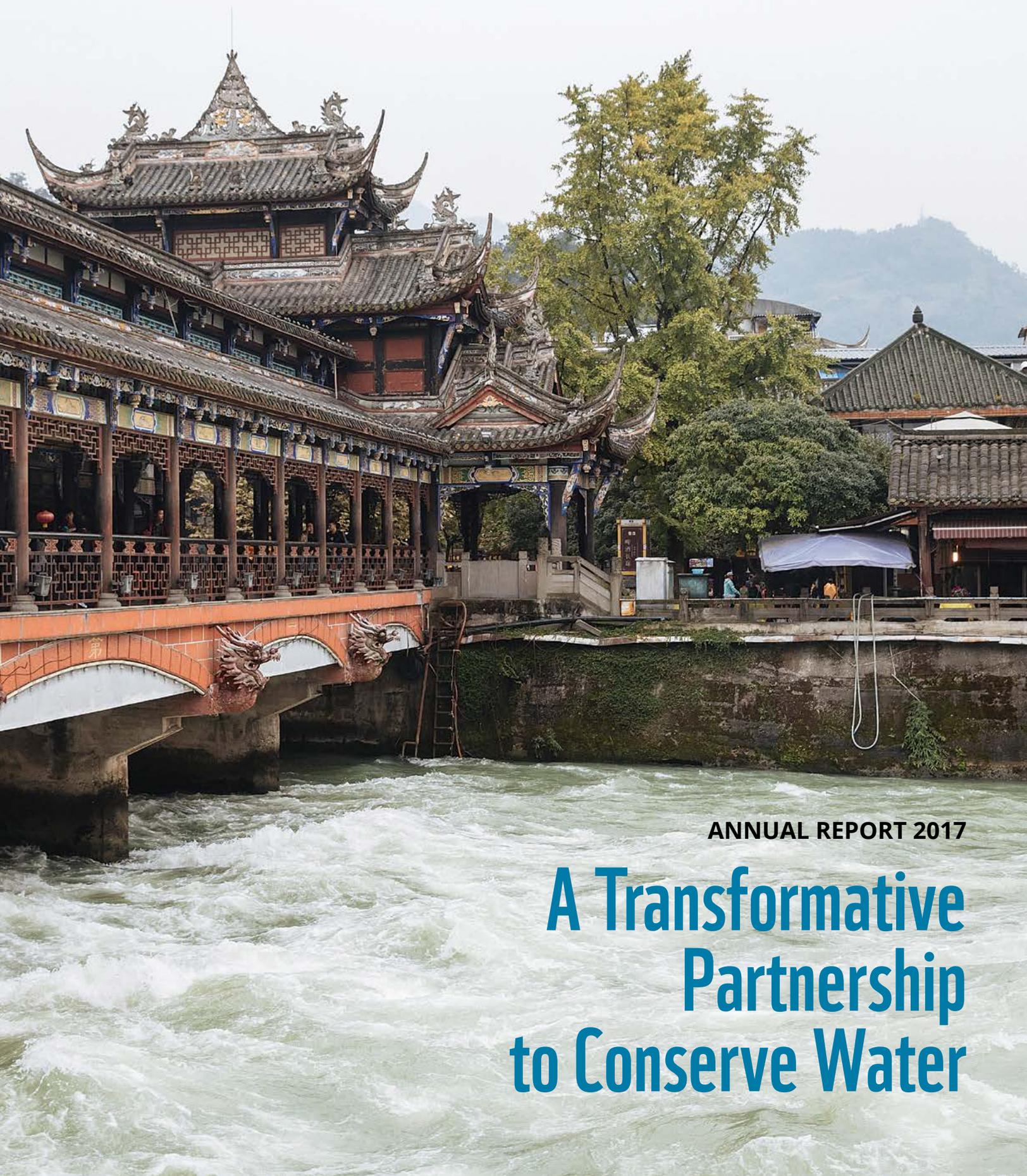




The Coca-Cola Company.



ANNUAL REPORT 2017

A Transformative Partnership to Conserve Water



Introduction

Because water is essential to nature, communities, and business, The Coca-Cola Company and World Wildlife Fund (WWF) have been working together since 2007 to help create a more water-secure future for our planet.

For more than a decade of partnership, our focus has been to ensure healthy, resilient freshwater basins around the world. Together we are addressing the natural resource challenges that impact freshwater by measurably improving environmental performance across Coca-Cola's supply chain, integrating the value of nature into decision-making, and convening critical stakeholders in the problem-solving process.

In 2017, these priorities intersected in multiple local watershed conservation programs around the world, including the Yangtze River basin in China and the Mesoamerican Reef catchments in Mexico and Central America.

From Mexico to China, collaboration was—and will continue to be—at the heart of our work. We recognize that working with local governments, communities, and industries is critical to creating a more water-secure future for all.

Through the power of partnership, we hope to inspire action to value, conserve, and protect the world's fresh water resources.

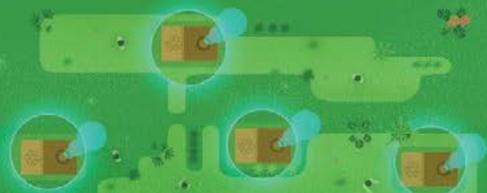
Our global partnership is focused on helping to ensure healthy, resilient freshwater basins in Central America and China.

TEN YEARS OF IMPACT

In 2017, WWF and The Coca-Cola Company celebrated the 10-year anniversary of our partnership. Our decade-long, groundbreaking work has had a tangible impact on critical ecosystems and inspired cooperation in more than 50 countries around the globe.

10 YEARS TOGETHER

Working together since 2007 to help conserve the world's freshwater resources.



50 COUNTRIES ACROSS 6 CONTINENTS

635 COCA-COLA MANUFACTURING FACILITIES REDUCED GREENHOUSE GAS EMISSIONS



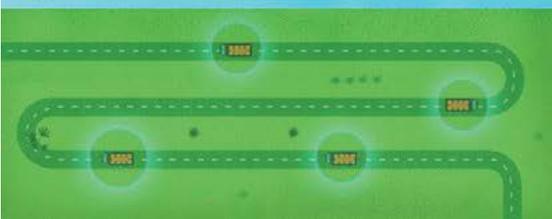
\$115 MILLION DOLLARS INVESTED IN CONSERVATION PROJECTS AROUND THE WORLD

1M TONS OF BONSUCRO CERTIFIED SUGAR PROCURED BY COCA-COLA



40 BILLION PLANTBOTTLE™ PACKAGES DISTRIBUTED IN OVER 40 COUNTRIES

2.2 MILLION HECTARES OF WATERSHED/WETLAND POSITIVELY IMPACTED



WWF + The Coca-Cola Company



The Yangtze River Basin

As the world's third longest river, the Yangtze stretches more than 4,000 miles on its journey from the Tibetan Plateau to the Pacific Ocean. A source of incredible beauty, the basin of the Yangtze River is also the water source for more than 480 million people, which is one-third of China's total population. The Yangtze basin accounts for half of China's GDP and is home to 70 percent of its fisheries.

Balancing pollution control and economic growth, environmental issues have become an increasingly pressing cause within the Yangtze River basin. Sharing a concern for these challenges, WWF and Coca-Cola, with other partners, are helping preserve and protect sub-basins in the Yangtze River.

We are restoring and constructing wetlands, increasing sustainable farming, and working with the Chinese government to implement policies to protect this important basin for both people and nature.

The Yangtze River basin accounts for half of China's GDP and is home to 70 percent of its fisheries.

Collectively Working Toward Smart Water Management

As our partnership worked to develop and promote a Yangtze water management model for collective action, we focused 2017 efforts on multi-stakeholder engagement and training.

This new water management model included the development of Wetland Conservation and Restoration Guidelines with Chongqing University to cover 263,000 hectares of three Nature Reserves in the Dongting Lake basin. WWF trained 80 staff members of forestry departments, nature reserves, national wetland parks, and NGOs from the Hunan Province in environmentally friendly techniques to apply these guidelines to restore wetlands.

In addition, WWF trained the second cohort of Coca-Cola ambassadors for the Chongming Dongtan Beibayao wetland project site. These 12 individuals—Coca-Cola staff and family—will serve as Park nature interpreters.

By end of 2017, 12 Yangtze Finless Porpoises were living in the lake and an estimated 400,000 people received access to clean water or sanitation.

Protecting Vital Resources for People and Species

Once a common sight, the Yangtze Finless Porpoise is rapidly decreasing in population. In recent years, the porpoise population has dropped an average of 13.7 percent annually due to habitat degradation, loss, and fragmentation. There are approximately 1,000 of these porpoises left in the world and without intervention, they are expected to become extinct by 2025.

In Hunan Province, to prevent further impact to these animals, the Partnership has focused on an integrated management plan and collective action for Dongting Lake. The plan includes decreasing illegal fishing and sand dredging activities; developing a collectively agreed-upon patrol schedule across different departments and agencies; and regulating water levels. In 2017, implementation of the plan resulted in improved management in Dongting Lake. Consequently, the Partnership was one of many that contributed to an increase in the Yangtze Finless Porpoise population in Dongting Lake from an estimated 80-100 porpoises to approximately 100-120 porpoises.

In Hubei Province, WWF and Coca-Cola sought to safeguard the He-wang-miao Oxbow Lake for eight porpoises and the nearly 400,000 people who rely on the lake for drinking water and irrigation. Partnership efforts included advocating for the removal of aquaculture net cages, training fishermen as rangers to decrease illegal fishing, implementing a cleanup and monitoring plan, conducting learning exchanges with two natural reserves, and raising public awareness on the importance of safe drinking water. By end of 2017, twelve (12) Yangtze Finless Porpoises were living in the lake and the 400,000 local residents had access to clean water and/or sanitation.

The Partnership's past efforts to conserve Père David's deer led to a US \$1.5 million investment by the Hunan Provincial Government in a Dongting Lake Water Fund for species and wetland protection. WWF and the Chinese government reintroduced the species to its natural environment in the 1980s after it had been functionally extinct in the wild for at least 100 years.

Promoting Sustainable Tea for the Environment and Economy

Our Partnership has advanced sustainable tea farming in the Liuyang River, Xiang River and Dongting Lake sub-basins of Hunan Province. There, we are helping improve farm production and practices to reduce the environmental impact of tea production. For instance, work completed on constructed wetlands helped to reduce pollution resulting in improved water quality and higher quality tea leaves. Further, tea farmers are earning up to seven times more income.

In 2017, the Sustainable Tea Alliance formed in Hunan Province. Through the Alliance, ten founding members from research institutes and tea producing companies are promoting and replicating the Partnership's work on sustainable tea throughout Hunan Province—China's most important tea growing region. Their work aims to support both the environment and economy.





The Mesoamerican Reef Catchments

From enchanting cloud forests to fertile low lands and breathtaking coastlines with productive marine ecosystems, the environment of the Mesoamerican Reef (MAR) catchments of Central America is far more than captivating—it's critical to more than 2 million people and more than 500 fish species. Here, everything is connected by water. Deforestation, forest fires, land conversion, and unsustainable agriculture threaten the natural security provided by forest, river, and reef ecosystems.

These threats flow downstream from the mountain ridges of Guatemala to negatively impact the Mesoamerican Reef, the world's second largest barrier reef. Various threats to the area, including rising sea levels and temperatures, demand collective action among local stakeholders to create solutions and promote healthy, resilient freshwater basins.

As WWF and Coca-Cola work to protect freshwater in the MAR catchments of Belize, Guatemala, Honduras and Mexico, our Partnership has employed a ridge-to-reef management approach. This means promoting water resource management from source to sea, beginning in the headwaters, traveling down the mountains, all the way to the reef.



The Ridges: Managing forests and freshwater systems

More than 60 rivers originate in the dense cloud forests of the Sierra de las Minas in Guatemala. As they wind down the mountains these water sources provide fresh water for people, agriculture and businesses. Advancing water management to protect freshwater systems linked to the Sierra de Las Minas has been a focus of the WWF and Coca-Cola Partnership.

In 2017, we met with key stakeholders to institutionalize integrated water management plans for the Teculután and Pasabién watersheds, an area covering more than 31,000 hectares. These plans extend beyond

protecting fresh water to conserving forests, maintaining fertile soils for livelihoods, reducing pollution, improving water-use efficiency, and promoting gender-sensitive social and economic growth. Local municipalities and the Sierra de las Minas Water Fund are now providing support and close to \$125,000 of investment for plan-related actions.

A significant aspect of protecting this region's water security is through forest fire prevention, because fire is too often used for agricultural land management and the dry season brings additional threats from wildfires. In the Pasabién watershed, with the support of local bottlers, the Partnership promoted fire prevention and control activities across 260 hectares in 2017. Across the Sierra de las Minas, the total area under fire protection is now over 4,300 hectares, and this aspect of the work is being replicated in critical source water areas of two additional countries.

This past year, WWF also began partnership work on forest fire prevention and control activities in Belize's Chiquibul sub-watershed within the Belize River watershed. In addition, we scoped future work with Coca-Cola bottler Bowen & Bowen to protect forests within Gallon Jug Estate of the Río Bravo Watershed. Most significantly, the Partnership continued work to institutionalize the Integrated Water Management Plan for the Rio Belize, which will secure better management across nearly 600,000 hectares.

In Honduras, forest fire prevention and control activities were developed with support from SAB-Miller and have been implemented across 4,000 hectares.

The Lower Fertile Lands: Advancing a Sustainable Sugar Industry

Throughout 2017, the WWF and Coca-Cola Partnership sought to improve environmental performance in sustainable agriculture across Coca-Cola's supply chain by maintaining existing Bonsucro™ sugar certifications and expanding capacity for certification in the MAR region. Voluntary standards like Bonsucro help avoid deforestation, reduce greenhouse gas emissions and pollution, and improve water-quality and water use efficiency.

Two sugar mills, Magdalena in Guatemala and Honduran Azucarera del Norte in Honduras, have met Bonsucro certification for two years. In 2017, Magdalena sugar mill worked with WWF on a High Conservation Values study and corresponding management plan for 10,000 hectares to maintain its certification. Through these efforts, more than 950,000 metric tons of sugarcane in Honduras and Guatemala achieved Bonsucro certification.

In Honduras, WWF and the Honduran Sugar Producers Association developed and signed an agreement to champion Bonsucro-based sustainability principles for the country's sugar sector. Through these efforts, together we aim to influence the production of more than 530,000 metric tons of sugar. Additionally, the Tres Valles sugar mill in Honduras completed a Bonsucro internal audit and developed a Bonsucro-compliant action plan.

The Magdalena sugar mill initiated a High Conservation Values study and corresponding management plan for 10,000 hectares.

The Coasts and Marine Ecosystem: Supporting Communities in Conservation Efforts

Closer to the reef, the Partnership has trained 28 small enterprises and community-based tourism initiatives in the coastal-protected areas of Izabal in Guatemala and northern Honduras on water stewardship. These sustainable practices aim to benefit community resilience, as well as natural resources such as forests, biodiversity and mangroves.

As a complement to our sustainable tourism and business efforts, we are also supporting communities in the conservation and restoration of mangroves and coral, which provide climate change adaptation ecosystem services.





1
FIRST RIO GRANDE/
RIO BRAVO BINATIONAL
WATER FORUM
CONVENED

**Mesoamerican
Reef catchments
in Mexico, Belize,
Guatemala, and
Honduras**
(see page 7)

Around the World



1 United States and Mexico

The Río Grande/Río Bravo is the lifeline of the border region between the United States and Mexico, supplying drinking water for more than 6 million people and irrigating about 2 million acres of land. The waters are severely over-allocated, as pressure from agriculture, invasive species, industries and cities compete for this resource. As a result, the river's natural shape and flow has been significantly altered.

WWF and Coca-Cola are engaging local organizations, communities, and governments to restore and build the resiliency of the river system. This past year, WWF convened the first Río Grande/Río Bravo Binational Water Forum to bring together more than 150 people from the United States and Mexico to discuss how to maintain a healthy river.

Additionally, with the support of The Coca-Cola Foundation, WWF and our binational partners treated an additional six miles of invasive giant cane to help restore the natural flow of the river.



Yangtze River basin in China
(see page 5)

TRAM CHIM NATIONAL PARK RECOGNIZED AS "WETLANDS OF INTERNATIONAL IMPORTANCE"

PROJECT CATALYST IS WORKING WITH APPROXIMATELY 120 SUGARCANE GROWERS

2 Vietnam

Tram Chim National Park, located in Vietnam's Mekong River delta, is home to a stunning array of species and supports agriculture and the local economy. WWF and Coca-Cola have been working to help support water conservation efforts in Tram Chim National Park since 2008.

Alongside the local government in 2012, WWF and Coca-Cola gained designation for the park on the List of Wetlands of International Importance under the Ramsar Convention in 2012. This honor is given to wetlands that are sustainably managed.

Today our work in this critical ecosystem is supported by The Coca Cola Foundation and focuses on providing local communities with access to clean water and improved sanitation. WWF is installing water infrastructure across the park, including twenty 1,000-liter water storage tanks and 74 hygienic toilets. We are also supporting the strategic development of sustainable tourism in the park to help reduce negative impacts on the park's biodiversity and maintain a critical funding source for continued conservation efforts.

3 Australia

Run-off from sugar cane farms is a major threat to the health of the Great Barrier Reef catchments. Nitrogen from farm fertilizer ends up in the ocean, leading to algal blooms. This, in turn, leads to increased populations of starfish. To date, starfish have devoured over 40% of the Reef's coral cover.

Improved farming practices are needed to help stem the run-off from these farms and stop this chain reaction. Project Catalyst, a partnership between The Coca-Cola Foundation, WWF-Australia, farmers, and natural resource management groups, continues to reduce impacts of sugar farming on water quality in the Great Barrier Reef. Project Catalyst is working with approximately 120 sugarcane growers to fast track the evaluation and adoption of best practices that will reduce runoff and improve water quality.

Moving Forward

Bringing together government, community, and industry stakeholders in priority river basins around the world has been critical to our success.

WWF and Coca-Cola pioneered a new model of partnership that involved significant investment from all areas of the company—from its bottling partners to local business units around the world—and involved countless stakeholders in local basins.

This collective action approach of bringing together government, community, and industry stakeholders in priority river basins around the world has been critical to our success.

We will continue to apply it to sustainability challenges as they arise, and create change within The Coca-Cola Company, its bottlers and in the places where it operates.

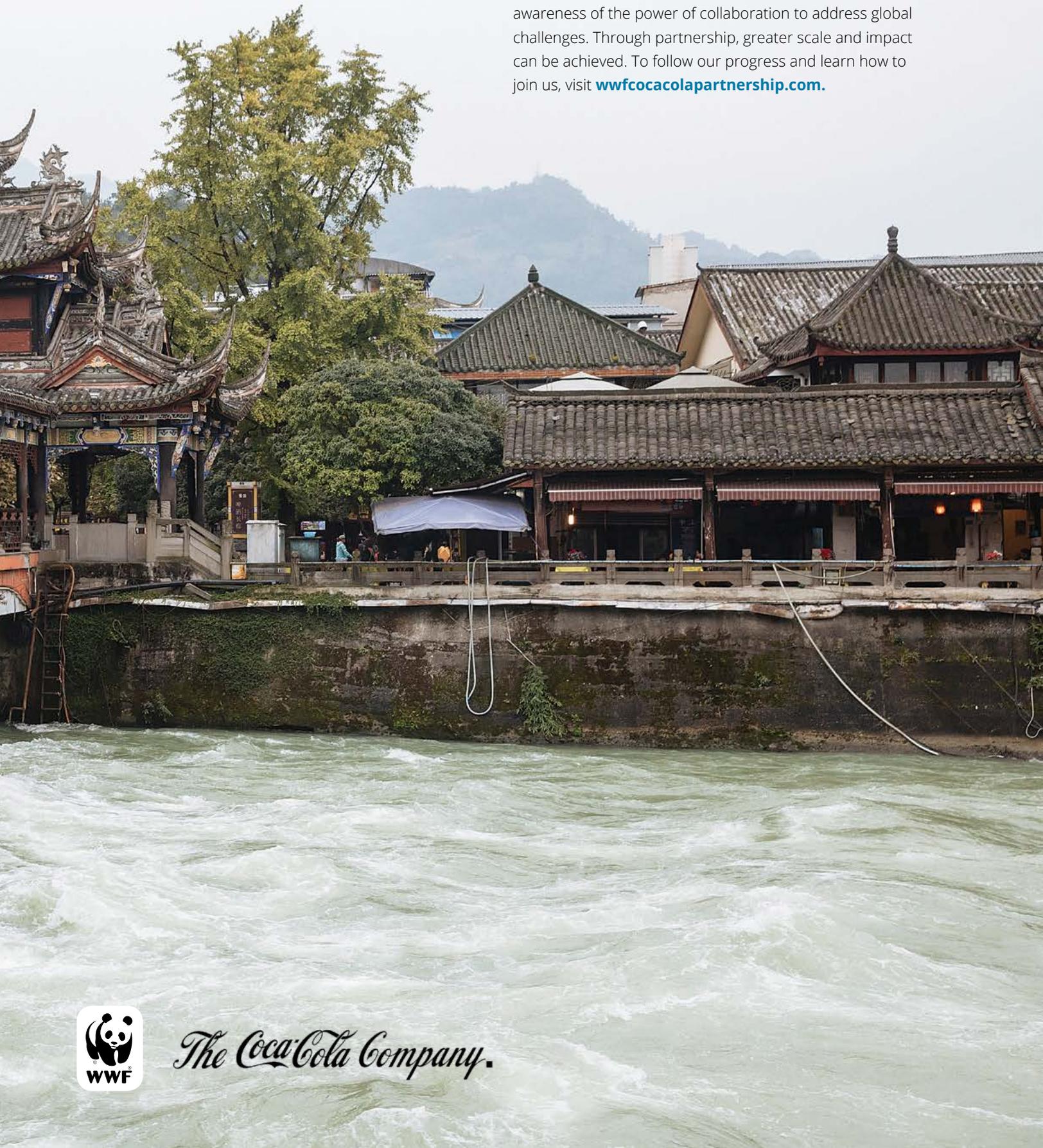
Together, we are now working on multiple local watershed conservation programs around the world and continue to leverage our global scale for conservation solutions in the Mesoamerican Reef catchments and the Yangtze River basin focused on climate resilience, water stewardship, and their nexus with sustainable agriculture, emissions reductions, and packaging.

The lessons we learn from these efforts in our priority river basins of the Mesoamerica Reef and Yangtze River, and from the many local programs, will inform best practices across Coca-Cola's global footprint.

We look forward to sharing our journey with you as we embark on these new conservation challenges.



Creating a more water-secure future will require collaboration with government, international financial institutions, academia, industry, and civil society. WWF and Coca-Cola are committed to helping address natural resource challenges that impact fresh water and elevating awareness of the power of collaboration to address global challenges. Through partnership, greater scale and impact can be achieved. To follow our progress and learn how to join us, visit wwfcocolapartnership.com.



The Coca-Cola Company.