

Toward Sustainability



The Coca-Cola Company

2004 CITIZENSHIP REPORT

1	Letter from Our Chairman	12	Key Initiatives
3	Our Vision for Sustainable Growth	18	Marketplace
4	Our Business At-a-Glance	24	Workplace
6	How We Work	30	Environment
8	Toward Sustainability	36	Community
10	Engaging Our Stakeholders	40	2005 and Beyond
11	Our Citizenship Framework		

OUR MISSION

To refresh the world—in mind, body and spirit

To inspire moments of optimism—through our brands and actions

To create value and make a difference—everywhere we engage

As this report goes to press, The Coca-Cola Company is launching a new framework for long-term, sustainable business success—*Our Manifesto for Growth*. Commitment to the sustainable development of the communities we serve is an integral part of *Our Manifesto*.



E. Neville Isdell
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Since August 2004, leaders of the Company have been engaged in an ongoing process to determine the best way to succeed in the 21st century. Together, we created a vision for sustainable growth for our business—*Our Manifesto*.

An essential aspect of this new business approach is a commitment to the development of the communities in which we work and live. This is a business imperative. We depend on—and must contribute to—socioeconomic development and the conservation of natural resources around the world.

We are not starting from scratch. Our Company has always endeavored to conduct business responsibly

and ethically. We have long been committed to enriching the workplace, preserving and protecting the environment, and strengthening the communities where we operate. These objectives are all consistent with—indeed essential to—our principal goal of refreshing the marketplace with high-quality beverages.

This *2004 Citizenship Report* is our first comprehensive nonfinancial report. It provides information on our policies, programs and performance in four key areas: marketplace, workplace, environment and community. We have used leading external standards, notably those of the Global Reporting Initiative (GRI), to guide the development of this report. There are still gaps in our data, but we intend to close them and report as

transparently as possible in the coming years. We are also putting more rigor behind the basics, building good practices and accountability into the day-to-day management of our business.

Yet more is required. The issues facing the world are more urgent than ever—and they affect us all. If local communities suffer from water scarcity, so do we. If HIV/AIDS ravages the communities in which we operate, the people impacted are our employees, our customers and our consumers. In this report, we outline the actions we are taking to respond to these challenges, as well as to another important area—health and wellness.

Responding to these common challenges requires collaboration among the public, private and civic sectors. Where there are issues that are critical for both our business and communities, we have an opportunity and a responsibility to find ways to make a difference by offering the unique resources and capabilities of our Company—the technical and marketing expertise of our employees, the global reputation of our brands, and an unrivaled production and distribution system that reaches into communities in more than 200 countries. We are therefore taking steps to deepen our engagement with external stakeholders. Only through dialogue and trust is genuine progress made.

In 2002, the Company and our largest bottling partners adopted a joint program called *Citizenship@Coca-Cola*. This program provides a framework for conducting business responsibly throughout the Coca-Cola system by establishing shared commitments and principles. We have begun evaluating our operational performance against these commitments, identifying gaps and putting in place processes for continuous improvement.

We have extended the external verification of our non-financial performance and reporting. In addition to quality and environmental auditing, we have introduced external verification of our Company's workplace practices, as well as those of our suppliers.

To oversee all these elements of our journey toward sustainability, a new core sustainability management team was appointed in 2004. This team comprises representatives from key corporate functions, geographic groups and major bottling partners.

We appreciate the commitment of our employees, our bottling partners and our business partners to good citizenship. We recognize that it is because of their efforts, and our partnerships with governmental and nongovernmental organizations and community members around the world, that we are able to contribute to communities in a meaningful way.

We still have a long way to go. My colleagues and I are deeply committed to our journey and to making an even greater difference everywhere we engage. I invite you to read this and future reports and welcome your feedback as we strive to fulfill these commitments.

Sincerely,



E. Neville Isdell
Chairman and Chief Executive Officer
The Coca-Cola Company
July 2005

OUR VISION for sustainable growth

Our commitment to citizenship is embedded in the mission and vision of our Company. We recognize that our Company's sustainable growth depends on achieving success in each of the areas outlined below. We are establishing definitive milestones to measure our progress against our goals in each of these areas. Together with our bottling partners, we are working to make good citizenship part of our everyday business practices around the world.



OUR BUSINESS *at-a-glance*



The Coca-Cola Company is the world's largest nonalcoholic beverage company. Through the efforts of our employees, bottling partners and customers, the Company refreshes consumers in more than 200 countries, at a rate exceeding 1 billion servings each day. Along with Coca-Cola®, the Company markets four of the world's top-five soft drinks, including diet Coke®, Fanta® and Sprite®, and nearly 400 brands that include low- and no-calorie soft drinks, waters, juices and juice drinks, teas, coffees, and sports drinks.

The production and distribution network we call the Coca-Cola system began in 1899 with the founding of the first franchised Coca-Cola bottling company in Chattanooga, Tennessee. The Coca-Cola system today includes our Company and more than 300 bottling partners. At the end of 2004, the system owned, leased or operated 867 production facilities around the world.

Our Company manufactures and sells beverage concentrates (sometimes referred to as "beverage bases") and syrups, including fountain syrups. We also manufacture and sell some finished beverages, both carbonated and noncarbonated, including certain juices and juice drinks and water products.

Our bottling partners either combine our syrup with carbonated water or combine our concentrate with sweetener (depending on the product), water and carbonated water to produce finished soft drinks. These finished soft drinks are packaged in authorized containers bearing our trademarks—such as cans and refillable and nonrefillable glass or plastic bottles—and are then sold to retailers or, in some cases, wholesalers.

For all the capabilities of our Company and our bottling partners, our beverages ultimately reach consumers through customers: the grocers, small retailers, hypermarkets, restaurants, convenience stores and millions of other businesses that are the final points of distribution in the Coca-Cola system.

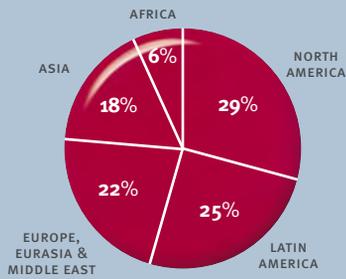
What truly defines the Coca-Cola system—indeed, what makes it unique among businesses—is our ability to create value for our customers and consumers.

Our Operations

In 2004, The Coca-Cola Company was organized in five operating groups (see map at right). These operating groups were Africa; Asia; Europe, Eurasia and Middle East; Latin America; and North America. Effective May 1, 2005, our six operating groups are Africa; East, South Asia and Pacific Rim; European Union; Latin America; North America; and North Asia, Eurasia and Middle East.

2004 Unit Case¹ Volume | Worldwide

TOTAL: 19.8 BILLION



2004 Net Operating Revenues | Worldwide

TOTAL: \$22.0 BILLION



At the end of 2004, we owned, held a majority interest in, operated or consolidated under applicable accounting rules:

33 principal beverage concentrate and/or syrup manufacturing plants

36 operations with **83** principal beverage bottling and canning plants outside the United States

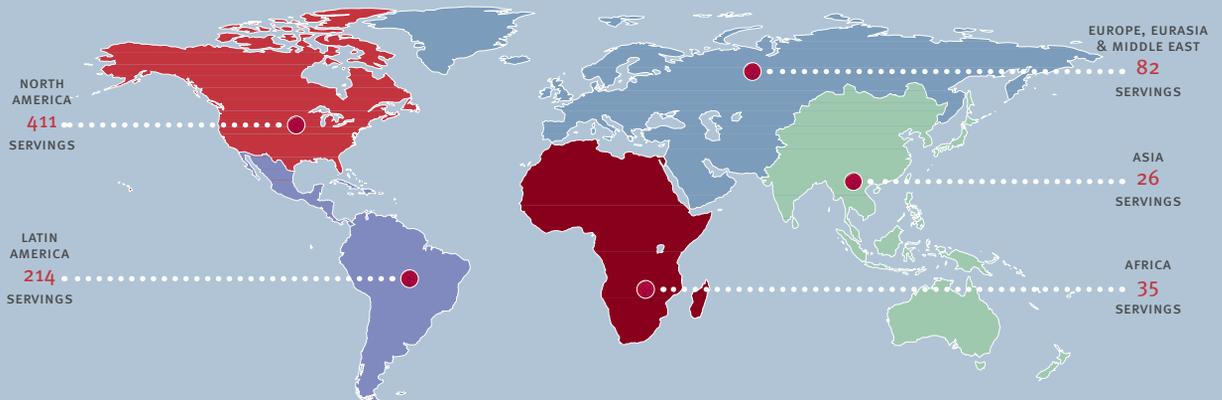
9 noncarbonated beverage production facilities located throughout the United States and Canada

1 facility that manufactures juice concentrates for foodservice use

5 production facilities in the United States (4 owned and 1 leased) of CCDA Waters, L.L.C., a joint venture with Danone Waters of North America, Inc.

Worldwide Annual Per Capita Consumption of Company Products: 75 Servings²

(PER CAPITA CONSUMPTION BY GEOGRAPHIC OPERATING GROUP) AS OF DECEMBER 31, 2004



¹ Unit case: Unit of measure equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings).

² Serving: Eight U.S. fluid ounces of a finished beverage.

HOW WE WORK: *corporate governance and business ethics*

The Coca-Cola Company is committed to achieving the highest standards of governance and business ethics. We regularly review our systems, codes and policies to ensure we meet international best practices of transparency and accountability.

The framework for corporate governance at our Company consists of our *Corporate Governance Guidelines* and the charters of the Board Committees. These documents and a list of our Board members are available on our Web site, www.coca-cola.com.

The Board of Directors

Our Board of Directors is elected by the shareowners to oversee the business and affairs of the Company. Meetings of the Board are held at least five times a year. Directors must fulfill their responsibilities consistent with their fiduciary duty to shareowners, in compliance with applicable laws and regulations.

The Board consists of a majority of independent Directors. Director independence is determined using Company qualification standards, which meet or exceed the independence requirements of the New York Stock Exchange listing standards.

Directors are selected by shareowners on an annual basis in accordance with the By-Laws, based on their judgment, experience, independence and understanding of the Company or other related industries.

All new Directors participate in the Company's orientation program. This includes information on our business and strategic plans; financial, accounting, governance and risk management practices; compliance programs; and our *Code of Business Conduct*. Sitting Directors are encouraged to participate in continuing Director education.

Director compensation is based on the responsibilities of the Directors and fees paid by comparable corporations. Director compensation is a combination of cash and Company stock equivalents.

The Board has seven committees: Audit; Compensation; Directors and Corporate Governance; Executive; Finance; Management Development; and Public Issues and Diversity Review. Only independent Directors may serve on the first three committees listed. The charters of each committee are available on our Web site, www.coca-cola.com.

Managing Risk

In collaboration with our key bottling partners, the Company has a global risk assessment process requiring our business groups to regularly assess the likelihood and impact of a broad range of economic, social and environmental risks. We strive to ensure we have the necessary plans and capabilities to manage those risks.

Around the globe, in collaboration with our key bottling partners, we have implemented an *Incident Management and Crisis Resolution* program to formalize management reporting of potential and actual incidents relating to economic, social and environmental risks. A summary of risks to our business is provided regularly to senior management.

At the Board level, the Audit Committee is responsible for overseeing risk assessment and management policies and procedures. The most significant risks are reported to the Board. As social, economic and environmental issues become business risks, we will include these in our external reporting as appropriate.

Managing Citizenship

Our progress toward sustainability is directed by a cross-functional team established in 2004. This team develops and implements strategies to address sustainability challenges faced by our business and communities and includes senior-level representatives from key functions and geographies throughout the Company, with representation from our key bottling partners.

At the Board level, our programs, performance and progress toward sustainability are primarily reported to the Public Issues and Diversity Review Committee. This committee is also responsible for significant issues of concern to our external stakeholders.

Business Ethics

We are committed to maintaining the highest standards of business ethics, and we require our employees to act with honesty and integrity in all business matters.

At the Board level, the Audit Committee is responsible for overseeing the Company's ethics programs, including the Company's *Code of Business Conduct*.

Code of Business Conduct

Our Company's *Code of Business Conduct* serves to guide the actions of our Directors, officers and employees in ways that are consistent with our core values. Our Code covers conflicts of interest; working with governments; working with customers and suppliers; financial records; use of Company assets; and protecting information. Bribery and corruption are expressly prohibited, and political contributions must be in compliance with applicable local law. Contributions must be approved by an employee's principal manager and the general counsel and be properly recorded. Our Code was revised in 2002 and meets the requirements of the Sarbanes-Oxley Act of 2002 and the listing standards of the New York Stock Exchange.

Key points in our Code include the following:

- employees must follow the law wherever they are around the world;
- employees must avoid conflicts of interest—and the appearance of conflicts of interest;
- financial records—for internal activities and external transactions—must be timely and accurate;
- employees must never attempt to bribe or improperly influence a government official;
- customers and suppliers must be dealt with fairly and at arm's length;
- violations of the Code include asking other employees to violate the Code, not reporting a Code violation or failing to cooperate in a Code investigation; and
- violations of the Code result in discipline, and in some cases termination.

Implementing Our Code

The Ethics & Compliance Office is responsible for administration of the Code, including training, management of reporting mechanisms and contacts, oversight of investigations into potential violations, and reporting to senior management and the Audit Committee.

All Directors, officers and employees receive training on our Code. Mandatory compliance training courses are also provided on other applicable laws and regulations.

Employees are required to report any suspected Code violations. They may contact the Ethics & Compliance Office directly or anonymously via a toll-free hotline and our intranet. Translation services are available for non-English speakers. The Company strictly prohibits any reprisals for making a good-faith report of a suspected Code violation.

Our *Code of Business Conduct* and *Procedural Guidelines* are available in multiple languages on our Web site, www.coca-cola.com.



The world faces vast developmental challenges. More than 1 billion people live on less than one dollar a day, and a similar number of people have no access to safe drinking water. More recent issues, such as climate change, water scarcity and HIV/AIDS, pose further challenges and have the potential to undermine some advances already made.

Addressing these challenges requires not only an unprecedented level of commitment and partnership among countries, but also new collective action among governments, civil society and the private sector.

In a demonstration of such commitment, governments have adopted the United Nations Millennium Development Goals, aimed at eradicating extreme poverty by the year 2015.

Contributing Unique Skills

The private sector can also contribute significantly to development. It invests in communities, creates jobs and tax revenue, and transfers knowledge and technology, stimulating entrepreneurship. Yet, we must ensure that such development is sustainable—that by meeting our needs today, the needs of future generations are not jeopardized.

Sustainability has increasingly become a business imperative. Issues such as water scarcity pose significant risks to our business and our social license to operate. These risks potentially create a negative value proposition by increasing costs and damaging relationships.

At The Coca-Cola Company, we use our unique skills and capabilities—technical and marketing expertise, a global production and distribution system, and the reputation of our brands—to help address principal challenges. Three principal challenges demand our heightened attention: **water, health and wellness, and HIV/AIDS in Africa.** Our key initiatives in response to each of these issues are outlined in this report.

Building Trust and Dialogue

We cannot contribute to solving such challenges in isolation, or without a strong foundation of trust. We have reviewed our approach to consulting our diverse stakeholders—our shareowners, employees, bottling partners, business partners, customers, consumers, communities, governments and nongovernmental organizations (NGOs)—and plan to make our engagement with them more systematic and robust (see *Engaging Our Stakeholders* section, p. 10).

We are collaborating closely with suppliers and customers. For example, we have already begun work with suppliers on social and environmental initiatives, such as the development of climate-friendly refrigeration (see *Environmental* section, p. 30) and implementation of common labor standards (see *Workplace* section, p. 26).

In addition, we are evolving our reporting practices by providing more data and targets and reporting against external indicators in response to stakeholder feedback. In so doing, we are guided by the reporting guidelines issued by the Global Reporting Initiative (GRI), the most widely recognized standard for sustainability reporting. By being more accountable and transparent, we aim to improve both our performance and our stakeholder dialogue.

Conducting Our Business Responsibly

Underpinning all of these new initiatives is the way we conduct our business. We must have the fundamentals right at an operational level. To this end, we have developed *Citizenship@Coca-Cola* together with our largest bottling partners. We are rolling out this framework to our other bottling partners around the world. This comprehensive program describes our core commitments, principles, standards and policies, which we are working to embed in our marketplace, workplace, environment and community practices. Gap assessments are helping us evaluate our performance, determine future plans and targets, and hold management accountable for progress.

We are working on demonstrating compliance with relevant external operational standards. We have already benchmarked our integrated quality, environment, and health and safety system against relevant external standards as detailed in the *Marketplace*,

Workplace and *Environment* sections. We are currently evaluating standards to measure the social aspects of our performance.

Scope of This Report

The data in this report covers the 2004 calendar year and provides examples of the work we are doing. The financial and performance data reported are based on our 2004 operating structure—five geographic operating groups, rather than the structure created effective May 1, 2005. Where information is based on current data at the time of printing this publication, we have so indicated. This report references policies, programs and performance from The Coca-Cola Company's operations in more than 200 countries. In some instances, particularly in the environmental section, data provided represents both the Company and our bottling partners. It does not cover joint ventures.

We recognize the value of verification to external stakeholders and to our organization internally as a management tool. The environmental data in this report has been verified by an external agency, as set forth in our more detailed *2004 Environmental Report* available on our Web site, www.coca-cola.com. Data in the other sections of this report has been verified internally. We continue to work on expanding the data we verify externally.

Additional Information

Further information on our business can be found on our Web site, www.coca-cola.com, and in our *2004 Annual Report on Form 10-K* and *2004 Summary Annual Report*, both of which are available on our Web site. In addition, separate and more detailed reports are produced on our environmental performance, our workplace and our HIV/AIDS programs in Africa and also are available on our Web site.

ENGAGING *our stakeholders*

We believe it is essential to maintain a dialogue with stakeholders inside and outside our system. We strive to understand their needs and concerns about our business and work collaboratively to address common issues. In this way, we are able to build trust and mutually beneficial relationships between our business and society.

Examples of our engagement include the following:

- *Employees*: surveys, business briefings, intranets, and local and regional meetings;
- *Bottling Partners*: Top-to-Top senior management forum and working groups;
- *Suppliers*: *Supplier Guiding Principles* program;
- *Customers*: dedicated account management teams and customer research councils;
- *Shareowners*: Annual Meeting of Shareowners, statutory and other disclosures and reporting;
- *Consumers*: consumer information centers, global and local Web sites, plant visits, and marketing campaigns;
- *Governments*: meetings, briefings and participation in industry associations; and
- *Unions and NGOs*: partnerships on specific issues.

Several formal advisory bodies and working relationships have been set up to provide our management with guidance and perspectives on topics pertinent to our business, sustainability and the views of external stakeholders, including the following:

The *International Advisory Board* (IAB) was formed in 2002 to help Company senior management understand the cultural, economic and political dynamics impacting the business. The IAB is composed of leading figures from business, government and academia and has discussed topics such as United States–European relations and the HIV/AIDS pandemic. The Honorable Richard C. Holbrooke, Vice Chairman of Perseus and former United States Ambassador to the United Nations chairs the IAB.

The *Environmental Advisory Board*, formed in 2002 (see *Environmental* section, p. 34), and the *Beverage Institute for Health and Wellness*, formed in 2004 (see *Key Initiatives: Health and Wellness* section, p. 14), provide guidance to our Company on a global level.

The *European Advisory Board* is composed of leading figures in Europe and was formed in 2003 to provide senior management with strategic insights on the European Union, and to help establish a dialogue with European decision makers. Lord Alan Watson, Chairman, Burson-Marsteller, Europe chairs this board.

The *India Stakeholder Advisory Board*, formed in 2003, is composed of leading professionals in economics, law and industry and is chaired by former Cabinet Secretary Naresh Chandra. This board provides guidance on operational, environmental and social issues, and corporate governance in India.

In 2004, we held our first-ever *Stakeholder Forum*, bringing together outside experts, management and employees to discuss water issues facing the world and our business (see *Environmental* section, p. 34).

In 2005, we established an ongoing working relationship with IUF*, the global union federation representing the largest number of unionized system employees.

We also participate in numerous organizations that address sustainability broadly or focus on specific topics, such as Business for Social Responsibility, CSR Europe, the Global Business Coalition on HIV/AIDS, the Global Environmental Management Initiative, the International Business Leaders Forum, the World Business Council for Sustainable Development, and the World Economic Forum.

In 2005, we appointed a global director of Stakeholder Engagement and a director of Global Labor Relations.

* *International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association.*

OUR CITIZENSHIP *framework*

Citizenship@Coca-Cola provides a framework for how we conduct our business in four broad areas: marketplace, workplace, environment and community. This section of the report discusses our commitments, performance and challenges in each of these areas.

Within this broad framework, we have identified several key areas that are of concern to both our business and society. In these areas, we believe we have a special opportunity and capability to help—offering our expertise, local knowledge and global networks in support of collaborative efforts to find sustainable solutions.

In 2004, we undertook or advanced initiatives to address three key areas: **water, health and wellness**, and **HIV/AIDS in Africa**. Our initiatives reflect a holistic approach to these issues, aimed at ensuring the sustainability of our own business practices and working with external partners to help find solutions for communities and society.



<p>MARKETPLACE</p> <p>Our commitment is to provide products and services that meet the beverage needs of our consumers. In doing this, we provide sound and rewarding business opportunities and benefits for customers, suppliers, distributors and local communities.</p>	<p>WORKPLACE</p> <p>Our commitment is to foster an open and inclusive environment based on recognized workplace human rights, where a highly motivated, productive and committed workforce drives business success through superior execution.</p>
<p>ENVIRONMENT</p> <p>Our commitment is to conduct our business in ways that protect and preserve the environment and to integrate principles of environmental stewardship and sustainable development into our business decisions and processes.</p>	<p>COMMUNITY</p> <p>Our commitment is to invest time, expertise and resources to provide economic opportunity, improve the quality of life, and foster good will in communities through locally relevant initiatives.</p>

KEY INITIATIVES: *water*

What Is the Issue?

Water scarcity is one of the most urgent global challenges. One-third of the world's population already lives under water-stressed conditions, a figure predicted by the United Nations Environment Programme to rise to two-thirds by 2025.

Lack of safe drinking water and sanitation are major global problems. Approximately 20 percent of the world's population does not have access to safe drinking water, leaving them vulnerable to disease and food insecurity. In addition, almost half of the world's population lacks adequate sanitation, which directly impacts human health and environmental sustainability.

The United Nations Millennium Development Goals aim to decrease by half the proportion of people without access to safe water and sanitation by 2015.

Water and Our Business

Water is a shared resource that we all need to use responsibly. It is the main ingredient in all of our beverages and is itself an important product category. Water is also a critical natural resource and community asset, and we strive to be good stewards of this resource.

Our Commitment

We state in *Our Manifesto for Growth*:

Water is the lifeblood of The Coca-Cola Company. We have the responsibility and the opportunity to invest in the sustainability of this critical resource, and doing so will produce real benefits for both the Company and the wider world.

To achieve this vision, we are committed to:

- being the most efficient industrial water user among peer companies;
- helping to enable access to clean drinking water in underserved communities where we operate;
- supporting the protection of watersheds in water-scarce communities where we operate; and
- helping mobilize the international community around global water challenges.

What Are We Doing?

To be successful in achieving our goals, we must collaborate with various stakeholders. Therefore, we are working closely with our business partners in the bottling system and in the supply chain, and forming strong partnerships with local communities, governments, non-government organizations, and a wide array of other stakeholders.

We believe that our first priority is to constantly improve our water resource management, and to produce high quality products as efficiently as possible. To do this, many of our plants have created water conservation teams to identify and implement specific opportunities that improve performance and often are more cost-effective. We also have focused efforts to identify new technologies that can reduce our water use, improve water quality, treat wastewater, and reduce our environmental impact. In 2004, our system's water efficiency improved by 6 percent (see *Environmental* section, p. 32).

In addition, we are making progress in our commitment to ensure that wastewater is appropriately treated, consistent with applicable law and our own internal policies, before its discharge to the environment. By the end of 2004, approximately 81 percent of our system's facilities met our wastewater standard—up from 78 percent in 2003—and we are working to achieve 100 percent implementation of wastewater treatment standards by 2010.

The Coca-Cola Global Water Initiative: To establish a road map for water resource management in our business, our system launched the *Coca-Cola Global Water Initiative* in 2004.

As a first step, we initiated a comprehensive global water risk assessment—a highly detailed study of water issues at local, regional and global levels—

to help us build a clear understanding of water-related risks facing our business. The project required close collaboration at numerous levels of our business and input from many external sources, including external water studies, industry benchmark information and feedback from various stakeholder groups.

Using this study data, we have developed risk profiles identifying and prioritizing risks that our business faces related to water. We have used this assessment as a foundation for collectively developing tailored water solutions with our operating groups and bottling partners.

These solutions can be grouped into three categories, including the following:

- operational excellence in managing water resources throughout the manufacturing lifecycle;
- technological innovation to identify and implement breakthrough water technologies; and
- community and watershed partnerships to work together with other stakeholders to address pressing local water resource challenges.

Work is already underway in these areas, and progress will be documented in future reports.

Water and India: In the last two years, we have reported on allegations that our operations in the Indian state of Kerala were withdrawing water in a way that negatively impacted local water supplies. The Kerala plant's operations were suspended in March 2004 by nonrenewal of its license by the *Panchayat*, or local village council. Our Company appealed the legality of this decision to the Kerala High Court. A year-long independent scientific study of the plant's water usage, commissioned by the court, concluded that depletion of groundwater was not due to plant operations but to lower than expected rainfall. The court ruled in April 2005 that the nonrenewal of our license was not justified. We are working with the local communities to discuss the future of the plant.

In India, the Company has initiated partnerships to establish local rainwater harvesting in our plants and the communities we serve. We now have rainwater harvesting in more than 80 percent of Company-owned bottling facilities in India, returning a significant amount of water to local groundwater systems.



PROGRAM HIGHLIGHT: Vietnam—Clean Water for Communities

Although water is abundant in many parts of Vietnam, more than 40 percent of the rural population does not have access to a safe drinking water supply. Moreover, water is often polluted by poor environmental conditions.

In 2004, The Coca-Cola Company partnered with the United Nations Development Programme to launch the *Clean Water for Communities* initiative. We use technical expertise and funding to leverage local knowledge in developing sustainable solutions that meet the unique water needs of individual communities.

In its first year, the project provided water tanks to 180 needy households and additional water facilities to local schools and clinics in rural communities in six southern and northern provinces, benefiting thousands of local people. The program also aims to help build the long-term capability of communities to address their water needs, through ongoing education and the formation of local groups.

KEY INITIATIVES: *health and wellness*

What Is the Issue?

The World Health Organization (WHO) estimates that globally more than 1 billion adults are overweight, and 300 million of those adults are obese. The condition affects almost all ages and socioeconomic groups, even coexisting with malnutrition in developing countries. The causes of obesity are complex, with profound changes in society leading to more sedentary lifestyles and poor nutrition. Obesity contributes to chronic diseases, including cardiovascular disease, type 2 diabetes and hypertension.

Health and Wellness and Our Business

In its *Global Strategy on Diet, Physical Activity and Health*, the WHO stated that “a unique opportunity exists to formulate and implement an effective strategy for substantially reducing deaths and diseases worldwide by improving diet and promoting physical activity. By mobilizing the full potential of the major stakeholders, this vision could become a reality.” We share this vision and welcome the WHO’s call for private sector support.

Our Commitment

We are committed to offering a broad range of beverages so that consumers can choose products appropriate for their lifestyles and needs; to making our beverages available responsibly; and to providing information and opportunities for nutrition education and physical activity. We also contribute our skills and expertise to multi-sector partnerships that address obesity and promote healthy active lifestyles.

In 2004, we established the *Beverage Institute for Health and Wellness*. The institute is global in scope and supports nutrition research, education and outreach, with a primary focus on beverages. It is supported by an international advisory council of experts in public health, nutrition and exercise. Our Company will use the research to develop new beverages to meet the nutritional needs of consumers.

What Are We Doing?

In light of growing obesity trends, our key initiatives include the following:

- expanding our beverage portfolio to meet changing nutritional and lifestyle needs;
- collaborating with stakeholders to ensure we have responsible policies for our business, especially in schools; and
- partnering with governments, scientific experts and educators to promote nutrition education and physical activity.

Offering choice: Today, our Company offers nearly 400 brands and more than 2,100 products. In addition to soft drinks, we increasingly provide low- and no-calorie alternatives, juices and juice drinks, water, sports and energy drinks, teas, coffees, soy-based drinks, and fortified beverages with nutritional benefits. At the end of 2004, in ready-to-drink beverages, we were ranked globally No. 1 in sales of juices and juice drinks, No. 2 in sports drinks, and No. 3 in water.

We offer an increasing variety of package sizes to facilitate portion control. We communicate nutritional information on packages, Web sites, in leaflets and through consumer information centers. We also collaborate with retailers and restaurants to broaden their range of beverage offerings and to provide nutritional information.

Responsible marketing: It is critical that we make our beverages available in a manner our stakeholders view as responsible and trustworthy. We are therefore committed to marketing our products in an appropriate manner. For almost 50 years, we have had a policy prohibiting advertising of carbonated soft drinks on television programs targeted at children under the age of 12.

In addition, we have responsible policies for beverage availability in schools, and we respect the classroom as a commercial-free zone. In the United States, we introduced the *Model Guidelines for School Beverage Partnerships* in 2003.

These guidelines address four key issues with schools: contracts and financial arrangements, beverage availability, logos and signage on school grounds, and promotions. The guidelines are consistent with recommendations by the National Association of Secondary School Principals and ensure that sales of our beverages at schools are conducted in close collaboration with administrators; are consistent with educational goals; and that a broad range of beverages, including juices and juice drinks and water, are offered to students. Similar policies have been developed or are being developed around the world with local stakeholders.

Multi-sector partnerships: Although physical activity is critical in stemming obesity, at least 60 percent of the global population fails to achieve the WHO's recommended 30 minutes of daily physical activity.

We have long supported sports around the world, yet we have the opportunity to do more. We are working with governments, educators, scientific experts, youth organizations and other companies to understand and address the trend of declining physical activity, and to encourage active lifestyles.

For example, our *Thai Kids on the Move* program was the first government–private sector partnership in Thailand to address obesity. The program, in partnership with the Ministries of Public Health and Education, features aerobics and classroom instruction and has involved 189,500 students and aims to reach 1 million students by 2007. Independent research found more than 70 percent of participants increased their daily physical activity by 20 to 40 minutes, and 94 percent learned the importance of exercise and nutrition.

We are also trying to help address malnutrition. For example, in the Philippines, we have piloted a program called *NutriBreak*, providing fortified juice drinks and protein-rich food supplements to school-children to help treat and prevent malnutrition and undernourishment.



PROGRAM HIGHLIGHT: Encouraging Healthy Lifestyles

From the United States to Singapore to Australia, we have launched innovative programs to encourage physical activity among young people, provide nutrition education and teach them about healthy lifestyles.

Large-scale programs are created with government agencies and nutrition, scientific or sports bodies. In the United States, for example, *Step With It!* has reached 1 million students—as has our *Active Factor* program in Australia.

Programs are designed to be fun and inspirational, with the aim of instilling life-long habits. In 2004, new programs were launched in Korea, Italy and China. In 2005, our *Triple Play* initiative with Kraft Foods will be rolled out to 3,400 Boys and Girls Clubs of America.

KEY INITIATIVES: *HIV/AIDS in Africa*

What Is the Issue?

Globally, nearly 40 million people are estimated to have HIV/AIDS. In 2004, the pandemic claimed more than 3 million lives, and nearly 5 million people acquired the HIV/AIDS virus, according to UNAIDS.

While HIV/AIDS is geographically unlimited, more than 70 percent of people infected live in Africa. The HIV/AIDS epidemic is one of the greatest obstacles to Africa's social and economic future. It threatens to undermine the economic advantages of a decade of progress. What makes HIV/AIDS such a potent threat is that the people it most affects—the young and active—are the very people necessary to drive forward Africa's development.

HIV/AIDS and Our Business

Together, our Company and bottling partners are one of Africa's leading investors and its largest private sector employer. We employ some 60,000 people across the continent and are committed to helping stem the spread of HIV/AIDS.

The business rationale for tackling HIV/AIDS is straightforward—it is devastating the community, our employees and our business partners. The epidemic increases costs, reduces productivity and threatens economic prosperity. And with a business and products that are at the heart of communities, we also seek to improve the lives of those our business touches.

Our Commitment

Our system is committed to reducing the impact of HIV/AIDS on our employees and the communities we serve. Since its establishment in 2001, The Coca-Cola Africa Foundation, based in Swaziland, has led our system's efforts to prevent and treat HIV/AIDS in Africa.

What Are We Doing?

Initially launched by the Company in 2000 and extended to our 40 African bottling partners by 2002, the Coca-Cola system in Africa has implemented one of the most comprehensive employee HIV/AIDS health care programs in Africa.

Through education and awareness campaigns, as well as making prevention programs and treatment available to approximately 60,000 system employees and their spouses and children, some 300,000 people are reached by our system's initiatives. These programs include the following:

Awareness: Because education is crucial to combating HIV/AIDS, a range of communication initiatives helps empower our employees and their families in the fight against HIV/AIDS. These include a prevention and awareness course for employees in Africa; a locally published and widely distributed *HIV and AIDS Associates Factbook*; and regular education and information sessions. Each year, the Company marks World AIDS Day by communicating with employees in Africa, encouraging them to take a leadership role, and providing them with packages containing condoms, HIV/AIDS ribbons and educational materials.

Voluntary testing and counseling: The Coca-Cola Africa Foundation encourages voluntary testing, and confidentiality is respected at all times. Employees are not expected to disclose their HIV/AIDS status and conditions. We also provide counseling services. Across Africa, there is work yet to be done in breaking down the stigma associated with the disease, and we are working closely with NGOs and other partners on this issue.

Care and treatment: Full antiretroviral treatment is available to all system employees in Africa, their spouses and their children. Thus far, a limited number of employees and dependents are taking advantage

of treatment. We expect these numbers to increase as voluntary testing becomes more widespread and the social stigma associated with the illness decreases.

The cost of bottler workplace programs is shared equally by our bottling partners and The Coca-Cola Africa Foundation. Partnerships with pharmaceutical companies, governmental organizations and NGOs help in the management of these programs.

Addressing HIV/AIDS in communities: Our commitment to the fight against HIV/AIDS in Africa extends far beyond our system's workforce. We have also partnered with governments and numerous local and international organizations in the broader fight against the disease.

In addition to financial resources, we contribute the unique capabilities and resources of our business system where they can add value to the many local, national and global efforts to fight HIV/AIDS currently under way. Our continent-wide distribution system is used to disseminate needed materials and supplies such as condoms and information leaflets. Our marketing communications and advertising expertise is used

to develop awareness campaigns and materials that will reach broad audiences, including special television and radio programming. Advertising space—on billboards, radio and television—is also regularly donated for awareness-raising campaigns.

We also make use of our brands. For example, some brand campaigns contribute a portion of sales to HIV/AIDS-related projects. We have also staged rock concerts aimed at bringing HIV/AIDS messages to young people in an appealing and credible way.

Employee involvement in community HIV/AIDS initiatives is encouraged through organized volunteer projects and a matching contribution program called *The Big Match*. Our system also supports infrastructure projects, including the construction of hospices and orphanages.

In 2004, a pioneering HIV/AIDS awareness campaign by Coca-Cola Egypt—aimed at breaking long-standing taboos around the disease, particularly among young people—was chosen from more than 40 entrants to win the *Award for Business Excellence in the Community* by the Global Business Coalition on HIV/AIDS.



PROGRAM HIGHLIGHT: The Love Life Caravan in West Africa

In 2004, the Coca-Cola system supported an innovative regional World Bank HIV/AIDS awareness campaign, designed to stop the spread of the disease in five West African countries.

A highly visible caravan of specially equipped vehicles staffed by health experts, volunteers and artists ran the length of the most heavily trafficked corridor on the continent—from Nigeria through Benin Republic, Togo and Ghana to Côte d'Ivoire—staging music and drama while providing education, counseling and treatment to millions of people living and traveling along the 1,000-mile route. By the time the caravan—the first program of its kind—ended in Abidjan, Côte d'Ivoire, it had reached an estimated 50 million people.



PROGRAM HIGHLIGHT:
Supporting Minority- and Women-Owned Businesses in the United States

Our Supplier Diversity process is a business strategy that assures equal opportunity and access for minority- and women-owned business enterprises (MWBES) to provide goods and services.

Our mentoring program prepares MWBES to competitively seek and maintain business with the Company, as well as other corporations. Our second-tier program requests that prime suppliers subcontract a portion of their contracts with MWBES.

Since 2001, we have exceeded our annual spending goals with MWBES, and we surpassed our 5-year goal of \$800 million in 2005. In 2004, we were recognized as "Corporation of the Year" by the Georgia Minority Supplier Development Council.



PROGRAM HIGHLIGHT:
Creating Economic Opportunities in South Africa

More than 166,000 jobs are supported directly and indirectly by our system in South Africa, representing 1.4 percent of employment in the country, according to a new economic impact study. This figure includes 70,000 people in the informal sector who depend on Coca-Cola products for employment.

The study, conducted by the Moore School of Business at the University of South Carolina and the University of South Africa in 2004, found that our beverages are one of the biggest generators of income for informal retailers, attracting customers and stimulating other sales.



PROGRAM HIGHLIGHT:
Small Retail Customer Training in Chile and Peru

In Latin America, the Coca-Cola system supports our small retail customers by offering business development training to help increase their profitability. These courses offer marketing, merchandising, sales, research and administration skills building. In Chile, more than 3,000 customers participated in training at a dedicated customer development center in Santiago throughout 2004. More than 1,700 customers in Peru have participated in a business training course established in late 2004. We estimate that approximately 58 percent of our products are sold through small retailers in Chile, and 67 percent are sold through small retailers in Peru.

CREATING VALUE in the marketplace

Our business and our relationships are built on trust. To maintain this trust, we must provide products of the highest quality that anticipate and meet the needs of our customers and consumers. We must conduct our marketing in ways that are not only innovative but also responsible. In doing this, we provide sound and rewarding business opportunities and benefits for our customers, suppliers, distributors and local communities.

Creating Local Economic Benefits

While our Company is global, our business in each country is local, with significant benefits accruing to local economies and communities.

Our beverages are produced locally at 867 plants around the world, employing primarily local people and representing hundreds of millions of dollars in facilities, marketing and purchases from suppliers.

We also contribute to local economies through taxes and the sale of our products through local and regional retailers.

Our extensive beverage distribution system reaches into the heart of even remote communities. This, together with the relatively simple and affordable nature of our products,

means that we provide opportunities for a myriad of small businesses and microenterprises to sell our products or supply our business.

Independent studies have examined the impact of our business on economies and employment. Studies in emerging and developing economies in Asia, Africa and Eastern Europe have consistently documented the significant job multiplier effect of our business: Each direct job in our system indirectly generates or supports additional jobs in related businesses, including suppliers and retailers. A 2004 study in South Africa found that one job creates 16 additional jobs in the country's informal retail sector.

We also actively support small retailers and microentrepreneurs. For example, we have a program in Vietnam that provides pushcarts and ongoing training and support to previously unemployed women who now sell our products. This program has effectively created 2,000 thriving small businesses. We plan to double the reach of this program in 2005.

In Kenya, our system stimulates entrepreneurship and employment opportunities by providing people with the opportunity to run kiosks selling our products. The program was established in 1990 in Nairobi, Kenya and now extends nationwide. Starting in 2005, a public-private task force will evaluate and evolve the program, enhancing its sustainability.

Servicing our retail customers in remote African communities has also led to innovative approaches and new employment opportunities. Our system has helped local people establish small-scale distribution centers to meet these customers' needs in Ethiopia, Kenya, Tanzania and Uganda.

Our partnership with the International Finance Corporation, part of the World Bank Group, has helped provide these entrepreneurs with access to funding. A similar program in Nigeria has created a network of more than 550 small businesses, 70 percent of which are run by women.

Supporting Our Customers

Our customers range from large, international retail and restaurant chains to small, local family-run businesses. Regardless of their scope and size, we are committed to helping each of our customers develop their business. Growing their businesses helps grow ours, too.

Together with our bottling partners, we provide account management teams, services and support tailored to meet customer needs. For example, we set up Coca-Cola Retailing Research Councils in Africa, Europe, Latin America, and North America to study critical issues in the food retail industry and to make research available to customers.

Our Quality System

The Coca-Cola Quality System (TCCQS) is our quality management system, integrating our approach to managing quality, the environment, and health and safety. Through continuous improvement, our system strives to achieve the most stringent, up-to-date global requirements governing food safety, as well as quality management methods, industry best practices and marketplace conditions. In 2004, demonstrating continuous improvement, we developed and rolled out our third version of the system, *TCCQS-Evolution 3*.

This latest version of our system has been externally benchmarked against the international standards ISO 9001: 2000 (quality), ISO 14001: 1996 (environment), and OHSAS 18001: 1999 (occupational health and safety) by internationally recognized registrars Société Générale de Surveillance-International Certification Services (SGS-ICS) and Lloyd's Register Quality Assurance (LRQA). They found TCCQS to meet the requirements of all three standards. *TCCQS-Evolution 3* also incorporates the *Hazard Analysis and Critical Control Point (HACCP)* system. *Our Commitment to Quality* and *The Coca-Cola Quality System* brochures are available on our Web site, www.coca-cola.com.

Measuring customer satisfaction is mandated by *The Coca-Cola Quality System (TCCQS)*. We determine customer opinions in a variety of ways—from day-to-day contact to formal surveys. We also perform audits and monitor performance data to help ensure delivery of a high service standard.

Partnering with Our Suppliers

We seek to work with suppliers who share our values and commitment to the highest standards of quality, integrity and excellence, compliance with the law, and respect for the customs and cultures of communities.

Our requirements of suppliers, in terms of ethics, human rights, workplace practices and environmental performance, are detailed in our *Supplier Guiding Principles*. Our quality standards are detailed in our *Expectations of Supplier Performance*. Both documents are available on our Web site, www.coca-cola.com.

Supplier Guiding Principles

At a minimum, our suppliers must meet all local laws and regulations with respect to their operations. There is explicit prohibition against

child labor, forced or compulsory labor, and abuse of labor. Suppliers must respect employees' rights to choose whether to be represented by third parties and to bargain collectively in accordance with local law.

Suppliers must be able to demonstrate compliance with these requirements. We have the right to inspect any site involved in work for our Company, and any supplier that fails compliance is subject to termination.

Implementing Our Supplier Guiding Principles

We have communicated our *Supplier Guiding Principles* to our suppliers, and our minimum requirements are part of all new or renewed commercial agreements. We have conducted training for nearly 150 suppliers.

We have also commenced third-party auditing of supplier facilities against these standards. In 2004, we audited 600 facilities that manufacture our packaging, ingredients and marketing materials around the world. In 2005, we plan to audit more than 1,000 suppliers. In the future, we aim to audit more of our suppliers on a regular cycle.

Thirst for Knowledge

The Coca-Cola Company supports customer efforts to be responsible corporate citizens in their workplace, communities and environmental performance. For example, in 2004, our Company partnered with a workforce development company, Retention Education, and launched a new program in the United States called *Sed de Saber*^{®*} or *Thirst for Knowledge*. This program is expected to reach more than 50,000 limited English-proficient workers in the foodservice, hospitality and retail industries and provide them with the English language and life skills necessary for career development.

This program demonstrates our Company's commitment to our customers, as it helps operators address one of the many language challenges of an increasingly diverse workforce.

* *Sed de Saber*[®] is a registered trademark of Retention Education.

Auditing is conducted by Cal Safety Compliance Corporation, a firm accredited by Social Accountability International, the Fair Labor Association and Worldwide Responsible Apparel Production. Auditors assess facilities, review documentation and interview randomly chosen employees. Where standards are not met, we work with suppliers on corrective action plans and conduct follow-up audits. Where audits reveal serious violations or suppliers refuse to implement corrective action, we terminate business relationships. In 2004, we terminated five suppliers based

on failure to comply with our workplace, environmental and other standards.

Serving Our Consumers

Consumers are at the heart of everything we do. We are committed to innovation in order to meet consumers' changing needs and lifestyles, and we invest significantly in consumer research to understand these needs and lifestyles.

We have a duty to care for consumers and are particularly aware of how our activities may affect young people. We are committed to marketing our products in a way that is

Our Supplier Guiding Principles

Work Environment: We expect our suppliers to judge their employees and contractors based upon their ability to do their jobs and not upon their physical and/or personal characteristics or beliefs, affirming the principle of no unlawful discrimination based on race, color, gender, religion, national origin or sexual orientation.

Health and Safety: We expect our suppliers to provide a safe workplace, with policies and practices in place to minimize the risk of accidents, injury and exposure to health risks.

Child and Forced Labor; Abuse of Labor: We expect our suppliers not to employ anyone under the legal working age nor to condone physical or other unlawful abuse or harassment or the use of forced or other compulsory labor in any of their operations.

Wages and Benefits: We expect our suppliers to compensate their employees fairly and competitively relative to their industry in full compliance with applicable local and national wage and hour laws and to offer opportunities for employees to develop their skills and capabilities.

Collective Bargaining: In the event their employees have lawfully chosen to be represented by third parties, we expect our suppliers to bargain in good faith and not to retaliate against employees for lawful participation in labor organization activities.

Environmental Practices: We expect our suppliers to conduct business in compliance with applicable environmental laws.

Communication: We expect suppliers to communicate these *Supplier Guiding Principles* to their employees. These *Principles* should be provided in the local language and posted in an accessible place. We also expect suppliers to develop and implement appropriate business mechanisms to monitor compliance with these *Principles*.

deemed responsible (see *Health and Wellness* section, p. 14). We abide by applicable advertising codes and standards everywhere we operate.

The Coca-Cola Quality System (TCCQS) mandates that every operation maintain a consumer information center or other mechanism to facilitate consumer feedback and provide information about our beverages and our business. Consumer feedback must be linked to corrective and preventive action systems and to our *Incident Management*

and Crisis Resolution program (see *Corporate Governance* section, p. 6).

Good Answer, our United States–based consumer support center, handled approximately 840,000 contacts by phone, email or mail in 2004. Consumers were invited to comment on how their contact was handled, and more than 94 percent of respondents expressed satisfaction with service received.

El Salvador—Sugar Plantations

When Human Rights Watch (HRW) contacted us about suspected child labor in Salvadoran sugar mills, we moved quickly to review our direct suppliers' policies and practices. Although a 2003 audit of the major refinery found no child labor, we again verified that supplying mills had sound policies against employing underage youth.

Nevertheless, child labor is a problem on family-owned farms and farm cooperatives in El Salvador. In support of a multi-stakeholder effort to help address this problem in the sugar industry, the local sugar association increased monitoring and enforcement, education of parents and communities and provided expanded educational opportunities for rural children for the 2004/05 harvest. According to International Labor Organization (ILO) project data, 65 percent of the ILO-targeted group of 5,000 children under 18 that worked in the previous year's harvest were removed from the 2004/05 harvest as a result of a variety of community efforts. Furthermore, over 15,000 children under 18 years of age deemed by the ILO to be at risk of working in the harvest, have been prevented from beginning work in the harvest. This significant improvement was driven through community programs focused on school enrollment, parental awareness and creating local non-hazardous opportunities for youth.*

During the 2004/05 harvest, representatives of The Coca-Cola Company and our Salvadoran bottling partner regularly engaged with the Salvadoran Sugar Association, local NGOs, the ILO and others related to a number of the projects underway as part of the national program to address child labor in the sugar industry. Review of the outreach programs and their impact is still on-going by the ILO and other stakeholders to identify those initiatives which show the greatest promise for success over time.

Within our roles and abilities, we and our bottling partner in El Salvador, will continue to work with our direct suppliers, the sugar association, NGOs, local officials and the International Labor Organization in El Salvador to strengthen community outreach and increase youth access to education and opportunity.

* Source: *The International Labor Organization and the International Programme on the Elimination of Child Labour (ILO-IPEC), El Salvador*

PROGRAM HIGHLIGHT: Creating a Great Place to Work in Chile

In 2004, in a survey conducted for the sixth consecutive year by PricewaterhouseCoopers and *Diario Financiero* in Chile, Coca-Cola Chile was named the country's "Most Admired Company." The Company also ranked third in The Greatest Place to Work Institute's survey—the highest ranking of a multinational company for Chile in this category. The achievement is a result of the Company's focus on promoting individual development and team spirit, regular performance reviews, frequent training and development opportunities, and coaching and career planning. Group community volunteer programs, such as *Un Techo para Chile*, in which employees build homes for low-income residents, contribute to a sense of pride, motivation and teamwork.



PROGRAM HIGHLIGHT: Female Leadership in Asia

In 2004, our Asia group created a Female Leadership Development Framework to harness the leadership potential of our female employees. A special training framework was designed based on input from female employees across Asia, and the resulting *Leadership & Influence in a Diverse World* program has now been piloted in two locations.

A unique skills-building and development experience, the program focuses on areas such as leadership, communication, negotiating and assertiveness. The framework has been well received by participants, and further workshops are now being planned.



PROGRAM HIGHLIGHT: Egypt's Employee Health Initiative

Egypt has one of the world's highest prevalence rates for hepatitis. Though treatable, it often goes undetected and is the country's most common cause of liver disease. Therefore, on World AIDS Day in 2004, Coca-Cola Egypt launched a voluntary testing program for all employees for hepatitis, HIV/AIDS, cholesterol and blood sugar. To ensure confidentiality, employees' names were coded and the codes were used to process all tests and communicate results. Doctors made repeated visits to Company facilities to take blood samples and follow up with diagnoses and treatments, which were covered by Company medical insurance. The program achieved a 76 percent participation rate.



EMPOWERING OUR PEOPLE in the workplace

For all its global complexity, our Company is built on two core assets: our people and our brands. The success of our business depends on every employee in our global enterprise. We are committed to fostering an open and inclusive work environment based on recognized workplace human rights, where all employees are valued, inspired, equipped to be the best they can be, and rewarded for contributing their talent and ideas to the achievement of our Company's business goals.

Workplace Environment and Human Rights

We seek to develop relationships with our employees that reflect dignity, fairness and respect, and that demonstrate our fundamental commitment to human rights.

Through the development of *Our Manifesto for Growth*, we have identified seven core values which we strive to live by each day in our workplace: leadership, passion, integrity, accountability, collaboration, innovation and quality.

The Company's *Policy for Work Environment Responsibility* lays out global standards and expectations for a safe, fair and inclusive environment for all employees of The Coca-Cola Company and of operations the Company owns or in which we hold a majority interest. This policy is available on our Company's intranet.

The policy requires compliance with all applicable local labor laws where we do business, including laws on working hours, working conditions, compensation and employees' rights to choose whether to be represented by third parties and to bargain collectively. It lays out specific expectations related to the following:

- health and safety, including required training and accident prevention;
- workplace fairness, including:
 - equal opportunity and nondiscrimination
 - prohibition of underage labor, abuse or harassment, and forced or compulsory labor
 - freedom of association and right of representation for employees;
- compliance with legal and industry standards on working hours; and
- fair and competitive compensation and benefits.

The policy states the Company's commitment to investigate, address and respond to the concerns of employees or third parties about conformance with the policy and to take corrective action in response to any nonconformance.

In the United States, for example, employees may raise any concerns through the Company's *Solutions* program, a multistep issue resolution process that begins with open-door discussions with a manager and includes the availability of external mediation and arbitration.

Employees may also use the Ombuds Office, a confidential, informal, and neutral independent resource, to explore and evaluate their options for addressing an issue or concern. The Ombuds Office serves an important role in complementing governance and ethics.

The Company recently implemented a pilot workplace assessment process, in which fundamental workplace, employee rights and human rights practices in selected Company and bottler operations in Africa, Asia, Europe and Latin America were reviewed by a globally recognized external assessor. This assessment process will be refined and its use expanded throughout the Coca-Cola system.

Additionally, following a comprehensive review of our workplace policies, one of our primary goals will be to establish a *Global Human Rights Policy*, which will reinforce our commitment to labor and human rights and reflect our ongoing efforts in this area.

To address these workplace issues in our value chain, the Company's *Supplier Guiding Principles* and vendor contracts require our suppliers to meet Company standards for employee and human rights (see *Marketplace* section, p. 22).

Labor Relations

Our *Policy for Work Environment Responsibility*, *Supplier Guiding Principles* and all Company vendor contracts contain the following specific language that describes the prohibition of discrimination and details related to freedom of association:

The Company, in accordance with local law, recognizes the right of employees to choose whether to be represented by third parties. The Company will bargain in good faith with any lawfully organized trade union representing its employees, and will not discriminate against any lawful representative of its employees.

Worldwide our Company has a diverse workforce of approximately 50,000 employees.

GLOBAL WORKFORCE 2004 (approximate numbers)				
Africa	Asia	Europe, Eurasia & Middle East	Latin America	North America
8,400	9,400	16,200	4,700	11,700*

* This number includes Corporate employees.

Currently, 18 percent of employees in the Company's concentrate and syrup plants are represented by labor unions.

In order to continue building the capabilities necessary to ensure that our Company's workplace policies and practices worldwide reflect our values and strategic growth paths, we named a director of Global Labor Relations in 2005. This director is responsible for developing and executing a global labor relations strategy, encompassing social compliance and human rights. The creation of this position has been welcomed by the Coca-Cola system, unions, and human rights and other groups with which we work.

Workplace Fairness and Global Diversity

Living the values of the Company is a responsibility we take seriously. The Company has a long-standing commitment to equal opportunity, fair and inclusive management practices, and to creating a work environment free of discrimination with respect to race, gender, color, national origin, religion, age, disability, sexual orientation or veteran status.

This commitment pervades our global organization. The percentage of minorities and females in leadership roles has increased from 22 percent to 41 percent between 1999 and 2004. Specific mechanisms for ensuring adherence to this commitment and addressing charges of discriminatory behavior vary among operating locations, reflecting local laws.

Recognition

In 2004, the Company won numerous awards and high rankings in various countries, including the following:

- top 10 of "Most Respected Companies in India" *Businessworld*, India;
- first place in Food and Beverages segment of "World's Most Respected Companies Survey 2004," *Financial Times*, PricewaterhouseCoopers;
- "Corporation of the Year," United States Hispanic Chamber of Commerce;
- "2004 Diversity Achievement Corporate Award, District Two," American Advertising Federation;
- "50 Best Companies for Minorities," *Fortune* magazine;
- "Top 50 Companies for Diversity," *DiversityInc*; and
- "Most Prestigious Company of the Decade" in Argentina and Uruguay, Center for Public Opinion Research.

Health and Safety

Ensuring a safe working environment is an integral part of *The Coca-Cola Quality System* (TCCQS), which establishes common operating standards for the Company and our bottling partners around the world on occupational health and safety, as well as environmental protection and product quality.

In 2004, a corporate *Safe Workplace Policy* was adopted as part of the *Safety Management System* that was developed for an enhanced

version of *The Coca-Cola Quality System* (TCCQS) aligned with the Occupational Health and Safety Assessment Series (OHSAS) 18001 standard. The system includes both assurance standards, which describe the management systems required for ensuring safety, and performance standards, which describe specific operational requirements and controls. Both are currently under revision to incorporate language from the recent revision of OHSAS 18001.

The *Safety Management System* requires that employees be involved in the development and review of policies and procedures to manage risks and consulted when there are any changes affecting workplace health and safety. Systems for collecting data on accidents currently vary among operations.

Training and Development

Investing in the development of all our employees is a priority for our Company. People at all levels of the organization from around the globe have participated in a wide range of training and development opportunities offered by the Company, including the following courses and programs:

- a wide range of skills training courses, both in the classroom and through an e-learning library of more than 1,200 online courses, ranging from computer software and financial fundamentals to management competencies such as performance review and coaching (available in some operating groups);
- leadership development programs aimed at all levels of the organization, including *The Leadership Experience: Leading from Within*, a two-week program for mid-level leaders that illuminates the discipline of execution and explores the Company's value chain, among other areas;

Labor Rights in Colombia

The Coca-Cola Company and our bottling partners have been doing business in Colombia for more than 70 years, and more than 8,000 people work in the eight plants currently operated by our bottling partners.

In recent years, our Company and our bottling partners have been falsely accused of complicity in the murder of union members in Colombia. Two different judicial inquiries in Colombia—one in a Colombian court and one by the Colombian Attorney General—found no evidence to support the allegations that bottler management conspired in or encouraged the murder of union members.

Contrary to the allegations, all unionized workers are covered by collective bargaining agreements, regulating wages, benefits and working conditions.

More than 30 percent of our bottlers' employees in Colombia are unionized in a country where the average is only about 4 percent for all workers. An external workplace assessment of our bottlers' operations in Colombia conducted by the globally recognized assessor, Cal Safety Compliance Corporation, found no evidence of attacks, threats or other types of intimidation by management of our Colombian bottlers against any employee or union official.

To reinforce the Company's commitment to the people of Colombia, The Coca-Cola Foundation has allocated \$10 million in seed capital to establish The Colombia Foundation for Education and Opportunity, an independent foundation that will work with nongovernmental organizations to provide job opportunities, health care, education and other services to Colombian citizens, particularly to those members of society who have been most affected by violence in that country.

- a suite of career planning tools, available on the Company’s intranet, that help employees conduct self-assessments and identify career planning options; and
- a system of mentoring programs that assist in broadening employees’ networks and knowledge through partnerships with people outside their direct reporting lines.

Employee Engagement

Being listened to is an important aspect of trusting relationships. The Coca-Cola Company is a place where employees can provide feedback and be heard. By listening to feedback and sharing insights, we create new opportunities and make decisions that benefit employees, the business, and all those who interact with our Company.

In 2004, the Company conducted our first worldwide employee survey. The survey, which was distributed to every employee and will be conducted globally approximately every 18 months, sought employees’ insights on the Company’s leadership, culture, business strategy, level of employee engagement and operational effectiveness.

More than 70 percent of employees participated in the survey. Insights gained from the survey proved highly valuable, helping Company leadership and managers focus on such issues as building confidence in our leadership;

enhancing the clarity of business strategies; and building a positive business culture that encourages sharing of best practices and innovation.

In addition to surveys, business updates and “town hall” meetings are held regularly in offices around the world to inform and engage employees on business developments and issues.

Rewards and Recognition

The Company is committed to providing competitive pay and benefits packages for our employees. Specific elements of these packages vary according to level in the organization and local practice. To ensure that they are competitive, the Company regularly benchmarks our programs against those of other leading companies in countries where we operate.

Our *Rewards and Recognition* program is designed to show alignment between Company performance and shareowner interests; support strong performance and accountability; consistently and equitably reward and recognize employees who exhibit the right leadership behaviors and deliver the right results; measure and reward performance; reward both individual and team contributions; and ensure that we are competitive when attracting and retaining the best talent.



PROGRAM HIGHLIGHT:
Developing Climate-Friendly Refrigeration

At the “Refrigerants, Naturally” conference in Belgium in June 2004, our Company and industry partners unveiled progress on an initiative to develop commercially viable, climate-friendly refrigeration that is hydrofluorocarbon-free and energy-efficient for use in vending machines and coolers. Carbon dioxide-based technology has emerged as the best alternative, and work has begun with suppliers to build capacity for cost-effective large-scale production. Supported by the United Nations Environment Programme, Greenpeace and others, the conference encouraged the wider industry to support the effort.



PROGRAM HIGHLIGHT:
United States Freshwater Biodiversity Program

In 2004, The Coca-Cola Company announced a three-year, \$2.05 million grant to support a program by the World Wildlife Fund to restore five critical freshwater systems in the United States, including a major network of rivers and streams in the Southeast. The grant will also be used to fund a global freshwater mapping project, incorporating data from scientists around the world. When complete, the project will be the most comprehensive synthesis of freshwater biodiversity data available.



PROGRAM HIGHLIGHT:
Galapagos Recycling Education Center

The Galapagos Islands are where Charles Darwin based his research on evolution. This archipelago of several volcanic islands is the home of many distinct and rare species of birds, mammals and reptiles. In order to help preserve the delicate balance of nature on the islands, in 2004 our Company partnered with the Galapagos Foundation to establish a Recycling Education Center in an effort to educate the community and visitors about different types of waste and the risks waste causes to the fragile ecosystem. As part of this project, approximately 8,700 kg of recycled goods are collected each month.



PROGRAM HIGHLIGHT:
Mission Active Factor in Australia

Mission Active Factor raised community awareness about the importance of preserving the environment and active living. The inaugural *Coca-Cola Community Awards* rewarded two people for making a difference in those two areas. Robert Swan, OBE, explorer and environmentalist, served as awards ambassador. The environmental winner joined him in Antarctica for a research mission, and the active lifestyle winner joined the crew of the *Active Factor* yacht (the first racing yacht to use sails containing 25 percent to 30 percent recycled PET) as it competed in the 2004 Rolex Sydney Hobart Yacht Race.

OUR COMMITMENT TO environmental stewardship

As a responsible environmental steward, we continually strive, together with our business partners, to minimize our impact on the planet at every step along our value chain. Our commitment to protecting and preserving the environment extends beyond Company-owned production plants. It includes setting standards and providing leadership for our system.

Environmental Management Systems and Standards

Protecting the environment is an integral part of *The Coca-Cola Quality System* (see *Marketplace* section, p. 20). The environmental portion of this system is known as *eKOsysteM*. This environmental management system provides common operating standards for all Company operations and for our bottling partners around the world. It ensures that environmental concerns are incorporated into our day-to-day operations and is used to improve performance, reduce costs and increase efficiencies.

The enhanced version of *eKOsysteM* adopted in 2003 is consistent with the international environmental management system standard ISO 14001* and exceeds this standard in

some areas by including additional detailed requirements tailored to our business, as well as corrective action and tracking procedures.

Our Environmental Performance

In 2004, our environmental performance improved in all key impact areas—water, energy and emissions, and solid waste—for the third consecutive year. Our system's water use continued to decline, as did energy use and emissions of greenhouse gases. Average solid waste generation also declined further, while recycling rates improved.

For more information on our environmental practices and performance, please see our 2004 Environmental Report available on our Web site, www.coca-cola.com.

* Two recognized independent registrars—Société Générale de Surveillance—International Certification Services (SGS-ICS) and Lloyd's Register Quality Assurance—have reviewed *eKOsysteM* in relation to certain audit work for the Company and indicated that it is consistent with the requirements of ISO 14001.

Additionally in 2004, we took some significant steps on programs aimed at ensuring continued improvement in our environmental performance while working with stakeholders to find shared solutions to pressing environmental problems.

Global Water Initiative: Having clearly identified water as a global environmental priority for our business, in 2004 we launched the *Coca-Cola Global Water Initiative*. We provide more information on the importance of water to our business in our *Key Initiatives* section, p. 12.

Climate change: Approximately 95 percent of the energy consumed by our system is used to provide the power for our bottling partners' operations which include equipment such as boilers, chillers and air compressors. In many locations, these operations also manufacture packaging, such as polyethylene terephthalate plastic (PET) blow molding.

We estimate that this energy consumption led to direct and indirect emissions of 5.5 million

metric tons of carbon dioxide (CO₂) in 2004, a decrease of approximately 200,000 metric tons compared with 2003.

Our efforts to develop climate-friendly refrigeration technology took a major step forward with the selection of an alternative hydrofluorocarbon-free technology, based on CO₂, which we are now working with suppliers, partners and other beverage sector companies to commercialize. This development was unveiled at a "Refrigerants, Naturally" conference in Brussels, Belgium in June 2004, with the support of governmental and nongovernmental organizations. We successfully tested the technology at the 2004 Olympic Games in Athens.

Solid Waste and Our Business

In 2004, the production of 70.14 billion liters of products in the plants covered by our reporting yielded 818,215 metric tons of solid waste from manufacturing operations. On average, 11.67 grams of solid waste of product was generated for each liter of product, representing a 4.5 percent improvement versus 2003.

AVERAGE RATIOS FOR PLANTS SUPPLYING DATA

	2004	2003	2002	% Change (2004 vs. 2003)
Water Usage	2.72	2.90	3.12	(6)%
	<i>(liters/liter of product)¹</i>			
Energy Usage	0.53 ²	0.54	0.57	(2)%
	<i>(megajoules/liter)³</i>			
Solid Waste Produced	11.67	12.22	12.54	(4.5)%
	<i>(grams/liter of solid waste that is generated by our plants)⁴</i>			
Recycling	76%	74%	76%	2 %
	<i>(% solid waste that is recycled by our plants)</i>			

¹ Many companies issuing environmental reports express water use ratios as cubic meters per ton of product, which is equivalent to the liters/liter ratio we use here.

² CO₂ Emissions: We estimate that our 2004 energy consumption led to direct and indirect emissions of 5.5 million metric tons of carbon dioxide (CO₂), a decrease of approximately 200,000 metric tons versus 2003.

³ Environmental reports by other companies use various measurement units. Gigajoules per ton of production is common and is equivalent to our megajoules per liter ratio. When applied to electricity production only, the numerator is often expressed in kilowatt-hours (kWh). 1 kWh is equivalent to 3.6 megajoules.

⁴ Many environmental reports express the waste generation ratio in kilograms per ton of production, which is equivalent to the ratio we use here. Some reports only measure waste that is sent for disposal and do not include waste that is reused or recycled.

Extrapolation of the waste ratio suggests an estimated total generation of industrial solid waste by our business system of 1,220 kilotons in 2004, a reduction of approximately 34 kilotons from 2003. Our system reused or recycled 76 percent of all solid waste produced in these plants, up from 74 percent in 2003. The combination of the improved solid waste ratio and improved industrial recycling suggests that our system contributed 39,700 fewer tons of waste for disposal from manufacturing operations in 2004 than in 2003.

We are committed to reducing waste through various recycling programs. For example, in 2002, the Company partnered with Coca-Cola FEMSA, PET supplier ALPLA and the Mexican government to build Latin America's first PET recycling plant, only the second in the Western Hemisphere and the largest in the world. The plant, which will be fully operational in 2005, will be able to recycle 25,000 tons of PET—double the amount currently recycled in Mexico.

Waste in production: Approximately 98 percent of our system's solid waste from production is generated during the bottling process.

Production waste includes the following materials:

- empty ingredient containers, such as drums, pails and jugs;
- secondary packaging: frames and cardboard slip-sheets that separate and stabilize layers of palletized cans;
- shrink or stretch film and/or plastic strapping that hold palletized products together;
- biosolids from water and wastewater treatment plants;
- glass or plastic from damaged bottles;
- wood from damaged pallets; and
- ingredient waste, such as tea leaves.

Packaging and Our Business

Packaging is a critical part of the network that delivers products to consumers and is an essential feature of public health and modern life. Unlike waste generated from manufacturing processes, consumer packaging adds value by extending shelf life, reducing breakage, minimizing transportation and handling costs, improving safety, and providing important product information and convenience to the consumer.

Packaging is also a key point of differentiation and source of competitive advantage for our brands. For that to continue, our customers

ESTIMATED TOTAL SYSTEMWIDE IMPACT				
	2004	2003	2002	% Change (2004 vs. 2003)
Water Usage	283	297	307	(5)%
	<i>(billion liters)</i>			
Energy Usage	54	55	56	(2)%
	<i>(billion megajoules)</i>			
Solid Waste Produced	1.22	1.25	1.24	(2)%
	<i>(million metric tons of solid waste that is generated by our plants)</i>			
Recycling	931	925	947	1 %
	<i>(thousand metric tons recycled by our plants)</i>			

and consumers must have confidence in the environmental integrity of the packages we offer. We have a long history of analyzing and minimizing the environmental impact of our consumer packaging, and we continue our commitment to this task. Most of our packaging materials can be recycled and, in many markets, represent the most widely recovered and reused consumer product packages.

Stakeholder Engagement

Committed to continually enhancing our dialogue with stakeholders, in 2004 we took this dialogue to a new level with our first *Stakeholder Forum*, focused on water. A number of outside experts from governmental and nongovernmental organizations and academia, as well as employees and senior management, gathered to discuss global water issues and the implications for the Company. Reaction was highly positive about the event, as it provided an opportunity for open dialogue and debate. Additional forums will be planned periodically to address other environmental issues.

Internationally, one of our principal mechanisms for stakeholder dialogue is our *Environmental Advisory Board (EAB)*. Formed in 2002, the EAB is composed of outside experts from the government, NGOs and academia. Through the EAB, our Chairman, our Executive Committee and other members of the senior management team receive candid, independent advice on existing and emerging environmental and sustainability issues, on the views of external stakeholders, and on our environmental policy, programs and performance.

Collaboration with Bottling Partners

Because much of the economic value and environmental impacts of our business are created outside of our Company-owned facilities, we work continually with our bottling partners to develop consistent policies and to improve the environmental performance of our entire system.

The *Coca-Cola Environmental Council*, established in 2002, provides a systemwide view of

Water

OPERATION	WATER USE RATIO			
	2004	2003	2002	% Change (2004 vs. 2003)
Concentrate & Beverage Base	0.013	0.014	0.015	(7)%
	<i>(liters of water per liter of finished product equivalent)</i>			
Bottle/Can	2.75	2.95	3.16	(7)%
	<i>(liters of water per liter of finished product)</i>			
Juices	2.38	1.76	2.43	35 %
	<i>(liters of water per liter of juice)</i>			
Fountain Syrup	1.23	1.34	1.12	(8)%
	<i>(liters of water per liter of syrup)</i>			
Packaged Water*	1.38	1.48	—	(7)%
	<i>(liters of water per liter of finished product)</i>			

* We began recording packaged water data in 2003, after our joint venture with CCDA Waters, L.L.C.

the environmental impacts of our operations, collaboratively shapes environmental strategies and shares best practices.

Membership includes senior environmental managers from the Company and our system's largest bottling partners, representing more than 200 production facilities around the world. Meetings are held twice each year.

Working with Other Business Partners

More than 5,000 suppliers provide materials for our products, such as beverage packaging, sweeteners and juices. As a customer of these businesses, we have an opportunity to integrate good environmental standards and practices into these relationships.

Since 2002, our commercial relationships with suppliers have been governed by our *Supplier Guiding Principles* (see *Marketplace* section, p. 22).

In 2004, we launched a formal process of initiating environmental collaboration with key suppliers, aimed at building mutual understanding of environmental issues and management approaches; mapping the supply-related environmental impacts of our products; identifying best practices; and developing joint environmental improvement projects. This process is in its early stages, but during 2004, we initiated contact with 20 key suppliers and reviewed their audit protocol to ensure the appropriate level of attention to environmental issues.

Key Targets and Timelines

The following are targets that we have set and publicly reported for key elements of our environmental impact. Given the local nature of our business, additional environmental performance management targets also are set on the local level.

COMPANY-OWNED OPERATIONS ¹			
Impact	Indicator	Target	Date
Environmental impact of The Coca-Cola Company's core operations ¹ : concentrate and beverage base production	Water use ratio	25.66 L/SU ²	2005
	Energy use ratio	12.95 MJ/SU ²	
	Solid waste ratio	177.72 g/SU ²	
	Recycling	81%	
SYSTEMWIDE OPERATIONS			
Impact	Indicator	Target	Date
Cold-drink equipment impact on climate change	Energy use (vs. 2000 baseline)	40%–50% reduced	2010
Wastewater discharge	Conformance with wastewater quality policy	100% of operations	2010
Consumer packaging	Recycled content in plastic bottles	10% of package from recycled materials (in the U.S. only)	2005

¹ For a listing of facilities we owned or held a majority interest in, operated or consolidated under applicable accounting rules in 2004, see *Our Business At-a-Glance*, p. 5.

² g = grams, L = liters, MJ = megajoules, SU = standard unit

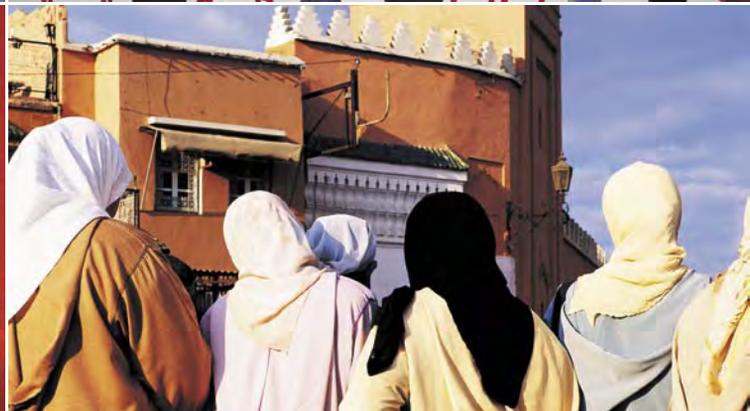
PROGRAM HIGHLIGHT:
Microenterprise in Indonesia

In a country where nearly 43 million people are under- or unemployed, many Indonesians try to sustain their families on microenterprises. Coca-Cola Bottling Indonesia has partnered with a bank and two local NGOs to create a unique *Microenterprise Development Program*, offering participants low-interest loans and self-help groups where professional mentors provide management and financial training. The capacity-building program has been very successful, with 95 percent of participants having repaid their loans and built businesses.



PROGRAM HIGHLIGHT:
Virtual Store in Spain Funds Charitable Programs Abroad

2004 was the first year of operation for the Coca-Cola Virtual Store in Spain. The store, which can be found on the Coca-Cola Spain Web site (www.conocecocacola.com), sells a wide range of Coca-Cola trademarked goods and publications. The profit of items sold is contributed to a variety of social projects in developing countries, including a project of the Spanish Red Cross to construct drinking water wells in Guinea-Bissau, and several projects of the United Nations High Commission for Refugees.



PROGRAM HIGHLIGHT:
Valuing Youth

The Coca-Cola Valued Youth program—which celebrated its 20th anniversary in 2004—gives secondary students at risk of dropping out of school the opportunity to develop their self-esteem by tutoring primary school pupils, with support from teachers and administrators. Since 1984, our Company and The Coca-Cola Foundation have awarded more than \$4.4 million to the program, reaching approximately 15,000 tutors. In 2004, the program operated in more than 100 schools in 27 cities across the United States and Brazil.

PROGRAM HIGHLIGHT:
Ramadan Charity Programs

Across the Muslim world, Ramadan is a time for family and for compassion toward the less fortunate. Each day's fast is broken with the *Iftar* meal. During Ramadan in 2004, The Coca-Cola Company in Morocco partnered with a local NGO to distribute 2,000 *Iftar* meals each day—a total of 60,000 meals during the holy month—to the underprivileged. In Egypt, a Ramadan program called *Buy One, Help One* raised \$46,000 for a Children's Cancer Hospital in Cairo. Each of these programs was funded with proceeds from the sale of Coca-Cola products.

A CONTINUED PARTNERSHIP with the community

Having operated internationally for nearly a century, the Coca-Cola business has deep roots in local communities around the world. We cannot expect to maintain a sustainable business if we do not contribute to the sustainability and well-being of these communities. We are committed to maintaining an open and constructive dialogue with people in our communities, understanding their needs and aspirations, and investing our time, expertise and resources in collaborative initiatives that respond in a meaningful way to community needs and priorities.

Funding

Funding for community investments by the Coca-Cola system comes from a variety of sources:

- contributions by The Coca-Cola Company in countries around the world;
- grants from The Coca-Cola Foundation, our global foundation;
- grants from one of the 18 other Coca-Cola foundations around the world;
- contributions by our bottling partners around the world; and
- Company matching gifts from employee contributions.

In 2004, The Coca-Cola Company contributed more than \$46.7 million in cash to community programs and initiatives worldwide. The Coca-Cola Foundation or “the Foundation” also made contributions worth approximately \$20.5 million in 2004. In addition, the Company made a donation to The Coca-Cola Foundation of approximately \$75 million to be used over

multiple years for projects and initiatives around the world.

Types of Contributions

Our system’s contributions take the form of cash, product donations, the use of resources such as trucks and advertising space, employee volunteer activities, and the time and expertise of system staff at all levels.

Some charitable donations are in response to specific requests to sponsor local community causes and events. Others represent strategic community investments targeted at helping to address critical issues facing a community. We also undertake commercial initiatives designed to benefit both our brands and a community cause or partner organization.

Our bottling partners around the world have their own community programs and partner with the Company on joint projects. We are endeavoring, along with our bottling partners,

Local and Regional Foundations

UNITED STATES

The Camp Coca-Cola Foundation
Atlanta, Georgia

The Coca-Cola Scholars Foundation
Atlanta, Georgia

LATIN AMERICA

Fundación Inca Kola
Lima, Peru

The Coca-Cola Chile Foundation
Santiago, Chile

The Coca-Cola Foundation in Mexico
Mexico City, Mexico

The Coca-Cola Foundation of Bolivia
La Paz, Bolivia

The Coca-Cola Foundation of Ecuador
Quito, Ecuador

The Coca-Cola Institute for Education
Rio de Janeiro, Brazil

AFRICA

The Coca-Cola Africa Foundation
Manzini, Swaziland

ASIA

The Coca-Cola Australia Foundation
Sydney, Australia

The Coca-Cola Environmental
Education Foundation
Tokyo, Japan

The Coca-Cola Foundation Indonesia
Jakarta, Indonesia

The Coca-Cola Foundation
Philippines, Inc.
Manila, Philippines

The Coca-Cola Foundation Thailand
Bangkok, Thailand

The Coca-Cola Korea Youth Foundation
Seoul, Korea

EUROPE

The Coca-Cola Spain Foundation
Madrid, Spain

The Coca-Cola Youth Foundation
London, Great Britain

SAS & Coca-Cola Environmental
Foundation
Oslo, Norway

to measure and monitor our combined community contributions.

The Coca-Cola Foundation

The Coca-Cola Foundation is our Company's primary international philanthropic arm.

Based in Atlanta, the Foundation was established in the United States as a registered 501(c)(3) charitable organization in 1984.

The mission of The Coca-Cola Foundation is to improve the quality of life in communities and to enhance individual opportunity through education. To accomplish this, the Foundation supports programs that provide youth with the educational opportunities and support systems they need to become knowledgeable and productive citizens. The Foundation's programs fall within two primary areas: higher education and classroom teaching and learning. Over the past 10 years, the Foundation has contributed more than \$134 million in grants and scholarships to support education.

Local Foundations

In addition to The Coca-Cola Foundation, a number of regional or national foundations have been established, sometimes with our local bottling partners.

These foundations are funded through varying combinations of endowments by local Company offices and local Coca-Cola bottlers and, in some cases, grants from The Coca-Cola Foundation.

There are currently 18 such local and regional foundations around the world (see above). Some of these foundations have broad missions, while others target specific areas of need, such as at-risk youth in Great Britain or environmental education in Japan.

Addressing Local Needs

The Company and our bottling partners contribute to a wide range of community causes in countries around the world. In keeping with the local nature of our business and the differing needs of individual communities, our approach is primarily a local one, with community investment priorities determined on a market-by-market basis.

Our system invests in community programs targeting local needs in the following areas:

- education and youth development;
- grassroots sports development;
- health;
- environmental preservation;
- cultural heritage and the arts;
- aid to the disadvantaged;
- emergency assistance; and
- microenterprise development.

Cash contributions from the Company and our foundations in 2004 were as follows:

OPERATING GROUPS	COMPANY* AND FOUNDATION CONTRIBUTIONS
Africa	\$ 4.9 million
Asia	\$ 5.2 million
Europe, Eurasia & Middle East	\$ 2.9 million
Latin America	\$ 5.0 million
North America	\$ 49.2 million

** In addition, the Company also made a donation to The Coca-Cola Foundation of approximately \$75 million to be used over multiple years for projects and initiatives around the world.*

Our system invests heavily in education worldwide. Programs are tailored to meet specific educational needs, including:

- providing scholarships for students from rural areas in China;
- upgrading village classroom facilities in Tunisia and building schools in Ghana and Kenya;
- bringing information technology-based learning to students or communities in Australia, China, Indonesia, Jordan, Malaysia, the Philippines, Thailand and Vietnam; and
- providing high school courses in career skills and business ethics in Romania and encouraging girls' education in Turkey.

Partnership for Sustainability

Our system works in close partnership with local communities, national and local governments, multilateral institutions, and local and international NGOs and expert groups to correctly identify community needs and to formulate appropriate, locally relevant responses. These partnerships are an invaluable and essential part of finding solutions to sustainability issues.



CHALLENGE: Tsunami Relief

Within hours of the devastating Indian Ocean tsunami on December 26, 2004, our system's assistance manifested in many forms across effected areas in Indonesia, Sri Lanka, Thailand, the Maldives and India. Aid included \$10 million in cash from the Company; more than 1.2 million bottles of clean drinking water, along with food, medicine, clothing and tents; trucks mobilized for distribution of needed supplies; hundreds of hours of volunteer time; and support for long-term water and socioeconomic rehabilitation programs.

Company and employee donations were matched by international aid agency partners. Total contributions by the system reached nearly \$20 million.

2005 AND BEYOND: *the next steps toward sustainability*

In this report, we have outlined our commitment to achieving sustainable growth for our business and contributing to the sustainable development of the communities where we operate. We have also reported on our performance and progress to date.

We acknowledge that we are still at the beginning of our journey. As the issues evolve and our stakeholder engagement deepens, we will continue to move forward. Yet our destination will remain the same: to be a responsible global citizen that makes a meaningful difference in the world.

Our future priorities include the following:

Reporting: Evolve reporting in accordance with internationally recognized standards such as the Global Reporting Initiative (GRI).

Citizenship@Coca-Cola: Continue global rollout of commitments and standards and integrate into business planning.

Global Water Initiative: Complete water use profiles for all operating groups; continue to improve plant water efficiency and further develop community and watershed partnerships.

Health and Wellness: Further broaden our beverage portfolio with the guidance of our *Beverage Institute for Health and Wellness*; expand support for physical activity and nutrition education programs; and continue our engagement with all interested stakeholders to ensure responsible business practices.

HIV/AIDS: Develop a global approach to HIV/AIDS and continue to develop community programs in Africa.

Stakeholder Engagement: Continue to strengthen dialogue with global stakeholders and conduct further stakeholder forums on issues of shared concern.

Ethics: Establish new EthicsLine Web site and toll-free phone number for ethics-related questions and concerns and extend compliance training.

Marketplace: Extend training and auditing of suppliers based on our *Supplier Guiding Principles* on a regular cycle.

Workplace: Codify *Global Human Rights Policy* and develop implementation and monitoring processes; expand independent assessment of workplace practices; and increase data collection on occupational health and safety.

Environment: Commercialize climate-friendly cooling equipment with industry partners; continue to develop global sustainable packaging strategy; improve data gathering on environmental impacts of our value chain; and continue to improve performance on water, energy and emissions, solid waste, and consumer recycling of our packaging.

Community: Complete inventory and assessment of global systemwide community programs and spending.

Forward-Looking Statements

This report contains statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from The Coca-Cola Company's historical experience and our present expectations or projections. These risks include, but are not limited to, changes in economic and political conditions, including civil unrest and product boycotts; changes in the nonalcoholic beverages business environment, including actions of competitors and changes in consumer preferences, including changes based on health and nutrition considerations and obesity concerns; foreign currency and interest rate fluctuations and other capital and financial market conditions; adoption of mandatory deposit, recycling, eco-tax and/or product stewardship laws or regulations; adoption of significant additional labeling or warning requirements; changes in commercial or market practices and business models within the European Union; litigation uncertainties; adverse weather conditions; the effectiveness of our advertising and marketing programs; fluctuations in the cost and availability of raw materials or necessary services; our ability to avoid production output disruptions; our ability to effectively align ourselves with our bottling system; regulatory and legal changes; our ability to penetrate developing and emerging markets; the availability and quality of water; our ability to achieve earnings forecasts; and other risks discussed in our Company's filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Coca-Cola Company undertakes no obligation to publicly update or revise any forward-looking statements.

OUR VALUES

Leadership

Passion

Integrity

Accountability

Collaboration

Innovation

Quality

For more information about The Coca-Cola Company, our beliefs and policies, and additional stories about our operations in more than 200 countries, or to provide your feedback, please visit us at

www.coca-cola.com



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