Chairman & CEO Message

James Quincey
Chairman and CEO

Throughout our company's rich, 136-year history, we've seen many changes and overcome times of uncertainty. Our system's strength and resilience have helped us adapt while remaining true to our purpose: to refresh the world and make a difference.

Our people worked with great dedication in 2021 to help our company emerge stronger from the pandemic and position ourselves for continued growth in 2022 and beyond. We made important decisions about streamlining our brand portfolio; changing the way we work as an organization; and tailoring our investments to target the most promising products and priorities. Through all of the challenges, initiatives and successes of 2021, our environmental, social and governance priorities continued to be embedded in our business and the way we work.

An Integrated Business

Our environmental, social and governance (ESG) priorities are integrated into our strategy. We're focused on areas where we can have a measurable, positive impact on the communities we serve around the world.

Our ESG initiatives are interconnected, and so are the solutions we support. We seek an exponentially greater impact by fostering collective action: partnering across industry, government and society to address shared challenges.

Water is a top business priority. It is the principal ingredient in the products we make and is critical for the agricultural products we use. Through the 2030 Water Security Strategy we announced in 2021, we're focused on achieving water security where the company operates and sources ingredients, concentrating on water-stressed areas—while maintaining 100% replenishment globally.

In 2021, we returned 167% of the water used in our finished beverages to nature and communities. Since 2010, our water, sanitation and hygiene programs have reached more than 18.5 million people globally.

We also continue to make meaningful progress on our World Without Waste packaging initiative. We're continuing to invest in partnerships with innovators and NGOs like our PlantBottle™ partners, World Wildlife Fund and The Ocean Cleanup. We've also set new targets, including a virgin plastic reduction goal and an industry-leading goal to significantly boost our use of reusable packaging.

By 2030, the company aims to have at least 25% of volume globally across our portfolio of brands sold in refillable/returnable glass or plastic bottles, or in refillable containers through traditional fountain or Coca-Cola Freestyle dispensers. We believe that increasing the Coca-Cola system's usage of refillable/returnable containers creates value for customers and consumers, drives increased package collection and simultaneously reduces our carbon footprint.

Water risks and packaging waste are closely linked to climate change. We're reducing our carbon footprint through an intertwined and holistic approach across our ESG priorities. Our vision is for packaging to be reused and recycled as part of a circular economy—which means a world with dramatically lower carbon emissions and climate impacts.

Combating the climate crisis requires a global effort, which is why we worked with experts to set science-based targets. In 2021, we announced that we made solid progress to decarbonize our system by achieving our "drink in your hand" goal. We've increased our ambitions through our 2030 greenhouse gas emissions target to reduce absolute emissions by 25%, and our long-term ambition is to be net zero carbon by 2050.

In 2021, we took action to create a better shared future through investments in economic empowerment; diversity, equity and inclusion (DEI); and giving through The Coca-Cola Foundation. We've refreshed the company's global DEI strategy to reflect the need for greater global reach, broader impact and a focus on equity and economic empowerment.

“Together, we’re using our global presence to build a more sustainable future for our business and the planet while staying laser-focused on growth. In 2021, our networked way of working drove strong results, and I’m proud of what we’ve achieved.”

We aspire for our workforce to mirror the markets we serve. In 2021, we set a 2030 aspiration to mirror U.S. census data for race and ethnicity at all job levels of our company in the United States. We also recommitted to our aspiration to be 50% led by women globally, with a target of 2030.

In 2021, The Coca-Cola Foundation continued to support communities’ response to the pandemic with the creation of a $20 million fund to help stop the spread of COVID-19. Alongside our Project Last Mile partners, we have used our supply chain, distribution and marketing expertise to support vaccine rollout in a number of African markets, as well as leveraging our network of cold-chain partners.

We measure success by the value we create for shareowners while also creating a better shared future for people, communities and the planet. We’re using data to measure and drive this success. Going forward, our ESG goals are a factor in our compensation program for top executives. You can read more details in our Governance & Management section.

Building Brands and Creating Value

We are a total beverage company, and our focus is on creating a portfolio of great-tasting drinks and loved brands with the greatest potential to attract more consumers. During the pandemic, we evaluated our entire portfolio and tailored our investments. Today, we are focusing on approximately 200 master brands.

We’ve increased our innovation efforts, including sparkling and plant-based beverages as well as new entries in flavored alcohol beverages. Our efforts are designed for long-term success—we’re balancing big bets with intelligent experimentation, learning from failures and scaling successes.

Our 2021 successes include:

- We expanded some of our strongest brands to more markets, such as Coke® with Coffee, fairlife®, AHA® and Topo Chico® Hard Seltzer. fairlife® is now a $1 billion brand with seven consecutive years of double-digit volume growth.
- We rolled out a new and improved formulation of Coca-Cola® Zero Sugar, which helped the brand grow volume by double digits in 2021. The new formula has driven accelerated growth in 80% of the markets where it was launched.
- We acquired the remaining 85% ownership interest in BODYARMOR, giving us a line of sports performance and hydration beverages with significant potential for long-term growth.

Our backbone is a global system of strong partnerships with approximately 225 bottlers supported by leading edge technology. In 2021, we worked together to build a networked global organization, combining the power of scale with the deep knowledge and cross-functional collaboration required to win locally. Together, we’re focusing on what we do best—building brands and products that people love and enjoy, and growing markets for those brands.

A Better Shared Future

Our purpose is to refresh the world and make a difference. Our company and system employees make this possible every day. Together, we’re using our global presence to build a more sustainable future for our business and the planet while staying laser-focused on growth. In 2021, our networked way of working drove strong results, and I’m proud of what we’ve achieved. I’m confident we will accomplish even more in 2022.

James Quincey
Chairman and Chief Executive Officer

April 26, 2022

Board of Directors

"The Coca-Cola Company is staying focused on what matters most: its people and purpose. Although 2021 brought continued change across the world, our Board of Directors is proud of how the company remained centered on its key priorities and navigated many challenges to emerge stronger. This strong performance heading into 2022 is indicative of the company's resilience, laying the groundwork for continued success and growth."

Maria Elena Lagomasino
Lead Independent Director

- (A) Audit Committee
- (T) Talent and Compensation Committee
- (D) Committee on Directors and Corporate Governance
- (F) Finance Committee
- (P) ESG & Public Policy Committee
- (E) Executive Committee

● Chair
○ Member

Herb Allen
President,
Allen & Company LLC
(F)

Marc Bolland
Chairman,
Blackstone Europe
(A) (P)

Ana Botín
Executive Chair,
Banco Santander, S.A.
(D) (F)

Christopher C. Davis
Chairman,
Davis Selected Advisers-NY, Inc.
(A) (F)

Barry Diller
Chairman of the Board
and Senior Executive,
IAC/InterActiveCorp and
Expedia Group, Inc.
(D) (F) (E)

Helene D. Gayle
Chief Executive Officer,
The Chicago Community Trust
(T) (P)

Alexis M. Herman
Chair and Chief Executive Officer,
New Ventures LLC
(T) (P)

Maria Elena Lagomasino
Lead Independent Director
Chief Executive Officer
and Managing Partner,
WE Family Offices
(T) (D) (E)

James Quincey
Chairman and
Chief Executive Officer,
The Coca-Cola Company
(E)

Caroline J. Tsay
Chief Executive Officer
and Director,
Compute Software, Inc.
(A) (P)

David B. Weinberg
Chairman and
Chief Executive Officer,
Judd Enterprises, Inc.
(A) (D)

Note: Board composition and committee positions reflected as of the completion of the 2022 Annual Meeting of Shareowners.

Water Leadership

Water is essential to every person and every ecosystem in the world; it is also essential to the products we make and the agricultural ingredients we use.

Our 2030 Water Security Strategy focuses on increasing water security through a context-based approach to water replenishment, advocacy for smart water policies and responsible water use across our operations and supply chain. We're using the size and scale of our company to improve water security where water risks impact our business, supply chain and communities.

167%

of the water used in our finished beverages returned to nature and communities in 2021[1]

18.5M +

people provided access to safe drinking water, sanitation and hygiene since 2010[2]

1 Peer-reviewed methodologies were used to calculate volumetric benefits per project and operating unit; calculated benefits per project and operating unit using peer-reviewed methodologies; all replenish data are internally validated and verified; the equivalent volume for 100% Replenish rate (175 Billion Liters; BL) is externally assured; Benefits fall into three categories: Watershed Protection and Restoration (229.1 BL), Water for Productive Use (47.5 BL) and Water Access and Sanitation (16.7 BL). Due to joint venture or merger and acquisition activities between 2019 - 2021, certain brands may not be accounted for in this metric. Unless otherwise stated, in this report finished beverages is based on global sales volume.

2 Calculated with self-reported and internally validated data.

Our Water Security Strategy

Our 2030 Water Security Strategy outlines a vision of increasing water security for our operations, watersheds and communities. Water security is defined as the availability of a sufficient quantity and quality of water, access to safe water services and effective governance of shared water resources. It is underpinned by global goals and specific context-based targets that will enable us to measure our progress toward reaching this vision.

Our global goals for 2030 fall under three pillars with one cross-cutting goal, maintaining at least 100% global replenishment of the water used in our finished beverages:

1. Our Operations
2. Our Communities
3. Our Watersheds

2030 Water Security Strategy Overview

	OUR OPERATIONS	OUR COMMUNITIES	OUR WATERSHEDS
Desired Outcome	Reduced shared water challenges	Enhanced community water resilience	Improved watershed health
Global Goals	Regenerative water use and advanced efficiency	Access to water and sanitation, and resilience, with a focus on women and girls	Measurable contribution to watershed health
High-Level Targets	• 100% regenerative water use in all leadership locations • Drive advanced water efficiency improvements in water-stressed contexts[1] • 100% compliance with global Coca-Cola Company water stewardship requirements	• Promote access to WASH (water, sanitation and hygiene) initiatives in all our priority communities • Promote access to WASH throughout our bottling system and priority suppliers • Support community climate adaptation and recovery	• Implement watershed stewardship plans in all of our priority watersheds • Promote advanced water management practices for our global priority ingredients grown in water-stressed regions
Global Replenishment	Maintain at least 100% global replenishment of the water used in our finished beverages through contextualized interventions for operations, communities and watersheds.		
Priority Levers of Change	Advocacy and Governance / Collaboration and Collective Action / Transparency and Reporting		

1 Subject to context-based validation and target setting

Prioritization Framework: Operations, Communities and Watersheds

In 2020 and 2021, we analyzed water-related risks to identify priority operating facilities, which allows us to segment our operations into three categories: Leadership Locations, Advanced Efficiency Locations and Contributing Locations. We catalogued these locations based on the detailed mapping and results from an Enterprise Water Risk Assessment (EWRA) from the World Resources Institute's Aqueduct 3.0 tool and from Facility Water Vulnerability Assessments (FAWVA), our site-level, internal proprietary tool.

The categories are defined as:

1. **LEADERSHIP LOCATIONS**: our highest priority system facility locations and their correlated watersheds that have the highest potential water-related risks. Facilities are on a path toward 100% regenerative water use by 2030. See next page for more on regenerative water use.
2. **ADVANCED EFFICIENCY LOCATIONS**: system facility locations in a water-stressed[2] context that will drive advanced water efficiency improvements in operations.
3. **CONTRIBUTING LOCATIONS**: system facility locations in areas with potential low water-related risks yet will contribute to water security overall by meeting 100% compliance with global Coca-Cola Company water stewardship requirements.

We are mapping priority ingredient sourcing regions and watersheds according to highest exposure to water stress. We also began mapping priority communities based on local context to identify opportunities for action to strengthen communities' access to water, sanitation and hygiene (WASH) and their resilience to climate change (e.g., floods and droughts). By mapping and overlaying all three of these categories (operations, watersheds and communities), we will identify overlaps and interconnectivity across our action areas to develop a holistic, integrated and context-based approach.

2 Refers to "high" or "extremely high" water stress. Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies.

Pillar 1 Our Operations

Regenerative Water Use

Following the process to identify and segment our priority operating facilities, we are now setting local, context-based targets[1] for these facilities to contribute to the achievement of our 2030 targets for this pillar, which include:

- 100% regenerative water use in all Leadership Locations
- Drive advanced water efficiency improvements in water-stressed contexts.

We will also continue to replenish at least 100% of water used in our finished beverages globally.

All our system production operations around the world will continue to adopt and implement our new Coca-Cola system Water Resource Sustainability Standard, which is aligned with the Alliance for Water Stewardship (AWS) principles.

Defining Regenerative Water Use

"Regenerative" is our new integrated metric reflecting the concept of circularity in using water in our operations. By 2030, the Coca-Cola system manufacturing facilities that we designate as high priority ("Leadership Locations") must **reduce**, **reuse**, **recycle** and **replenish** the water used in operations in the local correlated watersheds for beneficial social, economic and/or environmental uses by other stakeholders and nature.

1 Leadership Locations are to achieve 100% regenerative water use by 2030.

CASE STUDY

Our Bottling Partner in China Continues to Invest in Water Efficiency

We have been working with our bottling partner COFCO Coca-Cola Beverages Limited (CBL) to implement water saving initiatives at a manufacturing facility in water-stressed Beijing. CBL has invested in multiple projects including the recovery of water from cleaning and rinsing processes, the redesign of a recovery system for reverse osmosis treatment and using recycled water for the flushing of toilets and cleaning of external areas. These initiatives have resulted in an approximately 2% reduction in water use between December 2020 and December 2021, which is contributing to decreased stress on local freshwater sources and reduced operational costs.

We have continued to improve the efficiency of our water use. We now need only

1.81 LITERS

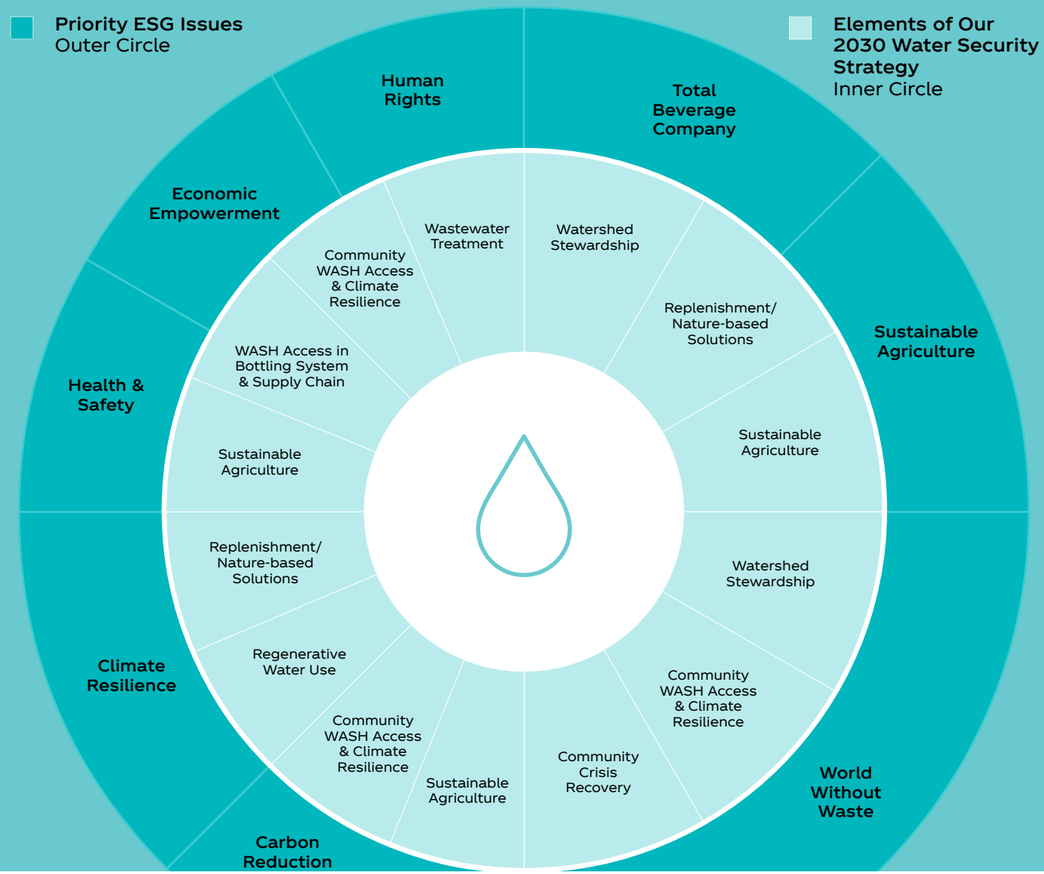
of water used per liter of product produced, a

20% IMPROVEMENT

compared to 2010.

Managing Water Supports Diverse ESG Priorities

Water issues intertwine with nearly all of our company's highest priority ESG issues. Water is the nexus that links individual health and well-being, economic prosperity, environmental health and the empowerment of the most vulnerable in society, including women and girls. Enhanced water management helps our business, supply chain and local communities build resilience to a changing climate. This means improving capacities to withstand, recover from and adapt to the shocks and stressors related to climate change.



Pillar 2 Our Communities

Resilient Communities

We implement a human rights-based approach to water and communities. We recognize the connection between our social license to operate and adequate water infrastructure.

Insufficient access to water, sanitation and hygiene (WASH) infrastructure and poor water quality are key challenges faced in water-stressed communities. Population growth, climate change, political conflict and forced migration are further straining water infrastructure and supply. COVID-19 exacerbated stresses on water systems, highlighting the importance of WASH to enable communities to protect themselves from disease spread.

Over the past decade, The Coca-Cola Company has established strong leadership in community water programs with the support of The Coca-Cola Foundation and many nonprofits, governments, customers and other partners. Together, we have delivered sustainable community water interventions ranging from improving access to WASH to institutional capacity building, benefiting more than 18.5 million people since 2010. In 2021, our WASH projects included:

- Installation of handwashing facilities and water connections for communities in the Philippines to help respond to the ongoing COVID-19 pandemic, benefiting over 200,000 people
- Access to drinking water for more than 130,000 people impacted by flooding and other natural disasters in China in 2021

Our 2030 Water Security Strategy builds on this work, seeking to improve access to water and sanitation and strengthen community resilience. We're focused on projects that will support and empower women and girls who, in many parts of the world, bear most of the responsibility for fetching water and running households.

As outlined in the Risk Assessments and Prioritization section, we are identifying our priority operational, commercial and sourcing communities. We are using a set of criteria from leading global institutions specializing in water and health. We aim to support all our priority communities in addressing shared water challenges by identifying and implementing interventions focused on three primary action areas:

1. Improving **access** to safe drinking water, sanitation and hygiene
2. Enabling **adaptation** to water-related climate change impacts
3. Ensuring rapid **recovery** from crises.

These actions will contribute to the achievement of our 2030 Water Security Strategy targets:

- Support access to WASH initiatives in all our priority communities
- Promote access to WASH throughout our bottling system and priority suppliers.

WASH Programs Focus on Needs of Women and Girls

Clean water is only one piece of the water resilience puzzle. To achieve the greatest health and economic benefits, improvements in sanitation and hygiene must be prioritized alongside access to clean water.

We recognize our business operates in areas with significant challenges to water access and sanitation. This is one reason why sustainable access to water, sanitation and hygiene—particularly for women and girls—is specifically addressed in our 2030 strategy.

We're collaborating with international organizations and coalitions such as WaterAid and Global Water Challenge to understand and meet the needs of women and girls and to systemically embed and measure gender-related outcomes of community WASH programs. This work will build on the groundbreaking findings of the 2018 Ripple Effect Study—which quantified the significant impact of WASH improvements on women's empowerment—and draw on learnings from the successful Replenish Africa Initiative (RAIN) and our 5by20® economic empowerment initiative.

Since 2010, our **RAIN initiative** has reached more than 6.7 million people in 41 countries and territories in Africa with safe, sustainable access to water, sanitation and hygiene, impacting more than 4,000 communities.

"In communities where water is scarce, women and girls are responsible for the grueling task of collecting water, resulting in missed opportunities for learning, generating income and pursuing a brighter future. We're proud to work with The Coca-Cola Company to drive change through the power of clean water and to involve women every step of the way to ensure inclusive, long-term solutions to the world's most pressing problems."

Kelly Parsons
CEO, WaterAid America

CASE STUDY

Launching a New WASH Program in Latin America

In Latin America, we're launching a new program, *Aliados por el Agua (Allies for Water)*, across 18 countries that will mobilize collective action to improve critical access to water, sanitation and hygiene in vulnerable and water-stressed communities and key watersheds. The program, which aims to benefit an estimated 2 million people by 2030, will replicate best practices from a program that we have supported for more than a decade in Africa. Aliados is a multi-sector partnership platform bringing together actors from the public and private sectors and civil society, and will be managed by The Global Environment Technology Foundation (GETF).

Pillar 3 Our Watersheds

Healthy Watersheds

Watersheds supply water for drinking, agriculture and manufacturing, provide habitat for plants and animals, and offer opportunities for recreation. While watershed protection has been a core element of our work for more than a decade, our new strategy places much greater emphasis on the holistic improvement of watershed health.

As outlined earlier in this section, in 2020, we began analyzing and prioritizing our operational, commercial and ingredient sourcing watersheds.

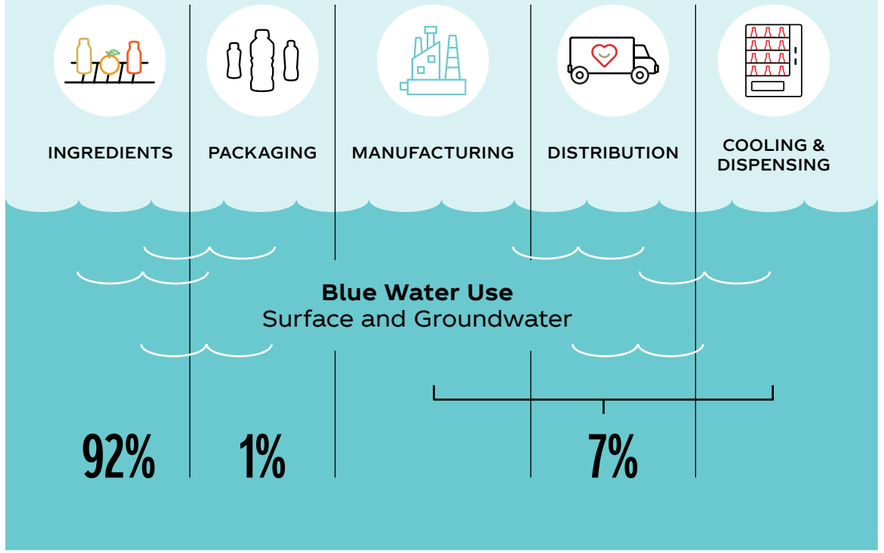
Over the past year, we have developed a Watershed Health Framework to provide our operations with help to assess watersheds' challenges and risks, and implement context-based Watershed Stewardship Plans. Watershed risks vary from location to location. For some, water availability may be the primary risk; for others, it might be water quality, water access, soil health or forest fires, to name a few. By adopting a context-based approach, we aim to support interventions relevant to our priority watersheds.

This work at the local watershed level will contribute to the achievement of our 2030 high level targets:

- Implement watershed stewardship plans in all of our priority watersheds.
- Promote advanced water management practices for our global priority ingredients grown in water-stressed regions.

Our Water Footprint

Improved agricultural management practices can promote watershed health. Water use within our agriculture supply chain accounts for 92% of our blue water[1] footprint. (See the Sustainable Agriculture section for more detail on our work on sustainable sourcing.) Our work to identify priority watersheds and communities includes an assessment of water risks for watersheds where our global priority ingredients are grown.



1 Blue water is the volume of surface and groundwater consumed as a result of the production of a good or service (evaporated or embedded in the product). Source: Water Footprint Network.

CASE STUDY

Assessing Watershed Health in California

A pilot project in the highly water-stressed state of California is just one example of the focus on watershed health in our strategy. Our North American operating unit is partnering with The Nature Conservancy and other nonprofits to establish a watershed health plan for three vulnerable California watersheds that supply water to our system bottling plants and for our agricultural ingredients (particularly almonds and lemons). We developed watershed health scorecards, highlighting the greatest challenges and risks in the prioritized watersheds. The pilot project developed corresponding Watershed Stewardship Plans that identify actions to help improve watershed health and water security for our operations, ingredient sourcing areas and communities. This includes projects such as meadow and forest restoration, invasive species removal, fire management and prevention, and water-use efficiency. These plans will also help us to track improvements in watershed health and co-benefits of projects (e.g. enhanced biodiversity and carbon sequestration).

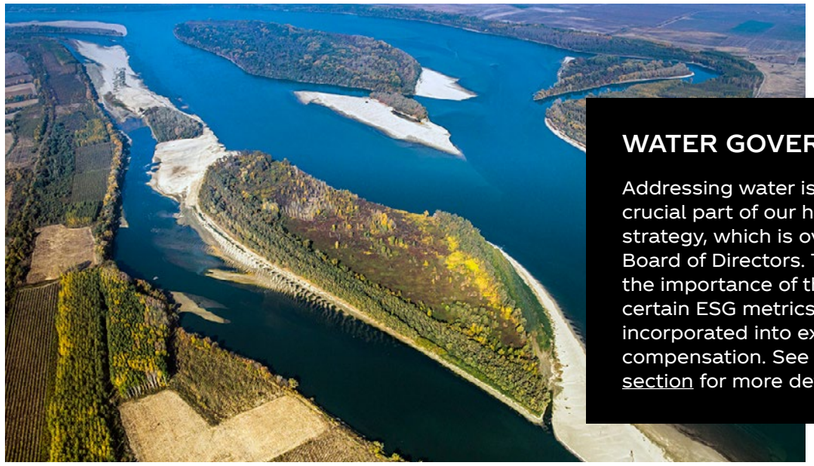
Pillar 3 Our Watersheds

The Importance of Nature-Based Solutions

Infrastructure and construction can help protect vulnerable water systems. But nature itself often offers the best mechanisms for restoring watershed health. We invest in nature-based solutions (NBS), which build on natural processes to manage water systems. To achieve our 2030 vision, we will lean even more heavily into nature-based solutions, such as forest protection and floodplain management.

These types of solutions can provide a wide range of benefits, such as better water quality, carbon sequestration and enhanced biodiversity. Other direct and indirect benefits include water resource improvements, socioeconomic and public health benefits and climate change mitigation.

In 2020 and 2021, we worked to identify and quantify the co-benefits of some of our replenishment projects to help us determine where to support future investments. In Europe, we partnered with denkstatt, an organization that advises businesses on natural and social capital, to develop a methodology to help us quantify the co-benefits of NBS projects. We also worked with The Nature Conservancy to pilot the CEO Water Mandate NBS Tool across more than 10 projects globally to better understand the links between various types of replenishment projects and nature-based solutions, helping to strengthen the business case for investment in these projects.



WATER GOVERNANCE

Addressing water issues is a crucial part of our holistic ESG strategy, which is overseen by the Board of Directors. To reinforce the importance of these issues, certain ESG metrics have been incorporated into executive compensation. See the Governance section for more details.

Collaboration and Collective Action

The shared nature of water resources requires collective action to remediate water challenges. Read more about our approach to stakeholder engagement and partnerships.

Some of our key partnerships are with:

2030 Water Resources Group, hosted by the World Bank

Alliance for Water Stewardship (AWS)

CEO Water Mandate, a partnership between the UN Global Compact and the Pacific Institute

Global Water Challenge

Science Based Targets Network (SBTN)

The Nature Conservancy

The Water Resilience Coalition, an initiative of the CEO Water Mandate

WASH4Work, an initiative hosted by the CEO Water Mandate

World Wildlife Fund (WWF)

RECOGNITION FOR OUR 2030 WATER SECURITY STRATEGY

In 2021, we were proud to earn a place on CDP's "A List" for the first time for our leadership in corporate transparency and action on water security, joining our bottling partners Swire Coca-Cola Limited, Coca-Cola HBC and Coca-Cola Europacific Partners, which were also recognized with the highest scores. Out of some 13,000 companies, only 118 companies made the 2021 water security "A List." The vision, ambition and risk-based approach behind our 2030 Water Security Strategy also drew recognition from Ceres in its 2021 Feeding Ourselves Thirsty report that analyzes how large food and beverage companies are managing water risks in their direct operations and supply chains. The Coca-Cola Company was the top scorer out of all 38 companies assessed across four sectors: Agricultural Products, Beverages, Meat and Packaged Foods, with a score of 90 out of 100 possible points.

"The Coca-Cola Company's ongoing commitment to managing water risks sets an example to the industry on the type of work we need to see more of in corporate America."

Kirsten James

Senior Program Director, Water, Ceres

SPOTLIGHT STORY

Protecting Water and Building Climate Resilience in Guatemala

For more than a decade, The Coca-Cola Company has partnered with World Wildlife Fund (WWF) and the Fundación Defensores de la Naturaleza on an integrated watershed management project that addresses the interconnected issues of climate, water and agriculture.

The cloud forest of the Sierra de las Minas mountains of Eastern Guatemala serves as the primary source of water for thousands of people who live and work in communities that are located in the Pasabien and Teculutan watersheds. The rivers that flow down the mountainside once provided a plentiful supply of water for human consumption, agriculture and business.

However, deforestation, intensive agriculture and human encroachment into the area—combined with a changing climate—degraded the natural ecosystem of these watersheds. This led to droughts, forest fires, polluted water sources and crop failure, with dire consequences for both nature and people: loss of biodiversity, respiratory problems from smoke and increased competition for scarce resources.

In response, more than a decade ago, WWF and the Fundación Defensores de la Naturaleza launched an integrated watershed management project that simultaneously addressed the interconnected issues of climate, water and agriculture. The Coca-Cola Company was among the first to sign on as a partner and joined the project in 2007—now one of many WWF projects we are proud to support around the world.

In the Teculutan and Pasabien watersheds, The Coca-Cola Company provided funding and partnered with WWF for technical expertise while our local bottling partner, ABASA, signed a conservation agreement to help protect 500 hectares of forests through fire prevention activities and controlled burning.

"The Coca-Cola Company has been one of our pilot partners when it comes to investing in the right way and the right solutions. We have three core concepts of resilience: not harming nature, using nature to help people, and helping nature adapt. Coca-Cola has been great working with us toward implementing these very important principles in Guatemala."

David Kuhn
Lead, Corporate Resilience, WWF

"The integrated approach behind the WWF Guatemala project defines how companies need to think and act if we're truly going to improve water, agricultural and climate resilience. This approach underpins the thinking behind our 2030 Water Security Strategy. We're breaking down silos, designing holistic water stewardship interventions that have cross-cutting impacts."

Madhu Rajesh
Senior Director—Water & Agriculture, The Coca-Cola Company

250+
people trained in fire management and prevention

80
firefighters trained

20,000
trees planted to reforest 10 hectares

WWF also engaged local communities, farmers and businesses on the importance of forest preservation and supported farmers to use sustainable agriculture practices, such as improved crop irrigation, to reduce water use and agricultural run-off. In addition, the project provided local people with energy efficient cook stoves to help reduce the demand for charcoal required for cooking. And local businesses, including our bottling partner, were encouraged to reduce their water use and improve their treatment of wastewater.

These activities have helped to reduce deforestation and land clearing for agriculture use, decrease forest fire frequency by 46% (comparing 2020 to 2015), reduce agricultural run-off by over 30,000 tons per year, improve farmer incomes and replenish 400 million liters of water annually.

READ MORE STORIES 1 2 3 4

Our Total Beverage Portfolio

Offering More Choices and Reducing Added Sugar

For more than a century, our company has been known for our refreshing beverages—a legacy that began in 1886. Over the decades, we've continued to evolve, and today we offer a lineup of beverages across five categories, providing consumers with a wealth of choices—including drinks with less added sugar and beverages with nutrition benefits.

~200 master brands across five categories:

- Trademark Coca-Cola
- Sparkling flavors
- Hydration, sports, coffee & tea
- Nutrition, juice, dairy & plant-based beverages
- Emerging beverages

1 This metric is based on the number of products in our beverage portfolio.

2 Low- or no-sugar products have between zero and 5g of added sugar per 100 ml.

Offering a portfolio of drinks for consumers' beverage needs and preferences throughout the day, including nutrition and hydration

Giving people the information they need to make informed choices

Transforming Our Portfolio

Our evolution as a total beverage company continues as we respond to consumer desires for more choices across a wider range of categories. We have streamlined our portfolio, focusing on brands with the greatest potential to scale and grow.

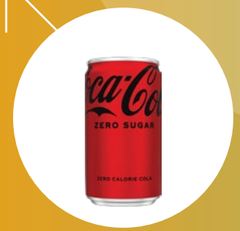
Keeping the consumer at the center, responding to evolving needs and preferences

Continuing to seek opportunities to reduce added sugar across our portfolio, including investments in sweetener innovation

PROGRESS

~38%[1] of our portfolio is low- or no-sugar[2]

28% of our volume sold in 2021 was low- or no-calorie



Providing smaller package choices so it's easier for consumers to control their added sugar intake

PROGRESS

~41% of our sparkling soft drink brands come in smaller packages

Reducing Added Sugar and Investing in Sweetener Innovation

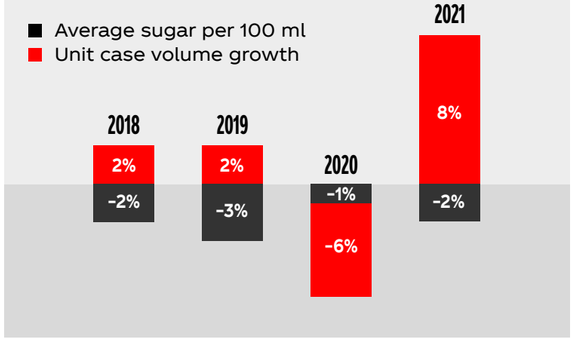
The Coca-Cola Company supports the recommendation of leading health authorities that individuals should consume no more than 10% of their total daily calories from added sugar, and we continue to prioritize sugar reduction.

In 2021, we continued to change recipes to reduce added sugar; offer more beverages in smaller packages to enable portion control; and promote low- and no-calorie beverage options.

The Coca-Cola Company has a decades-long history of investment in sweetener innovation for beverages, developing the first zero-sugar sparkling soft drink in 1963. More recently, we have focused on naturally occurring sugar alternatives and worked with suppliers to develop some of the first commercially available versions of stevia. Our investments—typically in collaboration with industry peers, suppliers, startups and academic institutions—have helped lead to the development and broad use of stevia and other options. The Coca-Cola Company has invested more than $100 million in sweetener innovation and sugar reduction research since 2008. We have been joined in such efforts by other members of the food, beverage and ingredient industries, which have invested more than $1 billion combined during this same period. A global list of published journal articles going back to 2008, reflecting research that The Coca-Cola Company has directly funded (either partially or fully) or authored, can be found on our website. These include a range of topics core to our business, including sweetener innovation.

We continue to develop and market new beverage options that maintain the great tastes people love, but with less added sugar and fewer calories. In 2021, we rolled out a new and improved recipe of Coca-Cola® Zero Sugar, which brings the brand even closer in taste to original Coca-Cola. First launched in 2005, Coca-Cola Zero Sugar grew volume by double digits in 2021, and the new formula has driven accelerated growth in 80% of the markets where it was launched. Coca-Cola Zero Sugar is available in more than 180 markets around the world.

In 2021, average sugar per 100 ml declined while global volume grew. In 2020, both average sugar per 100 ml and volume declined, primarily due to the impact of the COVID-19 pandemic.



10% GROWTH FOR MINI CANS

in North America in 2021, offering portion control to consumers.

Smaller packaging options help people control added sugar intake for themselves and their families. Globally, about 41% of our sparkling soft drink brands come in packages of 250 ml (8.5 oz.) or less.

Sugar Reduction Initiatives

We have joined with industry peers to participate in more than 40 sugar reduction initiatives around the world, tailoring our approach in each market to help reduce intake of added sugar.

In North America, we're part of the American Beverage Association's Balance Calories Initiative (BCI), which has committed to decrease beverage calories in the American diet by 20% per person by 2025. A BCI report released in early 2022 found that average calories per 8-oz. serving have declined between 10% and 15.5% since 2014 in five select communities where the beverage industry is measuring progress.

We have also signed on to:

- The Mexican Beverage Industry Association's pledge, which has committed to reducing the calorie content of its member companies' portfolios by 20% between 2018 and 2024.
- The European soft drinks industry (UNESDA) pledged to reduce average added sugars in soft drinks by another 10% from 2019 to 2025 across the European Union and the United Kingdom. This will represent a 33% overall reduction in average added sugars over the last two decades, building on past sugar reduction milestones that the industry achieved.[3]

Tracking Results

We track the results of our sugar-reduction efforts; the majority of the added-sugar reductions stem from changes to our sparkling beverage recipes and packaging size reductions. Average calories per pack[1] dropped by 3.4% in 2021.

900,000 +
tons of added sugar removed from our global portfolio cumulatively[2] through efforts to reformulate more than 1,000 beverages

~18,500
tons of added sugar removed on an annual basis through recipe changes in 2021

96
recipe changes to reduce added sugar in 2021

242
low- or no-sugar products launched in 2021

19 OF TOP 20
brands are reduced-sugar or zero-sugar, or have a reduced-sugar or zero-sugar option

~66%
of the products within our portfolio have less than 100 calories per 12-ounce serving

28%
of our volume sold in 2021 was low- or no-calorie

1 The calories per pack metric takes into account both levers to reduce sugar: recipe changes and package size changes.
2 From 2017 through 2021.
3 2015-2019: 14.6% reduction on average; 2000-2015: 13.3% reduction on average.

Investing in Products with Added Nutrition and Enhanced Benefits

We're bringing drinks such as teas, juices, dairy, plant-based products and purified water to more people in more places. We're making many of our beverages nutritious by fortifying them with vitamins and minerals, while also introducing more dairy and plant-based beverages. We're focused on addressing the specific nutritional needs of populations where under-nutrition is an ongoing concern.

For example, our fairlife brand is adding protein to more diets while introducing new and reformulated products that continue to improve taste and nutritional profile. fairlife removed nearly 2 million pounds of sugar from the diets of those who drink fairlife versus other milk.[1] For those looking to add even more protein to their diets, fairlife's Nutrition Plan™ shake offers 30 grams of protein with just 2 grams of sugar.

In 2021, we launched fairlife in China, where milk consumption is on the rise. Beyond protein, fairlife products offer multiple benefits, including high calcium content and zero lactose. The brand uses ultra-filtration technology to retain more nutrients.

innocent Super Smoothie Light launched in 2021 in the United Kingdom. Made with 100% fruit, two new smoothie flavors contain 30% less natural sugar than the original Super Smoothie range. The Super Smoothie Light drinks are high in select B vitamins and E vitamins and provide a good source of fiber.

vitaminwater gutsy, which launched in the United States in 2021, is a refreshing watermelon-peach-flavored water beverage with B and C vitamins and zero sugar. At just 10 calories per 20 fluid ounces, it also offers 5 grams of fiber and electrolytes.

AdeZ Barista professional series offers 100% plant-based drinks with no added sugars for sale in Costa stores across a number of European markets. The drinks, which come in coconut, almond, soy and oat, are naturally free of lactose and gluten.

smartwater+ water enhancers are naturally flavored and have been formulated by biomedical engineers with a patented oxygen delivery technology to include vitamin B12 and iron to contribute to the reduction of fatigue.

Mojo is a range of kombucha sodas with added prebiotic fiber to support gut health. Available in Australia, the certified-organic sodas are naturally low in sugar and made with real fruit puree and juice.

Minute Maid Kids is a low-calorie children's drink with no added sugar, preservatives or artificial sweeteners. The product is an excellent source of vitamin C for children ages 6 to 12.

BodyArmor Lyte is a low-calorie sports drink with no added sugar and no artificial sweeteners, flavors or dyes. Available in nine flavors, the drinks are packed with electrolytes, antioxidants and select B vitamins.

Costa Coffee Latte+ beverages are infused with specially crafted functional ingredients and plant-based milk. Available in three varieties, including Caramel Oat Latte+ (with added vitamin B12 and zinc), Hazelnut Almond Latte+ (with added plant protein), and Vanilla Coconut Latte+ (with added vitamin B12 and zinc).

Nutriboost, available in Asia and Australia, is a boosted milk drink with protein, calcium, fiber and vitamin D.

1 Calculated by number of products sold multiplied by sugar reduced (50%) for full year 2021. This is based on the volume of fairlife milk having 50% less sugar than other milks, and Good Moo'd milk having 25% less sugar than other milks.

Giving People the Information They Need

We are committed to providing transparent back- and front-of-package nutrition information, in line with local regulations. We support evidence-based interpretive front-of-package nutrition labeling, which can be a useful tool to help people make informed dietary choices that fit their diets and lifestyles. We're working with trade associations, governments, civil society and other stakeholders to develop the most appropriate labeling programs aligned with local needs.

Nutrition information can be found on the vast majority of our products, with the exception of certain returnable bottles, fountain beverages and waters (unsweetened, unflavored). For these beverage and packaging types, nutrition information is provided through our company and bottler websites as well as consumer hotlines.

Driving Innovation and Growth

We're providing consumers with beverages for every moment of the day and responding to consumer preferences with options that contain less sugar and more nutrition and functional benefits. Our total beverage portfolio is driving growth:

- **fairlife** is now a $1 billion brand with seven years of double-digit volume growth
- **AHA** has seen triple the retail value growth compared to the sparkling water category as a whole in the United States
- **Simply** saw 17% volume growth in 2021 versus 2019
- **Coca-Cola Zero Sugar** grew by double digits in 108 countries and territories in 2021

Read more about our total beverage portfolio and innovative product offerings.

No Marketing to Children

We're committed to the responsible marketing of our products and have a history of aligning our commercial practices with our sustainability goals, our business goals and our values.

We do not market any of our products directly to children under 13, regardless of nutritional profile. We respect the role of parents and caregivers as the primary decision-makers for what their children drink.

We hold everyone who is involved in our marketing and communications accountable to our Global Responsible Marketing Policy, from our employees and bottling partners to our agency and media partners. We require annual trainings for all relevant employees as part of our Coca-Cola University. We have created a Global Responsible Marketing Taskforce and local taskforces across all our operating units who monitor compliance, guide our marketers in their daily work and are equipped to address any identified non-compliances. Read our full policy.

Scaling Efforts with Industry Peers

In addition to our own company's Global Responsible Marketing Policy, we are a founding member of the International Food & Beverage Alliance (IFBA), a group of 11 leading food and beverage companies that self-regulate globally on responsible marketing to children. In 2021, together with our industry peers at IFBA, we strengthened our policy further. Effective January 1, 2022, we increased the age threshold from under 12 to under 13 and we reduced the audience threshold from 35% to 30%. This means we will not place our marketing or advertising in any media, platform or event where more than 30% of the audience is under 13.

We also partner with industry at regional and local levels to scale collective action in responsible marketing pledge programs. These include the EU Pledge in the European Union and The Children's Food and Beverage Advertising Initiative (CFBAI) in the United States.

Through our voluntary actions we aim to reduce children's exposure to foods that are high in fat, sugar and salt (HFSS) across all media, including digital. In 2021, an independent study commissioned by the World Federation of Advertisers in 12 markets showed that only 1.45% of online ads served to children are HFSS products.[1]

Responsible Alcohol Marketing

We recognize that our growth into alcohol brands brings new responsibilities. To ensure accountability, we developed The Coca-Cola Company's Global Policy on Alcohol Responsibility. As part of our entry into the category, we developed local partnerships and communications programs to help reduce and prevent the harmful use of alcohol in line with goals established by leading health authorities. We worked with Drinkaware in Great Britain; the Social Research Foundation in Mexico (FISAC); the Akatu, CISA and Ekloos organizations in Brazil; and organizations in Japan to support responsible drinking programs or messages. In all our activities, we seek to grow our alcohol brands in a responsible and sustainable manner.

1 The Digital Avatar Project was commissioned by the World Federation of Advertisers (WFA) and was conducted by independent research firm Nielsen using avatars that mimic the real browsing behavior of children online. The study was conducted across 12 major markets; a total of 30,593 ads were analyzed, captured by the child avatar visiting 100 URLs per market over a period of three weeks in October 2021.

PACKAGING

World Without Waste

Tackling the global plastic waste crisis requires cross-sector collaboration and alignment on common principles and targets. Our World Without Waste initiative is anchored by three fundamental goals: making 100% of our packaging recyclable globally by 2025—and using at least 50% recycled material in our packaging by 2030 (**Design**); collecting and recycling a bottle or can for each one we sell by 2030 (**Collect**); and bringing people together to support a healthy, debris-free environment (**Partner**).

Reduce our use of virgin plastic derived from non-renewable sources by a cumulative

3 MILLION METRIC TONS BY 2025

In 2022, we announced a new global reusable packaging goal.

By 2030, we aim to have at least

25% OF OUR BEVERAGES SOLD BY VOLUME

worldwide in refillable/returnable glass or plastic bottles or in fountain dispensers with reusable packaging.

Read more in our 2021 World Without Waste Report

The Importance of Collective Action

Our World Without Waste packaging goals require collective action in partnership with a range of stakeholders at a global, regional and local level.

Together with our bottling partners, we are working with:

- **Governments and community organizations** to strengthen recycling infrastructures and boost collection rates
- **Customers, peers and industry associations** to shape public policy and take action that supports a circular economy
- **Nonprofits and NGOs** to engage civil society in ways that address pollution
- **Suppliers, startups and R&D partners** to fuel sustainable packaging innovation that reduces waste and minimizes our environmental impact—one bottle at a time.

A World Without Waste, where materials are reused and recycled as part of a circular economy, is a world with dramatically lower carbon emissions and climate impacts, which is why our packaging and climate strategies are intertwined. Because packaging accounts for up to 30% of our overall carbon footprint, our World Without Waste efforts are essential to meeting our science-based target to reduce greenhouse gas (GHG) emissions and our vision to be net zero carbon. We're reducing our carbon footprint by lightweighting our packaging, incorporating more recycled and renewable material, investing in local recycling programs and increasing our use of reusable packaging.

Design

GOAL	GOAL	GOAL	NEW REUSE GOAL
Make **100%** of our packaging recyclable globally by 2025	Use at least **50%** recycled content in our packaging by 2030	Reduce our use of virgin plastic derived from non-renewable sources by a cumulative **3 million metric tons** by 2025	By 2030, we aim to have at least **25%** of our beverages worldwide by volume sold in refillable/returnable glass or plastic bottles or in fountain dispensers with reusable packaging
2021 STATUS **90%** globally[1]	**2021 STATUS** **23%**[2] recycled material in our packaging globally and **13.6%** for PET plastic packaging	**2021 STATUS** We avoided almost half a million tons of virgin plastic usage through our lightweighting, recycled plastic and renewable material efforts in 2021	

We continue to rethink our beverage packaging to become more sustainable. Most recently, we announced a global, and industry-leading, reusable packaging goal.

In North America, we eliminated more than 60,000 metric tons of virgin PET from our packaging mix in 2021 by increasing our usage of recycled PET plastic (rPET) to 12% of our portfolio and through regional and national launches of 100% rPET[3] packaging on select brands. In Europe, we eliminated more than 130,000 metric tons of virgin PET from our packaging mix in 2021 by increasing our usage of recycled rPET to 31% of our portfolio.

We now offer beverages in 100% rPET bottles (excluding caps and labels) in approximately 30 markets. In 2021, Coca-Cola Japan introduced 100% recycled PET bottles for two brands: Coca-Cola and Georgia - and 40% of the PET plastic used in Japan in 2021 was either from recycled or renewable material.

In countries accounting for approximately 25% of our global PET use, rPET cannot currently be used in food-grade material. We continue to work with industry peers to advocate for government regulations permitting the use of rPET in food and beverage packaging. Over the last several years, countries as diverse as Bahrain, Bangladesh, Indonesia, Kuwait, Nigeria, Oman, Qatar, Saudi Arabia and South Korea have adopted standards for food- and beverage-grade rPET usage.

1 Only recyclable where infrastructure exists

2 Includes select primary consumer packaging materials.

3 Except where otherwise indicated, where reference is made in this report to 100% Recycled PET or 100% Recycled Plastic Beverage Packaging, we are referring to the material from which the plastic bottle is made, not the cap and label.

~ 30 MARKETS
offer at least one brand in 100% rPET packaging

4 MARKETS IN EUROPE
use 100% rPET for their entire plastic packaging portfolio

25% +
In ~40 markets, refillables account for 25% or more of sales

50% +
In ~20 markets, refillables account for 50% or more of sales

93%
of refillable/returnable packaging is collected to be reused

See additional performance indicators in the Data Appendix.

New Reusable Packaging Goal

In February 2022, we announced an industry-leading reusable packaging goal.

By 2030, we aim to have at least **25%** of our beverages worldwide by volume sold in refillable/returnable glass or plastic bottles or in fountain dispensers with reusable packaging.

This builds on our already strong track record with refillable packaging, especially in parts of Latin America, Europe, Africa and Asia. The COVID-19 pandemic has accelerated consumer interest in refillables, as more families enjoy multi-serve beverages at home and seek affordable options in uncertain economic times.

Globally, we have increased our focus on refillable packaging through initiatives that include:

- Investing in the expansion of the "universal bottle," which was first introduced in 2018 by Coca-Cola Brazil and used in Argentina, Chile, Colombia, Mexico, Guatemala and Panama. This innovative solution—which the Ellen MacArthur Foundation recognizes as a great example of reusable packaging, aligned with its vision for a circular economy for plastics—drives efficiency of collection, cleaning and filling by offering multiple sparkling and still brands in the same reusable bottle. Additionally, we expanded the rollout of refillable 2-liter and 1.5-liter PET plastic bottles in South Africa, and partnered with Coca-Cola Southwest Beverages to pilot a 500-ml returnable glass bottle in Texas.
- Collaborating with Tesco to pilot the Loop™ shopping system in 10 retail outlets across Europe. Consumers can order a variety of products, including Coca-Cola, in packaging that is collected, cleaned, refilled and reused or recycled.
- Launching a marketing campaign promoting the benefits of refillable packaging across Latin America.
- Piloting a digital solution in Brazil and Chile for the returnable bottle exchange process through virtual coupons.
- Partnering with several foodservice customers, including teaming up with Burger King® in the United States, the United Kingdom and Japan to reduce single-use packaging waste by offering reusable cups and food containers, and piloting an exchangeable cup, called the Cup Crew, with A&W Canada restaurants.
- Introducing reusable cups with microchip technology for Coca-Cola Freestyle machines in theme parks, on university campuses and on cruise ships in the United States.
- Stepping up our commitment to the NextGen Consortium to accelerate the circularity of foodservice packaging, including cups. The consortium has expanded its work to advance reuse and refill packaging models, strengthen recycling and composting infrastructure and recovery pathways, and scale foodservice packaging innovation.
- Trialing package-less vending machines at Universal Studios theme parks in Japan. The machines, which allow consumers to fill their own containers with sparkling and still water, also offer reusable bottles and a rinsing station.
- Offering three of our most popular brands in Germany—Fanta Orange, Sprite and Mezzo Mix—as soda syrups for consumers to prepare drinks at home by adding carbonated water. The pilot supports our ongoing efforts to provide people with the brands they love with less packaging.

Learn about our governance of packaging waste and other key ESG issues.

100% Plant-Based Bottle

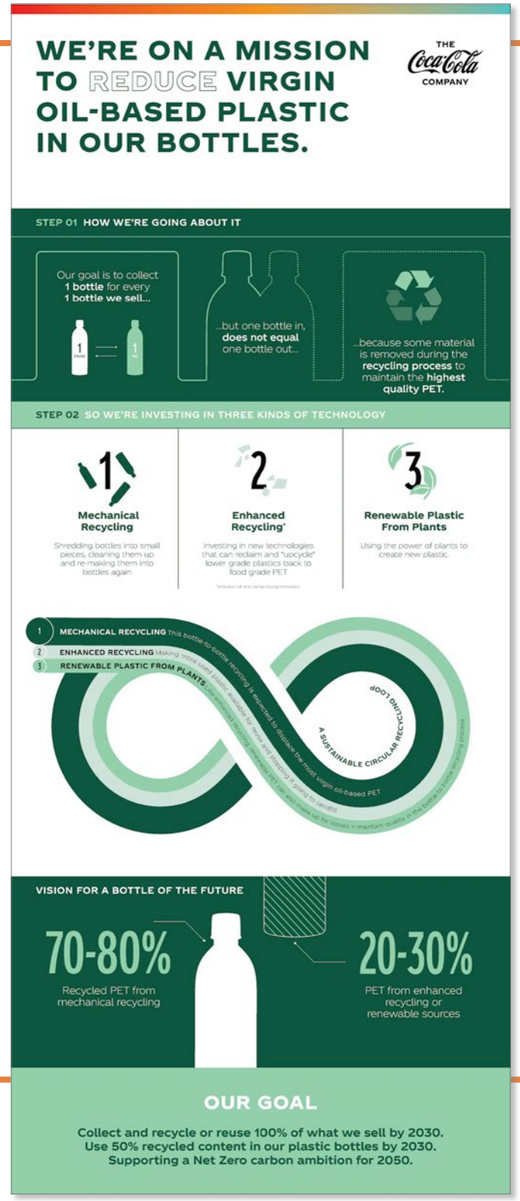
More than a decade ago, we introduced the world's first recyclable PET plastic bottle made with up to 30% plant-based material. In 2021, we unveiled a first-ever prototype bottle made from 100% plant-based plastic, that has been made using technologies that are ready for commercial scale (excluding the cap and label).

The new prototype exclusively uses materials from renewable, plant-based sources, removing all petroleum-based content from the bottle. It represents a significant technological step forward in the reduction of virgin oil-based PET across commercially produced bottles. Learn more.

Plant-based plastics will play a critical role in our overall PET mix in the future, supporting our goals to decrease our carbon footprint, reduce our reliance on virgin fossil fuels and boost collection of PET in support of a circular economy.

"We have been working with technology partners for many years to develop the right technologies to create a bottle with 100% plant-based content—aiming for the lowest possible carbon footprint—and it's exciting that we have reached a point where these technologies exist and can be scaled by participants in the value chain."

Nancy Quan
Chief Technical and Innovation Officer,
The Coca-Cola Company



Sprite Clear Bottles

Sprite, one of our largest global sparkling soft drink brands, is transitioning from its iconic green bottles to clear PET to help make them easier to make into new bottles by increasing the supply of high-value recycled plastic in the after-use market. As of the end of 2021, 47 markets had switched from green to clear, and another 70-plus—including the United States and Canada—plan to transition in 2022.

Label-Less Bottles

Building on the 2020 launch of our first label-less bottle for I LOHAS in Japan, South Korea launched the first label-less Coca-Cola PET plastic bottle with the iconic contour shape and engraved logo, and Bonaqua launched its first label-less bottle in Hong Kong. Since labels have to be removed prior to recycling in these markets, these innovations make our packaging easier to recycle.

Plant-Based Costa Cups

Costa recently introduced cups made from 100% plant-based materials[1] in its coffee shops in the United Kingdom. The carbon footprint of these cups, when recycled, is 26% lower than standard to-go cups. The brand also refreshed its reusable cup incentive program, further encouraging consumers to play their part in helping to reduce waste.

1 Excluding lid.

Read more in our 2021 World Without Waste Report

Collect

GOAL

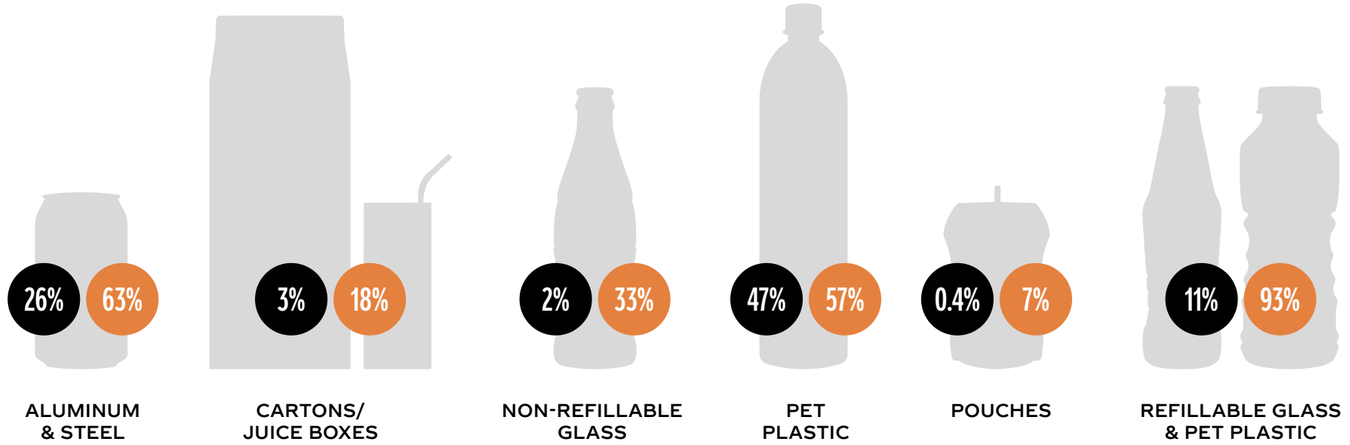
Collect and recycle a bottle or can for each one we sell by 2030

2021 STATUS
61%[1]

61%

of the equivalent bottles and cans we introduced into the market in 2021 were collected and refilled or collected for recycling.[1]

- Packaging Material Mix
- Collection Rates by Type[1]



We work with partners across business, government and civil society to create closed-loop systems that ensure our packages are collected and recycled or reused. Our 2021 efforts included:

- In **Australia**, **New Zealand** and **the Pacific Islands**, we joined the ANZPAC Plastics Pact to pursue four 2025 targets: Eliminate unnecessary and problematic plastic packaging through redesign, innovation and alternative delivery models; make 100% of plastic packaging reusable, recyclable or compostable; increase plastic packaging collected and recycled by 25%; and achieve an average of 25% recycled content in plastic packaging across the region.
- In **Brazil**, we teamed up with bottling partners Solar Coca-Cola and Coca-Cola FEMSA on the Recicla Solar and SustentaPet post-consumer PET collection and recycling initiatives. Since launching in 2019, SustentaPet has collected 46,000 tons of PET (more than 1 billion bottles).
- In **Indonesia**, we broke ground on a joint venture PET recycling facility with Dynapack Asia in West Java.
- In the **Philippines**, we are partnering with Indorama Ventures to establish PETValue, the country's first bottle-to-bottle recycling facility capable of processing almost 2 billion plastic bottles per year.
- In the **United Arab Emirates** (UAE), we joined Project RECAPP along with industry peers and the Ministry of Climate Change and Environment to create the country's first free, door-to-door recycling service. RECAPP has built a community of 15,000 registered users and collected 115 metric tons of recyclables.
- In **Mexico**, we announced a $500 million system investment to expand the refillables capacity through four new production lines and to expand the country's recycling infrastructure by boosting production capacity at PETSTAR and inaugurating a new recycling plant in Tabasco. This will generate approximately 2,900 direct and 35,000 indirect jobs and increase Mexico's rPET capabilities by up to 51%.
- In Islamabad, **Pakistan**, we partnered with TeamUp/ National Incubation Center (NIC) and Capital Development Authority (CDA) to pave the country's first plastic road using 10 tons of recycled plastic bottles.

Bottle Exchange Programs

In Mexico, we partnered with small retail customers on the "Mi tiendita sin residuos" ("My store without waste") program to transform stores into PET collection centers. Consumers can return empty bottles to participating retail outlets to be recycled. In addition to promoting environmental awareness in local communities, early results show consumers are more likely to buy our beverages in participating stores.

In Romania, we support Carrefour's "Pay with 1 PET" program, which lets grocery shoppers exchange empty PET bottles for free fruit and vegetables. More than 10,000 consumers have participated to date, resulting in more than 200,000 PET bottles collected. Our partnership with Carrefour in Romania is underpinned by our commitment to The Food Transition Pact, a reciprocal commitment between Carrefour and its partner suppliers.

Engaging with Consumers

In the United States, we launched a national marketing campaign to promote our sustainable packaging strategy following the national rollout of the 13.2-oz. Coca-Cola bottle, and 20-oz in certain markets, made of 100% recycled PET. The campaign's "Recycle and Re-Enjoy It" message conveys that plastic is a valuable commodity designed to be used again and again, and that empty packages can be part of the circular economy.

1 The collection rates represent average collection rates for select primary consumer packaging, which is the percentage of our packaging that was collected for recycling (or refill).

Partner

We believe that solutions to the world's plastic waste challenges can best be unlocked when stakeholders work collaboratively to create systems that enable positive change.

We have partnered with The Ocean Cleanup, which has developed solutions and technology to reduce ocean plastic. Its Interceptor™ solutions extract plastic from rivers, preventing it from reaching oceans. Our new Rivers partnership, which pairs our scale and network with The Ocean Cleanup's technology and data-driven solutions, aims to place cleanup systems in 15 priority rivers around the world so that they can validate the technology and extend to additional critical rivers.

Local teams will partner with waste management coalitions to sort and, where possible, eventually turn PET plastic bottles captured from river waste into new bottles.

Our partnership with The Ocean Cleanup builds on The Coca-Cola Foundation's support to the **Benioff Ocean Institute** at the University of California-Santa Barbara, which supports river cleanup efforts in Panama, Vietnam, India, Indonesia, Ecuador, Mexico, Thailand, Jamaica and Kenya. Despite ongoing challenges posed by the COVID-19 pandemic, the coalition collected 425 tons of plastic waste in 2021; hosted its first-annual virtual symposium; and launched a data dashboard highlighting key metrics, including plastic captured by type and number of people reached through education and community outreach.

Read more in our
2021 World Without Waste Report

Accelerating Sustainable Innovation

We sponsor AB InBev's 100+ Accelerator, an open-innovation program that is committed to crowdsourcing and piloting sustainability-focused startups and solutions. In the most recent cohort, we provided funding, training, mentoring and other hands-on support to seven startups for a pilot program of about nine months, including two startups focused on the circular economy. For example, ReciVeci developed a mobile app to increase the recovery of recyclable and returnable materials in Ecuador and RecyclePoints in Nigeria incentivizes people to recycle PET bottles and other materials through points that can be redeemed for cash and household goods. Learn about BanQu—a 100+ Accelerator alum.

We are an investor in Circulate Capital, a fund focused on ventures, infrastructure and innovations preventing the flow of plastic into oceans. Since 2019, Circulate Capital has raised more than $100 million and invested in 14 companies in India and Indonesia. In 2021, Circulate Capital announced a $4 million investment in the Inter-American Development Bank Group's innovation lab to support startups in Latin America and the Caribbean.

"In today's interconnected world, none of us can solve the biggest social and environmental challenges of our time alone. We believe that partnerships and collective action are needed to deliver both a more sustainable business and a sustainable future, and that we must look outside our company for ideas and solutions."

Ben Jordan
Senior Director of Environmental Policy,
The Coca-Cola Company

Climate

Climate change is a priority issue for our business. We have a responsibility to reduce the carbon footprint of our value chain; to improve business resilience by managing short- and long-term risks and impacts of a changing climate; and to foster partnerships that drive positive change.

SCIENCE-BASED TARGET

25%

absolute greenhouse gas (GHG) emissions reduction by 2030, against a 2015 baseline

3X

THE NUMBER OF SUPPLIERS

providing climate data to CDP in 2021 compared to 2020

Recognized by CDP as a

2021 SUPPLIER ENGAGEMENT LEADER

Increasing Our Climate Ambition

Our approach to addressing climate change has accelerated in recent years in keeping with the scale and urgency of the issue. Even as we achieved our 2020 "drink in your hand" goal to reduce our relative carbon emissions by 25% against a 2010 baseline, we increased our climate ambition.

We've announced both our science-based target to reduce our absolute emissions by 25% by 2030 against a 2015 baseline and an ambition to be net zero carbon by 2050. Several of our bottling partners have announced their own science-based targets and net zero pledges, which will help drive even more positive climate action across the Coca-Cola system.

In line with our net zero ambition, we conducted preliminary modeling in 2021 that will enable us to define the key actions and goals needed for a net zero transition by 2050.

A significant amount of our impact is in our supply chain, so we encourage suppliers—representing approximately 80% of spend across most major procurement categories—to respond to the CDP Supply Chain Climate Change questionnaire. In 2021 we saw a threefold increase in the number of supplier responses compared to the previous year.

70 SUPPLIERS

already had science-based targets in 2021, and an additional 49 suppliers have committed through the Science-Based Targets initiative (SBTi) to setting science-based targets in the near term.

We believe that continued progress against our goals—in combination with supporting key stakeholders as they strengthen their own ambitions—will be critical to making meaningful advances on climate. We have also undertaken additional climate scenario risk analysis to better understand the potential near- and longer-term impacts of a changing climate on our business.

The Coca-Cola Company applies the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in this report and in a TCFD Index and provides comprehensive disclosures to CDP on Climate Change.

Governance on Climate Change

The ESG and Public Policy Committee, established by our Board of Directors, bears the highest level of direct responsibility for climate-related issues. The committee assists the Board in overseeing the company's environmental, social, legislative, regulatory and public policy matters, including progress against our science-based target. The committee reports regularly to the full Board on matters it oversees, including climate-related issues.

To learn more about our ESG governance structure, see the Governance section. For more on climate-related governance, see our most recent CDP Climate Change response, Section C1.

Embedding Climate Action into Our Strategy

Building on our first climate risk scenario analysis in 2019, we undertook a far-reaching new study across our company and agricultural supply chain in 2021, looking at three scenarios: Business As Usual[1] (warming above 5°C), Middle of the Road[2] (warming limited to 2.7°C) and Low Carbon[3] (warming kept below 2°C). This process enabled us to identify a refined set of climate-related risks and opportunities—including both physical and transition impacts—in a range of possible futures. This will be a critical tool for strategic planning and implementing resilience plans. We will further analyze the risks and opportunities identified to ensure we have appropriate risk-management strategies in place. We will disclose details in our forthcoming CDP Climate Change response.

1 Physical Scenario: IPCC AR6 SSP5-8.5 "Fossil-fueled Development" and Transition Scenario: IEA World Energy Outlook "Current Policies Scenario."

2 Physical Scenario: SSP2-4.5 "Middle of the Road" and Transition Scenario: IEA World Energy Outlook "Stated Policies Scenario."

3 Physical Scenario: SSP1-2.6 "Sustainable" and Transition Scenario: IEA World Energy Outlook "Sustainable Development Scenario."

Managing Climate Risk

We have established a cross-functional and cross-company Enterprise Risk Management process and Risk Steering Committee to oversee regular system-wide risk assessments, and we work to integrate climate risk planning into this process.

Relevant risks that could materially affect our business, including our financial results, are disclosed in the Annual Report on Form 10-K. These include risks relating to climate change, such as physical risks from changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters which may limit the availability or increase the cost of key agricultural commodities. Climate change may also exacerbate water scarcity and cause a further deterioration of water quality in affected regions, which could limit water availability for the Coca-Cola system's bottling operations. Increasing concern over climate change also may result in additional legal or regulatory requirements, among others.

Transitioning to a Low-Carbon Economy

Achieving our science-based target means looking at our full value chain, including bottling partners and suppliers. Our target to reduce absolute scope 1, 2 and 3 GHG emissions by 25% by 2030 includes system partners within our scope 1 and 2 boundary. Following are examples of how we are integrating our climate initiatives across our value chain and in collaboration with system partners.

Supplier Reporting on Emissions & Reduction Plans

Many of our agricultural suppliers report annually on their performance and progress in reducing emissions, which constitute 20-25% of our total value chain emissions, and on plans to achieve further reductions. Our Principles for Sustainable Agriculture (PSA) include maximizing energy efficiency and use of renewable energy, employing responsible forest management practices that protect biodiversity and restore degraded ecosystems, and maintaining or improving soils by preventing degradation—all of which are important in mitigating climate impacts. To find out more, see Sustainable Agriculture.

Innovations in Packaging Design & Increasing Collection Rates

Because packaging accounts for almost one-third of our overall carbon footprint, virtually everything we do toward our World Without Waste initiative also helps to achieve our science-based target. This strategy includes more plant-based packaging that requires less petroleum-based virgin plastic; lightweighting our packaging; using more reusable packaging (both traditional refillables as well as fountain and Coca-Cola Freestyle dispensed solutions), using more recycled material; and recycling more bottles and cans. For more about our packaging efforts, see World Without Waste.

Investments in Renewable Energy for Manufacturing

Approximately 10-15% of our emissions come from manufacturing. Renewable energy use as a percentage of total electricity for the system was 12% in 2021.[1] In February 2022, we released a Renewable Energy Implementation Guidebook, a step-by-step guide for company-owned facilities and bottling partners to build knowledge and increase facilities' generation and procurement of renewable energy. We also conducted analyses of renewable energy opportunities in six countries where implementation is more complex to support our teams in identifying renewable energy procurement options. In 2022, we will continue to support operating units and bottling partners to further scale their use of renewable energy. In 2021, we also re-joined the Clean Energy Buyers Association (formerly known as the Renewable Energy Buyers Alliance) and are leveraging their resources and networks as we scale up our use of renewable energy.

More HFC-Free & Intelligent Connected Coolers

Cold drink equipment and dispensing accounts for approximately one-third of our emissions. We are working to place more hydrofluorocarbon (HFC)-free coolers, replace older equipment with newer and more energy efficient coolers, as well as place more "intelligent connected" coolers that transmit data such as product throughput, maintenance status, temperature and energy use, which can improve our placement and management of coolers while reducing emissions.

1 Due to an improvement in our data collection process and rigorous assessment of renewable energy claims throughout the system, this resulted in a drop in renewable energy use as a percentage of total electricity for the system from 17% to 12%.

Going Solar in the United Kingdom

Coca-Cola Europacific Partners completed Phase 1 of a three-phase solar development project at their facility in Wakefield, UK, the largest soft drinks plant in Europe. The early results are promising, already saving £340,000 in 2021 with installation of an 8.2 megawatt solar system that accounts for almost 20% of the facility's electricity consumption. By the completion of Phase 3, we expect that the project will generate an additional 30 megawatts in solar energy and include up to 40 megawatts of battery storage capacity, ultimately transitioning the facility to be carbon neutral by 2050.

Supplier Engagement Is Key to Transition

Because approximately 85% of our total carbon emissions come from things we buy, and not what we do in our direct operations, engaging with suppliers is critical to achieving our science-based target. Our recent efforts include:

- Each year we encourage key suppliers to disclose to CDP's supply chain Climate Change questionnaire, which provides us with useful data on the GHG emissions in our supply chain and information on supplier targets and initiatives to reduce their emissions. In 2021, we requested 442 suppliers (up from 149 in 2020) to disclose, and 75% of these suppliers responded.
- We are proud to have been recognized by CDP as a 2021 Supplier Engagement leader for the third year in a row. This is an acknowledgement of our efforts to measure and reduce climate risks within our supply chain. We join the top 8% of companies who disclosed to CDP's full Climate Change questionnaire.
- We have piloted a questionnaire with 12 of our major suppliers across ingredients and packaging to begin moving toward supplier-specific emissions factors for the commodities we procure. This allows us to better understand our supply chain and more accurately track the emissions reductions of specific suppliers in key areas of our supply chain.
- In 2022, we joined the Supplier Leadership on Climate Transition initiative along with Atlantic Packaging, The Estée Lauder Companies, General Mills, PepsiCo, Nestlé, Keurig Dr Pepper, Restaurant Brands International, Mars Incorporated, McCormick & Company, Mondelēz International, and Yum! Brands to mobilize collective climate action by providing suppliers with resources, tools and knowledge to support their climate journey.

Climate Resilience

We are witnessing the impacts of changing weather patterns, which is why investing in the resilience of our supply chain and the communities where we operate is critical to our long-term success. Our work on resilience helps ensure we can withstand, recover from and adapt to the shocks and stressors of a changing climate. Many of our climate resilience efforts relate to our ingredient supply chain and water stewardship. For more information, see our Sustainable Agriculture and Water sections, as well as our featured story about resilience in action.

We are also sharing the outputs of our work on climate resilience with peer companies. As founding members of the BSR Climate Risk to Resilience platform, we helped shape the development of resilience metrics and risk planning tools as well as the report Rising to Resilience (produced in collaboration with WWF and published in November 2020). This report provides practical application for businesses on how to integrate climate resilience into their water stewardship strategies.

Tracking Progress Toward Ambitious Climate Targets

Accurately measuring our impact and tracking reductions is essential to achieving our climate goal. We've recently implemented a new data system for collecting sustainability metrics and continually work toward ensuring that our practices are industry-leading. In 2021, we took significant steps to help facilitate complete and accurate progress reporting against our science-based target. We updated our GHG emissions accounting methodology for the Coca-Cola system aligned with the GHG Protocol and undertook an assessment to evaluate and expand the emissions sources included within our reporting boundary to align with requirements of the Science-Based Targets initiative (SBTi). In 2022, we plan to track our target progress in real-time across the system, putting us in a strong position to publicly report on progress against our target next year.

Coca-Cola System Climate Targets

Across our system, many of our bottling and supplier partners have set their own science-based targets or have goals for net zero carbon emissions by 2050 or sooner.

In December 2021, the Coca-Cola system in Europe announced a goal to reach net zero by 2040 across all European markets, covering the entire European value chain, building on net zero and science-based targets set by The Coca-Cola Company's two leading bottling partners in Europe, Coca-Cola Europacific Partners and Coca-Cola HBC. This effort seeks a reduction of 2.5 million tons of CO_2 equivalent annually in Europe by 2030 compared to 2015—a reduction of 30%.

Complementing these net zero commitments, several of our other bottling partners have also announced their own science-based targets, including Swire Coca-Cola Limited (Asia) and Coca-Cola FEMSA (Mexico).

Additional details on Coca-Cola system emissions can be found in the Data Appendix.

CASE STUDY

fairlife Facility Reduces GHG Emissions

As part of its ongoing commitment to reducing its carbon footprint, the fairlife facility in Coopersville, Michigan, partnered in 2021 with Generate, a company that builds, finances, owns and operates sustainable infrastructure such as energy, mobility and waste assets. In the partnership, fairlife sends the liquid waste and organic matter waste produced during manufacturing at the facility to Generate's anaerobic digester about 30 miles away in Fremont. The waste is broken down in the digester, and the resulting biogas that is produced is used to generate electricity. While there are CO_2 emissions associated with this approach, the net GHG emissions are much lower than if the organic waste had been sent to landfill where it would contribute to methane emissions, which have a warming potential 28-34 times that of CO_2.[1]

Between November 2021 and February 2022, the Coopersville plant has diverted 753 tons of organic waste, preventing the release of 461 tons of greenhouse gases. This has produced over 1 million kWh of electricity and more than 175,000 gallons of organic fertilizer.

1 The Challenge | UNECE.

Sustainable Agriculture

We rely on agricultural ingredients to make and package our beverages. Ensuring these ingredients are sustainably sourced is a key priority for us, and is essential to our efforts on climate resilience, water security, human rights, sustainable packaging and economic empowerment. As climate change leads to more extreme weather and increased water stress, more sustainable agricultural practices will play a vital role in promoting resilience across our supply chain and in the communities that produce our agricultural ingredients.

STRENGTHENED OUR PRINCIPLES FOR SUSTAINABLE AGRICULTURE (PSA)

Evaluated more than

500 SUPPLIERS

across 115+ countries and territories against the PSA framework

Growing a More Sustainable Supply Chain

The quality and integrity of our products depends on a secure, sustainable supply chain with successful and thriving farming communities. Our Principles for Sustainable Agriculture (PSA) advance and standardize our core values at the farm level—from small-scale farmer cooperatives to large commercial operations—supporting livelihoods and helping to ensure continuity of supply.

Introduced in 2021 to improve upon our previous sustainable agriculture framework, the PSA aim to strengthen our progress toward sustainable sourcing of agricultural ingredients, taking a longer-term perspective that reflects our expanding portfolio, increasingly diverse supply chains and the most recent science. The principles are designed to help farms become more productive, resilient, transparent and compliant. Working with our suppliers, we seek to advance on-farm practices and thereby create long-term, systemic change in our supply chains.

More sustainable farming practices lead to improved farm incomes, through higher crop yields, better management, reduced costs and increased resilience to changing weather patterns—as well as enhanced product quality and a more stable supply.

The PSA are designed to encourage continuous improvement of farming practices. Recognizing the diversity of supply chains, farm structures and risk contexts, the PSA introduced a new framework for evaluating compliance and performance of our supply farm base to reflect the on-the-ground realities in sustainable farming practices.

The PSA's "Leader/Mover/Improver" framework helps us to catalog our ingredient supply into three performance categories so we can prioritize our actions in line with our company's highest sustainability priorities, including climate change, water resources, ecosystems and biodiversity, human rights, and animal health and welfare. These categories are:

LEADER LEVEL, which means that the supply volume is verified to a TCCC approved, third-party validation aligned with the PSA.[1]

MOVER LEVEL, which means that the supply volume is sourced from farms using other agricultural farming standard(s), effectively identifying and addressing key sustainability issues and advancing sustainable practices.

IMPROVER LEVEL, which applies when the supply volume is sourced from smallholder/small-scale producers participating in a support program and continuously improving practices to address their priority sustainability issues over time.

We are currently in the process of mapping the volume of the 12 global priority ingredients we procure against this framework. This mapping will form the basis for how we engage with suppliers to drive continuous improvement in line with our Leader-Mover-Improver framework.

Our long-term ambition is two-fold:

- All of our agricultural-based suppliers will demonstrate continuous improvement and will be categorized by The Coca-Cola Company as either Leaders, Movers or Improvers.
- All of our global priority ingredient suppliers and their farm supply base will achieve "Leader" status over time.

CASE STUDY

Leader

Florida Orange Growers Achieve "Leader" Performance Level

We source a significant volume of oranges from Florida—but in 2020, none of our supply had been verified by an approved sustainable agriculture program. We approached the Sustainable Agriculture Initiative Platform (SAI Platform) and asked for their support to engage Florida orange growers on the topic of sustainability. The resulting project, known as the Florida Orange Sustainability FSA Accelerator, brought together 14 companies aligned around the same goal: to increase the volume of sustainable oranges grown in Florida. Together, the SAI Platform created consensus across the orange-processing industry, supporting growers in implementing more sustainable practices—and communicating the sustainable practices they were already employing. Our volume of sustainably sourced Florida oranges jumped significantly, from 0% in 2020 to 41% in 2021, and we expect the percentage to continue to grow.

1 These approved standards, which can be found on our website, currently include Bonsucro for sugar; the Sustainable Agriculture Initiative Platform—Farm Sustainability Assessment (FSA) for crops including cane sugar, beet sugar and fruit; the Round Table for Responsible Soy for soybean; the Rainforest Alliance for coffee and tea; the Forest Stewardship Council for pulp and paper; and Field to Market for U.S. corn, among others. Certain third-party validation programs under the Sustainable Agriculture Guiding Principles (SAGP)—our previous framework that was in effect from 2013 to 2020—are still in the process of being evaluated for use under the PSA. Once this benchmarking process has been completed, the list of approved verifications will be updated.

Learn about our Governance of Sustainable Agriculture and other key ESG issues.

CASE STUDY

Improver

Smallholder Farmers Improve Practices in India

In India, the majority of farmers are smallholders who often lack the ability to verify their production against global standards. We have been driving several initiatives to help small-scale sugar cane and fruit farmers improve productivity, increase profitability and become more resilient. The sustainable agriculture project Meetha Sona Unnati began in 2016 with investments in sugar cane farmers in the state of Uttar Pradesh. It proved so successful that, together with our partners, we expanded it to the state of Karnataka. Under the flagship program Fruit Circular Economy we have extended these projects for growers of mangoes, oranges, apples, lychee and grapes—all crops that are important to our beverage production. To date, these programs have trained a combined total of more than 150,000 farmers in sustainable agricultural practices, including ultra-high-density plantation and drip irrigation.

CASE STUDY

Improver

Fruto Resiliente in Brazil

Smallholder farmers often face major challenges in having their production validated by a third party. So in 2019, we launched the “Fruto Resiliente” project with a goal of improving the farming practices of 480 smallholder orange growers in the Brazilian citrus belt by the end of 2023, with at least 50% of them reaching the equivalent of bronze level of the SAI FSA standard. The project is a collaborative partnership between The Coca-Cola Company, The Coca-Cola Foundation, innocent, Solidaridad, Cutrale (our largest orange juice supplier in Brazil), and Eckes Granini (a leading supplier of fruit juices and beverages). As of December 2021, the project had reached 800 orange growers through the dissemination of information using digital tools such as messaging apps, videos and live streams, and a website where farmers can download training manuals, booklets, etc. The project also included more than 300 visits by agriculture extension workers, who provide advisory services to farms and tailored action plans, and a signed partnership agreement with the Sylvio Moreira Citriculture Center (CCSM) of the Campinas Agronomic Institute (IAC). The project will utilize CCSM/IAC’s demonstration farm to showcase and demonstrate sustainable agricultural practices to farmers. The project’s goal for 2022 is to improve the agricultural practices of at least 200 orange farmers.

1 Data provided by The Nature Conservancy.

CASE STUDY

Planting Cover Crops Improves Soil Health in Indiana

In 2016 and 2017, The Nature Conservancy (TNC) and The Coca-Cola Company partnered with producers in the Big Pine Creek watershed in Indiana to establish cover crops on 2,660 acres of farmland.[1] Producers planted a cereal rye cover crop outside the growing season of the main crops of corn and soybean, which are planted in rotation. When planted over several years, cover crops improve the overall health and water-holding capacity of soils,[2] sequester carbon and reduce soil erosion and runoff.[3] Following this initial investment and support, many farmers have continued to plant cover crops each year using their own funds. In 2021, out of the original 2,660 acres that were supported, a total of 1,264 acres of cover crops were planted.[1] The total estimated decrease in runoff associated with the planting of these cover crops is 484 million liters per year.[4] The decrease in sediment erosion is estimated at 2,001 metric tons per year.[4]

2 The Ohio State University Extension. 2009. Using Cover Crops to Convert to No-till. Fact Sheet Agriculture and Natural Resources. SAG-11-09, AEX-540-09, ohioline.osu.edu/factsheet/SAG-11

3 Iowa State University Extension and Outreach. 2014. Reducing Nutrient Loss: Science Shows What Works. SP 435. September 2014, dr.lib.iastate.edu/entities/publication/dfad8a0c-5e87-427c-8209-d009949d7000

4 Data provided by Limnotech.

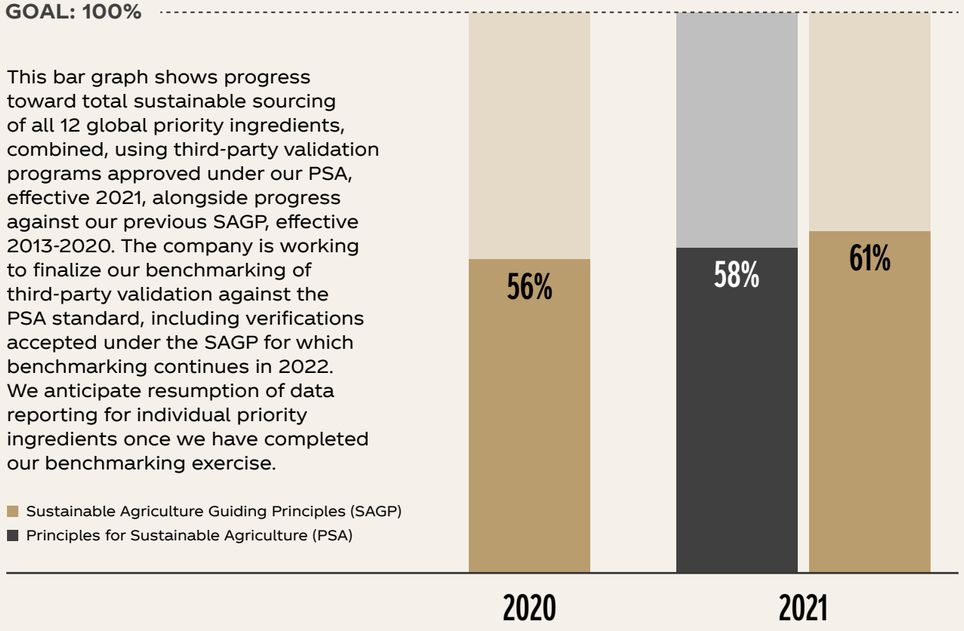
Progress Toward Our Goal

We track progress against our sustainable sourcing goal for 12 global priority ingredients (cane sugar, mango, grape, orange, apple, corn, lemon, beet sugar, tea, pulp & paper, coffee and soybean), which represent about 80% of our total annual agricultural ingredient purchases. In 2021, following the launch of our PSA, we benchmarked over 500 suppliers in more than 115 countries and territories to begin mapping our global priority ingredient volumes against this new framework and establish a baseline. 58% of our priority ingredient volumes were sourced sustainably from suppliers using third-party validation programs already approved under the PSA, effective 2021. This means they met the "Leader" level in our PSA framework. We have made significant progress with our suppliers to validate or verify the farms where our ingredients are grown. We recognize, however, that sustainable agriculture is not a fixed destination but a long-term process that requires ongoing engagement between our business and our supply chains.

Total Sustainable Sourcing of All Priority Ingredients

GOAL: 100%

This bar graph shows progress toward total sustainable sourcing of all 12 global priority ingredients, combined, using third-party validation programs approved under our PSA, effective 2021, alongside progress against our previous SAGP, effective 2013-2020. The company is working to finalize our benchmarking of third-party validation against the PSA standard, including verifications accepted under the SAGP for which benchmarking continues in 2022. We anticipate resumption of data reporting for individual priority ingredients once we have completed our benchmarking exercise.



Supplier Engagement and Validation

To make the biggest impacts, we aim to collaborate with suppliers to engage the farmers in their supply chains to help them improve performance. This is because The Coca-Cola Company buys our ingredients from suppliers that purchase agricultural raw materials directly from farms or through intermediaries.

All agricultural-based ingredient and packaging suppliers are informed of our PSA, with clear expectations on making measurable progress in meeting our PSA (on the farms where raw materials for our products are grown), set out through sourcing contracts and other supplier communications. Through our Principles for Sustainable Agriculture (PSA)-Supplier Guide, we provide guidance to suppliers on implementation of the PSA.

In partnership with our supply partners, we also support sustainable agriculture initiatives such as:

- Training and extension services to farmers to implement more sustainable practices that enhance quality, productivity and farmer incomes.
- Tools for self-assessment to track progress and continuous improvement of best practices.

In addition, suppliers of global priority ingredients are required to provide annual letters of attestation detailing the percentage of volume of ingredients sold to us that comply with our PSA. These letters must specify countries of origin and the relevant verifications and standards that have been met.

The Water-Agriculture Connection

Our comprehensive enterprise Water Footprint assessment showed that 73% of our company's total water footprint and 92% of our freshwater footprint is from growing the ingredients needed for our beverages. We have, therefore, integrated ingredient sourcing into our water security vision by unifying our water and sustainable agriculture strategies.

As we explore ways to address water use in our agriculture supply chain, we are focusing on two main tracks, similar to the approach we have taken for operational water use in our production facilities:

- Actions we take to promote advanced water management practices for our global priority ingredients grown in water-stressed regions.
- Actions we take to improve overall watershed health in priority sourcing regions where our global priority ingredients are grown.

In 2021 we began developing a Water-Agriculture guidebook to outline a prioritization framework of global priority agricultural ingredients with the highest water dependency and risk, priority sourcing watersheds and relevant suppliers. The guidebook will provide a system-wide action plan that aligns with the PSA and our water security goal.

CASE STUDY

Circular Water Use for Sugar Cane in China

As much as 60% of the sugar produced in China comes from Guangxi Zhuang Autonomous Region (Guangxi), in an area that suffers from both droughts and floods. To help address this challenge, we have been working with The Coca-Cola Foundation, the United Nations Development Program (UNDP) and the China International Center for Economic and Technical Exchanges (CICETE) over the last decade to help increase the production of sugar cane while reducing water use. This has been done by promoting drip irrigation systems and the use of treated wastewater from nearby sugar mills for irrigation. The project is a great example of scaling up: it started with direct support by project partners on ~200 hectares in 2011-2013. Through the demonstration of the benefits of taking this new sustainable agriculture approach, the Chinese local government supported the project's replication and expansion to an additional 6,500 hectares in 2013 before leading to a full-scale rollout across the entire sugar cane sector in Guangxi. As of January 2021, a total of ~350,000 hectares have benefited from agricultural practices piloted by the program, both in Guangxi and neighboring provinces.

Supporting Regenerative Agriculture

By restoring and rebuilding degraded soils, regenerative agricultural practices can conserve and rehabilitate farmland, increase biodiversity and yield, build resilience to climate change and improve the water cycle. Many of our water replenishment programs promote regenerative farming practices such as no-till/reduced/conservation tillage, precision agriculture, edge of field practices, crop rotations, the use of cover crops and efficient use of fertilizers/compost.

In Turkey, for example, we have been working in partnership with the Ministry of Agriculture and Forestry General Directorate of Agricultural Reform and the Nature Conservation Centre to introduce regenerative agricultural practices in Konya province. Begun in 2013 on 125 hectares, the project expanded these practices to more than 3,500 hectares of farmland. Regenerative agricultural practices have resulted in an estimated increase in soil organic matter of at least 30%, an increase in soil moisture content of 10%, and a reduction in required irrigation of 10% during the growing season.

As a founding member of the SAI Platform's Regenerative Agricultural Programme, which aims to set an industry benchmark for measuring outcomes at the farm level, we are collaborating pre-competitively with industry peers and suppliers to promote and implement regenerative agricultural practices, by supporting the development of tools and guidance documents to build farmer capacity. We also continue to be actively involved with SAI Platform's work on Farm Sustainability Assessment (FSA), which helps drive relevant and demonstrable continuous improvement of on-farm environmental, social and economic performance through supply chain collaboration and fostering a common understanding of sustainable agriculture.