</th>
<th>Product Quality</th>
<th>Environmental</th>
<th>Economic/Supply Chain</th>
<th>Policy &amp; Trade</th>
<th>Innovation &amp; Marketing</th>
</tr>
</thead>
</table>

**EWR Focus**

- Water
- Climate/Carbon
- Land/Soil
- Resource Productivity

... so there must be cross-functional communication and decision-making.
External partners and projects

- Sustainable Oranges
- Premium Brewed Beverages
- Better Sugarcane Initiative
- Sustainable Agriculture Initiative
- Future Generation Agriculture Initiative
- India Sugar Project
- El Salvador Sugar & Labor
Moving forward
The Case of Sugar

• Context
  - TCCC has made a commitment to improve sugar production practices, benefiting farmers and the environment.


<table>
<thead>
<tr>
<th>Environmental</th>
<th>high water use, biodiversity loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>widespread stakeholder engagement around child and slave labor at farm level</td>
</tr>
<tr>
<td>Economic</td>
<td>TCCS is world’s largest sugar buyer</td>
</tr>
<tr>
<td>Quality</td>
<td>pesticides</td>
</tr>
</tbody>
</table>

• Proposed Approach
  - Focus in key sugar-producing regions where risks and opportunities are greatest (e.g. Africa/EU scenario)
  - Establish better sugar production practices through field projects
  - Work with WWF and other stakeholders (Sabco, SAB/Miller, Cargill, Tate & Lyle) in the Better Sugar Initiative to disseminate BMPs.
PARTNERS
Through constructive engagement and partnerships with stakeholders, our company will work effectively and cooperatively in order to realize the opportunities before us.

PROFIT
The Coca-Cola Company seeks to create maximum value for its shareowners while generating environmental and societal value as the largest and most respected beverage company in the world.

PEOPLE
We’re committed to world-class standards for fair and dignified treatment of all the people who work for The Coca-Cola Company. Our products are made in communities where they’re consumed, providing local employment to nearly 1 million people, as well as adjacent business growth that creates 10 more jobs for each one in Coca-Cola.

PLANET
We’re working to be leaders in responsible water use and replenishment in our operations. We envision a world in which our packaging is no longer seen as waster, but as a valuable resource for future use. The health of our business is directly related to the health of the environment.

PORTFOLIO
We are a local business in over 200 countries, offering world class quality beverages starting with Coca-Cola and extending through over 400 beverages that refresh, hydrate, nourish, relax and energize.